

***Women's entrepreneurship and Microcredit: Rural women matters
Evidence from the Wilaya of Sidi Bel Abbes, Algeria***

Ritha Doukhi ^{*1}, Zouaoui Laouedj ²

¹ *Enterprise Management Laboratory, Djilali Liabes University of sidi bel abbes (Algeria),
doukhi.ritha@gmail.com*

² *Enterprise Management Laboratory, Djilali Liabes University of sidi bel abbes (Algeria),
laouedjz@yahoo.com*

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Abstract:

This research paper aims to show the contributions of the female element to the entrepreneurship in Algeria by benefiting from the support provided by Algerian government policies, where Micro-credit is the most attractive mechanism for women, especially rural women, who have shown a prominence in the field of entrepreneurship.

As statistics issued by the ANGEM agency for the wilaya of Sidi Bel Abbes indicate that rural women in particular take a large proportion of the number of projects funded by the agency by 61.67% with about 3393 project during the period Between 2015 to 2021, distributed at the level of 14 dairas in the wilaya where women's activity is based Rural in general on small industries, services and traditional activities that in turn contribute to the development of entrepreneurship and thus achieve the economic development of the region in which it is located.

Key Words: *Entrepreneurship; Support; Micro-credit; Projects; Rural Women.*

JEL Classification: *O10, M21, O18*

^{*} - Corresponding author: Ritha doukhi, e-mail: doukhi.ritha@gmail.com.

1. INTRODUCTION

To achieve the economic and social development of the country, the Algerian state, like other countries, has worked to encourage entrepreneurship through the development of mechanisms and devices that work to support and finance young people wishing to establish their enterprises, where the National Agency for the Management of Microcredit (ANGEM) comes as an important tool and the preferred choice for young people of both types, especially among women, who have emerged strongly in the past few years and have proven their ability and efficiency in establishing and running small and micro enterprises, which contributed to improving their level. Especially rural women, who have become present in various economic fields.

Rural women contribute significantly to the development of entrepreneurship, which reflects positively on the local development of the region, Moreover, rural women in the wilaya of Sidi Bel Abbes work to meet the needs of the local market and work to upgrade their business according to market requirements by benefiting from the support provided by the agency, through which they contributed to the establishment of a large number of small enterprises, which in turn contributed to creating new job opportunities for the unemployed and thus reducing unemployment rates, even if relatively. Thus, to become an active element in the development of entrepreneurship and thus stimulate rural development in the region in which it is located.

Based on what has been said so far the following questions are asked:

Do rural women contribute to the development of entrepreneurship in the wilaya of Sidi Bel Abbes, within the framework of micro-credit?

Under this question falls a set of sub-questions:

- What are the main dairas that have registered intensive women's projects in the wilaya of Sidi Bel Abbes?
- What sectors of activity are rural women interested in in the wilaya of Sidi Bel Abbes?

Based on the research questions the following hypotheses are formulated:

- Rural women projects are present in all dairas of the wilaya.
- Rural women are interested in all sectors of activity especially small industries

2. Litterature review

2.1. Entrepreneurship and Women

Entrepreneurship is one of the main entrances through which women can highlight their role and establish their innovative ideas, so what is entrepreneurship, and what are the most important government policies to empower women entrepreneurs in Algeria?

There are many definitions and concepts about the term “Entrepreneurship”, as there is no unified definition, the English dictionary defined it as "the skill of starting a new business, especially when this involves seeing new opportunities" (Cambridge

Dictionary, 2022)

Actually, “Entrepreneur” is a French word first appearing in the 1437. Three definitions were listed in the dictionary, with the most common meaning referring to a person who is active and achieves something. the verb “entreprendre” means to undertake something. At the beginning of the 17th century, an entrepreneur in France was viewed as a person who takes risks. (Westhead & Wright, 2013, p. 22)

Entrepreneurship is the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic and social risks and receiving the resulting rewards of monetary and personal satisfaction and independence. (hisrich & peters, 1989, p. 07)

A concise definition of entrepreneurship “is that it is the process of pursuing opportunities without limitation by resources currently in hand” (Brooks, 2009, p. 3) and “the process of doing something new and something different for the purpose of creating wealth for the individual and adding value (Kao, 1993, p. 70)

The concept of the entrepreneurial woman is not much different from the concept of the entrepreneur in general. J-Schumpeter define the entrepreneurial women as: Women who innovate initiate or adopt business actively are called women entrepreneurs.

