
The role of university business incubators in supporting and accompanying entrepreneurial projects and the establishment of startups in Algeria

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Abstract:

This study aimed to identify the role played by university business incubators in accompanying entrepreneurial projects and establishing emerging institutions, as the latter plays an important role in establishing the spirit and culture of entrepreneurship and innovative ideas among students and youth and in establishing emerging institutions, by providing emerging entrepreneurs with knowledge. Skills, financing, guidance and the provision of infrastructure supporting entrepreneurship.

The study concluded that university business incubators, despite their recent inception, achieved very positive results in the field of accompanying innovative ideas and establishing emerging institutions, and in the number of projects filed to obtain a patent. Therefore, they can contribute to the advancement of entrepreneurship, especially in the university community among students, and are considered a mechanism for sending and establishing Innovative projects as well as the establishment of emerging institutions.

Keywords: university business incubators, entrepreneurship, innovative projects, emerging institutions, Algeria.

Jel Classification Codes : L26, M13, O32.

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1.Introduction:

University business incubators are an important part of this ecosystem because they combine innovation and academic education. They provide personalized support to students, alumni, and faculty seeking to transform their ideas into successful business ventures. They provide them with real-world coworking spaces, internships, and workshops. They also help guide entrepreneurs in developing their business models and provide advice on marketing, finance, and business management. The importance of supporting and accompanying emerging institutions and contracting projects has become a clear direction for authorities and countries in view of the importance of these institutions and the role they play in developing the national economy and diversifying the production base. We have witnessed the participation of many government sectors in this context, most notably the higher education sector, which also stressed that contracting is the correct and necessary direction to achieve economic growth. This support has been embodied in university business incubators that work to encourage initiatives, innovations and creative ideas, value the results of scientific research and transfer them from a mere idea to an institution based on the ground by providing all forms of support for achievement. Algeria has focused on university incubators with a technological orientation and modern technologies.

1.1. Main problem:

From this perspective, and in order to delve deeper into this vision, the main research problem that must be raised is :

What is the role of university business incubators in supporting, accompanying and incubating innovative projects and establishing emerging institutions in Algeria?

1.2. Importance of the study:

This topic is of great importance, relating to the importance of business incubators in general and university incubators in particular as a fundamental building block in all societies, capable of providing all the factors and components for success. On the other hand, the importance of contracting, especially emerging institutions, is highlighted as an economic sector that drives economic development.

1.3. Objective of the study:

This study aims to highlight the role of Algerian universities in supporting and accompanying creative projects by forming technological incubators that work to discover innovative ideas within the university environment, exploit the intellectual energies of creative students, and employ them in promoting contracting projects and establishing emerging institutions.

2 .Theoretical framework for business incubators :

2.1. What are business incubators:

Business incubators were established in 1910 AD in Batavia, New York, USA, but their idea crystallized and developed in the eighties of the last century, as these incubators are considered one of the basic tools used in promoting and creating successful contracting companies. The idea of incubators was linked to the idea of helping university and higher institute graduates establish their institutions, by arresting the results of their research from the stage of laboratory creativity to actual application on the ground (Mustafawi, Al-Tayeb,, 2022, p. 99).

2.2 .Definition of business incubators:

Definitions of this term have varied from one country to another and from one research to another, which we have summarized as follows :

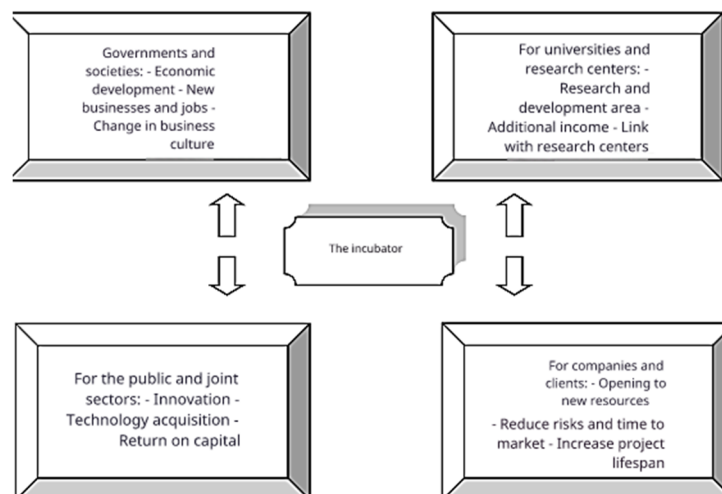
Business incubators are defined as "a governmental or private institutional structure that carries out a set of activities aimed at providing advice, advice, services, and financial, administrative, and technical assistance to business establishments and small industries, whether in the initial stages of starting the activity or during its practice, or through the growth stages that various establishments go through."

The American Walloon Association also defines National Business Incubation (NBIA) as "bodies that aim to assist emerging creative institutions and new entrepreneurs, and provide them with the necessary means and support, expertise, places, and financial support to overcome the burdens and stages of launch and establishment. It also markets the products of these institutions." (Murabit, Abdul Jalil, 2023, p. 114).

