

Entrepreneurship and Innovation in Algeria: Global Perspectives and Local Challenges

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Abstract— Entrepreneurship is a key driver of economic development and wealth creation, with innovation as its fundamental engine. In Algeria, since 2020, authorities have intensified efforts to promote entrepreneurship through universities and the establishment of high-potential startups. This study analyzes the evolution of entrepreneurship by relying on international reports such as the Global Competitiveness Report, the Global Innovation Index, and the Doing Business report, while examining the current state of the entrepreneurial ecosystem, recent policies, and the challenges faced by startups. Our findings reveal shortcomings in areas such as the financial market, innovation, and entrepreneurial risks, yet the measures taken by the Algerian government since 2020 suggest promising prospects. Finally, we highlight the Algerian startup Yassir as an example of an innovative economic model, showcasing the potential for innovation within Algeria's entrepreneurial ecosystem.

Keywords— Entrepreneurship in Algeria, Innovation, Startups, Government Policy, Entrepreneurial Ecosystem, Innovative Business Model.

I. INTRODUCTION

Entrepreneurship in Algeria is at a decisive crossroads, positioned between technological modernization and economic globalization. Since the 1970s, when Silicon Valley in North America laid the groundwork for the startup model, this phenomenon has crossed borders, gradually expanding to innovative metropolises such as Paris, Dubai, Singapore, Tokyo, and Nairobi. Today, Algeria is not immune to this dynamic, with a notable emergence of young companies playing a crucial role in transforming the national economy.

The rise of entrepreneurship in Algeria is emerging as a key driver of economic growth, job creation, and diversification, particularly in non-hydrocarbon sectors such as technology and services. Algerian startups, excelling in innovative fields like information technology, renewable energy, and financial services, are contributing to the development of a more modern and competitive economy. However, despite this momentum, the Algerian economy remains heavily dependent on hydrocarbons, which account for over 95% of exports and contribute more than 60% to budget revenues, thus reinforcing its rentier nature¹. This dependence on natural resources, which has persisted since the nationalization of hydrocarbons, is evident, as by 1970, the share of hydrocarbons in national value added had already reached 16.43%².

¹Belhadj Mejda, Mebarki Naceur (2021), *Prevalence of Hydrocarbons, Rent, and Economic Growth in Algeria: Econometric Study (2000-2018)*, Algerian Journal of Public Finances, Vol.11, n° 01, P 175-187, p175

²Yanis Ainas, Nacer Ouarem, Saïd Souam (2012), *Hydrocarbons: Asset or Barrier to Algeria's Development?* Revue Tiers Monde, vol. 2, n°210, pages 69 à 88, P70

The economic reforms initiated since the 1986 crisis and those in 1994 aimed to restructure industrial sectors and shift toward a more productive economy. However, these reforms, largely driven by international institutions such as the IMF, often resulted in the dissolution and privatization of many state-owned enterprises, without a conducive framework for innovation and entrepreneurship being genuinely established. Despite these attempts, Algeria still struggles to rank among the most competitive economies.

Since its independence, Algeria has adopted an economic strategy characterized by strong state intervention, which has long positioned the state as the central actor in entrepreneurial initiatives, wealth creation, and employment. The private sector, on the other hand, has remained marginal in the value creation dynamic. Nevertheless, the recent emergence of startups and the reforms undertaken to enhance the country's competitiveness suggest a glimmer of change.

II. HISTORY OF ENTREPRENEURSHIP IN ALGERIA: CONTEXT AND EVOLUTION

Cette étude exploratoire est basée sur les regards critiques des institutions internationales spécialisées dans la mesure de la compétitivité et l'entrepreneuriat. Il est crucial d'examiner l'évolution de l'Algérie à travers le prisme d'instruments internationaux de mesure, tels que le Global Competitiveness Report (GCR), produit annuellement par le Forum économique mondial, qui évalue la compétitivité de près de 140 pays, ou encore le Global Innovation Index, qui classe 132 économies selon leur capacité d'innovation, et le rapport Doing Business, publié depuis 2003 par la Banque mondiale, qui analyse la réglementation des affaires dans 190 économies. Ces indices offrent une lecture précieuse des progrès de l'Algérie dans sa quête de compétitivité et de diversification économique.

