

A Comparative Statistical Study of Startups in Three Countries China, Turkey and Algeria.

دراسة احصائية مقارنة للشركات الناشئة في ثلاث دول وهي الصين وتركيا والجزائر

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Abstract

Our contribution in this paper is to study statistically the economic situation of emerging companies of a sample of countries and their impact on the economy, our comparison of this proposed sample of countries makes it possible to specify the obstacles facing our national companies to evolution. The problem that presents itself. What are the mechanisms to qualify our national companies to be more competitive in the market economy? Are the problem lies in the formation of the individual, or the lack of a clear vision or strategy for building startups? The deductive statistics will answer this.

Keywords: Statistical Study, startups, China, Turkey, Algeria

ملخص

مساهمتنا في هذه الورقة هي دراسة إحصائية للوضع الاقتصادي للشركات الناشئة لعينة من الدول وتأثيرها على الاقتصاد، ومقارنتنا لهذه العينة المقترحة من الدول تجعل من الممكن تحديد المعوقات التي تواجه شركاتنا الوطنية في التطور. المشكلة التي تطرح نفسها. ما هي آليات تأهيل شركاتنا الوطنية لتكون أكثر قدرة على المنافسة في اقتصاد السوق؟ هل المشكلة تكمن في تكوين الفرد أم عدم وجود رؤية أو استراتيجية واضحة لبناء الشركات الناشئة؟ ستجيب الإحصائيات الاستنتاجية على هذا.

الكلمات المفتاحية: دراسة إحصائية، شركات ناشئة، الصين، تركيا، الجزائر

1. Introduction

Emerging institutions or (startups) are seen as the backbone of the modern economy as they effectively contribute to the absorption of unemployment and to the rehabilitation and training of the workforce.

The English term “scalability” means “Extension “, as a fundamental characteristic associated with the rapid growth that “startup” can experience. Unlike classic companies. Startup adapts to different situations and its effectiveness in covering the growing and huge enemies of customers and facing the growing challenges of the labor market by serving its requirements. This scalability accompanies the growth of profitable and field scale without profound changes in the business model. The startup company is a company with a short operating history (Klepper, 2001, p.639). These are companies, which are often very young, in the process of growth and searching for markets. This term became popular on a global scale after the dotcom bubble when a large number of dotcom companies were established. Founders design startups to effectively develop a scalable business model. Hence, the concepts of startups and entrepreneurship are similar. However, entrepreneurial spirit refers to all new businesses, including freelancing and businesses that do not intend to grow significantly or become registered, while startups refer to new companies that intend to bypass the sole founder, have employees, and intend to grow big. Startups face a high degree of uncertainty and have high rates of failure, but the minority that continues to become successful companies must become large and influential. Some startups are becoming entrepreneurs, that is, private startups valued at more than 1 billion \$. According to **TechCrunch**, there were 279 startups as of March 2018, with most monocytes located in China, followed by the United States.

2The investment climate for emerging companies in Turkey

The large part of Turkey’s young population and the impact of high internet speed are some of the best reasons to consider starting a start-up business. The Turkish government has created the conditions for the prosperity of these companies and is currently working to improve the

operating system of small and medium-sized enterprises (*SMEs*), which are generally used to create start-ups. If the idea of opening a startup in Turkey appeals to you, our specialists in starting a business in Turkey are at your service with full support to register this type of business as soon as possible. You can count on us if you want to open a business in this country, whatever industry you want to operate in.

2.1 Key aspects of opening a startup in Turkey

There are several types of legal entities that can be used for the creation of startups in Turkey, however, the private limited company remains the most chosen option by local and foreign investors. Its popularity is that it is a common type of structure around the world, while in Turkey it is one of the easiest business forms to incorporate. Our business start-up consultants in Turkey can help you register a private limited liability company.

The Turkish startup is a regular business, so does not need to comply with specific requirements. What sets it apart from other companies is that it generally operates in innovative sectors which must meet the specific needs of customers; therefore, it could require significant sums for initial and ongoing operations. For this reason, the startup will usually rely on specific funding sources, such as incubators, angel investors and / or crowdfunding platforms.

2.2 What are the reasons for the success of startups in Turkey?

Among the reasons that helped startups to succeed in Turkey is to put in place a solid plan to revive a certain type of economy, as Turkey gave opportunities for the success of these companies and did not leave them prey to the huge companies with giant capital.

2.2.1 Startups practice working professionally

Turkey has become an attractive target for outside visionaries ready to contribute and develop their activities abroad. The main objectives behind the investment of resources in Turkey are the key region of the nation, between Europe and Asia, a young and versatile workforce and a cordial condition for business. The volume of long-haul interests in Turkey has grown 8.5 times over the past ten years, unlike the whole “decade” and this nation has become a developing commercial sector, for example Brazil, Russia, India and China - the practices countries. Istanbul, the main city of Turkey, has attracted some of the outside interests in recent years due to its key area, being the only city on the planet spread over more than two land masses Asia and Europe, an excellent setting and a lot of prepared workforce. Speculators also choose Ankara (the capital), Izmir and Bursa to

form organizations, on the grounds that they are the most advanced and largest cities in Turkey (?).

