



*The role of entrepreneurship support bodies in Algeria in
supporting local development*

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Abstract

Within the framework of achieving comprehensive development efforts, and with the aim of developing the national economy, the Algerian government has established and created several financing bodies that provide financial services, and other non-financial services such as accompaniment and social support in the field of entrepreneurship, which plays an important role in achieving local development, and This is through the wide-ranging investment projects it offers. Through this work, we will highlight the role of some financing bodies in supporting entrepreneurship in Algeria.

Key words :

Entrepreneurship, financing bodies, local development.

1. INTRODUCTION

Algeria has undertaken several economic reforms in order to push the wheel of development and progress forward, and to optimally exploit its material and human resources, through its constant support for various economic sectors by relying on old and new financing methods, to support entrepreneurship as a social and economic phenomenon. At the same time, this is clearly evident through the various tasks and important roles played by financial and non-financial support bodies for emerging enterprises, such as providing loans of various types and the constant and renewed pursuit of training and technical support for contractors, entrepreneurs, and those requesting support from various categories. By creating enterprise support bodies, Algeria seeks to cover the deficiencies that stand in the way of achieving local and then comprehensive development, starting with providing initial capital to support investment on the one hand, and trying to motivate holders of academic degrees, **experience, ideas, and the desire to work to do their best. Their efforts in local investments would increase the value of the** national economy and develop it, by training them and supporting them through business accompaniment, and this matter is considered one of the principles of investment in human capital.

In this regard, we can ask: What role do some business support bodies in Algeria play? How do you contribute to achieving local development?

Based on these forms, we can ask the following sub-questions:

- What is meant by entrepreneurship?
- What are some of the entrepreneurship support bodies created by Algeria and what is their role?
- What is the relationship between the new entrepreneurship support bodies and the possibilities of achieving local development?

- **Objectives for choosing the topic**

- Research in the field of entrepreneurship and the possibilities of achieving local and comprehensive development, starting with eliminating unemployment
- Clarifying the important role of entrepreneurial accompaniment as a means of developing emerging enterprises in Algeria
- Highlighting and explaining the mechanisms of support and accompaniment in Algeria in order to facilitate some difficult matters
- Spreading the culture of entrepreneurship and local investment more among the ambitious youth group to upgrade the national economy
- Clarifying the obstacles facing the entrepreneurial environment in Algeria and trying to eliminate them

- **Study methodology**

We chose a simple and direct approach that relies on presenting information in a clear manner, simple language, and an informative style that relies on presentation and reasoning with data and prominent figures derived from reliable and frank scientific sources.

- **Study divisions**

To answer this question, we discussed some of the basics that fall within entrepreneurship, such as defining it and taking stock of some of its approaches, addressing the contractor and some of its characteristics, and we mentioned some procedures for encouraging and supporting entrepreneurship. We also touched on the concept of emerging institutions in Algeria, their importance and life cycle, and some The obstacles it faces, and from there we passed to the entrepreneurship support bodies in Algeria, where we mentioned some of them and outlined their economic

and social roles and objectives, which play an important role in achieving the path of development.

2. The nature of entrepreneurship

The first subtitle opens with an introduction that presents the specific problem under study and describes the research strategy. The first subtitle opens with an introduction that presents the specific problem under study and describes the research strategy. The first subtitle opens with an introduction that presents the specific problem under study and describes the research strategy.

2.1. Definition of entrepreneurship

Entrepreneurship expresses the implementation of various activities resulting from changes and renewed requirements in the world of the business environment, and carries within it innovations, creativity and perceptions that differ according to each era, and all of them aim to improve performance and increase production by raising quality and trying to reduce costs as much as possible. Possible, and the emergence of entrepreneurship in administrative thought goes back to the theory of monopoly yields (Oligopoly Theory). In this period, the interest of contractors was focused on calculating the quantities and prices of the goods that he wanted to produce and their relationship to profit and the nature of the decision taken (Ibrahim, 2013, p. 262)

Entrepreneurship was known according to the economic school in 1900 through its interest in the contractor, as it considered him an essential element of production. The scientist (Adam Smith) believed that the contractor is the person who owns capital or is the one who supplies it, and he also plays the role of mediator between both the consumer and The client, as for the scientist (Schultz), saw the contractor from another point of view, namely his role in dealing with conditions of inability to balance and create stability (almubarek & Ahmed Ben Abd Errahmane Echamaymari,

2019, p. 17).

