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Approach on the participation of female entrepreneur in the innovation market in Algeria

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Abstract:

From the beginning of the industrial revolution, several economists such as J.B.Say, Schumpeter or Kenneth Arrow linked entrepreneurship and innovation. The entrepreneur is not only a source of wealth but a source of economic growth. The Algerian Government, aware of the importance of entrepreneurship, has established a new system and new national economic policy focused on innovation, now the priority subsidies were for the creation of businesses that demonstrate a form of innovation.

This article aims to study the relationship between entrepreneurship, innovation and the role of female entrepreneurs in this new impetus for the national economy by studying a random of 100 companies working in the field of High Tech , start-up and innovation.

Key words: innovation, female entrepreneurship, economic growth, national economic policy.

JEL Classification Codes: J78, O32.

Introduction :

Entrepreneurship is not necessarily linked to the creation of a new structure or business only, if the latter is not capable of leading a change in society, of finding new ways of operating and organizing, At this point, we no longer speak of an entrepreneur but of a business manager who aims to maximize profit by managing his operating cycle as well as possible with the factors of production at his disposal. Since the first industrial revolution, economists have observed this relationship between wealth creation, economic growth and innovation. Economic development is no longer linked to the gross exploitation of the factors of production which are otherwise limited, but by the considerable development of innovation thanks to the entrepreneur who manages to integrate an invention into the economic cycle and to make an innovation of it. So the innovations are based on new inventions and techniques and constitute the engine of industrial or economic development.

The Algerian government, aware of the importance of entrepreneurship, has established an inventive promotion program by creating a delegated ministry. This program is responsible for promoting innovation, entrepreneurship and start-ups. It helps provide assistance for the creation of incubators or the establishment of innovation support services.

In this perspective, the national economic policy in terms of new creations of enterprises subsidized by the State must be innovative and prove the practical aspects of the creation of wealth on the economy. The priority is therefore to the subsidy of start-ups, High Tech companies and companies with innovative ideas, we then speak of inventive and innovative activity.

In this same spirit, we encourage the development of information techniques, digital libraries and we also insist on the protection of intellectual property and the use of High Tech in various socio-economic aspects in order to promote creativity in several areas.

This creation of national structures that encourage entrepreneurship and innovation by offering protection and technical assistance to inventors, researchers and research .

Therefore, it is necessary to ask the following question: **what is the extent of female participation in this economic boom that combines entrepreneurship and innovation?**

1- Relationship between entrepreneurship and innovation in the economic literature

The industrial revolutions have taught us that innovation is the basis of economic development. By using the accumulation of knowledge and thanks to innovation clusters we can promote the appearance of new products to create new solutions.

Innovations, which are also based on inventions, have been shown to play a decisive role in industrial or economic development to gain competitive advantage.

1-1 the economic literature of entrepreneurship

Through the writings of Richard Cantillon who advance a coherent theory on the role of the entrepreneur in the economy by presenting the function of the entrepreneur and its importance in economic, although the term "innovation" was not used explicitly at his time, (BEKADDOUR Aicha, 2021, p. 03)his concept of entrepreneurship, as a key player in the economy, is closely linked to the capacity for innovation and the search for new opportunities to create value.

In summary, Richard Cantillon laid the foundations for thinking about entrepreneurship and innovation. He underlined the central role of the entrepreneur as an economic agent able to anticipate change to create value and promote economic development.

For Jean-Baptiste Say, individual has produced a general theory of the entrepreneur in which innovation plays an essential role. The entrepreneur can be at the same time a manager, a capitalist and an innovator (Uzunidi & Sophie, 2015, p. 146). He drive economic prosperity by identifying and exploiting opportunities for innovation. J.B.Say's ideas contributed to the recognition of entrepreneurship as a key factor in economic growth and progress.

Since 1911 J.A Schumpeter measured the liaison between entrepreneur and innovation, An entrepreneur being the leader had for a certain time an advantage on his competitors thanks to investment in research. It is not the profit that guides him, but the taste for entrepreneurship.

According to Schumpeter, the entrepreneur is the motor of economic development thanks to his ability to introduce new ideas, technologies and production methods. Schumpeter also developed the concept of "creative destruction" where innovation leads to the elimination of old industries and the creation of new industries.

