

The economic effects of fiscal privileges granted to institutions benefiting from microcredit - an analytical study of the case of the National Agency for the Management of Microcredit ANGEM

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Abstract

This research paper aims to highlight the economic role of fiscal concessions in the form of tax deductions and exemptions granted to owners of small or mini projects, who have benefited from the National Agency's assistance for the management of the microcredit. The analytical method has been used to analyze the statistics obtained, through tables and charts and explanatory analyzes of its data. This study concluded that fiscal concessions have positive effects on the economic environment, in terms of expanding investment, reducing unemployment, and diversifying products from goods and services in the economic activities.

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Résumé:

Ce document de recherche vise à mettre en évidence le rôle économique des concessions fiscales sous forme de déductions et d'exonérations fiscales accordées aux propriétaires de petits ou mini projets, qui ont bénéficié de l'aide de l'Agence nationale pour la gestion du microcrédit. La méthode analytique a été utilisée pour analyser les statistiques obtenues, à travers des tableaux et graphiques et des analyses explicatives de ses données. Cette étude a conclu que les concessions fiscales ont des effets positifs sur l'environnement économique, en termes d'expansion des investissements, de réduction du chômage et de diversification des produits des biens et services dans les activités économiques.

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1- The introduction:

Small and medium enterprises play an important role in economic development, and this is evident in most economies of the world, and its role varies from one country to another, as it contributes to increasing exports in certain countries, while it suffices to meet the needs of the local community in other countries, which is a reflection to the degree of the interest of those countries in them and how to deal with their development and promotion through various methods and mechanisms that develop them within the strategies of sustainable development and economic and social progress.

Algeria, like other countries, has adopted a set of policies and measures that encourage investment in the sector of small and medium enterprises, and among these policies are fiscal stimulus or what is known as tax benefits, as a mechanism that creates a tax vacuum in some areas of investment, which urges the non-income to take a risk and investment decision. These incentives have affected all forms of investment and projects resulting from private financing from the funds and agencies approved to achieve the goals of employment and increase productivity, which included the National Agency for the Management of the Microcredit, which is devoted to economically disadvantaged and vulnerable groups, with the aim of integrating them into the world of work and giving added value to the national economy, through increasing the quantity and quality of goods, and more dependence on self-employment in light of the situation that does not allow the public sector to absorb the huge amount of the unemployed, and thus enhancing the state budget with more revenues in the future, and therefore we present the following main problem: **What is the impact of the tax concessions granted to institutions benefiting from the funding of the National Agency for the Management of Microcredit on the National Economy?**

In order to answer the problem, we decided to systematically divide this research paper into two main axes, as follows:

Firstly: The role of tax benefits in developing and upgrading the economic environment for small enterprises.

Secondly: The effects of fiscal stimulus on small enterprises that benefit from ANGEM's small loan subsidies.

The importance of this research lies in highlighting the great role that tax benefits confer on achieving economic and social goals such as increasing the number of institutions and increasing productivity, diversifying products and goods outside the hydrocarbon sector, integrating non-income groups into the world of work and reducing unemployment, and thus strengthening the role of small enterprises in developing the economy the National.

The analytical approach has been relied upon in studying the statistics obtained from the publications of the Ministry of Industry and Mines, with their tabulation and organization in tables, clarifying them in graphs that reflect the data of the tables more clearly, and analyzing the results reached regarding the effect of tax incentive on small projects benefiting from the National Agency for the conduct of Micro loan, in addition to the descriptive approach in giving general concepts of study variables in theory.

2- Research Methods, tools and measures:

Firstly: The role of tax benefits in developing and upgrading the economic environment for small enterprises.

Small and medium-sized enterprises have become an effective economic element in economic development in the long term, as it attests a great deal to the role they have achieved in raising most of the economies of countries to advanced levels, and their significant contribution in giving a great added value to the economy and increasing the gross domestic product, and it has been a reason to eliminate many of the problems on the economic and social level, and therefore we will address a general concept about small and medium enterprises and how fiscal stimulus contributes to their development and development, and the impact on the economy in general.

- **The concept of small and medium enterprises**

- **SME Definition Standards:** As for the SME definition standards, there are quantitative and qualitative standards as follows (al-abad brenice, 2013)

- **Quantitative standards:** It includes a number of technical and economic indicators such as: the number of workers, the volume of production, the added value, the organic composition of capital, the amount of energy used, and monetary indicators including capital and business number.

B - Specific criteria: These include the responsibility standard, the ownership standard, the market standard, the nature of the industry standard, and the degree of financial independence

- **Definition of small and medium enterprises in Algeria:** The Algerian legislator has separated the definition between small and medium enterprises as follows (law17-02, 2017):

- **Medium Corporation:** It is an organization that employs between 50 to 250 people, and its annual turnover is between 400 million Algerian dinars to 4 billion Algerian dinars, or the total annual turnover is between 200 million dinars to 1 billion dinars.

