

Gendered Entrepreneurship and Sustainable Development: Analyzing ANGEM's Strategic Approach

Ammam RIM

Faculty Of Economic, Commerce & Management Sciences

University of Medea, Algeria

ammam.rim@univ-medea.dz.

Date of receipt: 08/02/2025

Date of acceptance:13/04/2025

Abstract:

The role played by ANGEM is core and leading to further industrial development of Algeria by enabling sustainable entrepreneurship via interest-free loans, specifically provided to SMEs and women entrepreneurs. this study embraces a mixed-method approach, mixing quantitative analysis regarding loan distribution by financing type, gender, sector, and age group with insights from qualitative work in the policy evaluations and standpoints of major stakeholders. Key findings of ANGEM impacts on employment and economic inclusion offer policy recommendations towards better effectiveness in microcredit.

Keywords: Gendered Entrepreneurship; Microcredit; Sustainable Development; ANGEM; SMEs; Algeria

Jel Classification Codes : L26; M21; Q02

1. INTRODUCTION

Entrepreneurship has been viewed as one of the central driving forces for economic growth, innovation, and social inclusion (Pan et al., 2024,p09) Entrepreneurship creates jobs, enhances productivity, and promotes the overall development of national economies (Adenutsi,p180). In the case of emerging economies, where unemployment and income disparities continue to pose serious challenges, entrepreneurship acts as a vital mechanism for poverty alleviation and economic empowerment (Morris et al.,2020,p. 03)However, access to financial facilities is one of the most important obstacles newcomer entrepreneur faces, especially in developing countries. Credit availability and other non-financial support structures determine whether an entrepreneurial venture will succeed. (Si et al., 2021,p03)

In Algeria, several policy initiatives have been adopted to promote entrepreneurship and have targeted the marginalized and underprivileged groups especially (Merouani et al.,p06). Of these, one of the most marked was the creation of The National Agency for the Management of Microcredit, ANGEM, to favor access to microfinance by budding entrepreneurs. ANGEM serves as a critical tool within the strategy for financial inclusion in Algeria by offering small loans and basic non-financial services to people without access to bank services. The agency targets unemployed youth, women, and the rural population to achieve inclusive economic participation and contribute to the reduction of socio-economic disparities. (Hadefti et al., 2022, p22)

ANGEM has played a key role in shaping the entrepreneurial landscape of Algeria (Tabti and Mennad, 2024, p386). It has provided 989,313 microcredit loans that have contributed directly to creating new enterprises and expanding the entrepreneurial ecosystem of the country in general. Thus far, these loans have created approximately 1,000,192 jobs, augmenting the beneficiary households' overall employment and the economic self-reliance associated with that outcome. In corroboration, ANGEM has supported and complemented each loan with corresponding non-financial services (Madani, 2023,p30).Namely, training in business development aspects, mentorship, and consultation to ensure successful long-term, sustainable entrepreneurship through 1,457,470 services.

Secondly, it trains 451,858 promoters as business persons fully equipped with such skills and tools as would adequately enable them to manage and upscale their business units. To date, 298,249 entrepreneurs have directly benefited from these training programs, a demonstration of the agency's commitment to fostering a resilient and self-sustaining entrepreneurial ecosystem.

Despite these achievements, there is still a critical need to evaluate the broader socio-economic impact of ANGEM's financing strategies, particularly about gendered entrepreneurship and sustainable development. Besides this fact, women entrepreneurs generally face other structural hurdles in access to financial resources and business networking that may impede scaling their enterprise (Christodoulou,2024,p425). The study, therefore, embarks on a comprehensive review of the ANGEM financing model to establish the effect of the microcredit initiative on gender inclusivity in enterprise ownership, and at what level this adds to long-term economic viability. The research will delve into the strengths and limitations of the current microcredit framework to glean useful lessons from the role of microfinance in shaping an inclusive and resilient entrepreneurial ecosystem in Algeria.

Problematic Research

This study discusses the microcredit impact of ANGEM on gender-owned businesses in Algeria, including its role in entrepreneurship, employment, and challenges for women entrepreneurs. Thus, the research question that will guide the study is: ***To what extent does the ANGEM microcredit program influence gender economic empowerment and sustainable business practices in Algeria?***

Objective of the Study

The main objectives of this study are:

1. To analyze the distribution of micro-financing based on gender, sector, and age group.
2. To assess the impact of ANGEM's micro-financing policies on sustainable entrepreneurship.
3. To identify the challenges and opportunities for gendered entrepreneurship in Algeria.