2.2.2. Training a qualified and competent workforce

Turkey has been working for years on qualifying the workforce and linking the university with various emerging companies. Upgrading the skills of the existing workforce is essential to create more and better jobs in Turkey. Although young people are increasingly educated and skilled, half of the working-age population still has less than basic education, while the demand for skills in formal non-farm sectors continues to increase. And many recent high school and college graduates lack the skills employer's demand. Upgrading the skills of the existing workforce, especially new entrants, is key to addressing the skills shortage in the short to medium term.

The Turkish Employment Agency ('IS,KUR) plays a leading role in improving the skills of job seekers and facilitating their access to productive employment by providing vocational training and other support services to work. 'IS,KUR has come a long way since 2008, greatly expanding the coverage of vocational training and undertaking reforms to improve its quality and efficiency.

2.2.3 Dependence on technical aspect in most universities

In 2002, the total expenditure on education in Turkey amounted to 13.4 billion \$, including the state budget allocated through the National Ministry of Education and private and international funds. Half of the budget was allocated to the technical side (Livingston, 2008).

2.2.4The dependence of startups on the digital economy

Turkey, with a size able young population and high internet and credit card usage habits, is the shining star of South Eastern Europe and the Middle East. In terms of location, Turkey is a well-positioned, attractive hub, only three hours by flight away from the most important cities in Europe and many key cities in Asia. Prior to 2010, the Turkish ecosystem had little to speak about, but since then the ecosystem has swelled in size and importance, quickly becoming a key regional startup hub. What made the digital economy an edifice woven into elements of knowledge in turkey.

3. The nature of startups in China:s

Why China is the best country to build the dream Startup!

China's economic transition has greatly unleashed entrepreneurship and private enterprise development since the 1980s. In this article, we review the recent literature on entrepreneurship in China and summarize 11 articles included in this China special issue. Our literature review shows that the

unique institutional and cultural settings behind the Chinese economy have led to some distinct perspectives of studying entrepreneurship. The articles included in this special issue further advance the entrepreneurship research embedded in the Chinese context and shed lights on entrepreneurship policy in emerging economies. Most recently, China has recognized entrepreneurship as one of the key driving forces of sustained economic development and is accordingly making many efforts to encourage and facilitate entrepreneurial activity (?). Following this new development, it is imperative to study China's national and regional entrepreneurship systems in future research. The San Francisco Bay area in the United States enjoyed many years of prestige as the capital city of the startup world, but the Silicon Valley's glory days are long gone. There's another place that is quickly overtaking the world as the "new Silicon Valley" and it's not New York or London... it's China! The East Asian country has a vibrant and dynamic startup scene that has boomed in the last 10 years. China fosters a healthy business environment to incubating and cultivating startups. In fact, the country has risen to the top 2 spots in terms of global venture capital (VC). According to research, more than 100 Chinese startups and 34 unicorns were on stock markets across the world in 2017. The following year, Chinese startups rose to more than 270. The past three decades have witnessed remarkable

4. Why China is the best country to build the dream Startup!

China achieved a record of establishing startups in 2019, and according to official data, the daily average was about 20,000 new companies (?).

All large companies were once a struggling startup to survive, but only a small percentage of all startups thrive and grow in the long run while others fall midway through. Usually, businessmen and investors have a sixth sense that enables them to know what new companies need in order to be able to continue. Often the evaluation of businessmen and investors for emerging companies does not depend on clear economic foundations or rules, but rather depends on their internal sense that grows and increases with the increasing experience in the market and companies and with Increase the experiences that they go through. However, before this book, no rigorous research was conducted on how to classify new companies into promising companies. Evidence indicates a brilliant future that awaits them of success and prosperity and others that increase the likelihood of their failure over the likelihood of their success. *Joel Kurtzmann* studied his collaborating research team of 350 companies and interviewed hundreds of major capitalists, company heads of directors, board members and investors

over a period of four years. This unprecedented research led to amazing results about the nine main factors for the success and continuity of startups, ranging between factors specific to the market in which the company operates, such as its size, and factors related to the company's comparison with other companies operating in the same field, such as: the competitive position and other factors related to the company itself, such as: Its business model and cash flow. For example, among the findings of the study: * Advanced technologies should not occupy top priorities, even for technology companies. * Growth is not always in the interest of the company. Sometimes growth is a hindrance to the company, especially when growth is not well studied. * Speed does not always conflict with perfection, and this result is very important in this age of speed in which we live. The book aims to help owners of small startups grow their companies, while giving investors and entrepreneurs the basic information they need to know which startups are worth the investment risk. The book emphasizes the importance of choosing a talented management team for the company and forming an expert board of directors that provides the company with strategic guidance, brilliantly manages financial flows and protects the company's competitive position in the market. The book lays down ten rules for success starting from the importance of having a professional marketing or sales official in the founding team of the company, to starting with products known in the market instead of risking a new product, to creating an easy-to-remember brand for the product or service the company provides.

