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The most important supporting bodies to support small and medium enterprises in Algeria

Realized by:

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Abstract:

Business support and accompaniment of small and medium enterprises is one of the pillars of economic growth. Global experience has demonstrated the ability of business support agencies to promote economic development by supporting the movement of economic institutions in different sectors according to the local development requirements of each region.

In this paper we try to highlight the most important business accompaniments and supporting institutions of small and medium enterprises, with reference to the reality of Algerian experience in this field.

Keywords: contracting facilities, construction, small and medium enterprises, economic development

ملخص:

تعتبر هيئات دعم المقاولاتية ومرافقة المؤسسات الصغيرة والمتوسطة أحد دعائم النمو الاقتصادي ، فلقد أوضحت التجارب العالمية مدى قدرة هيئات دعم المقاولاتية على تشجيع التنمية الاقتصادية من خلال مساهمتها في دعم حركة إنشاء المؤسسات الاقتصادية في مختلف القطاعات حسب متطلبات التنمية المحلية لكل منطقة

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نحاول في هذه الورقة العلمية تسليط الضوء على أهم المرافقة المقاوالتية وهيئات دعم المؤسسات الصغيرة والمتوسطة، مع الإشارة واقع التجربة الجزائرية في هذا المجال

الكلمات مفتاح: المرافقة المقاوالتية، المقاوالتية، المؤسسات الصغيرة والمتوسطة، التنمية الاقتصادية

Introduction:

Since independence, Algeria has witnessed a series of economic transformations that resulted in the abandonment of the socialist economy and the introduction of a market economy policy. In addition, economic globalization and international and regional economic changes and their implications for the local situation necessitated the need to pay attention to the development of the small and medium institutional system For partnership with the European Union and accession to the World Trade Organization in the future.

In order to achieve this, the aim was to adopt a medium-term strategy based on the development of small and medium-sized enterprises through established programs and new structures aimed at supporting and encouraging this type of institution,

To promote the national product and reduce the problem of unemployment, which is beneficial to economic and social development.

In this search we will try to analyze the policies of supporting the business in Algeria in light of the development of entrepreneurial activity since independence, and the review of the most important bodies of support for entrepreneurship and financing of small enterprises in Algeria.

1. The Concept of entrepreneurship:

The concept of formula is widely used and widely adopted, after many economists and administrators have addressed the issue of entrepreneurship and entrepreneurship. Peter Drucker is one of the first to refer to this in 1985 by referring to the transformation of modern economies from the economics of governance to the economics of entrepreneurshipⁱ.

Where the concept of enterprise was used on a scale in the Japanese business world. Where business enterprises are deployed as a result of technological, commodity and service

progress, the enterprise has always meant development. In the field of business management, it aims to create a new project or provide added efficiency to the economyⁱⁱ.

The enterprise can be defined as: "the dynamism of creating and exploiting business opportunities by one or several individuals through the creation of new organizations for value creation"ⁱⁱⁱ.

On the other hand, the subject of entrepreneurial spirit has become a major concern for young people because it affects the problem of unemployment. This concept is more related to initiative and activity. Individuals with entrepreneurial spirit have the will to experiment with new things, or to do things differently to fit their ability to adapt to change by presenting their ideas and acting with much openness and flexibility^{iv}.

2. Concept of the accompaniment process :

The definition of accompaniment, especially the escort of a small institution, is somewhat complex. The reason for this complexity is^v:

- the multiplicity of actors in this field and their ramifications;
- Diversity of accompaniment forms, and procedures for implementation.

The most comprehensive definition of the escort profession is proposed by André Letowski, who is responsible for studies at the APCE in an internal memorandum he has prepared, which he identifies as "recruitment of structures, communications and time to address multiple problems Which oppose the institution, and try to adapt them to the culture and personality of the originator^{vi}.

In other words, the escort profession is related to a process involving three stages:

- Receiving individuals who wish to establish an institution;
- providing personalized services to each individual;
- Follow-up of the young institution for a period of generally long (depending on the nature of the escorts).

Before we talk about the most important facilities that contribute to the promotion of small and medium enterprises, we will address the problems faced by small and medium enterprises in Algeria.

