

Analyzing the Financial Ecosystem of Micro Enterprises: A Comparative Study between Malaysia, France, and Algeria

Received: 25/04/2024

Accepted: 22/06/2024

Manal Merabti*, The High School Of Commerce, Algeria.
Research laboratory of Economic Reforms, Development, and
Economic Integration Strategy.
Email: etd_mmerabti@esc-alger.dz.

Ouardia Laoudj, professor of commerce, The School of Higher
Commercial Studies. Algeria,
Email: ourdialaoudj701@gmail.com .

Abstract:

This study conducts a detailed comparison of the financial ecosystems supporting micro enterprises in Malaysia, France, and Algeria, examining how different economic, regulatory, and cultural contexts influence financial access. It identifies key challenges for micro enterprises such as strict lending criteria, poor financial literacy, and complex regulations. The research also showcases innovative financial approaches like FinTech integration, Islamic financing, and government-backed initiatives, which improve financial inclusivity. Despite the unique challenges and strengths in each country, common difficulties exist across these environments. The study aims to guide policymakers and financial institutions by proposing targeted strategies to enhance support for micro enterprises worldwide, thereby encouraging economic and entrepreneurial growth. This comparative analysis emphasizes the need for customized financial and regulatory frameworks and promotes the sharing and adapting of best practices internationally.

Keywords: financial ecosystem, micro enterprises, entrepreneurship.
Jel Classification Codes: M310

* Author correspondents

1. INTRODUCTION

Micro enterprises significantly influence both global and local economies by driving job creation and promoting economic diversification. This study investigates the financial ecosystems that support these vital entities within the diverse settings of Malaysia, France, and Algeria. Each country presents distinct economic characteristics and challenges, offering a rich context for examining how different financial frameworks support or hinder the growth of micro enterprises.

The concept of the financial ecosystem includes all financial services and products, as well as the regulatory frameworks that guide their operations. Such ecosystems are crucial for providing the support needed by micro enterprises to succeed in varied economic conditions. Our research aims to dissect these systems, shedding light on the impact of economic, regulatory, and cultural environments on financial accessibility for micro enterprises.

The choice of Malaysia, France, and Algeria as focal points for this comparative study is due to their varied economic and regulatory landscapes, which typify a broad spectrum of micro enterprise challenges and opportunities. Malaysia is recognized for its progressive blending of traditional financial mechanisms with fintech innovations, France for its structured financial support systems, and Algeria for its evolving regulatory frameworks that are becoming more supportive of small business growth.

This investigation builds upon existing research by exploring recent developments and trends within the financial ecosystems of the chosen countries. Earlier studies have emphasized the essential role of governmental backing and the transformative impact of technology in microfinance. By comparing these dynamics in Malaysia, France, and Algeria, this study identifies common

obstacles and innovative practices that could inform global policy makers and financial institutions aiming to enhance support for micro enterprises.

The study examines the economic traits of Malaysia, France, and Algeria, such as GDP makeup, the prevalence of micro enterprises, and specific financial policies, to understand the broader economic context in which these businesses operate.

As a matter of fact, this research conducts a qualitative study through a benchmarking method. This benchmarking comparative approach not only highlights effective practices but also suggests ways in which nations can learn from each other to forge a more robust and inclusive financial ecosystem for micro enterprises.

To carry out this research, the study has relied on the quantified results of several forums, seminars, studies as well as, medium and long term, reports established, by several less advanced countries, in financial ecosystem.

This research goal is to provide answers to the following main questions:

- How do differing economic, regulatory, and cultural environments in Malaysia, France, and Algeria influence financial accessibility for micro enterprises?
- What are the common financial challenges faced by micro enterprises across these diverse environments?
- What innovative financial practices and policies in Malaysia, France, and Algeria could inform global strategies to enhance support for micro enterprises?
- How effective are the regulatory frameworks in each country in supporting the financial needs of micro enterprises?

This study is organized around two main axes, namely:

- The first line of research is based on documentary research through a rich review of the literature which serves to define the fundamental principles of tourism marketing in general and marketing strategy in particular;
- The second research axis aims to analyze the examines the economic traits of Malaysia, France, and Algeria, the prevalence of micro enterprises, and specific financial policies, to understand the broader economic context in which these businesses operate, which have contributed to the tourism development of these two countries, likely to be applied in Algeria with the aim of providing some feasible solutions.

2. Literature Review

2.1 Financial Ecosystems in Malaysia

Malaysia's financial landscape for micro-enterprises is supported by strong government backing, progressive regulations, and a mix of traditional and fintech financial solutions. As the country refines its economic and regulatory strategies, the role of technology in finance is becoming crucial for the advancement of micro-enterprises. This study will assess the impact of these financial services on micro-enterprises and the effectiveness of the regulations at the grassroots level.

2.1.1. Overview of Malaysia's Economic Environment

The Malaysian economy (where SMEs are the backbone of the Malaysian economy, accounting for about 97% of total businesses in Malaysia), heavily reliant on micro-enterprises, the reason why the Malaysia's economic strategy has prominently featured SMEs and micro enterprises as central to its development goals.

In 2022, Malaysia showcased robust entrepreneurial tendencies, registering a Total Early-stage Entrepreneurial Activity (TEA) rate of 7.7%, higher than both the Southeast Asian and developing nations' averages of 6.2% and 5.7% respectively. Additionally, the entrepreneurial intention rate in Malaysia reached 43%, outstripping the 37% in Southeast Asia and 33% in developing countries. The country's entrepreneurial activity rate also excelled at 12.7%, surpassing Southeast Asia's 10.6% and the 9.7% seen in developing nations (*Entrepreneurship in Malaysia: Detailed Overview*, n.d.).