Entrepreneurship was defined by Alaa Abbas as a dynamic process that creates wealth resulting from the appreciation of risks and the ability to transform them into available opportunities for profit, starting from the optimism of the individuals working on these risks as situations that can be controlled and transformed into satisfactions of various demands, thus creating added value (Abbasse & Sami Muhammed, 2020, p. 08).

2.2. Definition of contractor

Linguistically, the entrepreneur is the organizer or pioneer, but terminologically it has several definitions, including the following:

The thinker (Richrd Contillon) defined him as the person who invests and ventures into buying goods and tools, and combines them with new ideas to obtain a new product, with the intention of selling it in the future at uncertain prices, and achieves investment opportunities by relying on the principle of risk. (Al-Sheikh, 2009, p. 497).

The thinker (Shumpeter) defined him as a person who relies on his innovative powers and discretionary opportunities when entering the market, as he introduces new production methods to new goods, opens new markets and reorganizes and expands a new organization. The thinker (David Mecllellad) defined him as a person He seeks to add something new to life through a desire that moves him and drives him to do so. (Kharboutli, 2018, p. 07)

2.3. Contractor characteristics

The contractor is characterized by several characteristics that, in a simple analysis, are due to the acquisition of human and moral qualities on the one hand, and other characteristics that he acquires through the framework of work that he carries

out through his contact and interaction in the field of entrepreneurship, and from here we can present some of the prominent characteristics, which are as follows: (Okil., 2017, p. 69)

- **Human and social relations**

The contracting person must be a socially acceptable person, capable of understanding and coping with others, and having the ability to communicate socially, as he deals with different categories of those who benefit society, whether it concerns clients, customers, or employees who are affiliated with his contracting activity, and within this framework We point out that there are two types of human and social relations that we can classify into formal and informal relations, and each of them has an impact on the nature of entrepreneurial activity and the degrees of its success.

- **Initiative and optimism**

Simply put, this characteristic reflects the positive desire to engage in economic activity with enthusiasm, good intentions, and a positive forecast for the entrepreneur, meaning that the degree of fear of not being able to succeed is weak.

- **Innovation and risk taking**

This characteristic distinguishes the contractor from others in how he prepares and completes his contracting project, as innovation plays an important role in creating new ideas that suit the strong demand for the product or service, and risk plays a major role in pushing the contractor to experiment, which is considered the basic step for increasing investment and developing the business. .

- **Flexibility and perseverance**

A contractor who is characterized by perseverance can achieve chances of success in his project even if the matter becomes difficult for him, because

perseverance reflects the power of patience, especially if the business infrastructure is weak, and by that we mean the administrative problems facing the management of the time allocated to the project versus the realistic obstacles facing the contractor's diaries, and in This framework requires the contractor to have the ability to be creative in managing the course of official relations in order to gain time and opportunities in the best and most effective ways.

- **Vision and ambition**

By this we mean the contractor's ability to broaden the scope of vision for opportunities that others may see as more risky, transforming them from a problem into an available possibility for investment through his increasing desire to love work, provide the best, and challenge the difficulties he faces that hinder the country's development path.

2.4. Entrepreneurial approaches

Entrepreneurial approaches, in their simple meaning, return to analyzing the actions and behaviors of the contractor himself, as he is primarily responsible for the nature and process of entrepreneurial activity.

In this regard, we mention the following:

- **Functional approach**

It is also called the descriptive approach. It is concerned with analyzing the economic aspect of the contractor and works to confirm the economic results that the contractor achieves as a result of his contracting activity.