Contribution of this Study: The study, therefore, analyzes ANGEM microcredit programs by sector and demographics, their role in gender-inclusive entrepreneurship, and sustainable development. It also addresses knowledge gaps and offers policy recommendations for financial inclusion.

2. LITERATURE REVIEW

Microcredit has been one of the most researched interventions for poverty alleviation and economic empowerment, especially in areas with very marginalized and low-income populations(Chikwira et al.,2022,p04; Egharevba et al.,2016,p5374). Proponents argue that microfinance promotes entrepreneurship, enhances financial independence, and increases social mobility(Newman et al,2014,p160). Critics have identified risks such as dependency on debt, high interest rates, and the challenge of business sustainability in the long run. (Guérin et al., 2018, p123; Bayai et al., 2016, p21).

Ranabahu and Tanima,(2021,p150) and other proponents of microfinance, however, view microfinance as having a potentially transformative role for women. Rankin (2001,p22), for example, contends that access to small loans frees women from economic dependency, allows them to invest in business ventures, and strengthens their bargaining positions within households and communities. Andriamahery and Qamruzzaman (2022, p06) also underlines that microcredit can be an instrument for female empowerment, especially when it is combined with favorable institutional frameworks and financial literacy programs. However, the effectiveness of microcredit in achieving gender equity has been highly context-dependent, which reflects wide variation in regional and socio-economic groups.

Contrarily, critics like Meki and Quinn (2024, p03); and Osmani (2017, p67) postulate that instead of an economic boost, microfinance often causes a debt trap. It has been argued that unrealistically high repayment expectations place undue stress on debtors, contributing, in some cases, to over-indebtedness and financial distress, particularly in contexts where regulatory oversight is not especially strong (Mjuza and Ntsalaze, 2019, p100). In addition, as Dutta and Banerjee (2018, p71) note, microcredit can

be very good at smoothing household consumption and providing start-up capital but is rarely large enough to scale businesses into viable enterprises.

2.1. Microcredit in Algeria: The Impact of ANGEM

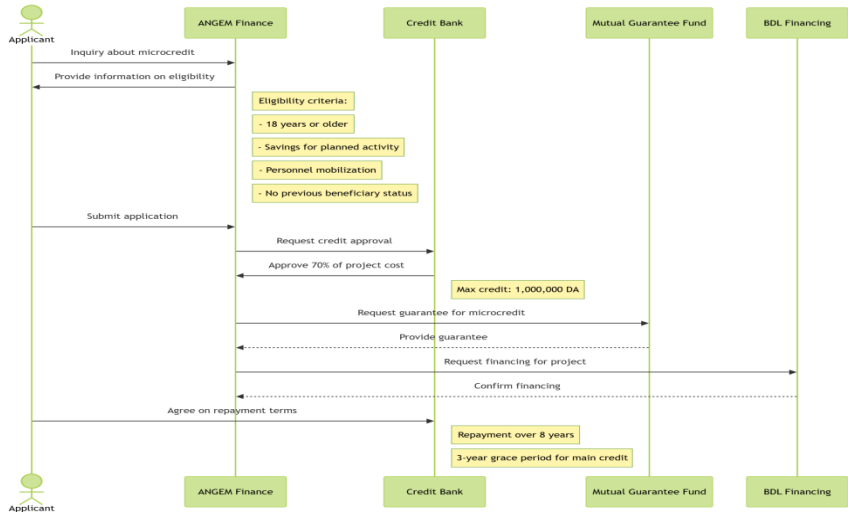
In the Algerian context, research on microcredit is relatively rare, particularly on the long-term impact of The National Agency for the Management of Microcredit. Several studies have looked at the issue; for example, Dakhane in 2024 found that ANGEM has contributed to increased female entrepreneurship by enabling women to establish small businesses in retail, agriculture, and handicrafts. However, structural barriers persist, such as bureaucratic inefficiencies, limited financial education, and cultural biases against women accessing credit (Kabeer et al., 2029,p 60; Hopper et al.,2009,p471; Abed Ghers and Baali ,2022,p331).

Other regional analyses support these observations by stating that although microcredit programs effectively promote business start-ups, their long-term viability is still questionable, according to Onyekwelu (2023,p06) and Jalil (2021,p03). Numerous issues can prevent microcredit-related success factors, such as market saturation, a lack of business support services, or general economic volatility (Thorsten, 2015, p60). Research done by (Fox and Kau, 2018, p 08)further shows that without complementary policies that include skills training, mentorship programs, and access to more general financial resources, microcredit per se may have little impact on poverty reduction over the long term.