This strong entrepreneurial environment in Malaysia is bolstered by governmental support, simplified administrative processes, and a nurturing ecosystem. The government has recognized these entities as crucial drivers of employment and innovation, especially in rural and semi-urban areas where the Government makes interventions and policies in offering support through various financial inclusion strategies to sustain these enterprises.

Malaysia's commitment to integrating these businesses into the national and global economy is evident from its inclusion in the Eleventh Malaysia Plan and the SME Masterplan which aim to elevate SME contributions to 41% of GDP by 2020 (Aziz, Hussein, & Rahman, 2022). Financial technologies, or FinTech, have also played a significant role in this ecosystem by enabling enhanced financial services and improved risk management, particularly for SMEs. The integration of Big Data within FinTech has further streamlined processes and facilitated better credit evaluations and financial service quality (Habsah Mohamad Sabli, 2020; Xiaochen Liu, 2023). These plans focus not only on financial support but also on enhancing the technological capacity and market access for SMEs, which are essential for micro enterprises to thrive in a competitive environment.

2.1.2. Regulatory Frameworks Impacting Micro Enterprises

Regulatory frameworks in Malaysia are designed to support micro-enterprises through simplified processes and financial incentives. The policies are aimed not just at providing financial aid but also at ensuring that micro-enterprises can thrive in a competitive economic landscape, also create a supportive environment for micro enterprises.

This includes simplified tax regimes and streamlines processes for business registration and compliance, also the use of technology to create a more robust financial infrastructure that can better serve the needs of these small businesses, leveraging tools like the Analytic Hierarchy Process (AHP) to assess and enhance their financial ecosystems systematically (Habsah Mohamad Sabli, 2020; Jieping Cai & Aijia Wang, 2022) where the Government agencies like Bank Negara Malaysia and SME Corp are crucial in deploying these frameworks.

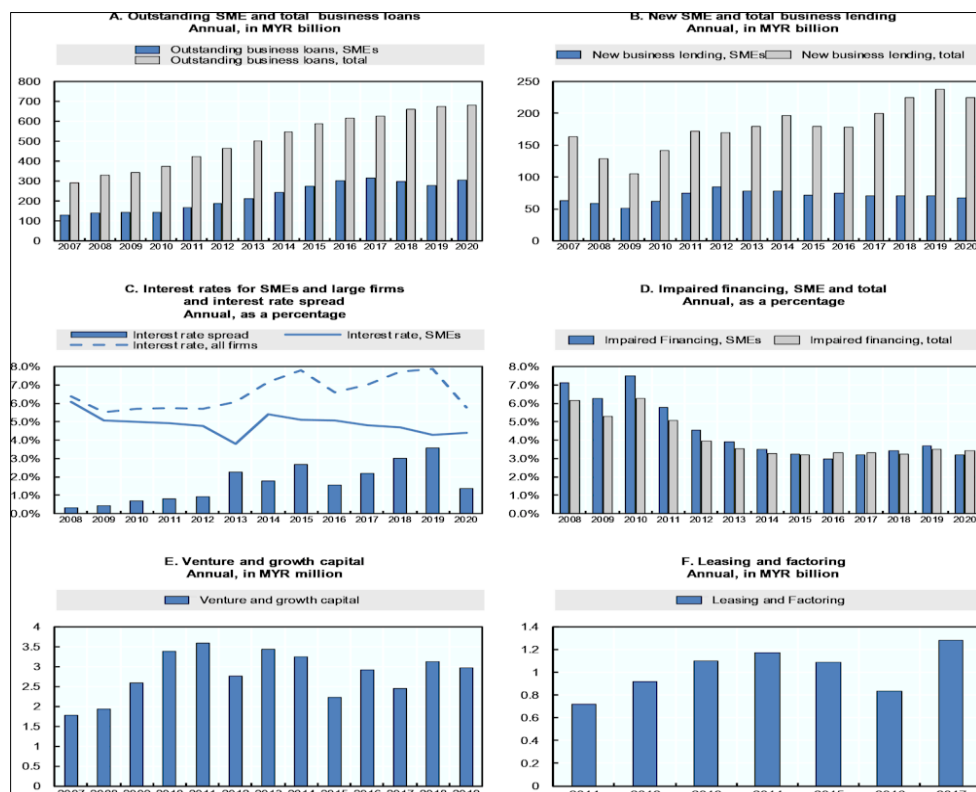
The Companies Commission of Malaysia (SSM) has initiatives like the Micro and Small Business framework which provides a conducive legal and regulatory environment. Additionally, specific guidelines introduced to foster e-commerce among micro enterprises highlight the government's proactive approach to integrating these businesses into the digital economy (Malaysia, 2022). However, micro enterprises still face challenges such as navigating the complex web of regulations and accessing the benefits designed for them, which suggests a need for more tailored regulatory adjustments.