- **Small Enterprise:** It is an establishment that employs between 10 to 49 people, and its annual turnover does not exceed 400 million dinars, or the total annual turnover does not exceed 200 million dinars.
- **The Very Small Corporation:** It is an establishment that occupies from 01 to 09 people, and its annual turnover is less than 40 million dinars, or the total annual turnover does not exceed 20 million dinars.

Through the previous definitions, we note that the Algerian legislator has adopted the criterion of the number of workers first, then the number of works or annual profits, and it is worth noting that in the event that a certain organization is classified according to the number of its workers, and in another category according to its business number or total of its proceeds, priority is given to the criterion The number of works or the annual result of its classification. (law 17-02, 2017)

The following table explains the criteria for differentiating between the three types of institutions according to the Algerian legislation.

Table No. 01: Definition of small and medium enterprises in the Algerian legislation:

Institutions	Number of Workers	Business number (DZD)	(Annual result(DZD
Medium	From 50 to 250 workers	Between 400 and 04 billion	Between 200 million and 01billion
Small	From 10 to 49 workers	Not exceeding 400 million	million 200Not exceeding
Very small	From 01 to 09 workers	Not exceeding 40 million	million 20Not exceeding

Source: Prepared by the researcher based on Law No. 17-02 of January 10, 2017, which contains the Directive Law for the Development of Small and Medium Enterprises.

- **The impact of fiscal stimulus on the development of small and medium enterprises and economic aspects :**

The fiscal stimulus policy has multiple effects on the economic aspects, regardless of whether it is a mechanism to stimulate investment, especially in the field of small and medium enterprises, but it has other economic repercussions that we will outline in this element

2-1: Stimulus to savings (bouqfa, 2009) : The legislator pushes its small and medium-sized enterprises to encourage saving, through a number of tax exemptions or reductions related to certain types of tax containers. In view of the Algerian legislator, it has adopted granting tax concessions to investors in this sector. For example, the activities that young people with Small enterprises and beneficiaries of the support of the National Fund to support and employ young people, or the National Microcredit Support Agency, or the National Unemployment Insurance Fund, from a full

exemption from the sole tax or total income tax according to the number of business An investigator, and the tax on corporate profits for a period of 03 years, and extends for a period of 06 years in the event that the activity was carried out in places to be promoted, and two years are added in the event of a commitment from the project owner to employ at least 03 workers, and the exemption period is 10 years if the activity is in the southern regions (chaabani, 2017)

Consequently, small and medium enterprises take advantage of these tax savings to save them in banks, which embody another type of investment, which is financial investment, and thus work to increase the dynamics of banking activity in the Algerian environment.

2-2: Increased levels of employment: The fiscal stimulus policy works to reduce unemployment rates, by urging small and medium enterprises to increase the number of employees in them, and this is done through government reductions or tax exemptions for every person employed in an institution, where the more workers the corporation has benefited from a reduction in taxable income, and the value of the deductions increases as the number of employees increases. Also, the reductions applied to the reinvested profits are considered a driver for increasing the number of workers by increasing the amount of invested capital

2-3: Export development and diversification: The fiscal stimulus granted to enterprises increases the quantity and quality of production, as the revenues resulting from the deduction of the total tax burdens reduce the pressure of the tax base, and have positive economic effects, so as the activity increases, the severity of external indebtedness that the government will not resort to in The case of whether the quantity of goods and services is sufficient to serve the community on the one hand, and is equivalent to the amount of money on the other hand, which means a balance of payments balance and achieving a surplus in the trade balance. Increasing exports after avoiding debt also leads to avoiding the payment of debt interest, which is often be a hard currency, which overburdens exchange reserves of the state, in addition to the fiscal stimulus can contribute to increased turnover through customs facilities on the raw materials, equipment and means of production, as well as exporting goods (bouqfa, 2009).

2-4: Increasing the returns of enterprises: The fiscal stimulus related to investment contributes to the rationalization and rationalization of investment decisions, which leads to an increase in their returns, whereby tax benefits are granted on the basis of encouraging the institution to internal savings in order to finance investments, and the reductions granted in customs duties related to the import of raw materials and equipment that

Directly involved in the investment process, in addition to the total or partial exemption of the reinvested profits, all of this would create a financial balance for the institutions as it raises working capital and the need for working capital, and the balance of the treasury as the percentage of profits increases Of the investment flow.