It is considered an economic view that tends to hold the contractor accountable through the results he achieves, as it shows the role of the contractor in advancing the development process (Amina., 2017, p. 09)

- **Behavioral approach**

Some researchers attributed the contractor's behavior, his methods of dealing and choosing, and other behaviors that affect the quality and manner of his work to several factors, including those related to his childhood, some related to his field experience, and some related to the need to achieve strength.

In general, we can attribute the behavioral approach to The contractor depends on his genetic characteristics and his influence on the environment in which he lives and comes into contact. (Sufyan, 2015, p. 32)

- **The phased approach**

This stage did not care about the role and influence of the contractor, but it focused on the factors that positively or negatively affect entrepreneurship, as the pioneers of this approach, including Shapiro and Sokol, considered that the beginning of every entrepreneurship stage is the end of a previous stage, and in the end an institution is created, and the body (Tounes)) In the year 2003, these stages passed through the contractor through the following steps: (samia, 2020, p. 30)

- The stage of tendency towards entrepreneurship
- Entrepreneurial orientation stage
- Entrepreneurial decision
- Entrepreneurial work

2.5. Measures to encourage and support entrepreneurship to achieve development

Among the most important measures that support entrepreneurship and the contractor, we mention the following: (Badran, 2013, p. 85)

- Introducing entrepreneurship into the educational system
- Develop training programs for students and contractors
- Integrating the business sector with the educational, pedagogical and training system
- Encouraging the culture of entrepreneurship at all academic levels and in society
- Establishing regulations and legislation to regulate entrepreneurship
- Providing the appropriate infrastructure for practicing entrepreneurship
- Taking advantage of individuals' skills, competencies and special inclinations, especially during childhood
- Providing psychological support from the family, the community, and educational, formation, and training institutions

3. Emerging institutions

3.1. Definition of emerging enterprises

A start-up enterprise is defined by several definitions, including that it is a short-term enterprise, meaning that it is soon established, and by that we mean that the period of its operational history is short, and it is in the process of growth and searching for markets and aspires to achieve significant growth (Ahmed, 2021, p. 10)

It is also known for its modernity and its relationship with modern and innovative technology. There are those who call them young institutions, and they reflect the new economy in the United States of America, whose development is paced with developments occurring in the field of automated media and the Internet. Simply put, emerging institutions reflect modern activity that seeks to transform the

idea of A theory that turns into an embodied reality in exchange for reliance on capital and the intense desire for future growth and development.

One of its advantages is that it is recent, subject to the principle of gradual and incremental growth, turns opportunities into investments with intellectual energies, and relies heavily on technology. (Salamzadeh, 2015, p. 05)

3.2. The concept of emerging institutions in Algeria

The Algerian Minister of Trade, in a memorandum under No. 708 issued on October 14, 2019, defined emerging institutions as those that deal with the fields shown in Table 1 below: (FREITAS, 2020, p. 01)

Table 1: Fields of emerging institutions in Algeria according to Memorandum No. 708 dated 10/14/2019

Appointment	Activity code
Industrial and production computer engineering	607019
Operating internet services	607025
VoIP services	607065
Computer software	607069
Installation, maintenance and repair of encryption equipment and software	613233
Network installation and data processing	607001
Office of Studies and Consultation in Automated Media	607001

Source: Prepared by the researcher based on the above-mentioned reference dated 03/05/2024

3.3. The importance of emerging institutions and their role in achieving development

We can determine the importance of emerging institutions based on classifications related to the individual, society, and the world, as follows:

- **At the individual level**

By practicing entrepreneurial activity, the individual can feel self-actualization by exercising the choice he tends to make within various activities. This expresses personal freedom in decision-making and character building and increases the sense of social responsibility towards himself and others. He can also achieve self-satisfaction. Through achieving his mission and the opportunities available in practical life, this opportunity provides him with other opportunities for innovation and creativity and thus developing skills and self-evaluation, which encourages investment in human capital in our various institutions (Heikal., 2003, p. 13)

- **At the community level**

Emerging institutions work to encourage productive and service activities, and to cover the increasing demands of the people, which creates a balance between the forces of supply and demand in different markets, and reduces unemployment problems through different recruitment methods and by covering positions according to the required specializations required by the jobs necessary to perform. Various businesses. (Anaba, 2013, p. 11)