2.1.3. Key Financial Services and Products Available to Micro Enterprises

In Malaysia, micro-enterprises have access to a diverse mix of financial products and services crucial for their growth, including

micro-loans, Islamic financing, and government-backed grants tailored to small businesses' needs. Traditional bank loans, alongside FinTech innovations like micro-takaful and micro-saving accounts, enhance credit accessibility and risk management, supporting both immediate and long-term stability and growth within the industrial chain (Mohamad Sabli, Binti Ngah, & Sebli Joney, 2020). Additionally, FinTech provides transformative tools such as digital payment systems, peer-to-peer lending, and crowdfunding, designed to lower transaction costs and reduce finance barriers (Development of Financial Ecosystem of Industrial Chain Supported by Fintech in Big Data Environment, 2023). It also facilitates financial inclusion, allowing micro-enterprises to bypass stringent traditional banking requirements. Initiatives like the Digital Free Trade Zone leverage Malaysia's strategic location to enhance these enterprises' access to cross-border trade and digital platforms (Cai & Wang, 2022a; Cai & Wang, 2022b).

Figure n°1: Trends in SME and micro enterprises' finance in Malaysia



Source: Malaysia | Financing SMEs and Entrepreneurs 2022: An OECD Scoreboard | OECD iLibrary (<https://www.oecd-ilibrary.org/sites/3bc2915c-en/index.html?itemId=/content/component/3bc2915c-en#chapter-d1e180337>)

In Malaysia, financial policies enhance micro-enterprises' access to resources through simplified loan processes and lower interest rates, with specific initiatives aimed at underserved groups (Habsah Mohamad Sabli, 2020). Despite these measures, challenges like stringent lending criteria and inadequate financial literacy persist (Cai & Wang, 2022). Meanwhile, technological advancements, especially in FinTech, are streamlining services like

credit scoring and fostering an innovative financial ecosystem (Xiaochen Liu, 2023). Notably, around 42% of SMEs have access to credit, which is higher than the average in other surveyed economies, supporting business growth and economic expansion (Entrepreneurship in Malaysia: Detailed Overview, n.d.).

2.2 Financial Ecosystems in the France

In France, (Lasch et al., n.d., 2023) in the national report 2023/2024 mentioned that the entrepreneurship situation, measured by the NECI score, remained stable between 2022 (5.06/10) and 2023 (4.95/10), while conditions deteriorated in other areas. country. This stability has allowed France to improve its position among the richest countries, moving from 18th to 12th place according to the GEM France 2023 national report. Compared to the G7 countries, France stands out by placing itself at the above the average of 4.69/10 and takes first position, ahead of Canada (4.84/10) and the United States (4.78/10).

The financial ecosystems of micro-enterprises in France are shaped by various factors including legislative frameworks, economic conditions, and the distinct roles these businesses play in the economy. French legislation facilitates support for these enterprises through credit options, while economic fluctuations influence their financial strategies and structures. Additionally, the broader economic environment and specific financial products and services create a regulatory and supportive framework, ensuring access to capital and guiding sustainable economic development.

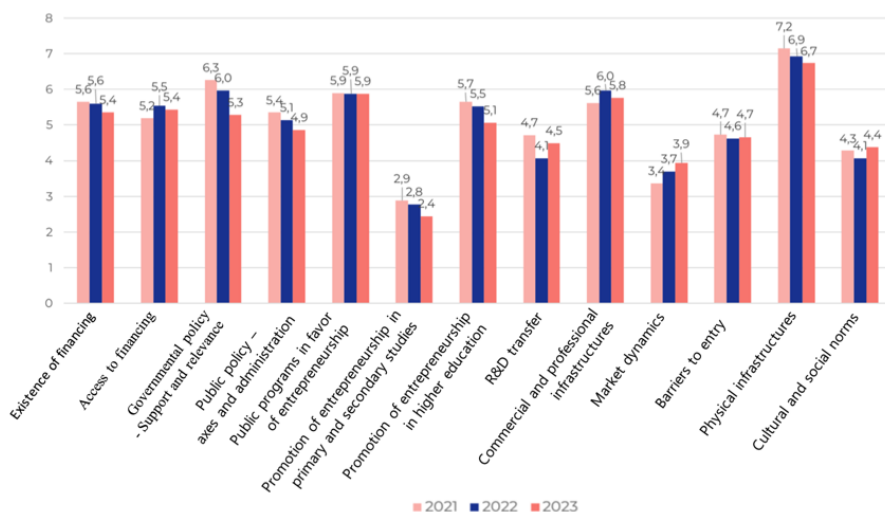
2.2.1 Overview of the France's economic environment.

France's micro enterprises operate in a diverse economic environment characterized by advanced industrial sectors and a robust service economy. These entities are often referred to as the

backbone of the French economy due to their significant contributions to employment and innovation. According to (Komissarova, 2020), micro-businesses in France play a distinct role in the national economy and benefit from a system of state support that recognizes their importance.

The following graph shows the Entrepreneurial Context in France and its Evolution of the Indicators, where it is mentioned that all these indicators are differentiated from the year 2021 to the year of 2023 and that means in the future all these indicators will also be different from the year of 2023, the thing here is that every year these indicators would influence and shape the Entrepreneurial Context in France.

Figure n°2: France Evolution of the Indicators of the Entrepreneurial Context (2021-2023)



Source: statistics used from the website of the national report of 2023/2024 from www.leterrain.fr

The economic environment of France provides a complex landscape for micro enterprises. (Aktas, Bellettre, and Cousin, 2011) discuss the critical decision-making processes regarding the capital structure in French very small businesses, highlighting the inherent challenges in balancing financial leverage and ownership control within a fluctuating economy.

These decisions are notably influenced by the broader economic policies and the overall health of the French economy, which sets the stage for business operations and growth opportunities. According to the previous informations French state has implemented various policies that reflect the changing dynamics of the global economy, such as facilitating access to new technologies and supporting regional development, which are crucial for micro enterprises' resilience and growth.