2-5: Reducing the volume of costs: Reducing the fiscal burden contributes to minimizing costs, and consequently, as a result, prices stabilize at a reasonable and somewhat low level, as long as the taxes have not burdened the institution, which affects price decisions, as the costs increase, the prices increase, especially in light of The perfect competition market, where the prices are determined from the convergence of supply and demand forces that will not be affected by the increase or decrease, the same thing with the monopoly market, where does the institution resort to increasing prices when the value of taxes increases, and thus prevents the government from transferring the fiscal burden to the consumer by granting exemptions and reductions Tax institution (mahjoub, 1971).

2-6: Increasing the size of investments and institutions: As the tax incentive mechanism is able to create many institutions that decided to invest in various sectors thanks to encouraging investment as long as the profits may be fully utilized without being subject to taxes, even for a temporary period, to the goal of financial stability and profit for the institution that can Consider expanding the project size to coincide with the end of the tax stimulus, when the taxes will not affect the organization's performance.

We will present the impact of fiscal stimulus on the number of small and medium enterprises for recent years in Algeria, according to the following table:

Table No. 02: The evolution of the number of small and medium enterprises during the period 2010-2018 in Algeria

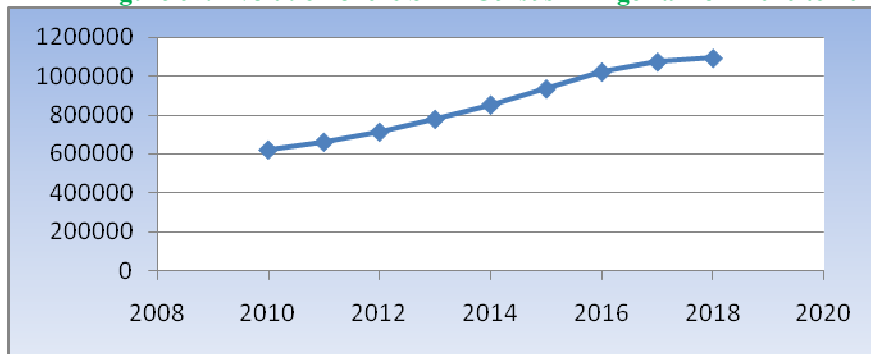
year	2010	2011	2012	2013	2014	2015	2016	2017	2018
number	619072	659309	711832	777818	852053	934569	1022621	1074503	1093170

Source: Prepared by the researcher based on publications published by the Ministry of Industry website <http://www.mdipi.gov.dz/?Bulletin-de-veille-statistique> Upload date: 10/30/2019.

Note: The statistics for the year 2018 are for the first six of them only, according to the latest publication of the Ministry of Industry on the site

To give a clearer picture of the schedule data, we present it in the following figure:

Figure 01: Evolution of the SME Census in Algeria from 2010 to 2018



Source: Prepared by the researcher, based on data from Table 02.

Through the figure and the table above, we note that the number of small and medium enterprises is on the rise, starting in the year 2010, as it was estimated at 619072 institutions during this year and this number continued to rise from year to year, this increase is offset by an increase in the value of loans granted and an increase in the number Users throughout this period, until the year 2018, when its population reached 1093170 institutions, and this is a significant number, as the percentage of institutions increased from 2010 by 77%.

It should be noted that this era has coincided with the decline in oil prices, the main source of Algerian income, which the national economy depends greatly on, especially as it constitutes the largest proportion of Algerian exports, which prompted the government to search for alternative strategies to diversify and increase national production in quantity and quality, and the most important way to achieve That is the small and medium enterprises, so adopting the fiscal stimulus policy as one of the solutions for the advancement of this sector has given a clear impact on the great spread of this institution at a time when the government seeks to avoid economic and financial crises in light of the low fuel prices.

Secondly: The effects of fiscal stimulus on small enterprises that benefit from ANGEM's small loan subsidies.

As the institution is the main pillar in strengthening and developing the national economy, the government has endeavored in all ways, mechanisms and procedures to work on establishing economic institutions to give added value to the national economy and eliminate all economic and social problems, and this effort has embodied the establishment of several bodies and devices to help the unemployed to establish Their own institutions and the spirit of entrepreneurship in them, as long as the public

sector no longer absorb the large number of job seekers, and thus the National ANSEJ Youth Employment Agency, the National Unemployment Insurance Fund CNAC, and the National Agency for Employment ANGEM Microcredit, And each device concerned with a specific class of society members, and other supportive bodies such as business incubators and facilities and others, in addition to all credit and fiscal facilities and privileges, in the hope of correcting the economic imbalances in the balance of trade and the balance of payments, price turmoil and the rate of inflation, the level of unemployment and the stability of the value of money ...etc. We have devoted in our research an analysis of the impact of fiscal concessions on institutions that benefit from the National Agency for the management of microcredit.