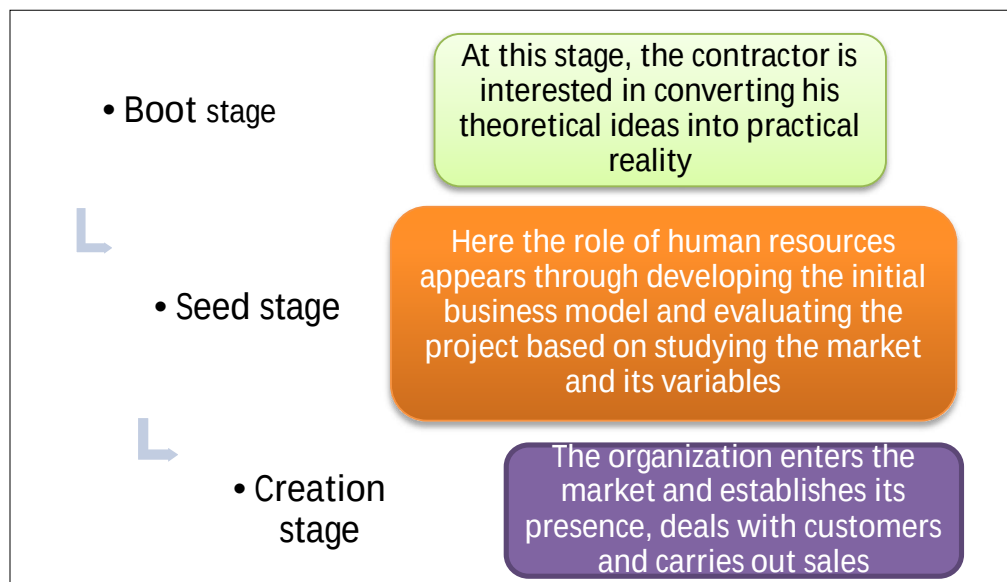
- **Worldwide**

The media's interest in covering the news and everything that is new and related to the activity of emerging institutions in general, and then benefiting from experiences and levels and carrying out economic partnerships and integrations based on self-satisfaction and interactive participation between parties and countries of the world, increasing understanding and awareness. The importance of emerging institutions by various parties, including governments, bodies, and various international organizations.(Al-Sakarna, 2006, p. 13)

4.2.The life cycle of startups and their characteristics

The stages of the life cycle of emerging enterprises vary according to the type of entrepreneurial activity to be implemented, but they share the introductory stage, the seed stage, and the creation stage, and in each stage there is a set of characteristics that show the skills and capabilities of both the contractor and the human resources personnel who They are relied upon to achieve the desired goals, as the following figure 1 shows: (A, 2015, p. 08)

Figure 1: Stages of the startup life cycle and their characteristics



Source: Prepared by the researcher based on the above-mentioned reference dated March 5, 2024

3.5.Problems facing emerging institutions in Algeria

The obstacles facing the contractor's path in Algeria vary according to the circumstances surrounding him, but they are common in some cases as follows: (Youssef, 2021, p. 23)

- **Administrative obstacles**

The steps that go through the stages of establishing a startup in Algeria are considered very clear and simple, but the reality of doing them requires several days that may reach a month or more, which hinders the entrepreneur from continuing the other steps. This is due to aspects of bureaucracy and administrative corruption sometimes, as it may We attribute it to the low role of digitization in local administration.

- **Technical obstacles**

The work team plays an important role in practicing the techniques of available activities with different skills that may not be remedied until it is sometimes too late, especially if it comes to producing a good or providing a service that is greatly affected by the difficult or technically conditional tastes of customers.

- **Marketing obstacles**

Emerging enterprises face several difficulties in their marketing stages, due to several different reasons, including those that cannot be controlled, such as the possibility of obtaining timely information and investigating it, including the additional need for more financing that was not taken into account in the previous stages of work.

