

The Impact of Entrepreneurship Support Policies on Women's Economic Empowerment in Algeria

أثر سياسات دعم ريادة الأعمال على التمكين الاقتصادي للمرأة في الجزائر

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Abstract:

our study came to highlight the impact of entrepreneurship support policies on women's economic empowerment in Algeria, through showing the importance of including women's economic empowerment in development plans, and the extent to which Algerian women benefit from these policies, as well as evaluating the support of female entrepreneurship in Algeria. The study concludes by linking these analyses with recommendations addressed to policymakers on how to work towards achieving an effective participation of women in the national economy, through entrepreneurship's sector.

Keywords: Women's Economic Empowerment, Entrepreneurship Support Policies, Female Entrepreneurship.

Jel Classification Codes: L26, J16.

ملخص:

جاءت دراستنا لتسلط الضوء على سياسات دعم ريادة الأعمال وأثرها على التمكين الاقتصادي للمرأة في الجزائر، من خلال تبيان أهمية إدراج التمكين الاقتصادي للمرأة ضمن المخططات التنموية، ومدى استفادة المرأة الجزائرية من هاته السياسات، وكذا تقييم دعم ريادة الأعمال النسوية في الجزائر. ويخلص البحث إلى ربط هذه التحليلات بتوصيات موجهة لواقعي السياسات، بشأن كيفية العمل على تحقيق مشاركة فاعلة للمرأة في الاقتصاد الوطني من خلال قطاع ريادة الأعمال.

كلمات مفتاحية: التمكين الاقتصادي للمرأة، سياسات دعم ريادة الأعمال، ريادة الأعمال النسوية.

تصنيف Jel: L26، J16.

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1.INTRODUCTION:

Women assume a predominant role in our society either socially or economically. There is constantly a desperate need to bring them into the mainstream of economic activities by breaking the shackles of their traditional function that's by and large confined to household activities.

Women's economic empowerment is mainly linked to their participation in economic activities and the extent of enabling them to be treated as important partners in society. Economic empowerment would include making women conscious of their own situation and gain skills and develop their self-reliance.

As Algeria realized the importance of women's participation in the national economy, it tried to adopt several strategies, policies, and programs to provide support and empower women, who in turn were able to highlight their distinction in some sectors, and even proceeded to experience entrepreneurship that has always been Monopolized the men.

The present paper aims to examine the impact of entrepreneurship support policies on women's economic empowerment in various sectors. It also offers suitable suggestions to policy planners about how to work towards achieving an effective participation of women entrepreneurs in the national economy. To reach this aim, Our study focuses on three entrepreneurship support mechanisms in Algeria, and analyses their contribution in empowering especially women, which are:

- National Agency for Youth Employment Support (**ANSEJ**: Agence Nationale de Soutien à l'Emploi des Jeunes);
- National Fund Unemployment Insurance (**CNAC**: Caisse Nationale d'Assurance Chômage);
- National Agency for Management of Microcredit (**ANGEM**: Agence

Nationale de Gestion du Micro-crédit)

2. Economic Empowerment of Women: an Economic Choice or a Social Necessity

Most countries strive to empower women as a means and an end in and of itself; What is meant by 'empowering women' is that women's energy and power can be invested in to be harnessed and beneficial. A Canadian women's foundation describes investing in women as "*An intelligent and strategic investment in a better world*" (foundation, 2020). This investment results in range of benefits: better children wellbeing, better administration, improved monetary results, and achieving economic growth. Women are the key to reach those results. They are a way to different ends.

In addition, the empowerment and self-sufficiency of women and the improvement of their political, social, economic and wellbeing status is a profoundly significant end.

Accomplishing change requires strategies and programs. These strategies will improve women's access to higher positions and financial resources, drop the lawful obstructions to enable women to take part in society, and raise the social awareness through successful educational projects. (UNFPA, 2020) In this context, O'Neil, T. and others define Women's empowerment as "*A process of personal and social change through which they gain power, meaningful choices and control over their lives*". (O'Neil, Valters, & Domingo, 2014, p. 1)

In conclusion, women's empowerment is both an "economic choice" and a "social necessity", for they are both interrelated, and we cannot exclude one or the other. However, our research paper will have an economic approach and will focus only on the economic empowerment of women.