- **Definition of a microcredit:** It is a loan granted to groups of citizens without income or those with weak, unstable and irregular income, and aims at the economic and social inclusion of the targeted citizens by creating activities that produce goods and services (law 04-13, 2004)

The mini-loan is defined according to the National Agency for the Management of the mini-loan as an advance to be paid over a period of 12 to 60 months directed to productive and service projects or activities that do not exceed the cost of 1,000,000 DZD, managed to acquire small equipment and raw materials to start the activity and cover the initial expenses for practicing an activity or profession (the official website of the ANGEM, 2019).

From the above we conclude that microcredit is specific financial amounts that are monitored by the government for certain groups of society suffering unemployment and economic and social marginalization, with a view to integrating them into productive and economic activity and achieving income for them with the presence of banking and fiscal facilities in order to encourage them more to enter the work year from During this mechanism.

- **The function of the National Agency for the Management of the Microcredit:** Within the framework of sustainable development programs and the development of small and medium enterprises in Algeria, within the strategy of economic development and diversification outside the hydrocarbon sector, the government has taken many measures, including the insertion of all groups of society in the world of work and production, and the agency is considered a national for the management of the loan The mini is the embodiment of this economic plan.

2-1: The definition of the National Agency for the Management of the Microcredit: The National Agency for the Management of the Microcredit pursuant to Decree No. 04-14 of 22 January 2004, as a new mechanism for guaranteeing the loans provided by financial institutions and banks to

investors, and this agency is characterized by financial and personal independence and is under the authority of the Prime Minister and is held by the Minister Operation is operational supervision, and the agency is run by a steering board and oversight committee and is run by a general manager and is concerned with (muhammad al-nasser, 2011)

- Management and administration of loans granted to citizens with low income and without income, which are in the range of 50,000 and not more than 4,000,000.
- Loans granted are repaid between one and five years.
- Establishing financial relationships with banks and financial institutions in order to provide adequate financing for projects.
- Concluding agreements with bodies and institutions for information, sensitization, awareness and accompanying users of microcredit.
- Follow-up activities of the beneficiaries within the framework of their commitment to the conditions book.
- Providing interest-free loans, advice and advertisements to beneficiaries, with the assistance of the National Fund for Microcredit Support.

2-2: The objectives of the National Agency for Microcredit Management: The agency aims to (law 04-13, 2004) :

- Contributing to combating unemployment and poverty in urban and rural areas by encouraging self-employment, and working in the home, the craft and the professions, especially the women's groups.
 - To raise awareness among the rural population in their areas of origin by highlighting economic and cultural products, including goods and services that generate income and employment.
- - Development of the spirit of entrepreneurship, to replace dependency, and thus help social inclusion and individual development of people.
- To support, direct and accompany beneficiaries in carrying out their activities, especially with regard to financing their projects and the stage of exploitation.
- Follow up on the activities carried out by the beneficiaries, while ensuring that the agreements and contracts that link them with the agency are respected.
- Training of project owners and beneficiaries of microcredit in the field of financing and conducting income-generating activities and micro-enterprises.
- - Supporting the marketing of microcredit products by organizing exhibitions for display and sale.

2-3: The pattern of financing in the National Agency for the Management of Microcredit:

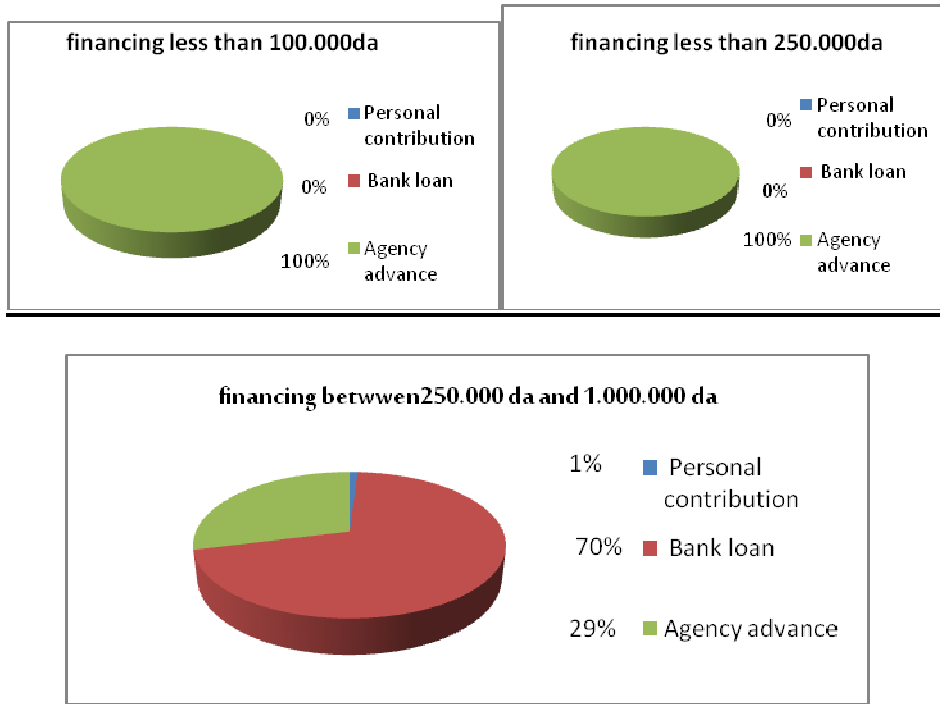
The National Microcredit Agency operates financially for those who want to benefit from financial services, funding may be unilateral, i.e. from one party and is represented in the agency, and it may be tripartite, meaning that the proportion of funding depends on three parties, i.e. the agency and the beneficiary, in addition to the bank, and the agency is responsible for guaranteeing the loans provided by it, and it should be noted that the proportion of the contribution provided by The beneficiary's party is not large, and the financing formula in the National Agency for Microcredit Management can be illustrated through the following table