2.3. The importance of business incubators:

The rapid and continuous growth of business incubators is unprecedented in our current era, and their uses have multiplied to attempt to develop contracting and emerging projects. The following figure illustrates the importance of incubators. (Ibrahim Al-Hammad, Amal; Bin Salem Al-Nuh, Abdul A, 2022, p. 92)

Figure 01: Benefits of business incubators



Source: Raghda Salem Odeh Al-Zaidanin, Business Incubators: The Modern Vision in Human Resources Investment, Amman, Jordan, 2015, p. 40

Figure 1 shows the importance of business incubators in the following points:

- Provides scientific advice and feasibility studies for emerging small and medium enterprises;
- Links emerging and innovative projects of productive sectors, market dynamism and requirements;
- Encouraging venture investors to establish their own companies, which are described as venture capital or laboratory companies;
- Contributes to employing the results of scientific research, innovations and creativity in the form of productive projects;
- Providing job opportunities;
- It works to establish and support production and service projects, whether small or medium, by applying appropriate technologies and modern innovations;
- Projects help address the administrative, financial, technical and marketing difficulties that usually face the establishment stage.

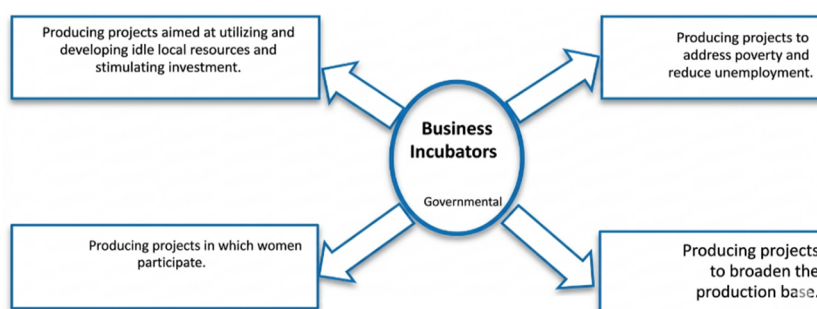
2.4. Objectives of business incubators and the goal of establishing them:

Business incubators mainly aim to :**(Ramadan, Iman; Ziani, Khawla, 2022, p. 737)**

- Reduce activity start-up costs;
- Reducing business losses associated with the early stages of the start of project activity;
- Reducing the time period required to develop the project activity and improve its productivity;
- Avoid errors and reduce duplication of efforts, which leads to cost pressure;
- Increasing success rates, encouraging outstanding ideas and ensuring the sustainability of the incubated institutions;
- Helping organizations come up with new types of products or new areas of activity.

The aim of establishing business incubators is to achieve a set of integrated development, economic and social goals, as shown in the following figure

Figure 02: The goal of establishing business incubators



Source: Adnan Hussein Younis, Raed Khudair Abis, The Role of Business Incubators in Developing Contracting .and Emerging Projects, Dar Al-Ayyam for Publishing and Distribution, Amman, 2014, p. 66

From Figure 2, we note that the goal includes working to produce projects to address poverty and reduce unemployment by providing new job opportunities, as well as producing projects in which women participate to enhance their role in economic development. On the broader economic level, incubators seek to produce projects to diversify the country's productive base and avoid relying on a single source of income. They also produce projects aimed at exploiting and developing idle local resources, stimulating investment and attracting capital to increase the added value of the local economy.

2.5. Types of business incubators:

Business incubators are a type of support designed to assist new projects of various types and help them grow and develop. There are several classifications of incubator types, depending on the purpose for which they were established. The most important types include the following: (Arqoub, Khadija., 2023, p. 74)

2.5.1. Regional incubator:

This type of incubator serves a specific geographical area with the aim of developing it, and works to use local resources of raw materials and services and invest in the energies of young people working in this region.

2.5.2. International Incubator:

It promotes the attraction of foreign capital with Operation Akl Technology, emphasizing high quality and focusing on international financial and technological cooperation with the aim of qualifying national companies through international companies, developing them, and encouraging them to expand and move into international markets.

2.5.3. Industrial incubator:

It is held within a specific industrial zone after determining the needs of this zone for auxiliary industries and services, where benefits are exchanged between large factories and small projects affiliated with the incubator.

2.5.4. Technical incubator:

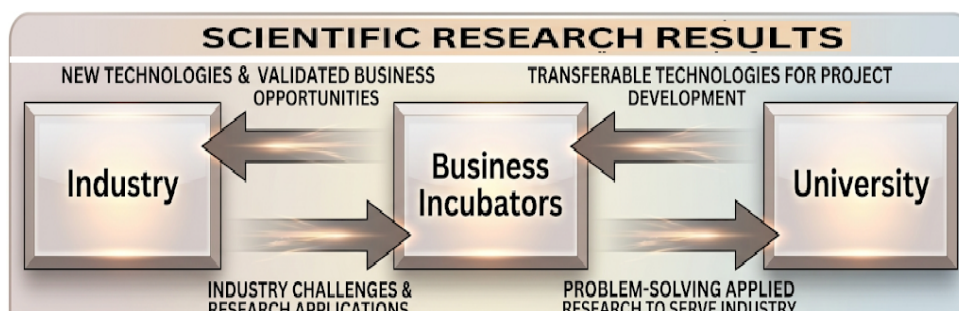
They are technology incubators that aim to invest in advanced designs for new products while possessing advanced equipment and devices, and to benefit from scientific research and technological innovations and transform them into successful projects.

2.5.5. Research incubator :

There are very weak links between R&D institutes and the production (post-production) sectors and human resource development (pre-production) programmes, which makes R&D efforts unproductive and often inappropriate, as R&D institutes are run like academic institutions and not as industrial projects, and support for industry is very weak, and since R&D institutes constitute the source of knowledge for modern industry, These institutes remain unable to fulfill their mission. This has made business incubators the ideal tool for solving the

problems of scientific research centers and researchers and translating their work into productive reality. The following figure illustrates the relationship and interconnectedness between business incubators and scientific research.