A. Analysis of the Global Competitiveness Report (GCR)

This exploratory study is based on critical insights from international institutions specializing in measuring competitiveness and entrepreneurship. It is crucial to examine Algeria's evolution through the lens of international measurement tools, such as the Global Competitiveness Report (GCR), produced annually by the World Economic Forum, which assesses the competitiveness of nearly 140 countries, as well as the Global Innovation Index, which ranks 132 economies based on their innovation capacity, and the Doing Business report, published by the World Bank since 2003, which analyzes business regulation in 190 economies. These indices provide valuable insights into Algeria's progress in its pursuit of competitiveness and economic diversification.

TABLE I
RANKING AND SCORE OF THE ALGERIAN ECONOMY ACCORDING TO THE GCR 2011-2019

	2011		2012		2013		2014		2015		2016		2017		2018		2019	
	rank /142	Score 1-7	Rank /144	Score 1-7	Rank /148	Score 1-7	Rank /144	Score 1-7	Rank /140	Score 1-7	Rank /138	Score 1-7	Rank /140	Score 1-7	Rank /140	Score 0-100	Rank /141	Score 0-100
Global Competitiveness Index																		
Institutions	127	3.1	141	2.7	135	3.0	101	3.4	99	3.5	99	3.5	88	3.6	120	44.4	111	45.5
Infrastructure	93	3.4	100	3.2	106	3.1	106	3.1	105	3.1	100	3.3	93	3.6	88	61.2	82	63.8
Macroeconomic Environment	19	5.7	23	5.7	34	5.5	11	6.4	38	5.3	63	4.8	71	4.6	111	68.5	102	71.2
Health and Primary Education	82	5.5	93	5.4	92	5.4	81	5.6	81	5.6	73	5.7	71	5.8	66	81.5	56	82.8
Higher Education and Training	101	3.5	108	3.4	101	3.5	98	3.7	99	3.7	96	3.9	92	4.0	88	57.4	85	59.1
Goods Market Efficiency	134	3.4	143	3.0	142	3.2	136	3.5	134	3.5	133	3.5	129	3.6	128	45.4	125	45.8
Labor Market Efficiency	137	3.4	144	2.8	147	2.9	139	3.1	135	3.2	132	3.2	133	3.3	134	44.0	131	47.1

Financial Market Development	137	2.6	142	2.4	143	2.6	137	2.7	135	2.8	132	2.9	125	3.1	122	47.8	111	50.0
Technological Readiness	120	2.8	133	2.6	136	2.5	129	2.6	126	2.6	108	3.1	98	3.4	83	47.2	76	52.7
Market Size	47	4.3	49	4.3	48	4.4	47	4.4	37	4.7	36	4.7	36	4.8	38	66.4	38	66.5
Business Sophistication	135	2.9	144	2.5	144	2.9	131	3.2	128	3.3	121	3.3	122	3.3	113	51.3	93	56.2
Innovation	132	2.4	141	2.1	141	2.4	128	2.6	119	2.8	112	2.9	104	2.9	106	29.9	86	34.4

Source: Global Competitiveness Reports, Year 2011-2019

Between 2011 and 2019, Algeria fluctuated in the global competitiveness ranking, ranging from 99th place in 2015 to 138th in 2016. This indicates significant volatility in its overall competitiveness, without sustained progress. In 2018, a redesign of the scoring scale (transitioning to a 100-point system) highlighted a notable improvement in the score, with 44.4 points in 2018 and 45.5 in 2019, yet Algeria remains at the bottom of the ranking. Although some criteria show isolated improvements, Algeria's overall competitiveness remains weak on the global stage, reflecting deep structural challenges³.

Institutions: Algeria has consistently ranked low for the quality of its institutions, moving from 127th place in 2011 to 111th in 2019. The score remains weak, indicating limited progress in transparency, government effectiveness, and public trust in institutions. There was a slight improvement between 2016 (99th) and 2019 (111th), but the institutional system continues to be one of the major weaknesses. The role of institutions is crucial for the success of entrepreneurial projects and for fostering innovative behaviors, making it essential to address these challenges to support a thriving entrepreneurial ecosystem

Infrastructure: This pillar shows relative improvement, with Algeria moving from 93rd place in 2011 to 82nd in 2019, although the score has progressed slowly. Efforts to modernize infrastructure, particularly through transport and energy projects, have yielded modest results. While infrastructure is improving, the pace remains insufficient to support large-scale economic transformation.

Macroeconomic Environment: Once a strong point for the Algerian economy until 2014, when it reached 11th place globally, it has since sharply declined due to falling oil prices and budgetary imbalances, dropping to 102nd place in 2019. The dependency on hydrocarbons explains this volatility; when oil prices are high, the economy appears robust, but fragility becomes evident when the oil market collapses.