2.2. Government Policies and Empowerment of Women Entrepreneurs in Algeria

The emergence of women entrepreneurs in a society is largely related to the volume of support and empowerment provided by government policies to support entrepreneurship, and the Algerian state, like other countries, has shown wide interest in the field of entrepreneurship, as it has developed bodies and bodies that work mainly to provide the necessary financial support for young people wishing to embody their innovative ideas in the form of enterprises and projects.

In 1994, the Algerian State established the National Unemployment Insurance Fund (CNAC) under the tutelage of the Ministry of Labour, Employment and Social Security, whose role is to support projects created by unemployed persons aged 35 and 50 by providing financial and fiscal assistance and privileges to every person who meets the conditions for joining the Agency, within the framework of "mitigating" the successive social effects of unemployment. . (National Unemployment Insurance Fund, 2022)

After that, the National Agency for the Support and Employment of Youth was established in 1996, which is now called the National Agency for the Support and Development of Entrepreneurship (ANADE), which has a network of 61 agencies, located throughout the country, in addition to branches located in the main regions, the agency aims to encourage the creation and expansion of goods and services by project leaders and to encourage all forms of actions and measures to promote entrepreneurship

(The National Agency for the Support and Development of Entrepreneurship, 2022). The Algerian government then created the National Agency for the Management of Microcredit (ANGEM) in 2004. In addition, the National Agency for Investment Development (ANDI) was established in 2001.

All the agencies created by the Algerian government represent the forms of financial and technical support and services associated with project financing for both genders, in addition to providing a different set of programs related to short-term training on how to set up and run a private enterprise.

2.3. Micro-Credit

The Agency for the management of Microcredit guarantees the provision of all forms of support, advice and technical assistance, as well as free accompaniment to entrepreneurs during the implementation of their activities, as the privileges it provides are classified into two categories: (The national agency for the management of Microcredit, 2022)

A. Financial privileges

The Authority grants two forms of financing:

- First Formula: Raw Materials Purchase Loan (Agency - Contractor)

They are interest-free loans granted directly by the Agency under the heading of purchase of raw materials not exceeding 10.000 dinars and are intended to finance people who have small equipment and tools. While the period of repayment of this advance does not exceed 36 months.

- The second formula: triple financing (agency - bank - contractor)

They are loans granted by the bank and the agency with the title of establishing an activity. The cost of the project may reach 1.000.000,00 DZD. Financing is provided as follows:

- 70% bank loan
- Interest-free agency advance 29%
- Personal contribution 1%

The repayment period may be up to eight (8) years with a repayment deferral period of three (3) years for a bank loan.

B. Tax privileges

The Agency offers a set of privileges to entrepreneurs mainly represented in tax exemptions and reductions that can be offered as follows:

- Total exemption from tax on gross income and tax on corporate profits for a period of three (3) years.
- Exemption from real estate fees on buildings used in activities practiced for a period of three (3) years.
- Real estate acquisitions made by contractors for establishing industrial activities are exempt from the transfer fee.

- Exemption from all registration rights, contracts involving the establishment of companies established by contractors.

VAT exemption can be used for equipment materials and services directly involved in the construction investment.

A reduction in the tax on gross income or the tax on corporate profits, as well as the tax on professional activity payable at the end of the exemption period, during the first three years of taxation, and this reduction is as follows:

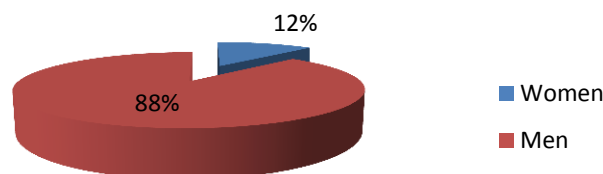
- First year of taxation: 70% reduction
- Second year of taxation: 50% reduction
- Third year of taxation: 25% reduction

3. Women entrepreneurship in Algeria

3.1. Share of women entrepreneurs in Algeria

Algerian women have already proven their ability to establish projects and assume the responsibilities associated with the management of these enterprises, as they have emerged significantly, especially in the past few years, according to statistics issued by the National Office of Statistics are shown in Figure No. 02 that the number of natural economic operators until 31-12-2016 reached about 1162571 institutions distributed to 140494 institutions for women by 12% and 1,022,077 institutions established by men by 88%. (Office National des Statistiques, 2021)

Fig.1. Distribution of projects by gender in 2016



Source: Prepared by researchers based on ONS data

3.2. General statistics on the activity of women entrepreneurs in Algeria through different agencies

Women benefit from funding provided by national agencies and funds in order to establish small and micro enterprises (SME), and Table 1 shows some statistics on the percentage of projects financed for the benefit of women by the National Agency for the Support and Development of Entrepreneurship (ANADE).