Figure 03: The relationship between scientific research and business incubators



Source: EL CHEIKHK, S., MEZIANE, A., & BENANTAR, A. (2023). Business University Incubators in Algeria: A New Mécanisme for the Promotion of Start-ups - M'sila University Incubator Model. *Journal Of North African. Economies*, 09 (1).

Figure 3 defines an integrated and sustainable cycle of innovation. An idea begins at a university as scientific research, then matures and is transformed in business incubators into an emerging project. It is then applied in industry to meet a need or solve a problem. The industry then resupplies the university and incubators with new challenges, allowing the cycle to begin anew. Therefore, incubators act as a translator, transforming the language of scientific research into the language of the market, and transforming the language of market challenges into the language of studyable scientific research.

2.5.6. Internet Incubator: An organization that helps emerging Internet and software companies grow to maturity.

2.5.7. University incubators: These are defined as places provided by the university for individuals, institutions, and students to benefit from, to practice their creativity, create innovations, and establish their own small projects. They include places and classrooms, scientific and computer laboratories, or any places prepared for this purpose in universities .

In addition to the previous types, there are other types of incubators, such as for-profit incubators, non-profit incubators, incubators for non-technological public projects, incubators without walls, incubators specialized in creative and artistic fields, and incubators specialized in various manufacturing, production, and service fields.

3. Basics about university business incubators:

3.1. The emergence of university business incubators :

In the 1970s, universities began establishing technology licensing offices to facilitate the transfer of university research and intellectual property to the private sector for commercial purposes. These offices not only promoted technology transfer but also assisted university faculty and staff in filing patent applications, establishing licensing agreements, and managing trademarks. **(Montani, Gervasio, & Pulcini, 2021, p. 20)**

In (1980), the (Bayh-Dole) Act was enacted, which granted universities intellectual property rights and inventions resulting from research carried out by researchers with funding from the US federal government, which encouraged universities and researchers to develop and market their own research and patents .

The advantages of this law expanded until it led to the emergence of university business incubators in the early eighties. The Edison Technology Incubator (which belongs to Case Western Reserve University) in the United States of America is considered one of the oldest and first university business incubators. Today, we are witnessing an increase in the number of university business incubators Almost all universities have developed their own business incubators that invest in the economic value of university intellectual property and patents, and which help faculty members, researchers and students who want to launch their startup projects.

3.2. Definition of university business incubators: This concept refers to one type of business incubator, but it is divided into three main classifications: public business incubators, private business incubators, and university business incubators, which are defined as: **(MALEK, 2023, p. 64)**

- "A university-based institution that provides support to startups through a range of tangible and intangible services."
- "It is an organization designed to accelerate the growth and success of entrepreneurial institutions, through a set of supporting resources and services such as: financing, guidance, space, shared services, and providing communication opportunities."
- "It is the core innovative part of the ecosystem".
- "It is an engine designed to support entrepreneurial activities and transform ideas, especially those related to new technology, into existing institutions".
- "It is an organization established by the university to provide office space, rates, guidance services, and administrative support to help establish new projects".

3.3. The importance of university business incubators: University business incubators are accelerators that transform theoretical knowledge into tangible economic and social value. They work to achieve tripartite integration between government (policy), university (knowledge), and industry (application), ensuring a continuous cycle of growth and innovation. The following table illustrates the importance and pivotal role of business incubators in supporting innovation and economic development: **(Dinawi, Aisha Anfal; Zarwat, Fatima Zahra, 2020, p. 335)**

Table No. 01: Importance and main role of university business incubators and the beneficiary

beneficiary	Importance and key role	results and impact
For the university (academic environment)	Bridging the research gap: It is the mechanism that transforms the results of scientific research and intellectual property into marketable commercial applications and products.	*Increase the university's patent revenues. *Strengthening the university's reputation as a center of innovation and leadership. * Direct research to become more relevant to industry needs.
For entrepreneurs and students	Supporting Startups: Providing a protected environment (Sheltered Environment) for projects in their early critical stages.	*Reduce the risk of startup failure. *Providing training, mentoring and access to networks of experts and investors. * Generating new jobs for graduates.
economy and society	Economic development and diversification of production: acting as an engine for creating knowledge and technology-based companies instead of traditional companies.	* Diversifying the production base and increasing GDP. * Attracting and stimulating local and foreign investment (Venture Capital). * Contributing to addressing unemployment problems by creating value-added job opportunities.
industry	A source of innovation and technology: Providing existing companies with new technological solutions or merging with innovative startups.	*Improving efficiency and productivity for large companies. * Providing quick channels to access university talent and expertise.

Source: Aisha Anfal Dinawi, Fata Zahra Zarwat. Emerging Institutions: Algeria's New Locomotive for the Advancement of the National Economy - Challenges and Support Mechanisms, Bashar Annals in Economic Sciences, 07(03), 2020

Table 1 shows that university business incubators gain significant importance from their pivotal role as a bridge between knowledge and the market. They serve the university by transforming scientific research results and patents into economic value and revenue, enhancing its innovative reputation and ensuring that research is directed to address realistic challenges. For entrepreneurs and students, incubators provide a protected and supportive environment to reduce the risk of startup failure, and give them the necessary guidance and access to networks of experts and investors. At the national and economic levels, incubators effectively contribute to

development and diversification of the country's productive base by creating knowledge- and technology-based companies, which address unemployment problems and stimulate investment. The industry also benefits from it by obtaining ready-made technological solutions and innovations that enhance its efficiency and competitiveness.