5. Startups in Algeria

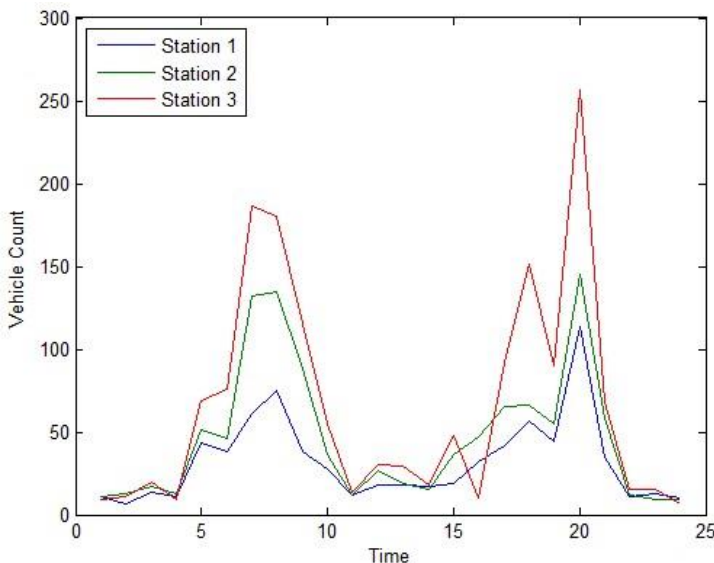
The whole world is talking about entrepreneurship, and Algeria is no exception to this rule. Anyone who follows what is written about this field imagines that establishing start-up companies is the salvation and way out of economic crises, and even the path that must be taken to get rich quick.

In Algeria, conferences are held celebrating entrepreneurship, and competitions are organized to encourage the establishment of startups, whether in the public and private sectors, and the state launched an incubator for projects (or more) years ago, incubating projects that I was personally in during its first session and spent many months trying to launch a project related to payment the mail was ultimately unsuccessful. One might say: "Now you understand, you have not succeeded, and therefore you wish to question the existence and viability of entrepreneurship and startups in Algeria". (Ortega, 2013). The matter may have something to do with that, but let me review my point of view, so it may have some validity (Prashantham, 2016).

6. Statistical comparison

This graph presents the percentages of engineers compared to the population for 25 years where the curve in red shows China and green Turkey and blue represents Algeria. We notice that the percentage of engineers graduated compared to the population density is significant for every country, but Algeria lacks the adaptation of these results to formulate an effective strategy to build a strong economy.

FIG.1. THE PROPORTION OF ENGINEERS GRADUATED IN RELATION TO THE POPULATION DENSITY IN CHINA, TURKEY AND ALGERIA



Source: figure is made by the authors

7. Market study is the way to success

In the late nineties, the most common type of start-up companies was (internet) companies or the so-called (dotcom). It was very easy to obtain investment capital during that time due to the fierce competition among investors to speculate on the emergence of these new types of companies and unfortunately, most of these emerging companies on the Internet eventually fell into decline due to the weakness of the main supervision processes on them by many founders who wasted a lot of time, which affected their continuation for other years in this field. The startups need to consider the legal structure that fits their entity, especially that the sole proprietorship is appropriate when the founder is also the main employee in that emerging company and the various formulas in this field are a viable legal structure for companies that consist of several people who have joint

ownership and often it is Partnerships between partners are easy to create and personal liability can be reduced by registering a startup as a limited liability company. Startup companies need to invest some time and money in the research phase. Market research helps determine the demand for a product or service. It requires startup companies to create a comprehensive business plan that defines mission statement, visions and future goals, in addition to management and marketing strategies. Startups must decide whether their business is done online in an office, home office, or store. This depends on the product or service that is offered. For example, a tech startup that sells virtual reality devices may need a physical store to give customers a targeted offer. To highlight the features of the product and give an opportunity to try the product again to make sure of its efficacy. Crowd funding allows people who believe in a startup to contribute money via a crowd funding platform. Startups may often raise funds through Venture Capitalists, a group of professional investors who specialize in financing startups. Startups may use a small business loan to start operations with banks - usually many specialized options are available to small businesses - and a micro loan is a low-interest, short-term product designed specifically for startups. To get it, startups must often have a detailed business plan.

8. Conclusion

Many people have made mistakes in classifying and stereotyping small companies as startup companies, but not about this type. We talk about emerging companies as young, young companies and have two options, either to develop and transform into successful companies or close their doors and lose, and startups are a company in the first stage of the beginning Their operational work and these companies are often funded initially by their pioneering founders in an attempt to benefit from developing a product or service that they believe is required due to limited revenues or high costs, as most of these small-scale operations are not sustainable in the long term without additional funding from capital owners. Bold. The startups have become one of the most important reasons for boosting countries' revenues from cash, given the many gains they achieve in a short time, and they are not linked to many expenses due to the limited number of their workers, whose number does not exceed 30 at the maximum, which makes it an important means of investment.

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