3. Problems faced of small and medium enterprises in Algeria:

Despite the active role of small and medium enterprises in achieving development in Algeria

It suffers from a number of problems that hinder its growth and prevent its prosperity and development, among others Problems include:

A. The weight of the banking system:

The financial and banking system in our country is still far from real financing for private sector projects , And the problems of the latter with the banks are as follows:

- The difficult conditions for obtaining a loan with the Bank to cover the needs of the institutions;
- The slow pace of the loan process and the decentralization of the decision at the level of the capital, which leads to slow implementation, Especially in internal states;
- Guarantees imposed by banks on these institutions hinder their development and increase their investments.

B. The weight of the tax burden:

Small and medium enterprises have tax burdens that in no way help them

Productive work. These burdens lead to the growth of parallel activities in the field of smuggling Tax, which causes serious damage to the level of tax administration, especially with regard to size The losses incurred by the latter each year as a result. As an example of these taxes:

- High corporate tax rate;
- The tax on value added in respect of goods and services directly entering into Investment.

C. Financing problems:

Small and medium enterprises suffer from significant deficiencies in the primary materials, which are nonexistent In the local market, as these institutions are no longer importing and technology, they have resorted to Importers, but the new ones only care about consumer

goods and the general public they import into favor The state only in the exercise of monopoly, and therefore the opening of the economy led to many problems in particular Disruptions in production due to lack of stock.

D. Problems of Real Estate and Industrial Property:

Among the most important obstacles faced by small and medium enterprises in the completion and development of their projects Investment in the issue of industrial real estate:

- Length of grant of land allocated for investment;
- Sometimes unjustified rejection of property claims due to transparency;
- Differences persist due to oil prices;
- A large percentage of land is not independent, either because it is owned by a bankrupt or owned public institution For properties that they hold for speculative purposes;
- Lack of financial resources of local communities, especially the compensation of the original owners (the state Or properties);
- The problem of property contracts that still exist in most areas of the country.

E. Absence of intermediate spaces:

- ✓ **Bourse:** The stock market is one of the most important tools for the development of institutions as a space in consultation and consultation, in particular with regard to:
 - the technical capacity of enterprises to improve the use of productive energy;
 - Woven better relations of the productive apparatus.

Despite the structural presence of the stock exchange, however, because of the lack of concentration of the state in this area, its work remained Very limited.

- ✓ **Chamber of Commerce:** Chamber of Commerce and Industry is the common interface that ensures the linkage between dealers Economists and public authorities. It is also a necessary link to regulate the economy and create harmony between the two But in fact, this room has not, to this day, played its primary role In reducing pressure on customers to prepare for production.

F. Investment environment problems:

Most economic traders suffer from the weight and slow management, and this starts from the idea of investment until verification. The project's final duration is on the ground, as the average duration of the project is in Algeria 80 months, while the global average is 60 months, that is, a lot of lost time. Time is one of the most important factors to consider in any type of investment. This is in addition to:

- Lack of accurate and accurate economic studies: the project owner usually lacks the efficiency necessary to provide them. In the preparation of the project study and this was the main reason for the failure of many projects.

- Supply of equipment: In many institutions, productivity is reduced to production facilities used, and more than half of the equipment used more than ten years. And to raise or motivate the institution. The SME requires not only the encouragement of a successful institution but also the promotion and establishment of institutions on sound bases in terms of composition, management and production requirements.

4. Some aspects of the investment climate in Algeria:

The Algerian economy has known since the beginning of the nineties a series of economic reforms. The macroeconomic aspect is the result of a number of agreements with international organizations that have had a clear impact on the investment climate in Algeria. However, it must be noted that Algeria in this period has known some kind of political and security instability. The lack of access to external financing and the frequency of reform by producing a restrictive and sometimes expansionary fiscal policy (1992-1993) for populist considerations. This continued until 1994, when the authorities entered into a comprehensive agreement with the International Monetary Fund in two phases. 1995 and is followed by an agreement preparative extended by agreement of May funding 1995- May 1998 and the aim is to:

- Raising the rate of economic growth in order to absorb the increase in the labor force and reduce unemployment.

- Adjust inflation rates to make them close to what is common in the industrialized countries.

- Restoring balance of payments balance with appropriate levels of foreign exchange reserves.

In order to achieve this, a number of measures have been adopted to ensure economic stability and balance of macroeconomic variables, based on strict monetary policy, restrictive budget

policy and exchange rate policy that reflect the actual strength of the national currency. And to reduce the role of the state to liberalize prices and foreign trade and to give some flexibility to the labor market.