Table No.03: The Type of Financing in the National Agency for Microcredit Management

Interest rate	Agency advance	Bank loan	Personal contribution	Class of contractor	The value of the project
-	%100	-	% 0	All items (raw materials purchase)	Do not exceed 100,000 DZD
-	%100	-	% 0	All categories at the level of the southern states	Not exceeding 250,000 DZD
-	%29	%70	%01	All items	Not exceeding 1,000,000 dinars

Source: <https://www.angem.dz> Date of access: 10.31.2019 time: 19:52.

Figure No. 02: Contribution percentage according to the type of financing in the ANGEM



Source: Prepared by the researcher, based on data from Table 03

3- Tax incentives provided to the beneficiaries of the National Agency for the Management of the Microcredit: In order to encourage

the initiative to work freely and productively within the framework of the employment and sustainable development policies, the government is working to try to attract people to invest in this field, and in order to achieve this, the tax comes here to play an important role. In achieving its economic and social goals, as the government provided a set of exemptions and reductions to owners of small projects in order to avoid tax pressure on the one hand, and on the other hand, work to increase the cost-effectiveness of these projects that operate with sufficient profitability as long as there is a reduction in costs resulting from a shortage of Banqueting taxes, and this is what was adopted regarding the National Agency for going micro-loan, and is granted tax incentives to the category of beneficiaries here are as follows:

- Total exemption from the tax on the gross income and the tax on corporate profits for a period of 03 years, and this is what is stipulated in Article 13 of the Direct Taxes and Similar Fees Law for the year 2019, whereby the investor is exempt from paying the tax on gross income in the real system or the only tax system. And the tax on corporate profits during this period, and the exemption period is set at six 06 years starting from the date of commencement of exploitation if these activities are practiced in areas that must be promoted, and the exemption period is extended by two years when investors pledge to employ at least 03 workers for an unlimited period, and the period is extended. Exemption for 10 years if the practitioner activity in the area is benefiting from the Fund's subsidy for the development of the south.
- Exemption from ownership transfer fees, real estate acquisitions made by investors for the purpose of establishing industrial activities.
- Total exemption from all registration rights, contracts including incorporation of companies created by investors.
- Value-added tax exemption, holdings of equipment and services materials that go directly into the completion of construction investment.
- Reduction of the tax on the gross income or the tax on corporate profits, as well as on the fee for professional activity on the dues at the end of the exemption period, during the first three years of taxation, and this reduction is as follows:
 - First year: 70% reduction.
 - Second year: 50% discount.
 - Third year: 25% discount.

4- The economic impact of fiscal stimulus on the small institutions of the National Agency for Microcredit Management:

In light of the government's relentless pursuit to advance the small and medium enterprises sector, the National Microfinance Agency has not been

immune to fiscal stimulus measures provided to the institutions that benefit from it, and therefore we will try to find out the impact of these concessions on the environment of microcredit institutions in general in terms of their number development and the extent of their reduction. The unemployment rates by knowing the number of people employed by it and the extent of the diversity of the sectors invested in it for economic diversification.

4-1: The impact of fiscal incentives on investments in the National Agency for the Management of Microcredit: We will try, through this component, to know the impact of fiscal concessions provided by the National Agency for Microcredit Management on the extent of the development of microcredit institutions and the value of the amounts granted to them from the period 2011 to the first six months of the year 2018, and this is the period chosen for the study and analysis. It is worth noting that the number of mini-projects is determined by the number of loans granted, and the following table shows this information.