Table 1. Projects financed by ANADE for women

	Total Projects Funded	Projects Funded for Women	Rate
2011	42832	2951	7%
2012	65812	4477	7%

2013	43039	3526	8%
2014	40856	3665	9%
2015	23676	2645	11%
2016	11262	1550	14%
2011	42832	2951	7%

Source : (The National Agency for the Support and Development of Entrepreneurship, 2022)

Statistics issued by the National Agency for the Support and Development of Entrepreneurship show that the rate of projects financed for the benefit of women increased significantly from an average of 7% during the period (2010-2013) to 9% in 2014, 11% in 2015, and 14% in 2016.

Other statistics issued by the National Agency for the Management of Microcredit (Table 2) indicate that the percentage of projects that benefited women until June 30, 2021 amounted to about 63.59% of the total projects financed by the Agency, which reflects a large percentage. It shows the prominence of women as an active element in the development of entrepreneurship in Algeria.

Table 2. Number of ANGEM Projects Funded by gender to 30-06-2021

Gender	Number of Projects	Rate
Women	602205	63.59 %
Men	344880	36.41 %

Source : (Bulletin d'information statistique de PME, 2021)

The microcredit is considered the most attractive mechanism for the female component, as the National Report on Human Development for the year 2013-2015 indicates that the percentage of projects financed for the benefit of the female component by the Agency increased until it exceeded the percentage of men's projects, and Table (3) illustrates this.

Table 3. Distribution of ANGEM-funded projects by gender in the period Between 2008 and 2014

	2008	2009	2010	2011	2012	2013	2014
Women	47.8 %	44.2 %	44.8 %	49.4 %	49.4 %	57.9 %	58.7 %
Men	52.2 %	55.8 %	55.2 %	50.6 %	50.7 %	42.1 %	41.3 %

Source : (Rapport nationale sur le developement humain, 2013-2015)

We can see from the table that the share of women entrepreneurs in Algeria increased from 47.8% in 2008 to 58.7% in 2014, an increase of 10.9% and in terms of volume, the number of projects increased by 8.8 times between 2008 and 2014 (from 2,565 to 22,603).

In the same regard, rural women in particular have shown great interest in entering the business world, as the Director General of the National Agency for the Management of Microcredit, "Abdel Fateh Jabnoun", confirmed that rural women benefited from 32 percent of the total microloans allocated to women, and he also explained that the number of women benefiting from microcredit to develop projects within the

framework of the National Agency for the Management of Microcredit. Since the launch of the agency in 2005 until last June, it reached 602,205 women, benefiting from 191,846 rural women, equivalent to 32% (Radio Algérie, 2021).

The same speaker highlighted that the activities carried out by rural women are in particular, in the field of beekeeping and honey production, as well as the production of fruits, vegetables and flower derivatives, in addition to handicrafts such as weaving and carpet weaving, as well as the manufacture of accessories and traditional jewelry.

4. Women's entrepreneurship activity in the wilaya of Sidi Bel Abbes

As an attempt by researchers to shed light on the contribution of rural women to entrepreneurship in the wilaya of Sidi Bel Abbes, data issued by the National Agency for the Management of Microcredit for the wilaya of Sidi Bel Abbes were used, where a set of statistics were obtained that can be presented and analyzed as follows.

According to the statistics obtained by the agency, out of a total of 7196 projects established during the period (2015-2021), there are about 5493 for women (76.33%).

Table 4. Distribution of entrepreneurial projects financed by ANGEM in the wilaya of Sidi Bel Abbes By gender during the period 2015-2021

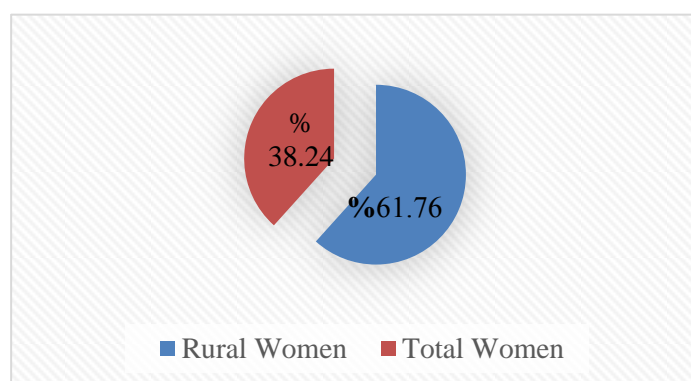
	Men's Projects	Women's Projects
Projects	1703	5493
Total Projects	7196	