As small and medium enterprises are an important factor in the Algerian economy, the following data are reflected:

- Institutions employing less than 10 workers representing 93.24% and employ 221,975 workers, or 35% of the total labor force,
- Institutions employing more than 10 workers represent 7% and employ 412,400 workers, or 65% of the labor force

Of the total domestic production and 29% of the total exports outside the hydrocarbons (55.5%)

However, its growth is hindered by several problems and obstacles identified by the economic situation report of the second semester of 2000 in two groups:

Group I: At the level of establishment and investment:

And related to finance, real estate and bureaucracy where it is noted in this area:

- Absence of mechanisms to cover the risks related to loans for this type of institution.
- The absence of preferential financing when it exists and the failure to notify customers of the existence of loan lines.
- Land prices are subjected to continuous assessments in a single way, reflecting the arbitrariness exercised by the administration.

The second group: the level of supply of the productive apparatus:

Due to the lack of experience of small enterprises in the field of import techniques because in the past they were dependent on supply from public institutions that were monopolizing foreign trade. With economic openness, the data have changed, creating an obstacle for these institutions.

In order to overcome these obstacles, a law was issued concerning the promotion of small and medium enterprises. This was not to be done without a clear and precise definition of this type of institution. The law distinguished between:

- Medium enterprises, which occupy between 50-250 business number between 200 million and 2 billion Algerian dinars or the total assets of between 100 and 500 million Algerian dinars.
- Small enterprises, which occupy between 10-49 people and does not exceed the annual turnover of 200 million Algerian dinars or the total assets do not exceed 100 million Algerian dinars.
- Mini enterprises, which occupy between 1 to 9 people and achieve a turnover of less than 20 million Algerian dinars or the total assets of not more than 10 million Algerian dinars.

The same law has established a set of measures to assist small and medium enterprises in relation to:

- Establishment of centers to facilitate the procedures for the establishment of this type of institutions in all the constitutions of the media and guidance,
- The possibility of establishing funds to guarantee bank loans granted to these institutions,
- Encouraging the State to develop the partnership between the public and private sectors and work to expand the scope of waiver of services for the benefit of small and medium enterprises,
- The allocation by the State of a share of public transactions for competition between small and medium enterprises,
- The establishment of a national council for the promotion of subcontracting with the aim of:
 - * Proposing measures to achieve the best integration of the national economy,
 - Encourage small and medium-sized enterprises to join the global stream of subcontracting,
 - * Upgrade partnerships with major national and foreign employers,
 - * Coordination of the activities of the subcontractors and the Algerian partnership among them,

- Providing the economic information system on small and medium enterprises with reference files issued by the various national bodies (Customs Administration, Taxes, National Bureau of Statistics, National Register of Commerce, National Social Security Fund ... etc).

Some important issues that need further attention remain the impact on the future of small enterprises and medium, including:

- Establish mechanisms to link the relationship between small and medium enterprises and research and development centers,
- Establish mechanisms for monitoring foreign markets and marketing opportunities for small and medium enterprises,
- Establish training and rehabilitation programs for the benefit of the facilitators of small and medium enterprises to ensure that they control the modern management tools and enable them to cope with changes in the ocean,
- Establish a comprehensive program that enables small and medium enterprises to qualify and reach the degree of conformity with international standards in the management of ISO 9000.

5. The most important supporting bodies and accompanying small and medium enterprises in Algeria:

Algeria has known several economic reforms aimed at the transformation of the market economy, including the support of enterprises and the accompaniment of small and medium enterprises, and established a group of competent bodies in this area, the most important are the following-ANSEJ (National Agency for the Support of Youth Employment)

-ANGEM (National Agency for Microcredit Management)

-CNAC (National Unemployment Insurance Fund)

-AND I (National Agency for the Development of Investment)

-ANIREF (National Agency for the Intermediation and Regulation of Land)

A. National Agency for Youth Employment Support (ANSEJ)^{vii}:

✓ **Agency nature:**

Is a national body of a special nature that finances, supports and accompanies mini-enterprises established by young entrepreneurs, enjoys moral character and financial independence, 1 and seeks to promote all forms conducive to the revitalization of the employment sector through the establishment of a mini-enterprise for the production of goods, Services, established in 1996 by Executive Decree No. 96 of 8 September 1996. (It has branches located under the authority of the Prime Minister, and the Minister of Employment follows the Agency's operational activities)

✓ **Its functions: The Agency shall:**

Encourage all forms and measures to help young people upgrade through the formation and operation programs. It administers the allocations of the National Fund to support youth employment, including reductions in interest rates; The investments made by young entrepreneurs continue in line with their respect for notebook items the conditions ; Providing economic, technical, legislative and regulatory information for entrepreneurs to practice Their activities; Ensure follow-up and accompaniment of micro-enterprises, both during the completion period and even after the exploitation; To establish continuous financial relations with banks and financial institutions within the framework of the financial structure of project finance And its achievement and exploitation; The two-tranche funding formula was developed, the first being between the beneficiary party and the agency and the second between The former parties and the Bank.