2.2.2 Government and private sector roles in supporting micro enterprises.

The regulatory environment for micro enterprises in France has evolved to offer more structured and supportive frameworks that encourage entrepreneurship and economic stability. (Masiak et al., 2019) discusses how micro firms differ from larger SMEs in their financing patterns, highlighting the impact of regulatory frameworks on their financial behaviors and decisions. These regulations, while meant to protect and promote small businesses, can also impose administrative burdens that may influence their financial and operational strategies. (Van Hoang et al., 2018) examine the impact of economic crises on the capital structure of French micro enterprises, suggesting that regulatory responses to crises are vital in supporting these businesses through economic turbulence.

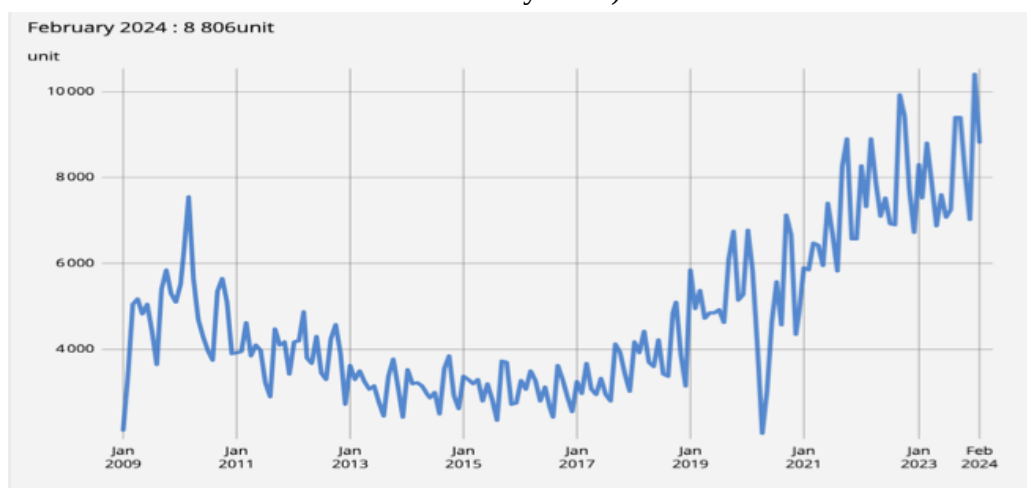
Regulatory frameworks in France have a profound impact on the functionality and development of micro enterprises. The research by (Attuel-Mendes et al., 2008) underscores the significance of French legislation in fostering credit availability for

microenterprises, enabling these small entities to navigate through the financial landscape with greater support from formal financial institutions. This is reinforced by (Oseni, Hassan, & Matri, 2013) who explored alternative financing models like Islamic finance for SMEs, suggesting a diversification of financial frameworks that cater to various business needs and ethical considerations.

2.2.3 Financial innovations and challenges in the France context.

The French financial ecosystem offers a range of services and products tailored for micro enterprises. Looking in the following graph which is showing how much it is a huge and important role of micro enterprises in shaping the global French ecosystem which it leads to focus on how France could always ameliorate its financial strategies for this category of SME's.

Figure n°3: Number of enterprises births - Micro-entrepreneurs - Other service activities - France - Monthly raw data (2009 to February 2024)



Source: statistics used from The National Institute of Statistics and Economic Studies. <https://www.insee.fr/fr/accueil>

Bach, in his research, focuses on the availability and impact of financial aid for small businesses, showing that targeted credit programs are essential in providing these businesses with the necessary capital to sustain and grow (Bach, 2014). (Benkraiem & Miloudi, 2012) further elaborate on the access to bank financing for ICT small businesses, highlighting the role of digital technologies in improving their financial access and service delivery. Furthermore, the rise of crowdfunding, as investigated by (Sannajust, Roux, & Chaibi, 2014) presents an innovative financing avenue, marking a significant shift in how micro enterprises can source funds outside of traditional banking systems.

The French financial system provides various services and products to micro enterprises, many of which are tailored to their unique needs. (Bygrave, 2003) emphasizes the importance of financial ecosystems that support entrepreneurs, noting that access to capital is a critical determinant of business success. Financial products ranging from traditional loans to more innovative instruments like equity financing are pivotal in ensuring that micro enterprises can invest, grow, and compete effectively.

Additionally, crowdfunding has emerged as a notable financial service that has revolutionized funding options for micro enterprises in France. (Sannajust et al., 2014) document this 'new revolution,' which has allowed entrepreneurs to leverage their social networks and the collective power of the crowd to fund their initiatives. This form of financing has not only provided capital but also market validation and community engagement, which are valuable to micro enterprises.

Vial and Richomme-Huet address the unique financial challenges faced by women entrepreneurs in France, indicating that financial ecosystems must consider gender perspectives to be truly inclusive (Vial and Richomme-Huet, 2017). Specialized financial

products and services that cater to the needs of women entrepreneurs can enhance the financial landscape's diversity and inclusivity. The financial environment for micro enterprises in France is shaped by various elements such as national economic policies, legislative structures, and a range of financial services and products. This ecosystem is continually adapting to meet the specific needs of micro enterprises, thereby enhancing the country's strong economic framework.