Source: Internal documents of the ANGEM, Sidi Bel Abbes

4.1. Share of rural women in women's projects established by ANGEM of Sidi Bel Abbes

Statistics issued by the National Agency for the Management of Microcredit of the wilaya of Sidi Bel Abbes indicate that rural women take the largest proportion of projects financed for the benefit of women, with 3,393 out of a total of 5,493 projects, or 61.67%, during the period between 2015 and 2021 (figure 2).

Fig.2. Distribution of projects financed for rural women in the wilaya of Sidi Bel Abbes in the period 2015 to 2021



Source: Prepared by researchers based on internal documents of the Agency

4.2. Distribution of rural women's projects in the wilaya of Sidi Bel Abbes by age category

With regard to the distribution of rural women entrepreneurs by age category, we find that they are distributed as shown in Table 5.

Table 5. Distribution of projects financed for rural women in the wilaya of Sidi Bel Abbes by ANGEM By age group between 2015 and 2021

Age category	Number of projects funded for rural women	Rate %
18 - 25 years	367	10.81 %
26 - 35 years	838	24.69 %
36 - 45 years	871	25.67 %
46 - 55 years	741	21.83 %
56 - 65 years	414	12.20 %
66 - 75 years	141	4.15 %
76 - 84 years	21	0.61 %
Total	3393	100 %

Source: Internal documents of the ANGEM, Sidi Bel Abbes

We can see from the table 05, that the highest percentage of rural women's enterprises is for women between the ages of 36 and 45 years, with a rate of 871 projects (25.67%), followed by the category of 26-35 years old (24.69%), then the percentage gradually decreases in the larger groups to reach the lowest percentage of 21 projects in favor of women between 76 and 84 years.

4.3. Distribution of Rural Women's Projects by Sector of Activity

Projects carried out by rural women are divided into several diverse activities, which can be illustrated in the table 6 and figure 3.

Table 6. Number of projects financed for rural women in the wilaya of Sidi Bel Abbes by sector of activity 2015-2021

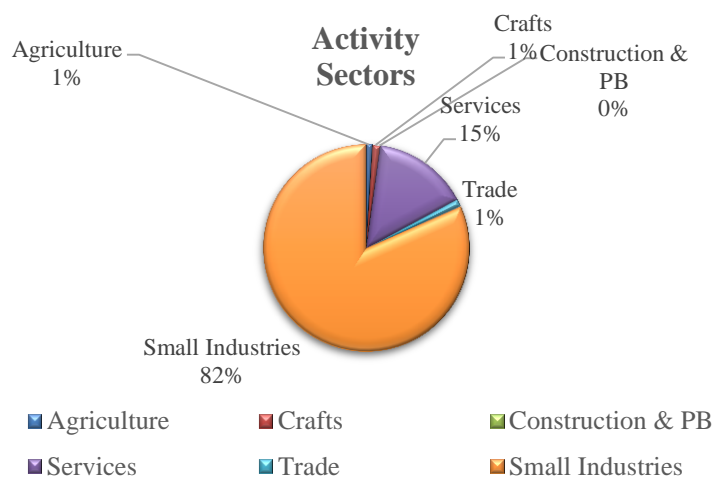
	Agriculture	Crafts	Construction & public works	Services	Trade	Small industries	Total
N° of projects	31	40	3	512	39	2768	3393

Source: Internal documents of the ANGEM, Sidi Bel Abbes

Through the following statistics, we note that rural women in Sidi Bel Abbes are active in all sectors of agriculture, crafts and services, where we find them active in small industries, where they established about 2768 companies during the period 2015-

2021, followed by services with 512 companies, then traditional crafts and trade with 40 and 39 companies, respectively. While the construction and public works sector recorded a low turnout by rural women with about 3 companies due to the fact that this sector is monopolized by the male element and requires great effort and experience.