Health and Primary Education: Algeria has made progress in this pillar, rising from 82nd place in 2011 to 56th in 2019. This reflects efforts to improve access to primary education and healthcare services. However, challenges remain, particularly regarding the quality of care and school infrastructure.

Higher Education and Training: This pillar shows relative progress, with Algeria moving from 101st place in 2011 to 85th in 2019. Reforms in the education sector and investments in training are beginning to bear fruit, but the alignment between training and market needs remains an issue. Improvements are gradual and slow, necessitating structural reforms to enhance the relevance of training in a changing economic context.

Efficiency of the Goods Market: Algeria remains stagnant in this area, oscillating around 130th place. This illustrates persistent rigidity in market operations, driven by regulatory and bureaucratic obstacles that hinder trade efficiency and resource allocation. Reforms in the goods market are insufficient and impede the country's economic competitiveness.

Labor Market Efficiency: The Algerian labor market is particularly inefficient, as evidenced by its position fluctuating between 144th and 131st place. Persistent regulatory rigidity, low labor productivity, and high unemployment rates remain significant issues. Despite a slight improvement in 2019, the labor market continues to be a major barrier to the country's competitiveness.

³ World Economic Forum. (2011-2019). Global Competitiveness Report.

Financial Market Development: This pillar has shown slight improvement over the years, rising from 137th in 2011 to 111th in 2019. However, the Algerian financial market remains underdeveloped, with limited access to credit for SMEs and weak capital market development. Although progress is visible, the financial sector still requires deeper structural reforms.

Technological Readiness: The capacity to adopt technologies has gradually increased, moving from 120th place in 2011 to 76th in 2019. This indicates that Algeria is adapting to new technologies, albeit at a slower pace than its neighbors. While the country is making progress, technological gaps remain compared to more advanced countries, particularly in digital infrastructure.

Business Sophistication: Algeria has improved its position in this pillar, moving from 135th place in 2011 to 93rd in 2019. This reflects increased sophistication in production processes and better management of local businesses. Although companies are gradually becoming more sophisticated, further efforts are needed to foster innovation and managerial efficiency.

Innovation: Innovation remains one of the weak points of the Algerian economy, despite a notable improvement from 132nd place in 2011 to 86th in 2019. Investment in research and development remains limited, as does the entrepreneurial ecosystem. Algeria must strengthen its innovation system by providing more support for startups, R&D, and collaborations between universities and industries.

In summary, according to the Global Competitiveness Reports published from 2011 to 2019, Algeria has shown some progress in areas such as business sophistication, innovation, and infrastructure, but it still ranks low in most indicators. Structural weaknesses, particularly in the labor market, financial development, and institutional efficiency, hinder its overall competitiveness. One of the major challenges remains its dependence on the hydrocarbon sector, which affects its macroeconomic environment and ability to diversify the economy.

B. Analysis of the Global Innovation Index

Published annually by the World Intellectual Property Organization (WIPO), this index is based on a series of indicators that measure critical aspects of innovation. For Algeria, examining this assessment is crucial for understanding its strengths and weaknesses in the field of innovation compared to other emerging countries. The following table presents Algeria's evolution in the global ranking according to the criteria of the Global Innovation Index (GII) from 2020 to 2022.⁴

(*UM: Upper-Middle Income / **LMI: Lower-Middle Income)

TABLE II
RANKING AND SCORE OF THE ALGERIAN ECONOMY ACCORDING TO THE GII 2020-2022

	2020	2021	2022
GII Rank /132	121	120	115
Score 0-100	19.5	19.9	16.7
Income Rank	UM	LMI	LMI

Source: Global Innovation Index Reports, Year 2020-2022

In 2020, Algeria ranked 121st out of 132 countries, a ranking that highlights the significant challenges the country faces in terms of innovation. This is also reflected in its score of 19.5 out of 100, which is relatively low and indicates a considerable lag in its overall innovation performance. In 2021, Algeria gained one position, moving up to 120th. Although this progress is modest, it signifies an effort to improve the environment conducive to innovation or the

⁴ World Intellectual Property Organization. (2020-2022). Global Innovation Index

capacity to innovate, as evidenced by the slight increase in the score. However, this score remains below that of many other countries in the ranking.