Table No. 04: Census of ANGEM Micro Enterprises and the Amounts Granted to them for the period 2011-2018

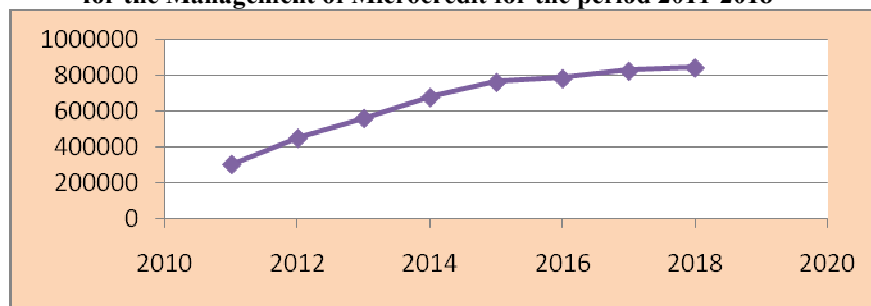
Year	The number of beneficiaries	Evolution rate	(Amounts granted(DZD
2011	304671	-	10.337.506.181,28
2012	451608	%48,22	18.330.986.191,38
2013	562310	%24,51	25.925.248.487,63
2014	679852	%20,9	37.349.323.788,32
2015	763954	%12,37	46.095.478.103
2016	785317	%2,79	48.789.924.867,33
2017	827161	%5,32	52.196.240.144,96
2018	844926	%2,14	53.947.900.465,80

Source: Prepared by the researcher based on the publications of the Ministry of Industry and Mines on the website <http://www.mdipi.gov.dz/>

We note from the table the gradual increase in the number of institutions or rather the mini-projects that benefited from the subsidies provided by the National Agency for the Management of the Microcredit, and the number of institutions in the year: 2011 was 304,671 institutions to increase by 48.22% in 2012, which is about an increase in half, which is a significant progress in the size of The investment, which reached 18.330.986.191,38 DZD this year, as total subsidy amounts this year for mini projects, and this is evidence of the quality of investment conditions and the initiative of some economically fragile groups in society to self-employment, and the increase in the number of beneficiaries has continued, as shown in the table to goal of the year 2018, with equal proportions offspring from year to year, although it is somewhat small, but this proves the efficacy of the measures taken by the government, including the provision of tax concessions which eased the pressure burden on the fiscal reality of investors.

And we will show the data of the previous table regarding the number of establishments in the following figure, so that the picture becomes clearer.

Figure 03: Evolution of the number of small projects affiliated to the National Agency for the Management of Microcredit for the period 2011-2018



Source: Prepared by the researcher, based on data from Table 04.

As noted in the previous figure, the gradual increase from year to year in the amount of ANGEM small investments.

4-2: The effect of fiscal incentives on unemployment in the National Agency for the Management of ANGEM Microcredit

Government programs within the employment policy through the National Agency for the Management of the Microcredit contributed to reducing the size of unemployment and the unemployed, after the necessary financial supplies, which resulted in an increase in the number of employees in each project, and the following table shows the number of employees in these mini-projects. As the period from the year 2011 until the end of the second semester of the year 2018 was approved, due to the consistency of the study data in the previous axes, especially for the features of this period that witnessed great economic fluctuation in Algeria, within the framework of the policy of rationalization of expenditures, which had a clear reflection on the level of labor and spending Year.

Table No. 05: The number of workers in the mini-projects of the National Agency for the Management of Microcredit for the period 2011-2018

Year	Users number	evolution rate
2011	475007	-
2012	677412	%42.61
2013	843465	%24.51
2014	1019778	%20.9
2015	1145933	%12.37

2016	1177976	%2.79
2017	1240742	%5.32
2018	1267389	%2.14

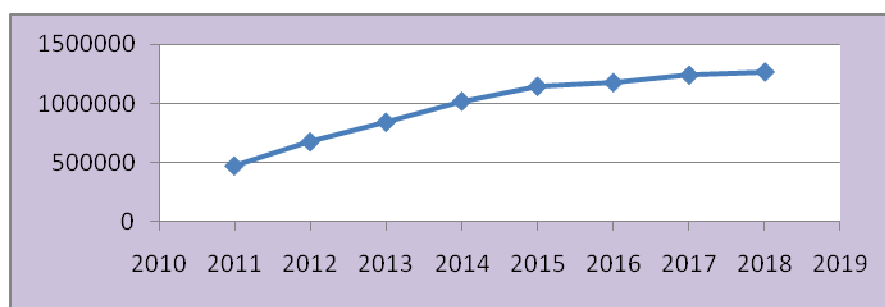
Source: Prepared by the researcher based on the publications of the Ministry of Industry and Mines on the website <http://www.mdipi.gov.dz/>