3. METHODOLOGY

This research adopts a mixed-methods approach to evaluate the efficiency and impact of ANGEM's microcredit financing model. By combining both quantitative and qualitative data, the study aims to provide a comprehensive analysis of the distribution and outcomes of ANGEM's interest-free loan program, which supports sustainable entrepreneurship in Algeria.

Fig.1. ANGEM Microcredit Process Flow

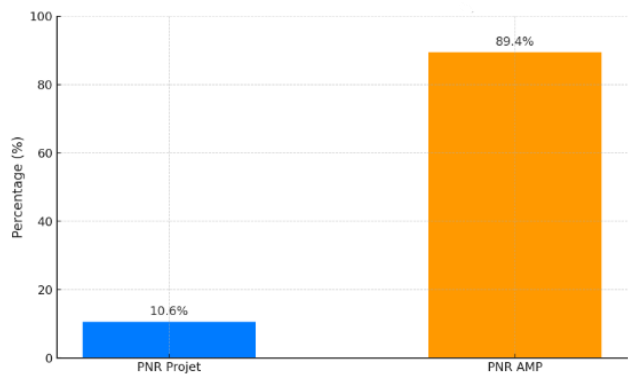


Source: Author’s impression.

3.1. ANGEM’s Microcredit Financing Approach

ANGEM’s micro-financing model includes interest-free loans aimed at both raw material purchase and new project creation. The distribution of loans is as follows:

Fig.2. Cumulative Achievement Report of Distribution of Loans Granted by Financing Type as of 31 December 2024



PNR: Interest-Free Loan | AMP: Purchase of Raw Materials | Projet: Triangular Financing (ANGEM – Bank – Beneficiary)

Source:(ANGEM,2024)

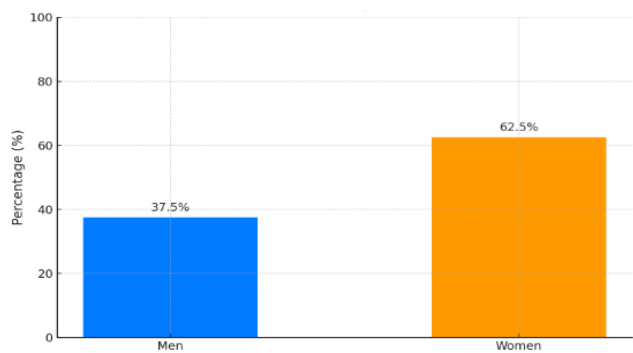
This graph shows that of the 1,000,192 jobs created by the microcredit programs of ANGEM, 89.4% were created by PNR AMP, and 10.6% by PNR Projet. This means that PNR AMP is more effective or widespread than PNR Projet. Further research could study the causes of such a difference;

These reasons may be explained based on what structural and funding differences exist, and what beneficiaries each type of financing targets. through further research into a few key factors. First, analysis of structural differences between PNR AMP and PNR Projet could point to a difference in how each program is designed and implemented that might account for their respective levels of success. This can be done, secondly, by analyzing funding mechanisms to establish how the quantum of financing, type of loans, and/or the repayment terms are different and what impact the difference would have on the outcome of the two programs. Finally, knowing the target beneficiaries of each type of financing including demographic characteristics or business sectors-could also help in explaining why PNR AMP has been more successful in creating jobs. This might help in informing improvements in the two programs toward better effectiveness.

3.1.1. Gender Analysis of Loan Beneficiaries

Microcredit is a powerful tool for women's empowerment, and ANGEM’s financing model strongly supports female entrepreneurs.

Fig.3. Cumulative Achievement Report of Distribution of Loans Granted by Gender as of 31 December 2024



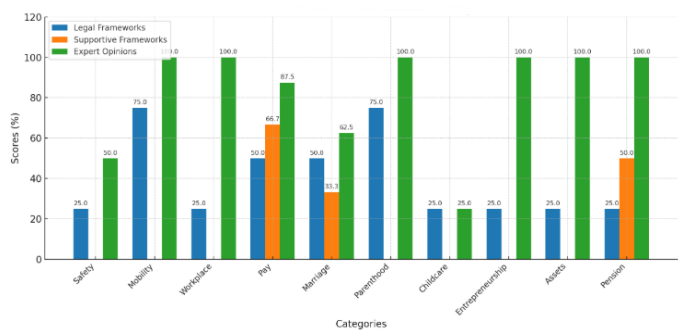
Source:(ANGEM,2024)