In 2022, Algeria made a significant leap of five places, reaching the 115th position. This advancement may be the result of various factors, such as political reforms, increased support for innovation, or improvements in the financing and education sectors. However, despite this improvement in the overall ranking, the score recorded a sharp decline, a concerning sign that highlights persistent structural challenges. This suggests progress in certain areas, but ongoing weaknesses in other aspects of innovation.

Regarding income classification, Algeria belonged to the upper-middle-income category in 2020. Starting in 2021, the country was downgraded to the lower-middle-income category. This change in classification reflects a deterioration in economic indicators, which could directly impact the country's ability to invest in innovation and support an ecosystem conducive to creativity and competitiveness.

We will now analyze in detail Algeria's ranking in the Innovation Input and Output sub-indices through the table below⁵.

TABLE III
ALGERIA'S RANKING IN THE GII INPUT & OUTPUT 2020-2022

	2020	2021	2022
Innovation Input Sub-Index	111	109	110
Innovation Output Sub-Index	126	128	118

Source: Global Innovation Index Reports, Year 2020-2022

The Input Sub-Index evaluates the resources and conditions established by a country to foster innovation. In contrast, the Output Sub-Index measures the results or outcomes of these innovation efforts, indicating the extent to which they translate into tangible and measurable innovations.

Between 2020 and 2022, Algeria's ranking in the Innovation Input Sub-Index reflects fluctuating dynamics that point to underlying structural issues. In 2020, Algeria ranked 111th, showcasing significant weaknesses in infrastructure, education, and access to financing. These factors are essential for stimulating innovation, and their inadequacy can limit the economy's ability to attract talent and foster new ideas. The slight improvement to 109th place in 2021 may be attributed to targeted reforms in sectors such as education or technological infrastructure. However, the volatility of the ranking, which fell back to 110th in 2022, suggests that these efforts were neither sufficient nor sustainable, possibly due to increased international competition and internal challenges such as slow economic reforms or insufficient investments in innovation.

On the side of the Innovation Output Sub-Index, Algeria starts with a relatively low ranking of 126th in 2020, indicating difficulties in converting resources into concrete results, such as patents, technological products, or innovative services. This situation worsened in 2021, when the country dropped to 128th place, likely due to an inability to stimulate key economic sectors to produce effective innovations. However, in 2022, a significant recovery occurred, with a jump to 118th place, suggesting that certain efforts have made innovative results more visible, possibly due to increased support for entrepreneurship or technological development. In 2023, progress continued slightly with a ranking of 116th, indicating a certain capacity to produce innovations despite obstacles in the overall innovation environment. Nevertheless, this

⁵ Idem [4]

improvement remains insufficient to offset the general decline observed in the Input Sub-Index, highlighting an uneven dynamic between the capacity to innovate and the realization of tangible outcomes.

C. *Doing Business Report*

In this report, we will focus on a single theme from the Doing Business Report: "Starting a Business." The following analysis is based on data from the most recent Doing Business report published in 2020. This report represents the last available edition before the World Bank ceased publication, and it provides an overview of the indicators for Algeria regarding business creation. We will specifically examine the procedures, costs, and time required to start an economic activity in the country.

In the Doing Business 2020 report, Algeria ranked 157th globally, reflecting significant challenges in its entrepreneurial environment, particularly in the "Starting a Business" category. Below is an analysis of the key indicators and their comparison with global standards⁶.

Procedures Required: In 2020, Algeria required 12 distinct procedures to start a business, significantly above the global average of 5 to 6 procedures observed in more efficient economies, such as New Zealand and Canada, which consistently top global rankings. This high number of procedures leads to bureaucratic delays and increases the risk of inefficiencies. These steps include registration with the Commercial Register (CNRC), obtaining a tax number, registering for social security, and other steps specific to Algeria. In contrast, in better-ranked economies, some of these steps are consolidated or processed digitally, making the process quicker and more transparent.

Time: The report highlights that, on average, it takes 17.5 days to complete the formalities necessary to establish a business in Algeria, compared to just 1 day in New Zealand, one of the best global performers. While 17.5 days might seem reasonable, it is still more than twice the OECD average (under 10 days), which can deter entrepreneurship, especially for small businesses that lack the resources to navigate prolonged administrative processes.

Cost: The cost of starting a business in Algeria in 2020 was approximately 11.3% of the national income per capita. This cost is significantly higher than in countries where it represents only 0.5% to 2% of per capita income, such as in high-income economies or reformist countries like Rwanda. This expense poses a significant barrier for low-income entrepreneurs or small businesses, risking a limit on formal business registration and encouraging informal economic activity, which remains a recurring issue in Algeria.