Taylor, G. and Perezniето, P identify women empowerment as a process of change that improves women's lives. They also add that the economic empowerment will

only be possible and sustainable if there are changes at different levels: within the individual's capability, knowledge and self-esteem, communities and institutions, including norms and behavior, in available resources and economic opportunities, and in the wider political and legal environment. So, they are not just looking at whether women have increased their access to income and assets, but also whether they have more control over them and are able to use it in other fields of their life. (Georgia & Paola, 2014, p. 1)

Anne Marie Golla et al. also indicate that: "*A woman is economically empowered when she has both the ability to succeed and advance economically and the power to make and act on economic decisions*" (Anne Marie, Anju, Priya, & Rekha, 2011, p. 4).

From the definitions above, it can be said that women's economic empowerment is helping women take the right steps towards a safe economic decision, and considering them as an effective element that contributes to generating income and providing themselves, their family, and society with whatever needs are required.

Women's economic empowerment is one of the most prominent goals in the economic development, emphasising the importance of women's education, creating opportunities in the workforce for women, and providing support and finance for enterprise. (Noha A, Hebah S, & Haya A, 2022, p. 318)

The United Nations focus on Women's economic empowerment with the 17 sustainable development goals (SDGs). The 17 SDGs are important goals that countries around the world strive to achieve in order to deliver sustainable development. Among these goals is goal number five (SDG 5) which focuses on gender equality and stresses the importance of empowering women. (Bank, Women, Business and the Law 2020, 2020)

Policy makers and development partners have placed women's economic empowerment at the top of the global agenda. More than two decades after the

landmark 1995 World Conference on Women in Beijing and, more recently, with the consensus on the 2030 Agenda for Sustainable Development, the global commitment to women's economic empowerment has never been stronger (UN, 2015). At the same time, evidence continues to mount on how increasing women's labour force participation and economic opportunities can drive sustainable and inclusive growth: eliminating discriminatory social institutions could benefit women's education and labour force participation and add USD 12 trillion to the global economy, representing 16% of the global GDP in 2011. (Gaëlle & Annelise, 2019, p. 6)

Despite an increased focus on women's economic empowerment, women continue to see poorer economic outcomes than men do. Globally, women's labour force participation rate was 54% compared to 81% for men. (Bank, World Bank Development Indicators, 2017)

3. The Position of Women within the Entrepreneurship Support Policies in Algeria:

Algeria's entrepreneurship support policies provide financial services to those who have project ideas and are able to work but do not have a capital, and it also encourages both sexes to take part in entrepreneurship. The study focuses on three entrepreneurship support mechanisms in Algeria, which are:

- National Agency for Youth Employment Support (**ANSEJ**: Agence Nationale de Soutien à l'Emploi des Jeunes);
- National Fund Unemployment Insurance (**CNAC**: Caisse Nationale d'Assurance Chômage);
- National Agency for Management of Microcredit (**ANGEM**: Agence Nationale de Gestion du Micro-crédit)

3.1. ANSEJ:

Table 1. ANSEJ: Projects Financed by Gender and ActivitySector
(Cumulative until June 30th 2019)

ActivitySector	Projects Financed		FemininityRate (%)
	Men	Women	
Agriculture	55441	2700	5 %
Crafts	35793	7337	17 %
BPW	34069	820	2 %
Hydraulic	535	25	4 %
Industry	23348	4004	15 %
Maintenance	10396	177	2 %
Fishing	1115	16	1 %
Liberal profession	6439	5478	46 %
Services	90550	18011	17 %
Transport cooling	12996	389	3 %
Transport merchandise	55821	709	1 %
Transport Travelers	18516	481	3 %
Total	345019	40147	10 %

Source: Prepared by researchers based on: Bulletin d'information statistique de la PME N°36, Ministère de l'Industrie et des Mines, Avril 2020, p.27

The Table (1) above shows that the ANSEJ system has supported 345,019 male entrepreneurs while it supported 40,147 female entrepreneurs, i.e. an overall femininity rate of 10%. Female entrepreneurs play an important role in liberal activities (46%) and in both crafts and services (17%). While the industry received 15% of the total loans granted. The rest of the projects are distributed over other activities with small percentages.