2.3 Financial Ecosystems in Algeria

2.3.1 Overview of Algeria's economic environment.

Algeria's economic environment, particularly focusing on micro and small enterprises (SMEs), has undergone extensive scrutiny due to its pivotal role in generating jobs and propelling economic progress. Fahsi and Chibi (2019) investigated the interplay between the financial sector's evolution and economic growth in Algeria, highlighting the fundamental importance of strong financial mechanisms as drivers of economic stability and growth. Their research, which utilized a bound testing approach over the period from 1980 to 2017, underscores how robust financial systems support SMEs by improving the broader economic conditions. Moreover, Messahel (2023) examines the hurdles in fostering social entrepreneurship within this context, pointing out systemic obstacles that hinder the operation and growth of micro enterprises. These obstacles encompass bureaucratic red tape, restricted market access, and the broader economic instability that characterizes the region.

2.3.2 Impact of regulatory policies on micro enterprises.

The regulatory frameworks in Algeria significantly influence the functionality and expansion of micro enterprises. (Drif, 2024) emphasizes the growing use of alternative financial instruments like leasing, which have gained traction with regulatory encouragement

as a strategy to support SMEs in times of economic turbulence. This suggests a movement towards more adaptable policies aimed at enhancing SME resilience. Conversely, (Dris, Benmouiza, and Bennour, 2022) discuss the persistent challenges that many SMEs encounter due to rigid regulations and the complexities of adherence. They highlight how these stringent regulatory conditions can hinder innovation and limit the operational effectiveness of micro enterprises, advocating for regulatory reforms that are more streamlined and supportive to improve the business environment and promote the growth of these enterprises.

2.3.3 Availability and access to microfinance and other financial services.

The financial services and products available to micro enterprises in Algeria are essential for their survival and expansion. A presented a report on the achievements in the sector of financing microenterprises detailed that 16,327 micro-enterprises have been funded, creating 38,243 jobs across various sectors. The industrial sector topped the funding list with 4,704 projects (28.81%), followed by services with 2,726 projects (16.70%), and agriculture with 2,469 projects (15.12%). Additionally, 2,210 freelance professional projects and 1,853 construction and public works projects were financed. (ANADE: Plus, de 16.000 Micro-Entreprises Financées Depuis Début 2020, n.d.).

Madouche, Si Lekhal, and Bia address relational financing as a strategic solution to the prevalent issue of credit rationing among SMEs (Madouche, Si Lekhal, and Bia, 2018). Their discussion highlights how personal relationships and network-based financing can serve as viable alternatives when traditional banking channels are inadequate for the needs of micro enterprises. Furthermore, (Maiza, Habbache, and Bensedira, 2021) provide a thorough examination of various financial products specifically designed for SMEs, including microcredit and specialized banking services. These products are crafted to alleviate the financial constraints faced

by these businesses, thereby supporting their growth and operational capabilities. Additionally, (Mohand, 2021) investigates the reliance on internal financing by Algerian industrial SMEs, revealing the consequences of limited external financing options. His research emphasizes the necessity for stronger external support mechanisms to reduce dependency on internal funds, which can stifle innovation and restrict growth in the sector.

In Algeria, the financial sector is evolving rapidly, yet it remains predominantly state controlled. While the consumer credit market is growing, financing options for very small ventures are still lacking. In response, the Algerian government has initiated a range of legal, financial, and technical reforms and provided incentives for startups, including tax exemptions. Notably, the government has established the Algerian Startup Fund, described by the minister as "one of the largest state-backed funds ever created in Africa." Several mechanisms have been set up to support the development of Small and Medium-sized Enterprises (SMEs), including micro enterprises:

- **National Entrepreneurship Support and Development Agency (NESDA):** This was the initial mechanism established to support entrepreneurship, offering financial support to young entrepreneurs.
- **National Unemployment Insurance Fund (CNAC):** CNAC provides financial assistance to entrepreneurs. In its official website CNAC It is mentioned that from 2004 until the end of 2021, more than 160,000 projects were funded by the National Unemployment Insurance Fund within the framework of financing and creating micro-enterprises that provided 340,500 jobs when the activity began
- **National Agency for Micro-Credit Management (ANGEM):** ANGEM offers micro-credits to entrepreneurs, particularly in the informal sector.

Figure n°4: statistics about Loans granted by the ANGEM financial institution.

CUMULATIVE BALANCE SHEET OF FINANCIAL SERVICES
ENDED MARCH 31th 2023

1. Distribution of loans granted by type of financing :		
Type of financing	Number of loans	Share by programme
Purchase of raw material financing	836 996	91.46%
Triangular financing « ANGEM-Bank-beneficiary »	78 055	8.54%
Total	915 051	100.00%

2. Distribution of loans granted by Gender :		
Gender	Number	Share(%)
Women	578 711	63.25%
Men	336 340	36.75%
Total	915 051	100.00%

3. Distribution of loans granted by business sector :		
Business sector	Number of loansgranted	Share (%)
Agriculture	123 715	13.52%
Small industry	361 171	39.47%
BPW	81 531	8.91%
Services	180 997	19.78%
Crafts	161 140	17.61%
Trade	5 582	0.61%
Fishing	915	0.10%
Total	915 051	100.00%

4. Distribution of loans granted by age		
Age	Number	Share(%)
18 - 29 years old	325 392	35.56%
30 - 39 years old	285 862	31.24%
40 - 49 years old	170 199	18.60%
50 - 59 years old	95 989	10.49%
60 and more	37 609	4.11%
Total	915 051	100.00%

5. Distribution of loans granted by educational level		
Educational level	Number	Share(%)
With no level	139 362	15.23%
Literate	13 543	1.48%
Elementary school	135 153	14.77%
Middle shcool	447 983	50.05%
Secondary school	131 950	14.42%
University	37 060	4.05%
Total	915 051	100.00%