B. National Agency for Microcredit Management:(ANGEM)^{viii}:

✓ **Legal Status:**

Established pursuant to Executive Decree No. 04/14 of 22 January 2004, As an entity of special character, the Ministry of Employment and National Solidarity is pursuing its mission to implement the State's policy in the fight against unemployment and poverty by strengthening individual entrepreneurs to create Self-employed activities.

✓ **Agency functions:**

The Agency carries out the following tasks:

-Supervising the joint guarantee fund for microcredit offered by commercial banks And financial institutions for beneficiaries;

-Providing interest-free loans, investments and advertising to beneficiaries from the National Support Fund Microcredit;

-Establishing and strengthening relations with banks and financial institutions to provide the necessary funding for investment projects

C. National Unemployment Insurance Fund:(CNAC)^{ix}:

✓ **Legal Status of the Fund** The National Unemployment Insurance Fund :was established by Executive Decree No. 05-121 of 6 July 1994, which provides for the establishment of the National Fund For unemployment insurance, in particular Article 2 thereof, which is directed to unemployed persons between the ages of 30 and 50 and Presidential Decree No. 03-514 of 30 December 2003, amended and supplemented by Executive Decree No. 10-156 of 20 June 2010, which provides for Support and expand the activities of project holders, an agency of the Ministry of Labor and Social Security.

✓ **Fund's functions:**

The Fund provides assistance and grants to project holders. Among the tasks entrusted to it are:

- proving the professional knowledge of invalids who do not have certificates;
- Support to the selection, accreditation and funding committee;
- Assist in the preparation of a technical-economic study of the project;
- Providing special consultation and accompaniment;
- Accompanying during the proceedings before banks and public administrations;
- An advance payment to the project owner shall be granted, without interest, up to 10000000 Algerian Dinar

D. National Agency for Investment Development:(ANDI)^x:

✓ **Legal Status:**

Under Presidential Decree No. 01-03 on Investment Development, the National Agency for Investment Development (NAPA) replaced APSI after its weak results. There was a large gap between the 43,000 investment intentions Of which US \$ 42 billion has already been realized,

and the actual investments that did not exceed US \$ 500 million. Most of the benefits offered were used only by speculators. The National Agency for Investment Development was established on 20 August 2002, Financial personality and independence This agency, especially in Algeria, which is undergoing a profound economic transformation towards a market economy and opening up to capital within the framework of restructuring, is the primary tool for identifying and promoting existing investment opportunities and attracting headers Direct foreign investment and funds.

✓ **The Agency's tasks:** The Agency shall undertake the task of investment development. In respect of this task, the Agency shall, in accordance with the provisions of Article 21 of Order No. 01-03:

- Providing the investor with all administrative documents necessary for the completion of the investment;
- informing the investor of the decision to grant the required benefits, or refuse to grant them;
- investment opportunities, development and follow-up;
- Receiving and informing resident investors and non-residents;
- Facilitate the establishment of institutions and the embodiment of projects through the services of your youth only

As decentralized management structures;

- To manage the investment support fund for its development and guidance, which is charged with financing state contributions at a cost

The benefits of investment, in particular the expenditure on the basic works of investment;

- Ensure that commitments made by investors are respected during the exemption period.

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E. National Agency for Mediation and Real Estate Control (ANIREF)^{xi} :

✓ **Definition:** It is a public enterprise of an industrial and commercial nature, subject to the Ministry of Industry And mines.

✓ **Mission:**

- Gather information on the offer and the real estate application and submit it to the public authorities;

- Preparation of economic real estate prices;

- Setting up a mix bank that collects the national real estate assets and puts them at the disposal of the investors.

6. Evaluation of the Algerian reality in the field of accompaniment:

Through some studies that examined the evaluation of the support and accompaniment of small and medium enterprises in Algeria these studies found that there is a lack of effectiveness of the support agencies and accompaniment of small and medium enterprises in Algeria, The objectives of these bodies are unclear. At the same time, the process of business accompaniment is based on the necessity of success of the projects emanating from these bodies. The State aims primarily at fighting unemployment and allowing you to allow the largest number of young people to establish small institutions. T He has also been keen to activate the escort operations in order to ensure the success of these small projects.