- **Financing obstacles**

Not obtaining financing in sufficient quantities or not obtaining it in a timely manner may greatly affect the course of the economic project, especially since daily markets play their role in influencing the forces of supply and demand, and determining the prices of goods and services on the one hand, and production costs on the other hand. This affects the budget planned for the project.

4. Entrepreneurship support bodies in Algeria

Within the framework of achieving local development and eliminating the phenomenon of unemployment, Algeria has established several economic and financial bodies that will support the path of entrepreneurship and help create several forms of emerging institutions. Among these bodies we mention the following:

4.1. National Agency for Support and Employment of Youth (ANSEJ)

This agency was established based on Executive Decree No. 296-96 of September 8, 1996. It is characterized by the presence of 53 branches affiliated with it at the Algerian local level (Official Gazette, 1996, p. 52). It is affiliated with the Ministry of Employment and National Solidarity, and enjoys legal personality and financial independence. It helps unemployed youth between the ages of 19 and 35 who aim to engage in small projects. Its assistance to them is represented by providing loans from approved banks. For those interested in the agency, we mention the following: (Gazette, 1996, p. 12)

- Providing advice and accompanying young entrepreneurs
- Providing subsidies and reducing interest within the limits of available financial liquidity
- Providing young people with information of an economic, technical and legislative nature related to the legislator
- Providing advice to young people regarding loan mobilization

As for the forms of support received, we find them as shown in the following table2 :

Table 2: Forms of support for the National Agency for Support and Employment of Youth (ANSEJ)

Financing type	Type of capital	Agency terms
Private financing	Complete ownership of its owner	ANSEJ contributes to the establishment of the institution by providing tax and semi-fiscal subsidies
Bilateral financing	Financial contribution by the founders	ANSEJ contributes an interest-free loan
Tripartite financing	Contribution of founders and agency	The third part is a bank loan on which ANSEJ covers part of the interest charged

Source: Prepared by the researcher based on the above reference on 03/07/2024

4.2. National Agency for Microcredit Financing (ANJEM)

The National Microfinancing Agency plays an important role in supporting a large group of young people who aspire to start and practice their own small projects by financing them with bank loans. Thus, it excludes ideas of social marginalization of these vulnerable groups, especially when it comes to unqualified groups. This agency also clearly participates in advancing development by promoting and encouraging the spirit of entrepreneurship in the country. The agency was established in accordance with the provisions of Article 07 of Presidential Decree No. 04-13 of January 22, 2004. (Gazette, 2003, p. 08)

This agency has financial and legal independence and performs the following tasks:

- Accompanying, supporting and advising the beneficiaries of the micro-loan
- Informing project owners of the subsidies they benefit from
- Follow up on existing activities and respect the terms of the conditions books that link the beneficiary provider with the agency

The National Agency for Microcredit Management provides financial services in the form of loans to its applicants after studying and accepting their files. It also

provides other non-financial services, the most important of which are accompaniment and training. This can be presented through the content of the following table 3 (researcher, 2023)

Table 3: Financial and service statistics from the National Microcredit Management Agency

Type of service provided by the agency	Issue until March 31, 2023
Loans granted	915.051
The formed contractors	262.356
New job positions	1.420.109
Total non-financial benefits	406.545

Source: Prepared by the researcher based on the official website of the National Agency for Microcredit Management (ANGEM) at the link:
<https://www.angem.dz/ar/home.php> on 03/09/2024

The percentages obtained in the table above reflect the major role played by the agency in the field of achieving local development, as the files for job creation were estimated at more than 1,400,000, which means that the agency contributes to reducing the phenomenon of unemployment. As for the loans granted, they were diverse in orientation and addressed Many areas of activities in different sectors, which gives a balanced character in supporting local development as well, and we should not forget that the results of these projects are ultimately directed to meeting the needs of citizens and covering the forces of supply and demand in local markets and encouraging their activity.