Through the previous table, it is clear to us the gradual increase in the number of employees in mini projects, which is offset by a decrease in unemployment rates at the national level, and the number of users in these projects in 2011 was estimated at 475007 workers, to increase by 42.61% in the following year, then this increase continued for the rest of Years, but in small proportions, bringing the number of employees in 2018 to 1267,389 workers in mini projects, which is a significant number when compared to the economic problems the country suffers from and high unemployment rates, as the government strives to increase the employment rates in these funds and agencies to encourage the spirit of entrepreneurship on the one hand, And the On the other hand, the abolition of reliance on the public sector only and the diversification of products and services outside the hydrocarbon sector, it is worth noting that the number of users in the mini projects is the same as a motive to benefit from the fiscal incentives granted to the project owner whenever he pledges to employ 3 workers and more, and therefore the benefit is double from As increasing production and productivity and reducing the number of unemployed people on the one hand, and on the other hand, reducing tax burdens that can be used to expand investment.

With regard to the surge observed between the years 2012 and 2011, whether in terms of the number of institutions or the increase in users, we note that the rate of development between these two years is large, which was estimated at 48.22%. Refer to the total credit and tax facilities provided by the government to most groups of the unemployed society beginning in 2011, which were known to boil the Algerian street and to carry out protests against poor economic conditions and high prices, which were later called the oil and sugar crisis, which coincided with the so-called Arab Spring at the level of most Arab countries, it became necessary to accelerate on the part of the government in finding appropriate solutions to congestion of the situation to maintain security on the one hand, and on the other hand an opportunity to expand the circle of private investment and increase the gross domestic product and reduce unemployment rates.

Figure 04: Evolution of the number of workers in the mini-projects of the National Agency for the Management of Microcredit for the period 2011-2018

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Source: Prepared by the researcher, based on data from Table 05.

As is also noticed by Figure 04, the increase in the number of workers in each mini-project, which reflects the extent to which the government has achieved the social and economic goal of reducing unemployment rates, and therefore it can be said that fiscal incentive measures have already succeeded in increasing the number of workers and reducing the number of unemployed. What proves the effectiveness of this policy at the economic and social level.

4-3: The impact of fiscal stimulus on economic diversification in ANGEM mini-projects:

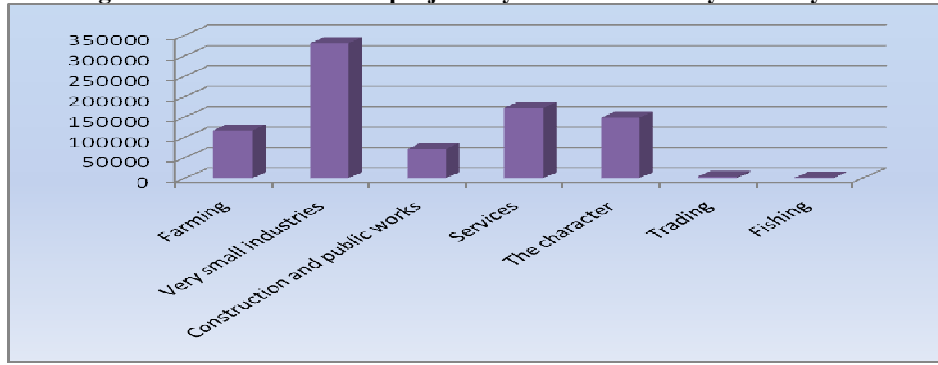
The importance of diversifying investment activities lies in the extent of dependence on them as an alternative to oil, especially in the recent era that witnessed a significant decline in its prices, and despite the small size of the mini-institutions, the continuous work to increase the amount of production works to correct economic imbalances in terms of balance between sectors, And the balance of trade balance by increasing the number and diversification of exports, and the following table shows the areas of use of the funds granted by the National Agency for the management of the microcredit for the year 2018.

Table No. 06: Division of mini projects according to sectors of activity for the year 2018

Activity sector	Number of institutions	The ratio
Farming	117134	%13.83
Very small industries	331023	%39.18
Construction and public works	71879	%8.51
Services	172243	%20.39
The character	148260	%17.55
Trading	3583	%0.42
Fishing	804	%0.10
Total	844926	%100

Source: Prepared by the researcher based on the publications of the Ministry of Industry and Mines on the website <http://www.mdipi.gov.dz/>

Figure 05: Division of mini-projects by sectors of activity for the year 2018



Source: Prepared by the researcher, based on data from Table 06

Through the previous table and figure, we note that most of the projects that benefited from the funding of the National Agency for the Operation of the Microcredit have invested in the field of very small industries, as the number of mini projects in this sector was estimated at 331023 projects, or 39.18% of the total projects of the Agency. Low manufacturing costs are a major reason in addition to incentives for the industrial sector, followed by the crafts sector with 20.38%, then the crafts sector which makes up 17.55% of the total projects, and the fishing sector appends to the order by 0.1%, and this is because it is impossible to practice this activity for all beneficiaries across the country , As long as the count Women expressing Algeria in full, due to geographical reasons, which influenced the decision to choose to invest in the type of activity.