Kenneth Arrow ,American economist and Nobel laureate ,studied the subject of the entrepreneur including the study of the marginal cost ; he showed that such knowledge is asymmetrical and involves a high level of transaction costs. (Boeck, 2006, p. 64)According to this theory, investments in research and development, supported by

innovative entrepreneurs, are essential to stimulate the accumulation of knowledge and technological progress.

We can also mention Peter Drucker who is considered the father of modern management. He emphasized the importance of entrepreneurial innovation in business growth. According to him, the entrepreneur must be oriented towards innovation, capable of recognizing opportunities and mobilizing the necessary resources to exploit them.

We end with Everett Rogers who is known for his theory of the diffusion of innovation. He studied how new ideas and innovations spread through society. His theory highlights the importance of entrepreneurs to initiate and spread new innovations through adoption and adaptation.

1-2-Type of innovation

To meet the needs of consumers and produce utilities, the entrepreneur is first designer, he must have knowledge of the raw materials he and techniques. (Uzunidi & Sophie, 2015, p. 152)

The entrepreneur can innovate in several ways and Schumpeter divided innovations into 05 types:

- **A new product** (product innovation), This is the introduction of a new product or a significant improvement to an existing product. This may involve new features or quality improvements.

- **A new process** (process innovation), It is the introduction of a new production method or process that increases efficiency, reduces production costs or improves the quality of goods and services produced.

- **New modes of organization** (innovation of production or organizational methods), It is the introduction of new structures, new forms of organization or new management methods within a company. This may include changes in the reporting structure, the adoption of new management practices or the use of new information technologies.

- **Opening of a new market** (market innovation), It is the opening of new markets or the conquest of market shares by using new strategies of sale, distribution or promotion. It can also include the creation of new business models or the discovery of new market niches.

- **New source of raw material** (innovation of raw materials).

It is important to note that these classifications of innovations were proposed by Schumpeter and have been widely discussed and used in the innovation literature, but other researchers have also proposed other classifications or typologies of innovations based on of their own conceptual frameworks.

So innovation is the implementation of a new or significantly improved product (good or service) or process, a new marketing method or a new organizational method in business practices. (hind, 2017, p. 26) The Innovation depend on a number of factors and elements such as education system, work environment, economic environment, financial system, social or cultural environment, etc. Inventions and innovations are the result of long efforts by researchers, inventors, scientists, engineers and technicians, who work in research and development institutes, universities, small or large companies. (report CPCD ,1999)

There are also several degrees:

- **Major innovations:** an evolution of the company's offer clearly perceptible by its customers. It is often accompanied by a disruption of technology or services
- **Minor innovations:** covering all continuous improvement actions for an existing product. They generally do not change the conditions of use, but bring an improvement to them. (hind, 2017, p. 27)

2- The innovation market in Algeria

Algeria has an important economic potential due to its size, population and natural resources. This creates opportunities for innovation and the development of new products and services, start-ups develop innovative solutions to meet this potential and market needs. For that there is a growing emergence of start-ups in Algeria, particularly in the sectors of information and communication technologies, health, renewable energy.

Before studying women's entrepreneurship and innovation in Algeria, we will first study the Algerian ecosystem and the emergence of inventive and innovative activity, then we will study the evaluation of the integration of Algerian women into the national economy in order to compare them with the national results and see the percentage of women who are moving towards the status of employing and those who prefer to set up their own accounts, then we will study a sample of 100 Start up and High Tech companies to see the degree of orientation of women towards this field

But before we will discuss new national economic policies focused on innovation and promotion of incubators.

2-1 Public policy to support innovation in the ecosystem

The emergence of the knowledge economy , new means of digital communication and new technology has opened up new perspectives in terms of creating new businesses. It was in this global expansion necessary to make start-up and innovative companies the engine of this international transition and at the national level to

guarantee the transition from to a model based on productive sectors and a knowledge economy.

- **ASF creation(Algeria Start-up Fund)**

ASF (Algeria Start-up Fund) is the first public fund dedicated to start-up, endowed with a capital of 1.2 billion DA to support project creators. Created during the first national conference of star-up "Algeria Disrupt 2020", held in early October 2020 in Algiers

Entrepreneurs and start-ups can present their projects to the ASF and benefit from financial support for their implementation.