4.3. National Agency for Investment Development (ANDI)

The agency was established by Presidential Decree No. 01-03 of August 20, 2001 relating to investment development. This agency was previously named: Agency for the Promotion, Support and Follow-up of Investment (APSI). This extended from the year 1993 to 2001, and it is a public institution with Administrative in nature, endowed with legal personality and financial independence, the agency's

tasks include the following: (Executive Decree No. 01-282 of September 24, 2001, p. 08)

- Promoting and developing national and foreign investments
- Receiving investors and educating them within the framework of implementing investment projects
- Facilitating procedures for establishing institutions
- Managing the investment support fund

4.4.The National Unemployment Insurance Fund

It was created based on Executive Decree No. 94-188 of July 6, 1994, and has liaison with financial institutions and the National Employment Promotion Fund.

One of the tasks of the National Fund is to create positions for those enrolled in the Fund, as stipulated in Executive Decree No. 97-188 of July 4, 1996, which includes the basic law for the National Unemployment Insurance Fund. It has tasks, the most important of which are: (Gazette, 1994, p. 07)

- Taking care of technical-economic studies for projects
- Creating a newspaper for the benefit of the unemployed
- Providing assistance to institutions facing difficulties in maintaining job positions

4.5. National Entrepreneurship Development and Support Agency (NESDA)

It is a governmental body with a special nature, legal personality and financial independence. It is a body under the guardianship of the Minister Plenipotentiary, in charge of small enterprise affairs in the capacity of assistant to the Prime Minister.

The agency seeks to support and develop entrepreneurial projects by encouraging, establishing and expanding activities for the production of goods and services. And strengthening entrepreneurial spirit measures by supporting accompaniment and providing advice, providing information to young people, strengthening relationships with partners from banks and others, training project owners and informing them of their subsidies. As for the types of financing available to the agency, we find all of them self-financing where the project owner can apply. 100% of the investment value, and bilateral financing, where both the project owner and the agency provide 50% of the investment amount The agency sets qualification conditions for project owners, which are as follows: ((NESDA), 2024, p. 01)

- The person's age ranges from 18 to 55 years
- To be qualified with a certificate or any professional document that reflects training
- To continue the training provided to him through the entrepreneurship development centers
- To make a personal contribution in the form of private funds at a level that meets the specified minimum.

5.RESULTS AND DISCUSSION

Emerging institutions in Algeria have received many ways of economic and financial support and accompaniment, as they carry out various activities and projects with investment values. The Algerian government has worked hard to provide various incentives and an appropriate environment to develop and promote this type of institutions, which it considers to be the basic building block for the advancement of the investment reality. Concerning the national economy, especially with regard to new projects that are concerned with the use of modern technologies, innovative mechanisms, the use of patents, and the creation of a competitive advantage in global

markets. Through this work, we sought the important role of entrepreneurial accompaniment as a means of developing emerging enterprises in Algeria, and we mentioned some Mechanisms of support and accompaniment for emerging enterprises in Algeria, and we demonstrated the existing relationship between the newly established entrepreneurship support bodies and the possibilities of achieving local development, which begins with eliminating the phenomenon of unemployment and providing the requirements for launching the implementation of investment projects in reality, after they were expressing mental ideas and dormant ambition. .

Entrepreneurship opportunities and ways to make them successful remain, whether through the tasks of old and new financing bodies or through permanent and continuous research on ways to benefit from previous experiences and continue support of all kinds and to the extent possible, which requires us to focus on some Sensitive points as targeted future recommendations include the following:

- Increased interest in the entrepreneurial spirit as a mechanism for achieving sustainable development and supporting it further
- Monitoring and motivating emerging institutions and trying to bring them to the global level
- Keeping pace with economic and global modernity in the methods of financial and economic support in general
- Paying more attention to the communication and media space and developing Internet services
- Increase the training and motivation of human resources and benefit from their skills, experiences and personal inclinations
- Trying to create a balance between the results achieved and the exhaustion of the approved energies of the various investments

- Contact with developed countries and leading economies and providing opportunities to create an atmosphere of economic cooperation and integration
- Reviewing past mistakes and correcting administrative and technical shortcomings within the framework of the accompaniment and support applied by some financing bodies.
- Linking entrepreneurial investments to creating added values that will achieve local development

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