Minimum Capital Requirement: Algeria did not impose a minimum capital requirement for starting a business, which is a positive aspect. Many countries with stricter capital requirements often see increased obstacles for SMEs. The absence of such a requirement in Algeria aligns with global trends aimed at reducing barriers and promoting entrepreneurship.

Bureaucratic and Governance Challenges: Beyond numerical indicators, the administrative and regulatory environment in Algeria presents significant obstacles, such as corruption and opaque administrative decisions that further slow processes, adding informal costs. Additionally, the lack of a robust online system for business registration places Algeria at a disadvantage compared to countries that have digitized and automated these processes. Digital platforms used in countries like Estonia significantly reduce the time and complexity involved in starting a business.

Reform Efforts: The Doing Business report acknowledges that Algeria has introduced some reforms, but they have not been sufficient to significantly improve its ranking. The simplification of certain documentary requirements and the streamlining of processes at the National Center for the Commercial Register have not been extensive enough to overcome deeply entrenched bureaucratic inefficiencies.

Algeria's ranking in the "Starting a Business" category reflects broader structural challenges in its economy, where regulatory inefficiencies and administrative barriers limit the potential for entrepreneurship and private sector growth. Consequently, Algeria will need to undertake significant reforms in the digitization of processes, including the

⁶ World Bank. (2020). *Doing Business 2020: Comparing Business Regulation in 190 Economies*. Washington, DC: World Bank Group. Available : <https://www.doingbusiness.org/en/reports/global-reports/doing-business-2020>

introduction of an integrated and user-friendly online system for business registration that would substantially reduce delays and bureaucracy. Additionally, simplifying procedures by reducing the number of steps through consolidation, and lowering costs associated with registration, licenses, and permits will be essential to alleviate the financial burden on entrepreneurs, especially in the context of demographic growth and efforts to encourage startups.

III. CURRENT LANDSCAPE OF ENTREPRENEURSHIP IN ALGERIA

Entrepreneurship in Algeria has undergone significant evolution in recent years, driven by various government reforms and a growing dynamism in the private sector. According to the Global Entrepreneurship Monitor (GEM) report, Algeria ranks among emerging countries with high entrepreneurial potential. *Politiques et Initiatives Gouvernementales (2023-2024)*.

In 2023 and 2024, the Algerian government continued to implement reforms to encourage entrepreneurship, particularly through the National Agency for Support and Development of Entrepreneurship (ANADE, formerly ANSEJ)⁷. The budget for supporting young entrepreneurs has been strengthened, with a 25% increase compared to the previous year, bringing the total amount to approximately 120 billion dinars in 2023⁸. This initiative primarily aims to reduce youth unemployment, which remains a significant challenge.

The "Startup Algeria" program, launched in 2021, gained momentum in 2023 with the creation of 60 new startups supported by public and private funding. A budget of 1.5 billion dinars was allocated to these startups in 2023, a figure expected to increase in 2024 through new international and regional collaborations, particularly with African and European countries⁹.

A. Promising Sectors and Startup Dynamics

The sectors of the digital economy, clean technologies, and smart agriculture received particular attention in 2023-2024. The fintech sector is experiencing significant growth, with a 35% increase in the number of startups in 2023, supported by programs such as Algeria Venture¹⁰. In 2024, there is expected to be a growing interest in renewable energies, with local entrepreneurs already starting to develop solar and wind energy solutions for rural areas¹¹.

In the agricultural sector, innovative initiatives in smart farming have emerged, particularly in the southern regions of Algeria, aiming to increase productivity by 20% by the end of 2024. This is supported by the adoption of water management technologies and smart sensors, funded with 8 billion dinars in 2023¹².

B. Access to Financing

Despite the progress made, access to financing remains a significant challenge for Algerian entrepreneurs. According to a report from the Bank of Algeria published in June 2023, only 18% of SMEs in Algeria have access to bank loans¹³. In response, the government has encouraged alternative financing mechanisms, such as crowdfunding and venture capital. In 2023, 70% of the funding for Algerian startups came from private investors, while only 30% was sourced from banks and public institutions. The Guarantee Fund for SME Credits has also been strengthened,

⁷ National Agency for Support and Development of Entrepreneurship (ANADE). (2023). Annual Report on Entrepreneurship Support. Ministry of Industry and Startups, Algeria.