- **Creation of new label “ start-up, Innovative Project and the Incubator label”**

These labels can offer privileges to their owner such as tax benefits offers support and training to innovative project leaders, and facilitates the creation. (<https://startup.dz/pour-les-incubateurs/>)

- **Creation of technology parks:** Algeria has established technology parks in different regions of the country. These infrastructures provide an environment conducive to innovation, by providing physical space, support services and collaboration opportunities for entrepreneurs and start-up.

- **Promotion of university-industry cooperation:** Algeria encourages collaboration between universities and industry in order to promote the transfer of knowledge and technologies. Initiatives have been put in place to stimulate research partnerships and work placements.

Other efforts have been introduced such as the creation of the Algerian National Space Agency on innovative start-up in this field.

2-2 - improvement of the legal framework

The digital e-commerce and new forms of entrepreneurship are weakly regulated for the reason that to recent of theirs apparition, but several efforts were made by the supervising minister, the most important being Law No. 22-23 of December 18, 2022 on the Statute of the auto-entrepreneur.

The latter is eligible for the status of auto-entrepreneur, any natural person fulfilling the following conditions:

- reach the legal working age;
- be of Algerian nationality and residing in Algeria, or a resident foreigner, in accordance with the legislation and regulations in force;
- carry out an activity included in the list of activities eligible for auto-entrepreneur status.

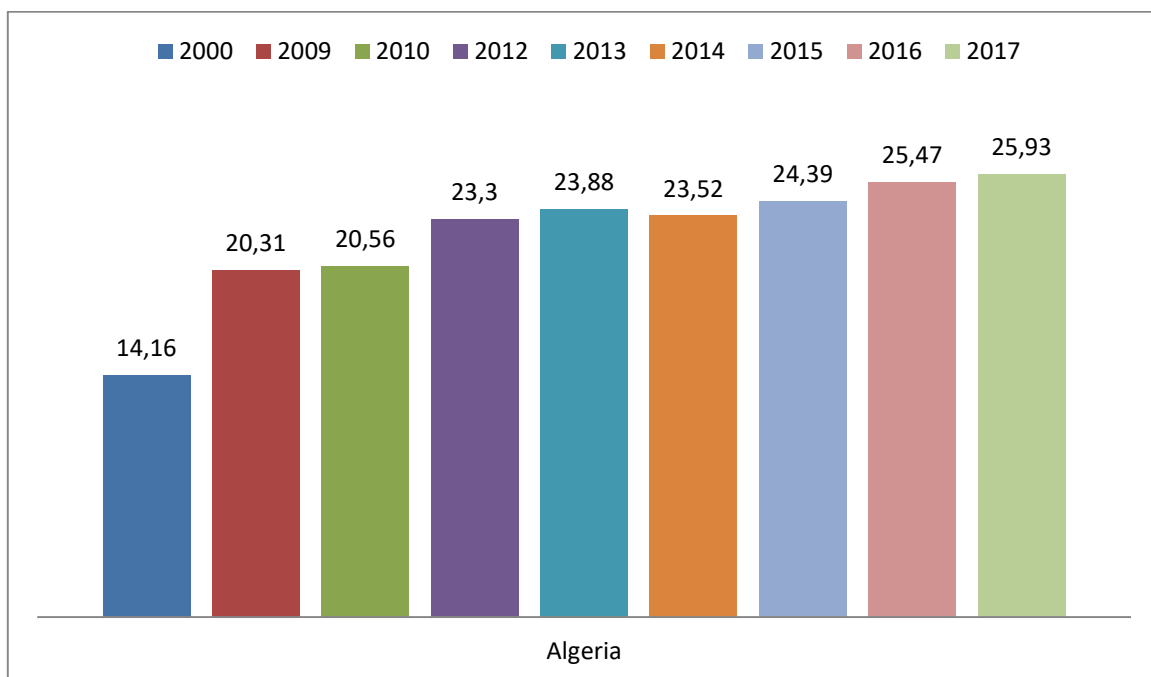
3- Evaluation of the integration of Algerian women into the national economy

Algeria has put in place initiatives to promote female entrepreneurship and encourage women to create their own businesses. Training, mentoring and access to financing programs are in place to support women entrepreneurs. Incubators, also co-working spaces are created to promote the exchange of ideas and the development of professional networks.