A look at the most important features of the business support bodies and accompanying small and medium enterprises in Algeria shows their contribution to the increase in the establishment and development of many small enterprises. However, their impact on economic development remains unseen due to the following reasons:

1. Focus on the provision of financial services (finance, loan guarantees, tax concessions, etc.), yet they do not strongly affect banks in granting loans to young people. Financing operations are still subject to the same bureaucratic mechanisms of guarantees, favoritism,

2 - Concentration on the administrative aspects: This was likened to bureaucratic public administrations and its relations with the customers of the project owners do not exceed the preparation and delivery of files, although one of its objectives to facilitate the administrative procedures for project holders with various institutions active in it.

3. Centralization of decision-making in these bodies: This can lead to the lack of exploitation of many of the characteristics of local development, because this strategy does not take into account the developmental characteristics of some areas;

4. The inability to direct youth investments towards wealth-producing projects and weak sensitization processes. We note the increasing number of small enterprises in the transport sector and some non-productive activities at the expense of the industrial and agricultural sectors.

5. Non-response to the requirements of the majority of Algerian young Muslims who demand interest-free loans to finance projects, limiting the number of projects;
6. The weakness of the accompaniment services during and after the establishment provided by these bodies to the owners of institutions, leading to the success of many projects on the activity.
7. Lack of interest in the first stage (reception) to understand and discuss project holders about their projects and guidance in the right manner.
8. The lack of these bodies to recruit specialists in the field attached, which limits the effectiveness of the efforts of these institutions in this area.
9. The biggest obstacle faced by these bodies is the lack of the majority of entrepreneurs to the spirit and thought of construction in the real sense, which is based on a combination of creativity and risk leadership characteristics.

Conclusion :

At the end of this paper we can say that the Algerian experience is still in its beginning in the field of supporting the enterprise and accompanying the small and medium enterprises, but the activation of these bodies through working on the scientific methods in the processes of support and accompaniment and the activation of the laws and policies in addition to some adjustments related to the investment environment Economic development, entrepreneurial development and enterprise creation are the result of the interaction of a range of factors, such as culture, the educational system, business support bodies, small enterprise accompaniment, Orientation.

Accordingly, the business accompaniment agencies and supporting the establishment of small and medium enterprises, should pay much attention to activate their role in promoting the dynamism of the establishment of projects

Recommendations:

Based on the results of this study, the aim of some of the benefits of this research, was formulated by a group of recommendations recommending the involvement of all actors in the evaluation of public policies, in particular the use of the views of specialists and the research carried out by the universities on this subject, in order to achieve comprehensive assessments based on The foundations of scientific objectivity, and that on two levels:

A. At the general level:

1. Trying to alleviate the social policy that can be considered the biggest obstacle to the development of entrepreneurial culture, leaving the initiative for self-employment and limiting the role of the state to supervision and control;

2. To provide infrastructure and distribution channels that encourage economic activity and achieve regional balance, to encourage the private sector in all regions of the country to export;
3. The embodiment of the policy of business support must not be limited to the government, but economic actors must be encouraged to help them succeed, especially banks, and should be aware of the need to know the fate of institutions established and sustainability, to accelerate the easing of administrative procedures for support to the establishment of institutions;
4. Trying to alleviate the obstacles facing small enterprises, especially administrative obstacles, by putting in place strict laws that take into account the privacy of small enterprises, activate governance and control and combat administrative corruption;
5. Preparation of information programs and competitions for the spirit of entrepreneurship and creativity and the establishment of institutions in various media, audio and visual;

B. At the level of support bodies and accompaniment:

1. Reviewing the strategy of the support bodies through: the size of the allocated funds, the target sectors, the activation of follow-up and follow-up operations within the framework of the support bodies and incubators and the promotion of follow-up and accompaniment, focusing on quality and quantity;
2. Focus on the information and guidance aspect, which is the first element of accompaniment, with a view to guiding development to the most important sectors;

C - Prospects and Future of Research:

Finally, in view of what is stated in this study, we find that the field of research is still open due to the breadth of the subject of contracting and associated variables, and therefore there are a range of research prospects in this subject based on the main axes:

1. Different entrepreneurial orientation among different regions of Algeria;
2. Evaluation of the performance of institutional nurseries in Algeria.

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