6. Balance sheet of financing specific categories :			
Categories	Gender / Number		
	Women	Men	Total
Disabled	628	1 102	1 730
Ex-detainees	69	1 919	1 988
Victims of the national tragedy	175	229	404
Candidates for illegal emigration	9	86	95
People with HIV/ AIDS	63	4	67
Total	944	3 340	4 284

Source: Loans granted. (s. d.). Consulted 23/4/2024,
<https://www.angem.dz/en/article/prets-octroyes/>

- **Algerian Credit Guarantee Fund:** This fund provides credit guarantees for SMEs to facilitate easier access to loans.
- **Seed Capital Fund:** Assists in financing the development of product prototypes, including business plans, research, and development.
- **National SME Support Funds:** These funds provide financial assistance for SME development and sustainability, including quality improvement, innovation, and skills development of SME managers.

The strategy for funding micro-businesses has matured, with current educational initiatives aimed at fostering entrepreneurship

starting at universities, enabling students to establish their own businesses. NESDA, for instance, funds student micro-businesses that undergo a structured process. For broader support, ANGAM offers training and financing.

These initiatives, coupled with emerging trends in green financing, present opportunities for enhancing ME green finance in Algeria. However, persistent difficulties in enterprise creation indicate a need for reforming public policies to make them more effective.

3. Comparative benchmarking

To better understand the strategic approach inherent to the Algerian case, we will carry out a benchmark study on the Malaysian and French experience in terms access to finance, impact of regulatory environments.

We have established below a comparative table metrics to better visualize the current situation of Algeria, Malaysian and France, in terms of micro-enterprises financial ecosystem. Then Discussion of similarities and differences in the financial ecosystems. And go through the Insights into the cultural and economic factors influencing these ecosystems.

Table n °1: the main factors of the Malaysian and French experience in terms access to finance, impact of regulatory environments.

Countries Comparative terms	Malaysia	France	Algeria
Access to finance	- Micro-loans - Islamic financing - government-backed grants - Traditional bank loans. - FinTech (technological finance) such as: digital payment systems, peer-to-peer lending, and crowdfunding.	- traditional loans - bank financing - crowdfunding - equity financing	- traditional banking channels - microcredit and specialized banking services
Impact of regulatory environments (how the government has invested money in various projects emphasized micro entrepreneurship as a key driver of economic growth).	- Blueprint for the National Entrepreneurship Ecosystem (NEEB) - Blueprint for the National Innovation and Creative Economy (NICE) - The National Entrepreneurship Policy - SME Master Plan - MyBusiness.gov.my Portal - Technology Park Malaysia - MaGIC, the Malaysian Global Innovation and Creativity Center	France's government investment plan 2030(€54 billion) Deep Tech. Green Tech: Health Tech.	- National Entrepreneurship Support and Development Agency (NESDA) - National Unemployment Insurance Fund (CNAC) - National Agency for Micro-Credit Management (ANGEM) - Algerian Credit Guarantee Fund - Seed Capital Fund - National SME Support Funds

Source: Author's realisation

Based on the table you've uploaded, which compares Malaysia, France, and Algeria in terms of access to finance and the impact of regulatory environments on microenterprise support, here is a synthesis of findings across the three countries:

1. Access to Finance:

- All three countries provide a combination of traditional and innovative financing options for microenterprises.
- Malaysia offers micro-loans, Islamic financing, government-backed grants, FinTech options (digital payment systems, peer-to-peer lending), and crowdfunding.
- France relies on traditional bank loans, bank financing, crowdfunding, and equity financing.
- Algeria provides traditional banking channels, microcredit, and specialized banking services.

2. Impact of Regulatory Environments:

- Malaysia focuses on creating an ecosystem that nurtures entrepreneurship through various government-backed initiatives such as the Blueprint for the National Entrepreneurship Ecosystem (NEE), the National Innovation and Creative Economy (NICE) outline, and the SME Masterplan. They also have technology parks and innovation centers to support growth.
- France has invested significantly in technology and innovation through a €35 billion investment plan (2030 Tech), with special attention to green technology and health tech.
- Algeria has established national bodies to support entrepreneurship, such as the National Entrepreneurship Development and Support Agency (NESDA) and the National Unemployment Insurance Fund (CNAC). There are also credit guarantee funds and SME support funds to facilitate access to finance.

4. CONCLUSION

This study provides a detailed comparative analysis of the financial ecosystems supporting microenterprises in Malaysia, France, and Algeria. Key findings reveal a diverse range of financial services and regulatory frameworks across the three nations, each tailored to their specific economic and cultural contexts. Malaysia stands out for its integration of FinTech and government-backed initiatives, which have significantly propelled microenterprise development. France demonstrates strength in innovative financing methods, such as crowdfunding and equity financing, supported by a strong legislative framework. Algeria, while still developing its microfinance landscape, shows promise through government reforms and support mechanisms aimed at enhancing SME resilience.

The study highlights several areas for future research and potential improvements. These include exploring the impact of digital finance solutions in enhancing financial access for microenterprises, the role of regulatory reforms in fostering a more supportive environment, and the effectiveness of current financial products and services. There is also a need to investigate the socio-economic impacts of microenterprise financing on different demographic groups, particularly in regions with significant economic disparities.

Comparative studies, like this one, are crucial in economic research as they provide valuable insights into how different countries address similar challenges. They facilitate the sharing of best practices and lessons learned, which can be adapted and applied in varying contexts. Such studies also encourage collaboration and foster innovation in policymaking, ultimately contributing to the global effort of improving economic stability and growth through the support of microenterprises.