3-1 the insertion of women work market of Algeria

Access to finance is one of the main challenges for women entrepreneurs in Algeria. Measures are taken to facilitate access to credit and encourage investment in businesses run by women. Microcredit initiatives are also being developed.

Title of figure 01: Salaried workers, women (% of female population in employment) – Algeria



Source: International Labor Organization, Main Labor Market Indicators Database.

According to the figure N°01 we have in front of us the percentage of women working is 25.93 % who are economically active in 2017.

But we must first study the preferences that women have between being an employee or an employer and for this we have the tables below.

Title of table 01: Women's job preferences

	Male		Feminine		Total		Female employment /total employment
	Effective		Effective		Effective		
Public Sector	3007	32.6	1260	61.1	4267	37.8	41.90
Private or mixed sector	6212	67.4	802	38.9	7014	62.2	12.91
Total	9219	100.0	2062	100.0	11281	100	18.28
Directors and managers	329	3.6	36	1.7	364	3.2	9.8
the independent	3085		388		3479	11.15	

Source: National Statistics Office

First of all the table women represent 18.28% of the labor force, 61.1% worked in the public sector against 38.9% in the private

women who are managers and directors represent 0.32% of the active population against 329,000 men who are directors or managers who represent 2.92% of the active population.

This table shows us that women tending to have a preference for the public sector and the percentage of women who work in their own account, including independent activities (doctor...) is very down.

4.2 Characteristics of our sample to study the female participation in Algerian entrepreneurship in the field of Start-ups and High Tech

The evaluation of the economic integration of women must also take into consideration their participation in entrepreneurship. Consideration should be given to the number of female entrepreneurs in Algeria, as well as the challenges and opportunities they face in developing and growing their businesses.

According to a study carried out by the UN Population Fund (UNFPA) and the United Nations Development Program (UNDP) in 2019, around 25% of entrepreneurs in Algeria were women. This indicates a significant presence of women in entrepreneurship, but there is still a long way to go to achieve a more balanced parity.

It should be noted that the fact to have chose start-up and high-tech companies in this article does not mean that the market of innovation is based only on them.

We have seen previously that the innovation has several types (05 types) ,so there are types which are difficult to identify without having resort to the internal management of the operating cycle which is difficult because those information are sometimes an advantage of the Company against the competition and classed secret especially with regard to process innovation or organizational innovation.

The fact of choosing Start-ups is to facilitate the study because innovation is essential character to be award with this label.

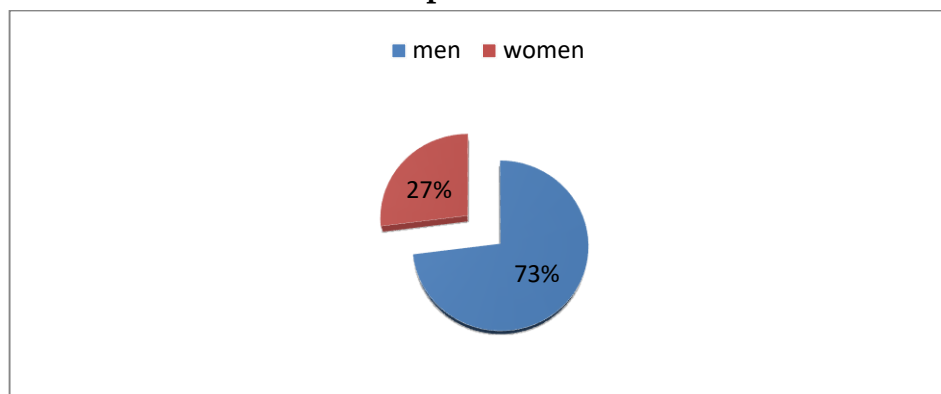
Our sample represents 100 High Tech and Start Up companies working in the Algerian market, our goal is to identify companies created by women and the area in which they are most active.