4. Contracting and contracting development centers:

4.1. Contracting:

The concept of contracting is considered one of the old and renewed concepts that has taken several forms since its inception, and which is always in a state of development, which has taken several forms since its inception, and economic researchers have not unanimously agreed to give it a unified definition due to the diverse impact of the concept of contracting on several fields, curricula and specializations.

Contracting is considered an important and promising field in the economies of both advanced industrial and developing countries. This importance explains the significant role of contracting in the context of economic development and the renewal of the economic fabric of countries and groups by restoring balance to markets, raising production levels, encouraging innovation and creativity, and eliminating unemployment.

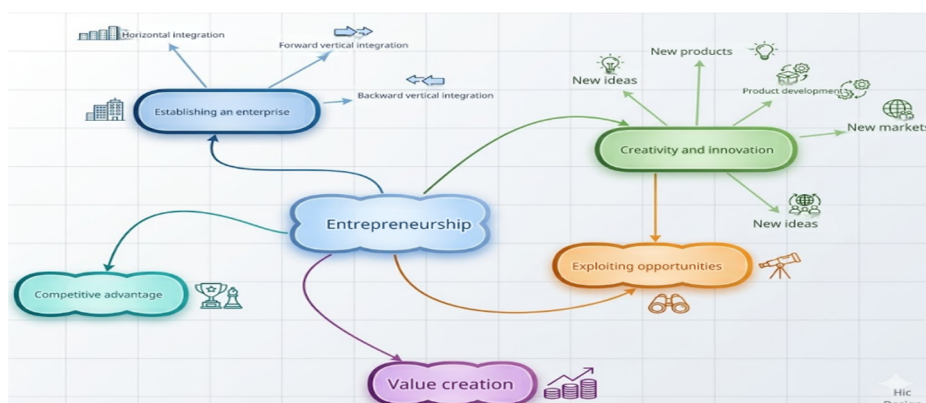
Knowledge acquisition plays the largest role in the contractor's personality, as this educational state is one of the basic knowledges of the contractor, in addition to the contractor's personality towards mastery of leadership and authority. (Shadli, Najat, 2018, p. 278)

The contractor is the owner of the idea and project of investment and contracting, as he creates his project and works to manage and administer it, with the aim of developing it in relations with the environment. There are many definitions of the contractor as the basis for contracting, including:

- ✓ A person who has the ability to innovate, to develop a product and create a new product, find new resources, and create a new organization.
- ✓ A person who has the qualities of taking initiative, organizing economic and social mechanisms and requirements, as well as accepting failure and risk, and has the ability to demand resources, workers, equipment, and other assets and make them something valuable. (Kharboutli, Amer, 2018, p. 9)

In general, it can be said that these definitions focused on the fact that contracting activity is based on the principle of adventure and risk in searching for opportunities, exploiting them well, and transforming them into a successful project that achieves added value and generates profits for its owner. This is what we are heading towards in our definition as well, and we can summarize this through a mental map as shown in the following figure.

Figure 4: Mind map of concepts related to contracting



Source: Prepared by the researcher

4.2. Contracting development centers:

4.2.1. The concept and emergence of contracting development centers:

Entrepreneurship and innovation are among the most prominent factors stimulating the economy and achieving development in the modern era. In order to support this vital aspect of economic growth, we find that "entrepreneurship development centers" play a crucial and increasingly important role. Contracting development centers are organizations that seek to enable entrepreneurs and project owners to achieve their goals and develop their entrepreneurial ideas.

The Enterprise Development Centers are bodies established in various Algerian higher education institutions (universities, university centers, and national and higher schools). They are the product of a partnership between the Ministry of Higher Education and Scientific Research and the Ministry of Labor, Employment, and Social Security, and are headquartered at the university.

Contracting development centers are formed across various Algerian higher education institutions, consisting of a director appointed from among the university's professors, in addition to activists from the university and the National Agency for Youth Support and Employment.

4.2.2. Tasks of contracting development centers:

A business development center is a place or initiative that aims to support and promote entrepreneurship and entrepreneurship, and provide support to students and youth who wish to start their own businesses. The tasks of contracting development centers usually include: (Elbahjaoui & Elabjani, 2022, p. 19)

- Providing training and education: Providing training courses and workshops on entrepreneurship and project management.
- Providing consulting: Providing advice to students and emerging projects on how to start and develop their businesses.

- Providing a space for work: Providing a place for people to work on their projects and develop their ideas.
- Providing financing: Providing opportunities to obtain financing or financial support for emerging projects.
- Organizing events: Organizing entrepreneurship events and competitions to encourage young people to develop their ideas.
- Building a communication network: Enhancing the building of communication networks and cooperation between entrepreneurs and emerging projects.
- Encouraging innovation: promoting innovation and developing new and innovative ideas in the field of entrepreneurship.

4.2.3. Activities of contracting development centers :

Contracting development centers carry out several activities, including: (Mazi, Abdul Aziz, 2022, p. 18)

A - Training programs: They provide training courses on business administration skills, marketing, finance, and others to help contractors develop their skills.