This research underscores the importance of adapting financial strategies to local needs while being informed by global practices, thereby enhancing the efficacy and reach of microenterprise financing globally.

5. Bibliography List:

“Algeria’s Startup Act: A model for other African countries?” - Wamda (2020). <https://www.wamda.com/2022/08/algerian-startup-fund-invest-411-million-local-startups>

Accueil—Insee—Institut national de la statistique et des études économiques. (s. d.). seen 23/4/2024, via <https://www.insee.fr/fr/accueil>

Aktas, N., Bellettre, I., & Cousin, J.-G. (2011). Capital Structure Decisions of French Very Small Businesses. *Finance*, 32(1), 43-73. <https://doi.org/10.3917/fina.321.0043>

ANADE: plus de 16.000 micro-entreprises financées depuis début 2020. (s. d.). Consulted 23/4/2024, via <https://www.aps.dz/economie/142321-anade-plus-de-16-000-micro-entreprises-financees-depuis-debut-2020>

Attuel-Mendes, L., Dijon-Bourgogne, C.-G. E., Ashta, A., & Dijon-Bourgogne, C.-G. E. (s. d.). FRENCH LEGISLATION AND THE DEVELOPMENT OF CREDIT AVAILABILITY FOR MICROENTERPRISE. 2(2).

Autre. (s. d.). Consulted 23/4/2024, via https://www.cnac.dz/site_cnac_new/Web%20Pages/Ar/AR_Autre.aspx

Aziz, Z. D. A., Hussein, N., & Rahman, N. A. A. (2022). The Influence of Entrepreneurial Ecosystem on SMEs Industry in Malaysia. *Advances in Social Sciences Research Journal*, 9(10), 348–356. <https://doi.org/10.14738/ASSRJ.910.13249>

BAAZIZ, A. (2018). Towards a new paradigm of “coopetitiveness” in emerging countries : Case of the Algerian Entrepreneurial Ecosystems. *International Journal of Innovation*, 7, 67-86.
<https://doi.org/10.5585/iji.v7i1.354>

Bach, L. (2014). Are Small Businesses Worthy of Financial Aid? Evidence from a French Targeted Credit Program*. *Review of Finance*, 18(3), 877-919. <https://doi.org/10.1093/rof/rft022>

Beck, T., Demirgüç-Kunt, A., & Maksimovic, V. (2008). Financing patterns around the world: Are small firms different? *Journal of Financial Economics*, 89(3), 467–487.
<https://doi.org/10.1016/J.JFINECO.2007.10.005>

Benkraiem, R., & Miloudi, A. (2012). ICT Small Businesses Access To Bank Financing. *Journal of Applied Business Research (JABR)*, 28(1), Article 1. <https://doi.org/10.19030/jabr.v28i1.6681>

Bouazza, A. B. (2015). Small and medium enterprises as an effective sector for economic development and employment creation in Algeria. *International Journal of Economics, commerce and management*, 3(2), 1-16.

Bouazza, A. B., Ardjouman, D., & Abada, O. (2015). Establishing the factors affecting the growth of small and medium-sized enterprises in Algeria. *American International journal of Social science*, 4(2), 101-115.

Bygrave, W. D. (2003). Financing entrepreneurs and their businesses. The entrepreneurial advantage of nations: First annual global entrepreneurship symposium.
<https://citeseerx.ist.psu.edu/document?repid=rep1&type=pdf&doi=5c24c1e5f98aea3e394521f1af1496a18aa51ef7>

Cai, J., & Wang, A. (2022a). A Study on Improving the Financing Environment of Small and Micro Enterprises – Based on Taizhou Model. *Proceedings of Business and Economic Studies*, 5(1), 20–26. <https://doi.org/10.26689/PBES.V5I1.3670>

Daskalakis, N., Jarvis, R., & Schizas, E. (2013). Financing Practices and Preferences for Micro and Small Firms. *Journal of Small Business and Enterprise Development*, 20. <https://doi.org/10.2139/ssrn.1683182>

Development of Financial Ecosystem of Industrial Chain Supported by Fintech in Big Data Environment. (2023). *International Journal of Big Data Intelligent Technology*, 4(1). <https://doi.org/10.38007/IJBDIT.2023.040104>

DRIF, M. H. (s. d.). Leasing An Alternative Tool To Financing Algerian Smes In Times Of Crisis. Consulté 22 avril 2024, à l'adresse <https://www.asjp.cerist.dz/en/downArticle/211/12/23/20455>

DRIS, Y., BENMOUIZA, A., & BENNOUR, R. (2022). Sme In Algeria And business environment challenges. *Economic studies*, 16(1), 699-717.

Entrepreneurship in Malaysia : Detailed Overview. (s. d.). seen 23/4/2024, via <https://www.entrepreneursdata.com/entrepreneurship-in-malaysia-overview/>

Fahsi, Z., & Chibi, A. (2019). Financial Sector Development and Economic Growth in Algeria : An ARDL Bounds Testing Approach 1980-2017. *مجلة روى اقتصادية*, 9(1), 53-64.

Frimanslund, T., Kwiatkowski, G., & Oklevik, O. (2023). The role of finance in the literature of entrepreneurial ecosystems. *European Planning Studies*, 31(2), 372–391.