As for the role of fiscal stimulus and its effect on decision-making regarding the quality of the activity, it is an important factor in that, for example, traditional craftsmen enjoy a permanent exemption from the sole tax or total income tax, as well as crafts of an artistic nature such as painting and sculpture.

Likewise in terms of services, the Algerian tax law legislator distinguished some groups by granting them a permanent exemption from income tax, such as theater groups.

As for the very small industries sector, there are also reductions such as those granted to the bakery activity, as it applies to the bread production activity only, from a 35% reduction in profit, thus reducing the value of the tax base and then the tax value.

As for the agricultural sector, the fiscal concessions granted for this activity are considered an influencing factor in the decision to invest in it, as the income from the cultivation of grains, dry pulses and dates is exempted from the income tax, as a kind of encouraging the government to increase

production in this type of crops, especially cereals, as A major source of food security.

Through the foregoing, we conclude that the government also uses taxation through all kinds of fiscal incentives, whether reductions or exemptions, in directing investment decisions, which would help to diversify the national product and create a balance between the various economic sectors outside the hydrocarbon sector.

3- Conclusion:

Through the foregoing, the fiscal impact of the fiscal concessions policy presented by the government seemed to affect investment in all aspects, whether it comes to the size or quality of investment, in the field of small projects, which it carries out its activities within the framework of the funding provided by the National Agency for Microcredit Management This last one that the government recruited as an economic mechanism aimed at achieving many economic and social goals, in light of an economy that relies heavily on oil, which will not be in the interest of the state in the future, and this is what is clear after the decline in oil prices in recent years, and therefore it has become necessary Encouraging institutions Of all economic ways and work on development and development.

The results:

From what was presented in this research paper, we extract the results as follows:

- Tax stimulus is a mechanism within the tax policy that seeks to achieve economic goals in the first place, by encouraging and expanding investment.
- The government's efforts to eliminate unemployment are embodied in the creation of special funds and bodies that work to finance certain groups of society with no income, in order to establish private projects and stimulate entrepreneurship, and this has been proven through the number of small and medium enterprises that have known development in recent years since The origin of these bodies.
- - The National Agency for Microcredit Management contributed in providing the necessary financing to economically vulnerable, non-income groups in order to carry out activities that generate profits for them.
- The fiscal concessions granted to the beneficiaries of the National Agency for the management of the microcredit contributed to the expansion of the volume of investments and small projects, and this was shown through statistics that demonstrate the increasing number of beneficiaries from one year to the next, where tax exemptions and reductions, especially in the first years of activity, on the one hand, On the other hand, the tax

advantages provided for the reinvested profits, and thus increase the desire of the contractors to expand the quantity and quality of investment.

- The fiscal stimulus policy managed to achieve an important goal with an economic and social dimension, which is to reduce unemployment rates as much as possible, as this study concluded that the cuts and exemptions for investors who pledge to employ workers have already contributed to employing a significant number of unemployed people, and have already increased The number of employees from one year to another similar to the entrepreneurs themselves, and therefore it can be said that fiscal stimulus has had a clear positive impact in fighting unemployment.

- fiscal privileges contributed to influencing and directing investment field decisions, as the government's desire to promote a specific product or a specific sector made it offer tax advantages in investing in it, such as crafts, industries and agriculture, which would diversify local products and promote local exports outside the hydrocarbon sector

The recommendations made: Based on the results, we decided to submit these proposals:

- Continuing the determined efforts by the government regarding the promotion of the small and medium enterprises sector as the future of the national economy, especially in light of the oil crisis.

- Reconsidering the financial, fiscal, and banking legislation and laws that deal directly with the founders of small enterprises and those who wish to invest, in order to facilitate this science without any restrictions or obstacles that discourage their ideas.

- In view of the large role that the National Agency for the Management of the Microcredit contributed to the establishment of small private projects and to reduce unemployment rates, it was necessary to pay more attention to them in terms of allocating capabilities and material and human resources more to increase the effectiveness of their economic role more, and continue its success in the field of contracting and self-employment.

- Working to encourage the different industries, especially the goods that import a lot, and rely on the local product from them, by offering tax exemptions and deductions on them, which helps to increase the export and thus achieve the surplus in the trade balance and the balance of payments.

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Approved official sites:

1. <http://www.mdipi.gov.dz>
2. <https://www.angem.dz>