Fig.3. Number of projects financed for rural women by sector of activity 2015-2021



Source: Prepared by researchers based on internal documents of the Agency

4.4. Distribution of rural women's projects in the wilaya of Sidi Bel Abbes by dairas

Rural women's projects in the wilaya of Sidi Bel Abbes are distributed at the level of 14 districts shown in Table 7 and Figure 5.

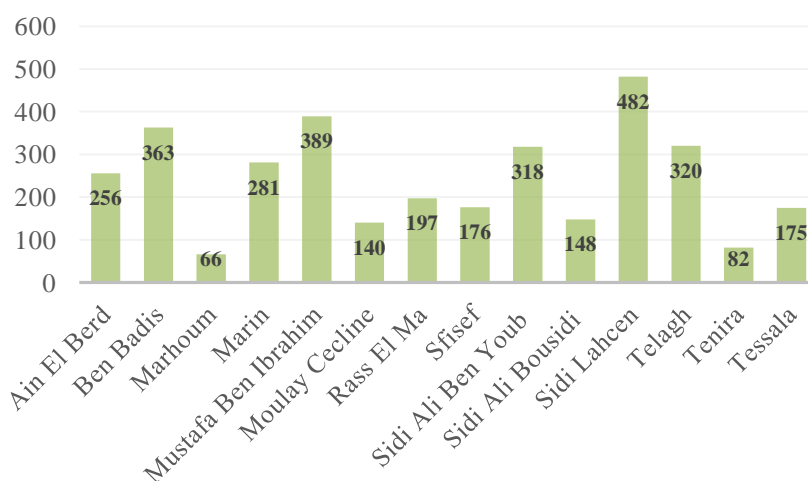
Table 7. Distribution of projects financed by women by dairas in the period Between 2008 and 2014

Dairas	Number of projects funded for rural women	Rate
Ain El Berd	256	7.54 %
Ben Badis	363	10.69 %
Marhoum	66	1.94 %
Marin	281	8.28 %
Mustafa Ben Ibrahim	389	11.46 %
Moulay Cecline	140	4.12 %
Rass El Ma	197	5.80 %
Sfisef	176	5.18 %
Sidi Ali Ben Youb	318	9.37 %
Sidi Ali Bousidi	148	4.36 %
Sidi Lahcen	482	14.20 %
Talag	320	9.43 %
Tenira	82	2.41 %
Tessala	175	5.15 %
Total	3393	100 %

Source: Internal documents of the ANGEM, Sidi Bel Abbes

From the table above, we find that rural women entrepreneurs are present at the level of all 14 dairas of the wilaya of Sidi Bel Abbes, where most of the women's enterprises are concentrated in the major districts and are present in smaller numbers in other districts. We find that the circle of Sidi Lahcen benefited from about 482 projects, i.e. 14.2% of the total projects, followed by the department of Mustapha Ben Brahim and Ben Badis with close percentages of 11.46% and 10.69%, and the percentages are lower in the circle of Talagh, followed by the rest of the departments in lower proportions until they reach the lowest rate of 2.41% in the circle of Marhoum.

Fig.4. Number of projects financed for rural women in the wilaya of Sidi Bel Abbes



Source: Prepared by researchers based on internal documents of the Agency

5. CONCLUSION

Through our readings for statistics obtained, we have concluded that rural women in sidi bel abbes take the largest share of the companies funded by the Agency, which amounted to 3393 companies out of a total of 5493 in the period between 2015 and 2021, and the following results were reached:

- Rural women in Sidi be abbes are present in all 14 dairas of the wilaya, where they are more distributed among the major dairas, which contributes to the development of entrepreneurship at a comprehensive level.
- The microcredit provides women with all the necessary means of support and financing to start their businesses, as it is the preferred destination for entrepreneurial women, especially rural women.
- Rural women in sidi bel abbes are very active in the small industries sector with about 2,768 companies, services with 512 companies and traditional crafts with 40 companies, which makes them an active element in revitalizing economic life in the region in which they are located.
- Rural women work to meet the needs of the local market and to promote their businesses in accordance with market requirements, whether by industrial or traditional products.

- Rural women, through the establishment of their enterprises, contribute to the preservation of some traditional industries and thus the preservation of cultural heritage.
- Rural women have been able to use microcredit as a mechanism for establishing their own businesses, which in turn contribute to the creation of jobs and the improvement of the standard of living of the region in which they are located.

From the above, it can be said that rural women contributed significantly to the development of entrepreneurship by benefiting from the services and privileges of the micro-credit management agency of the wilaya of Sidi Bel Abbes, and this give a clear response for the main research question.

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