B - Consulting: Providing consulting services to contractors on how to expand their business and how to strategically plan for its success.

C - Coworking Spaces (Coworking Spaces): Providing coworking spaces for contractors to increase interaction between them.

D - Events and workshops: Organizing events and workshops on topics related to entrepreneurship and innovation.

E - Communication network: Providing a platform for contractors to communicate and build relationships with individuals with business experience.

F - Financing support: Providing assistance in finding funding sources for emerging projects and contracting.

Kh - Entrepreneurship competitions: Organizing competitions to support contractors and finance promising projects.

J - Idea guidance and financing programs: for individuals who are looking to transform their ideas into realistic projects.

H - Partnerships with the private and government sector: to provide opportunities to participate in large projects or benefit from government programs that support entrepreneurship.

5 .What are emerging institutions, their goals and characteristics:

5.1. Definition of start-ups: There are several definitions of start-ups, including:

Startups are defined as: "newly established enterprises, meaning young and young enterprises in the business world, which is confirmed by the foreign word start-up, meaning that every newly active enterprise in the business world is considered a startup as a public asset. However, the definition of startups has been treated

as newly established enterprises that offer new products and services based on technology and innovation." (Lamine, Abdelhamid, 2020, p. 8)

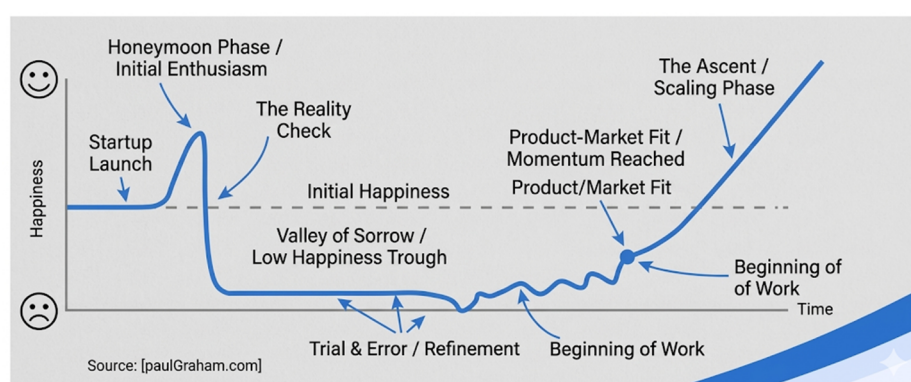
It is also defined as: "A young and dynamic organization built on technology and innovation, whose founder attempts to leverage the development of an unknown product or service in order to create new markets".

They are also known as: "young innovative companies, operating especially in the modern technology sector". (Mameesh, Nour El-Din Noui, Salma, 2021, p. 04)

5.2. Life cycle of startups:

We can illustrate the life cycle of startups through the following figure.

Figure 05: Life cycle of emerging enterprises



Source : Karim MESSEGHEM, Sylvie SAMMUT, « L'accompagnement entrepreneurial, une industrie enquête de leviers de performance », Management International, Montréal, vol. 17, n° 03, 2013, pp. 65

From Figure 5, we find that the life cycle of emerging institutions goes through the following stages:

5.2.1. The first stage: In this stage, the new idea, or what is called the prototype, is developed, studied, and the market, consumer, and all stakeholders related to the project are analyzed and studied, with the aim of ensuring that it can be implemented on the ground. This stage is usually financed through self-financing .

5.2.2. The second stage: The launch stage. In this stage, the first version of the product or service is issued and is unknown. This stage is usually funded by friends, relatives, and family due to the difficulty of finding someone to adopt the idea of the institution due to the high degree of risk. The price of the product or service in this stage is relatively high

5.2.3. Stage 3: Early stage of take-off and growth. This stage witness's growth in activity as the producer reaches corn, enthusiasm rises, and the number of exhibitors to the product increases, leading to the emergence of some obstacles that push the curve towards decline .

5.2.4. The fourth stage: the sliding stage in the valley. The decline continues in this stage until it reaches a stage that can be called the Valley of Sadness or the Valley of Death, which may lead the project to exit the market if the situation is not remedied due to the low growth rates. Financing in this stage is done through venture capital

5.2.5. The fifth stage: the slope climbing stage, in which the product is modified, changes are made to it, and it is improved, so that the emerging institution begins to rise again by revealing the experience and strategies applied, so it issues the second version of the product, controls its price, and markets it on a larger scale.

5.2.6. Stage 6: High Growth Stage. In this stage, the product is finally developed, exits the testing phase, and is placed on the appropriate market. The startup company begins to grow continuously, and the curve begins to rise. It is likely that 20% to 30% of the target audience has adopted the new innovation, thus beginning the stage of economies of scale and achieving huge profits.

5.3. Objectives and features of emerging institutions:

Startups are a vital part of the global economy, striving to achieve a variety of goals and having unique characteristics. These institutions aim to achieve economic and social development. Below, we will shed light on their objectives and characteristics.

5.3.1. Objectives of emerging institutions:

The objectives of startups are: (Wassila, Ben Fadil,, 2021, p. 179)

- A. Promoting the spirit of individual and collective initiative by launching new economic activities, whether goods or services, and reviving previously neglected economic activities, such as revitalizing traditional industries in areas such as industry, construction and public works.
- B. Creating new job opportunities, either directly for startup owners or indirectly by employing other individuals.
- C. Rehiring people who lost their jobs due to bankruptcy or job cuts in public institutions, which contributes to compensating for some of the job shortage.
- D. Promoting economic settlement in remote areas, which contributes to enhancing local wealth and promoting integration and integration between regions.
- E. Forming a link in the economic system through relationships with other institutions and interacting with them in the use of common inputs.
- F. Empowering multiple groups in society, who may have good investment ideas but do not have the financial or administrative ability to turn these ideas into real projects.