The graph indicates that the fact that 62.5% of ANGEM loan recipients are women highlights a strong commitment to promoting gendered entrepreneurship as a driver of economic growth and social equality. This high percentage suggests that ANGEM’s programs are either specifically designed for women or particularly accessible to them, leading to increased household incomes, job creation, and economic diversification. Women entrepreneurs often reinvest their earnings into their families and communities, further amplifying the program’s impact. Moreover, their participation across various business sectors strengthens the economy. To enhance this assessment, a more detailed analysis of the sectors in which women entrepreneurs operate, the size and terms of their loans, and the long-term success rates of their businesses would be valuable.

Comparing these figures to national entrepreneurship trends would provide a clearer understanding of ANGEM’s role in advancing women’s economic empowerment and its broader economic implications.

For Algeria, data refer to the legal frameworks, supportive frameworks, and expert opinions that are applicable to the main business city (Algiers). The scores for Algeria are shown in the table below.

Fig.4. Women, Business and the Law 2024 2.0 indicator scores



Source: World Bank. (2024)

Comment: According to World Bank. (2024). The data reveals a stark contrast between the existing legal frameworks and the lack of supportive systems for women's economic participation in Algeria, highlighting significant barriers in areas such as workplace equality, entrepreneurship,

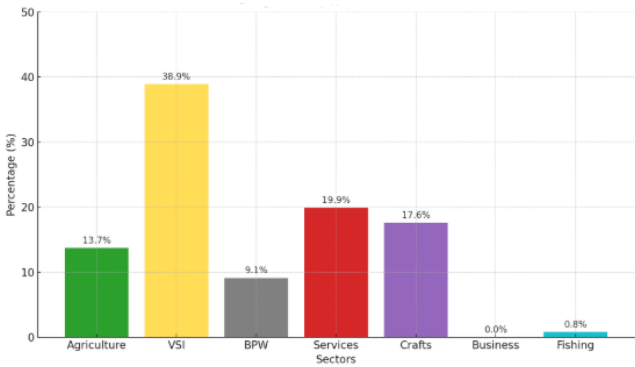
and childcare. While there are moderate to strong legal protections in some areas, like mobility and parenthood, the absence of practical support frameworks severely limits the effectiveness of these laws. Experts, however, remain optimistic, particularly in areas like pay equity, workplace equality, and entrepreneurship, suggesting that with the right reforms and implementation of supportive measures, there is considerable potential for advancing women's economic empowerment. This disconnect between legal provisions and practical support underscores the need for comprehensive policy reforms that integrate both legal protections and supportive structures to foster an environment where women can fully participate in the economy.

3.1.2. ANGEM's Role in Supporting SME Structures

3.1.2.1.Sectoral Distribution of Loans

The allocation of micro-financing across various sectors highlights ANGEM’s focus on supporting industries that contribute to sustainable economic growth.

Fig.5. Cumulative Achievement Report of Distribution of Loans Granted by Sector of Activity as of 31 December 2024



Source : (ANGEM,2024)

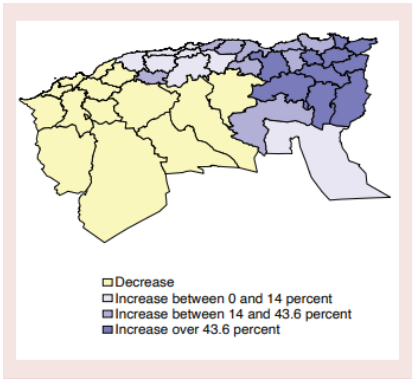
The graph shows that the statement is partially correct, as the reported importance of VSI – Construction and Public Works in employment and economic sustainability is close to reality, with 39.13% compared to the actual loan allocation of 38.9%. This sector is a major contributor to long-term economic stability through infrastructure development and investment attraction. However, the claim regarding traditional crafts is less accurate, as

the stated percentage (19.81%) exceeds the actual figure (17.6%). While traditional crafts support employment, particularly in rural areas, their overall contribution to economic sustainability is less significant than that of the construction sector, as they rely on niche markets such as tourism and cultural heritage. Therefore, while the emphasis on employment is well-founded, the argument for the broader economic sustainability of crafts requires further evidence.