4.3 result of Study

As we have already specified above, there are several forms of innovation and we have cited the (5) types of innovation for Schumpeter but several of its types are difficult to identify without having a direct link with the Company and its mode of operation, for example, organizational innovation is a very important form where the entrepreneur can, thanks to his organizational skills, identify the internal environment of his company with its strengths and its weaknesses and structure its operating cycle by integrating new technical or technology in order to facilitate the circulation of information and the circulation of the material for increase the productive efficiency, but for this type of innovation it is difficult to have statistics.

Our sample of 100 companies shows us the following results:

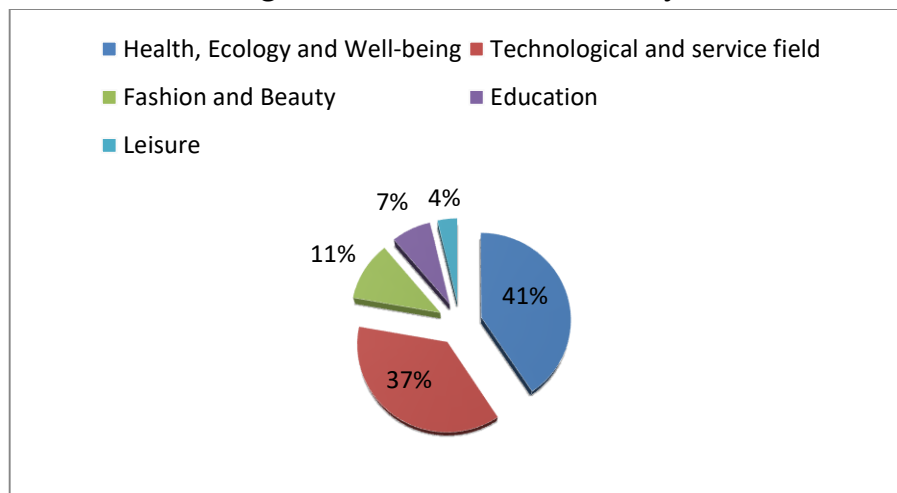
Title of figure 02: proportion of women who create start up and high tech companies



Source : made by autor

Participation rate: It is important to assess the level of participation of Algerian women in the creation and management of start-ups and high-tech companies. This includes measuring the number of women entrepreneurs, their representativeness in management teams and their involvement in the start-up ecosystem. In our sample this percentage is 27% .

Title of figure 03: The field favored by women



Source: made by autor

The field favored by women Out of 27 start-up and high tech companies:

(11) in the field of Health, Ecology and Well-being;

(10) in the Technological and service field;

(03) in Fashion and Beauty;

(02) in the field of Education;

(01) in the area of Leisure.

More and more women in Algeria are embarking on entrepreneurship, particularly in the start-up and high-tech sector. They create innovative companies and bring innovative ideas in areas such as information technology, mobile applications, digital solutions, e-commerce, online services, etc.

Conclusion:

Women's participation in Algerian entrepreneurship in the field of start-ups and high technologies is increasing. Support ecosystem: The entrepreneurial ecosystem in Algeria is growing, with the establishment of incubators, accelerators and support programs specifically focused on women entrepreneurs. These initiatives offer training, mentoring, business advice, as well as opportunities for networking and access to funding.

Networking plays a crucial role in the success of entrepreneurs. Events, conferences and forums are organized to allow women entrepreneurs to connect with other players in the ecosystem, exchange ideas and create strategic partnerships. The visibility of women entrepreneurs is also promoted through media and outreach initiatives to inspire other women to embark on entrepreneurship.

Despite this progress, challenges remain particularly with regard to gender stereotypes, access to finance, work-life balance and regulatory constraints. Nevertheless, the increasing participation of women in start-up and high-tech entrepreneurship in Algeria testifies to their potential and their contribution to innovation and the economic development of the country.

It is important to conduct specific studies and analysis to assess female participation in Algerian entrepreneurship, particularly in the field of start-ups and high technology. These assessments can help identify challenges and opportunities in order to develop specific policies and programs to encourage and support more women to engage in entrepreneurship in these sectors in Algeria.

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