5.3.2. Features and characteristics of emerging institutions:

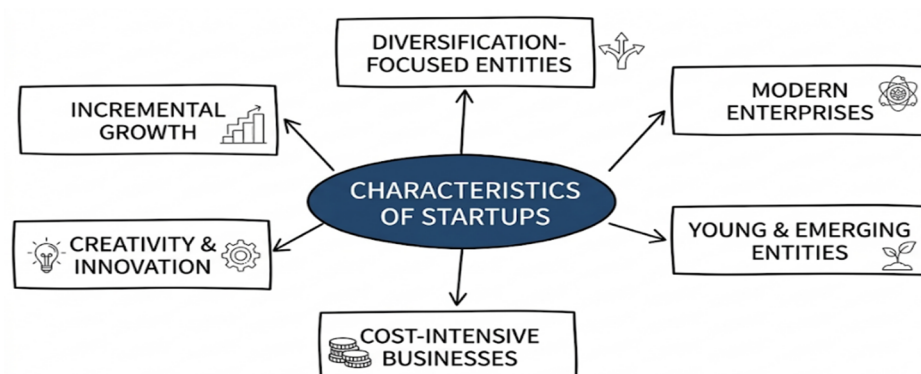
Startups are young projects characterized by their creative nature, and their most important characteristics can be summarized as follows: (Abdellaoui, 2023, p. 111)

- New institutions: Emerging institutions are characterized by being institutions in their early stages, which have opportunities for growth and success, but they also face the possibility of failure and closure.

- Organizations that have an opportunity for increasingly gradual growth: that is, the possibility of rapid growth and achieving revenues much greater than the costs associated with the work .
- Institutions related to new technology: These institutions are characterized by being institutions whose business is based on pioneering ideas, and meet the needs of the market in a smart and modern way, so that the founders of emerging institutions rely on technology as an engine for growth and development and find financing through online platforms and by winning help and support from business incubators .
- Low-cost enterprises: That is, emerging enterprises are characterized by relatively low costs compared to the size of the profits they can achieve in the long term, and these profits are usually achieved quickly .

The characteristics of emerging enterprises can be summarized in the following figure:

Figure 06: Characteristics of emerging institutions



Source: Merbah Taha Yassin, Bousalem Abu Bakr, Emerging Institutions between the Support Mechanism and the Reality of Administration in Algeria, Annals of Bashar University in Economic Sciences, Volume 07, Issue 03, 2021, p. 427.

Patrick Fridenson emphasizes that startups should not be tied to a specific age, size, or sector in which they operate, but rather should include the following criteria: strong potential growth, adoption of modern technology, the need for financing, and the presence of new markets. Therefore, the theoretical essence of a startup lies in "structural flexibility" and the ability to "expand rapidly" (Scalability). It is not just a small company at the beginning. Rather, it is an economic entity designed to test an innovative and replicable business model, which is why the criteria he mentioned go beyond traditional classifications, focusing on the added value the project creates by adapting technology to fill unprecedented gaps in emerging markets. (Noha, 2020, p. 112)

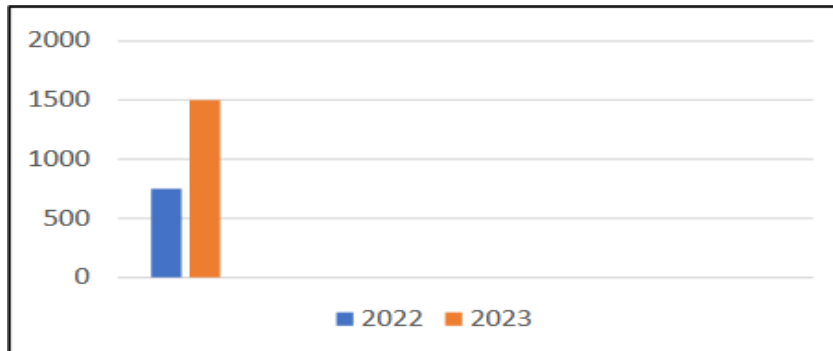
6 .The role of university business incubators in supporting and accompanying contracting activities and establishing emerging institutions in Algeria

6.1. Evolution of the number of emerging enterprises in Algeria:

The number of startups in Algeria has witnessed qualitative and rapid development over the past few years, especially after the establishment of a legal and regulatory framework that supports this sector. Algeria has

moved from a very limited number of startups to thousands in a short period of time, driven by the government's efforts to promote the knowledge economy. The following figure shows the development of the number of startups in Algeria during the period 2022-2023.

Figure 06: Evolution of the number of start-ups in Algeria during the period 2022-2023



Source: Boughaba Hoda Ferial, The Role of Business Incubators in Supporting Small, Medium, and Emerging Enterprises in Algeria, *Journal of the Economic Researcher*, Volume 11, Issue 02, 2023, p. 209

From Figure 6, we note that the number of emerging institutions in Algeria doubled within two years. In 2022, the number of emerging institutions and innovative projects reached 750 institutions, then rose to 1,500 institutions in 2023. This increase reflects Algeria's strategy to support these institutions. A ministry and a higher school for artificial intelligence have been allocated to these institutions to contribute to creating a favorable environment for the transition of the Algerian economy from a rentier economy to a knowledge economy in which emerging institutions are the locomotive that leads this economy, in addition to establishing a special fund to finance emerging institutions to support these institutions.