<https://doi.org/10.1080/09654313.2022.2055962>

Jbili, A. & AJbili@imf.org. (1997). Financial Sector Reforms in Algeria, Morocco, and Tunisia : A Preliminary Assessment. IMF Working Papers, 97(81), 1.

<https://doi.org/10.5089/9781451955170.001>

Komissarova, Z. (2020). Micro-business in France : Specificity, role in the national economy, system of state support. *RUDN Journal of Economics*, 28, 765-777. <https://doi.org/10.22363/2313-2329-2020-28-4-765-777>

Lasch, F., Valette, J., & Messeghem, K. (n.d.). L'équipe GEM France Responsables scientifiques Responsable de l'étude APS (Adult Population Survey). Retrieved April 23, 2024, from www.leterrain.fr

Loans granted. (s. d.). Consulted

23/4/2024, <https://www.angem.dz/en/article/prets-octroyes/>

Madouche, Y., Si Lekhal, K., & Bia, C. (2018). Le financement relationnel : Une réponse au rationnement de crédit des PME algériennes. *مجلة أداء المؤسسات الجزائرية*, 7(2), 2169-2184.

MAIZA, M. A., HABBACHE, F., & BENSEDIRA, A. (2021). Access to finance for SMEs : An analysis in Algeria. *Journal of Financial, Accounting & Managerial Studies*, 8(2).

<https://www.asjp.cerist.dz/en/downArticlepdf/58/8/2/162429>

Malaysia. (2022). Financing SMEs and Entrepreneurs.

<https://doi.org/10.1787/3BC2915C-EN>

Masiak, C., Block, J., Moritz, A., Lang, F., & Kraemer-Eis, H. (2019). How do micro firms differ in their financing patterns from larger SMEs? *Venture Capital*, 21, 1-25.

<https://doi.org/10.1080/13691066.2019.1569333>

Messahel, S. (2023). Challenges for developing social entrepreneurship in Algeria. *مجلة البشائر الاقتصادية*, 9(2), 715-733.

MOHAMAD SABLI, H., BINTI NGAH, H., & SEBLI JONEY, S. K. (2020). The Interactions between Financial Inclusion with Microentrepreneurs Firm Performance in Malaysia. *UNIMAS Review of Accounting and Finance*, 4(1), 84–91.

<https://doi.org/10.33736/URAF.2785.2020>

Mohand, S. (2021). Analyzing the dependence of Algerian SMEs on internal financing and its consequences : Case study of the industrial sector. *Journal of Al Mayadine Al Iktissadia*, Vol04, 339-356.

Munaiseche, M., Saroinsong, T., Rumambi, H., Kondo, J. M., Rangrang, J., & Kumaat, A. (2022). The Concept of Digital Entrepreneurial Ecosystem for SMEs in North

Nawi, A. S., Ismail, I. bin, Zakaria, Z., Noor, J. M. M., Bin, B. A., Ahmad, S., Hazri, N. F., Salleh, W. A., Tajuddin, M. T. H. M., & Sallem, N. R. M. (2012). The roles of government funding in enhancing the competitiveness of small and medium-sized enterprise in Sabah, Malaysia. *Asian Social Science*, 8(15), 24–30. <https://doi.org/10.5539/ASS.V8N15P24>

Noordeen Mohamed Imtiyaz, M., Abdul Razak, D., Kassim, S., & Azizan Che Embi, N. (2021). MOSQUE BASED IJARA FINANCING MODEL FOR MICRO ENTERPRISES USING CASH WAQF IN SELANGOR STATE. 2756–8938.

www.wakafselangor.gov.my

Oseni, U. A., Hassan, M. K., & Matri, D. (2013). An Islamic finance model for the small and medium-sized enterprises in France. SSRN. <https://platform.almanhal.com/Files/2/85788>

Purkayastha, D., Tripathy, T., & Das, B. (2020). Understanding the ecosystem of microfinance institutions in India. *Social Enterprise Journal*, 16(3), 243–261. <https://doi.org/10.1108/SEJ-08-2019-0063/FULL/PDF>

Sannajust, A., Roux, F., & Chaibi, A. (2014). Crowdfunding in France : A new revolution? *Journal of Applied Business Research (JABR)*, 30(6), 1919-1928.

Saoud, W., & Meddahi, M. (2024). An overview on « startups » with a glimpse on the Algerian experience. *مجلة النمو الاقتصادي والمقاولة*, 7(1), 25-35.

Sedkaoui, S. (2018). An Empirical Analysis of the Algerian Entrepreneurship Ecosystem (p. 22). <https://doi.org/10.4018/978-1-5225-5837-8.ch022>

Sulawesi, Indonesia. *American Journal of Industrial and Business Management*, 12(03), 405–419. <https://doi.org/10.4236/AJIBM.2022.123023>

van Hoang, T. H., Gurău, C., Lahiani, A., & Seran, T.-L. (2018). Do crises impact capital structure? A study of French micro-enterprises. *Small Business Economics*, 50(1), 181-199. <https://doi.org/10.1007/s11187-017-9899-x>

Vial, V., & Richomme-Huet, K. (2017). Women entrepreneurs in France. *International Journal of Entrepreneurship and Small Business*, 30, 80. <https://doi.org/10.1504/IJESB.2017.081034>

Wube, M. C., & Atwal, H. (2023). Entrepreneurial Ecosystem of Micro and Small Enterprises: A Bibliometric Analysis.
<https://doi.org/10.21203/RS.3.RS-2487416/V1>

Yacine, M. (2023). Universities and private incubators performance : Key performance indicators in Algerian incubators' ecosystem.