3.2. CNAC:

Table 2.CNAC: Projects Financed by Gender and ActivitySector
(Cumulative until December 31th 2019)

ActivitySector	Projects Financed	FemininityRate (%)
Agriculture	23144	11.1 %
Crafts	14383	22.6 %
BPW	8589	2.5 %
Hydraulic	347	5.2 %
Industry	11767	21.9 %
Maintenance	898	2.3 %
Fishing	490	0.4 %
Liberal profession	1228	47.7 %
Services	31348	17.2 %
Transport merchandise	45850	1.5 %
Transport Travelers	12234	1.2 %
Total	150278	10.3 %

Source:Prepared by researchers based on:Bulletin d'informationstatistique de la PME N°36, Ministère de l'Industriet des Mines, Avril 2020, p.27

The situation in CNAC is similar to ANSEJ, where the liberal professions take the lead in financing women's projects by 47.7%, followed by crafts (22.6%), industry (21.9%), services (17.2%).

So, at both agencies ANSEJ and CNAC, Algerian women choose and focus on trades they already know such as: sewing, hairdressing, baking, etc.

3.3. **ANGEM:**

Table 3.ANGEM: Distribution of Loans by Gender
(Cumulative until December 31th 2019)

Gender	Number	Share (%)
Women	584995	63.59 %
Men	334990	36.41 %
Total	919985	100 %

Source: <https://www.angem.dz/en/article/prets-octroyes/>

The table (3) shows that women’s share from projects funded by ANGEM mechanism is estimated by 63.59%. This may reflect the cautious nature of women, which is consistent with financing formulas of ANGEM compared to the two previous mechanisms (ANSEJ, CNAC).

ANGEM runs within the micro credit two financing forms: life loan (interest-free loan) which is funded by ANGEM with a maximum of 100,000 DZD “745.484 EUR” (this loan can reach up to 250,000 DZD “1,863.71EUR” in southern regions), and a larger loan that does not surpass 1,000,000 DZD “7,454.949 EUR” depending on a budgetary plan with a bank. (ANGEM, les formes de financement du microcredit, 2020)

4. Evaluating the Support of Female Entrepreneurship in Algeria:

Despite the State’s proactive policy to include women in the economic sector through the Constitution, laws, and the various mechanisms to encourage entrepreneurship, female entrepreneurship in Algeria is still weak. Statistics show that only 10% of projects awarded by entrepreneurship support structures (ANSEJ, CNAC) have been given to women. It is only at the micro-credit agency (ANGEM) that women make the majority (63.59%).

In addition to this weak number, and even when women try to venture in

entrepreneurship, they prefer to be careful and move towards traditional female sectors; thus, extending a know-how already acquired in the domestic field like: (ANGEM, les types d'activites financees par le dispositif, 2020) Pasta manufacturing, couscous, traditional weaving and tapestry, traditional clothing, hairdressing and beauty care... etc.

Consequently, the study concluded that although access to financial services can contribute to the economic productivity and social well-being of women and their households, it does not automatically empower women.

Therefore, it must pay attention to other criteria and add strategies that support existing policies and achieve the desired goal.

4. Conclusion:

Female entrepreneurship is a new phenomenon in Algeria and special attention should be paid to it, as a key to empowering Algerian women.

The study evaluates the impact of entrepreneurship support policies on women's economic empowerment, and it suggests that they have a positive impact on it. It also recorded the weak participation of Algerian women in the entrepreneurial activity and their sectarian positioning.

This means that empowering women is not only translated in delivering them with financial resources and the amount of granted loans to them, but it is actually achieved after preparing women and raising their economic awareness, which happens in the long run.

Recommendations:

To boost women's economic empowerment, the paper suggests the following:

- It is urgent to activate the role of local authorities and associations in spreading the entrepreneurial culture among women, and revitalizing female entrepreneurship by developing their innovative ideas and refining their talents; since they are close to the inhabitants and understand their

circumstances;

- Create a central mechanism that takes into account the training needs of female entrepreneurs, and reaches all women, even in remote areas. This can be reached by providing training programs that enable women to create or expand projects and manage them, make feasibility studies, promote products, and know how to develop and deliver products to foreign markets, as well as learn negotiation skills with external parties. That is either through a simple financial payment or the support of some of the bodies concerned with women's affairs;
- To increase information on the State support structures and business incubators as well as the available tax advantages because it is important for young female entrepreneurs to be aware of the environment in which they are developing their businesses. This will allow them to make better decisions;
- Another promising approach is to try to directly change individuals and communities beliefstowards women through Media campaigns, by directing soap operas that highlight the most important values to be instilled in building generations rather than focusing on social problems in order to provide a supportive environment for women's participation.

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