It is expected to target the establishment of 20,000 startups between 2024 and 2029, and this is being done in coordination with the Ministry of Higher Education. The Ministry of Knowledge Economy also seeks to accompany 16 startups (Scale-up) "to transform into accelerated enterprises by 2026" with the aim of emerging the Scale-up Foundation and supporting it to transform into a rapidly growing enterprise with a capital of one billion dollars. To reinforce this, Executive Decree No. 25-311 was issued in the Official Gazette, introducing a new "accelerated enterprise" label for enterprises that achieve an increase in turnover of at least 20%. It is expected that at least five start-up enterprises will enter the Algerian Stock Exchange in 2026 to increase the funds needed to finance their development, with facilities and exemption from subscription fees. The "Mustashir" enterprise was the first start-up enterprise to subscribe to the stock exchange in early 2025.

6.2. Ratio of start-up projects to incubated projects in Algeria:

Statistics reflect a qualitative shift that bridges the gap between academic ideas and field implementation. Incubators act as a strategic filter that increases the success rates of emerging projects by reducing the risk of failure in the early stages. This has contributed to the development of a fertile environment (ecosystem) aimed at

transforming Algeria into a regional technology hub based on a knowledge economy. (Ben Fadel, Wasila, 2021-2022, p. 189)

One of the main tasks of incubators is to support and accompany incubated contracting and emerging projects throughout the incubation period to obtain the "Startup" label and benefit from tax and financing incentives. Some academic studies indicate that the role of incubators lies in significantly increasing the success and continuity rate of funded and incubated projects compared to unincubated projects. Some research has indicated that the success rate of incubated projects may reach 99% compared to the traditional success rate of start-up projects in general. This is a very high figure that reflects the vital role of incubators in reducing the risk of failure. The following figure shows the ratio of start-up projects to incubated projects for the period 2021-2023 in Algeria.

Table No. 02: Ratio of emerging projects to incubated projects for the period 2021-2023 in Algeria

year	Number of incubated projects	Number of completed institutions	Ratio of emerging to incubated projects
2011	33	19	58
2012	27	28	97
2013	29	37	100
2014	120	75	63
2015	135	84	62
2016	158	70	44
2017	161	83	52
2018	186	93	50
2019	152	61	40
2020	69	30	43
2021	135	72	53
2022	-	-	-
2023	9000	Under study	=9000

Source: Hoda Ferial Boughaba, Wafaa Hamdoush, The Role of Business Incubators in Supporting Small, Medium, and Emerging Enterprises in Algeria, Economic Researcher Journal, Volume 11, Issue 02, 2023, p. 210

Table 2 shows that the ratio of successful projects to incubated projects fluctuated over the period studied, varying. After achieving a rate of 100% in 2013, it declined to 40% in 2019. This is due to several reasons, including the lack of experience of incubator officials to attract the largest number of projects, and the

limited quality of services provided, which negatively affected the success of incubated projects, but it increased slightly again in 2021. This is due to the state's greater focus on institutions, especially after the COVID crisis and its resulting repercussions on the national economy. It's worth noting that by 2023, the number of projects had reached 9,000. This stems from the solidarity efforts between the Ministry of Higher Education, the Ministry of Knowledge Economy, and emerging institutions to encourage young people with ideas and give them the opportunity to implement their projects on the ground. Several university incubators have been placed at their disposal.

6.3. The role of university business incubators and their performance indicators in promoting the establishment and development of emerging institutions in Algeria:

6.3.1. The role of university business incubators in promoting the establishment and development of emerging institutions in Algeria:

The university business incubator supports projects during the startup and growth phases by providing a variety of services and tools necessary for project success, from the project approval stage by the incubator management to providing training, planning, financing, marketing, and more. This indicates that the business incubator represents a valuable tool for creating an entrepreneurial environment that reduces failure rates in contracting and emerging projects and enhances their chances of long-term continuity and growth. It provides these institutions with a set of services that contribute to enhancing their growth and sustainability, as shown in the following figure.

Figure 07: Services provided by university business incubators



Source: Loualbia Fawzi, Nabou Majid, The Importance of Establishing and Developing Startup Incubators in Algeria, Journal of Economic Studies, Volume 19, Issue 01, 2025, p. 563

From Figure 7, we find that university business incubators work to provide a range of services to support and develop contracting and emerging projects, starting from the initial study and discussion phase of the idea and project and ending at the graduation stage.

The role of university business incubators in promoting the establishment and development of emerging institutions can be summarized through the most important services they provide in: **(Zoltan & Patricia, 2021)**

A - University incubators provide the necessary facilities and infrastructure for startups: This includes providing equipped office space, laboratories, and laboratories necessary to test products and develop new technologies. In addition, incubators provide technical infrastructure such as hardware, software, and communications, and help organize arrangements for obtaining these resources, whether through partnerships with universities or other technology companies, or through leasing.

B - University incubators provide technical and technical support to emerging institutions: including cooperation programs with technology transfer bodies and universities, which help in transferring technology and exchanging experiences. Incubators also provide support in using available technical facilities and provide specialized experts to help emerging institutions develop their products and technologies.