3.1.2.2.Role of NDVI in Agricultural Analysis

The satellite-derived NDVI metric in Algeria is important in monitoring vegetation health and agricultural performance. NDVI accounts for more than 50% of the historical variation in agricultural GDP; hence, it is critical to evaluate projects under ANGEM, since high values of this metric correspond to higher outputs in cereal-producing areas, validating ANGEM's investment strategy.

Fig.6. During the 2023-24 crop season, rainfall improved in the East but worsened in the West



Source: World Bank. (2022).

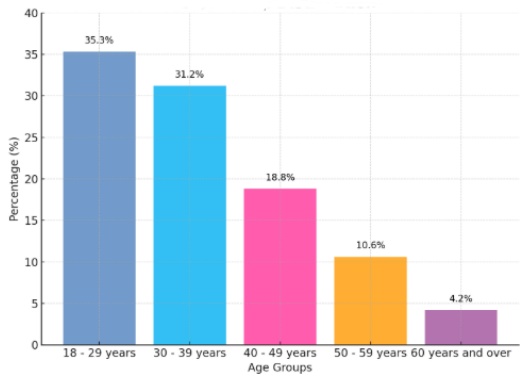
Comment: The synergy between microcredit programs and NDVI insights at ANGEM for improved agricultural productivity involves targeting, impact monitoring, and proactive responses. With the help of NDVI data, ANGEM can also finance agriculture in areas where agricultural potential is high and use resources in the best possible manner. Using NDVI, ANGEM can assess its impact: increasing vegetation health and agricultural output from the supported regions mark successful interventions. Additionally,

NDVI locates areas under environmental stress, such as drought or vegetation decline, in which ANGEM can recommend resilience building through such activities as drought-resistant crops and water-efficient irrigation. The integration will contribute to sustainable growth and optimization of agricultural development efforts.

3.1.3. Age Group Distribution of Loans

Understanding the age distribution of beneficiaries helps in evaluating the inclusivity of ANGEM’s financing model.

Fig.7. Cumulative Achievement Report of Distribution of Loans by Age as of 31 December 2024 Group



Source:(ANGEM,2024)

The graph shows that The age distribution of ANGEM’s financing beneficiaries highlights a strong focus on younger entrepreneurs, with 66.48% of recipients aged 18-39, suggesting that the program effectively supports early-stage business creation. However, participation declines with age, with only 4.16% of beneficiaries aged 60 and over, possibly due to risk aversion, employment stability, or restrictive lending conditions. This trend underscores the crucial role of youth entrepreneurship in economic growth while also raising concerns about long-term business sustainability. To enhance inclusivity, ANGEM should develop tailored financial products for mid-career and older entrepreneurs while ensuring that younger beneficiaries receive adequate support to sustain their businesses.

4. DISCUSS RESULT

The National Agency for the Management of Microcredit (ANGEM) has played a pivotal role in fostering entrepreneurship among Algeria's youth and women. Notably, 66.48% of its financing beneficiaries are aged between 18 and 39, and 62.5% are women. Such targeted support promotes job creation and economic diversification.

However, challenges persist. Participation among individuals aged 60 and above has declined. Additionally, despite the high percentage of female beneficiaries, women continue to face obstacles to full economic participation, including limited access to resources, societal norms, and structural challenges within the entrepreneurial ecosystem.

To address these issues, ANGEM could develop specialized financial products aimed at encouraging older entrepreneurs to engage actively in economic activities. More broadly, policy reforms could support women entrepreneurs by improving access to finance, offering relevant training programs, and creating an enabling environment that facilitates female entrepreneurship. These measures would not only empower women but also contribute to economic growth and diversification.

5. CONCLUSION

ANGEM's strategic approach to micro-financing has played a crucial role in fostering gendered entrepreneurship and sustainable development in Algeria. The agency's financing model not only supports existing businesses but also encourages new entrepreneurial ventures, particularly among women and young people. Future policies should focus on increasing financing opportunities for agriculture and other underrepresented sectors while ensuring continued support for gendered and youth entrepreneurship.

6. RECOMMENDATIONS

- Strengthen financial literacy programs to ensure effective loan utilization.
- Expand financing options for women entrepreneurs beyond microcredit.
- Increase support for agricultural entrepreneurship to enhance rural development.
- Enhance monitoring and impact assessment mechanisms to ensure sustainability of funded projects.
- Support for agricultural cooperatives and producer groups.

- Ensure accessibility of training programs through diverse formats (online, mobile, workshops) and locations.

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