C - University incubators provide multiple administrative services: including providing support services such as cleaning, maintenance, and security, in addition to providing shared facilities such as meeting rooms and exhibition halls. The incubators also provide marketing and consulting services to startups, including developing business plans and marketing strategies, and providing guidance in the areas of law and intellectual property rights.

D - University incubators play a vital role in providing access to financing by assisting startups in preparing business plans and contacting potential investors: some incubators even organize investment seminars to facilitate the process of attracting financing, and some incubators can also participate in ownership of startups as part of the financing.

E - University incubators help build communication and networking networks: either internally by organizing seminars and events, or externally by liaising with institutions and other entities in the business community. This contributes to expanding the circle of relations and opening new cooperation opportunities.

6.3.2. Performance indicators of university business incubators in promoting the establishment and development of emerging institutions in Algeria:

Algeria has more than 118 university business incubators, ranking first in the Arab world and Africa in terms of numbers. In addition to university business incubators, there are other support structures within the university ecosystem, including: (Fahdawi, 2026, pp. 168-179)

- 1800 research informants.
- 47 business accelerators.
- 93 centers to support technology and innovation.
- 117 contracting development centers.

More than 17,000 students carrying an innovative project were accompanied through university incubators. More than 700 projects received the "Innovative Project" label from the National Committee. More than 50 projects were transformed into start-ups and received the main label. As for the results of January 2026, 144 pilot projects were accepted and approved for funding through CDE Contracting Development Centers distributed across various sectors such as industry, health, agriculture, services, tourism and energy.

Table No. 03: Distribution of 144 funded projects across several sectors according to the results of the project funding selection committees (2026 CSVF)

sector	Examples of projects	a number of universities
industry	Auto parts, plastics, industrial bakeries, dough manufacturing, cosmetics	Blida 1 (12 projects), Algeria 3 (7 projects)
health	Medical clinics, analysis laboratories, pharmacies, dentistry, plastic surgery	Oran 1 (7 projects), Guelma (5 projects), Blida 1 (12 projects)
agriculture	Cow and sheep farming, land reclamation, beekeeping, rose production	Adrar (6 projects), Bejaia (6 projects)
services	Tourism and advertising agencies, training and consulting, organizing events	Biskra (3 projects), Constantine 1 (3 projects)
technology	Cybersecurity systems, electricity and networks	Ain Temouchent (5 comprehensive projects)

Source: Fahdawi M. A. M, (2026), *The role of university Business incubators and Entrepreneurship in Algeria*.

International Entrepreneurship and Management Journal, 7(4), 168-179

The table's data shows a remarkable diversity in university projects across several economic sectors. This reflects the growing role of university business incubators in accompanying students and holders of innovative ideas towards implementing contracting projects and emerging institutions. These incubators have contributed to directing projects towards vital sectors such as industry, health, agriculture, services and technology, in line with the specificities and local capabilities of each region. The presence of some universities, such as Blida 1, the University of Algiers 3 and Oran 1, is also clearly evident in supporting a significant number of projects, which indicates the effectiveness of incubation and supervision mechanisms, and these experiences confirm the importance of university incubators as a tool for promoting entrepreneurship and linking the university and the economy.

7. Conclusion:

University business incubators are an important cradle and one of the most important foundations for promoting contracting activities in general and the establishment and success of emerging institutions in

particular. They are also one of the modern methods for adopting the idea of self-employment and promoting the economy, as they provide an incubator environment that combines academic knowledge and practical support, which helps students transform their ideas into applicable projects, by providing administrative, advisory, training, and financing services. These incubators contribute to reducing the risks facing entrepreneurs in the early stages, enhancing the chances of success of their projects, moving steadily in achieving their goals, and making them able to confront their environmental environment and keep pace with developments and strong competition in the market, and this is what drives the wheel of the national economy to grow and develop and achieve sustainable development.

Experience has shown that contracting and emerging projects that receive the support and accompaniment of university incubators enjoy higher survival and growth rates, which contributes to ensuring their continuity, compared to those that operate without institutional support. However, the success of these incubators and thus the success of startups depends on their ability to keep pace with market requirements, build strong partnerships with the private sector, and provide sustainable financing for the incubated projects.

Recommendations: Based on the above, we can make some recommendations, which are:

- University business incubators must carefully select the projects or institutions they incubate, because this selection will affect the future of the institution and also affect the evaluation of the incubator.
- Providing sustainable sources of financing through partnerships with the public and private sectors, and concluding agreements with various support structures and financing bodies to increase opportunities to finance and support project owners to ensure continuity of support for contracting and emerging projects.
- Modernizing support and accompaniment agencies, including university incubators, and directing them towards specialization according to economic sectors, categories of contractors, services provided, and their conditions, in order to achieve better performance, more comprehensive accompaniment, and give more choices to all holders of ideas and projects.
- Intensifying awareness and sensitization operations for the benefit of those with innovative ideas and adventurers to learn about the role and importance of university business incubators in order to undertake their creative projects.
- Seeking to mediate between idea holders and economic and social partners to crystallize ideas into field projects and solutions, by linking research centers and university business incubators with productive sectors to embody research ideas in the productive sector in a way that serves these sectors and contributes to the development of the national economy.

- Benefiting from successful experiences and expertise gained in the field of university business incubators, to enhance their role in entrepreneurship and support emerging projects.

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