⁸ Ministry of Industry and Startups, Algeria. (2023). National Budget 2023: Report on Initiatives for Youth Entrepreneurship. Available : <http://www.ministere-industrie.gov.dz>

⁹ El Moudjahid. (2023). "Startup Algeria" Program and the Rise of New Startups in 2023. Available : <http://www.elmoudjahid.com>

¹⁰ Algeria Venture. (2023). Annual Report on Support for Fintech Startups and Clean Technologies. Available : <http://www.algeriaventure.dz>

¹¹ El Watan. (2023). Fintechs in Algeria: Growth and Opportunities. Available: <https://www.elwatan.com>

¹² Ministry of Agriculture and Rural Development, Algeria. (2023). Report on Smart Agriculture Initiatives in Algeria. Available : <http://www.ministere-agriculture.gov.dz>

¹³ Bank of Algeria. (2023). Annual Report 2022 on SME Financing. Published in June 2023. Available : <http://www.bank-algerie.dz>.

securing over 500 million dinars in loans for SMEs and startups in 2023. For 2024, a new micro-financing program targeting women entrepreneurs has been announced, aiming to reach 20,000 women by the end of the year.¹⁴

C. Legal and Bureaucratic Environment

In 2023, the Algerian government implemented several reforms aimed at simplifying the process of starting a business and reducing administrative barriers. The time required to register a company has been reduced from 24 to 10 days, according to the Ministry of Commerce. Nevertheless, entrepreneurs continue to report bureaucratic delays, particularly in obtaining operating licenses and construction permits¹⁵.

The legal environment has also evolved with the enactment of the new law on free economic zones in 2023, aimed at attracting foreign investors. This has already had positive impacts, with 15 new companies establishing themselves in the Tamanrasset free zone in 2023, a number expected to double in 2024¹⁶.

D. Entrepreneurial Ecosystem and International Collaboration

The Algerian entrepreneurial ecosystem continues to strengthen, with an increasingly dense network of incubators and accelerators. In 2023, 12 new incubators were established, bringing the total to 35 nationwide. These incubators supported over 400 projects in 2023, with approximately 45% already in the commercialization phase. International partnerships also play a crucial role in developing the entrepreneurial ecosystem. In 2024, Algeria concluded agreements with technology hubs in neighboring countries, such as Tunisia, with initiatives like the creation of digital clusters to enable local startups to access regional markets and benefit from foreign mentors and investors¹⁷.

IV. INNOVATIVE BUSINESS MODEL FOR A SUCCESSFUL ENTREPRENEURIAL PROJECT

The business model is defined as the collection of mechanisms that enable a company to create value through its value proposition to customers, its value architecture, and the methods used to capture that value and transform it into profit¹⁸. When exploring the concept of the business model beyond its simple definition, we observe a diversity of key components. The literature highlights significant variability in the proposals of authors regarding business model frameworks, thereby underscoring remarkable heterogeneity. It is evident that the characteristics of the concept differ according to the nature and strategy unique to each company. In the book "Business Model Generation," a method called the Business Model Canvas is presented, based on a framework consisting of nine components: value proposition, key activities, partner network, key resources, cost structure, customer relationships, customer segments, distribution channels, and revenue streams¹⁹.

Innovation in the business model is a key component of a company's overall innovation process. Chesbrough and Rosenbloom emphasize that companies must innovate not only in their products or services but also in how they create, deliver, and capture value for their customers. This broadened perspective on innovation encompasses the design of new business models and the reconfiguration of existing models to better meet market needs and emerging opportunities²⁰.

¹⁴ Ministry of Industry and Startups, Algeria. (2023). Report on Alternative Financing and Entrepreneurship in Algeria. Available: <http://www.ministere-industrie.gov.dz>

¹⁵ Ministry of Commerce, Algeria. (2023). Report on Administrative Reforms and Business Creation. Available: <http://www.ministere-commerce.gov.dz>

¹⁶ Official Journal of the People's Democratic Republic of Algeria. (2023). Law on Free Economic Zones. Available: <http://www.joradp.dz>

¹⁷ Ministry of Industry and Startups, Algeria. (2023). Report on the Entrepreneurial Ecosystem and Incubators in Algeria. Available sur : <http://www.ministere-industrie.gov.dz>

¹⁸ Lehmann-Ortega, L. & Schoettl, J-M. (2005). *From Buzzword to Managerial Tool: The Role of Business Model in Strategic Innovation*. CLADEA Conference Proceedings, October, 14

¹⁹ Osterwalder, A. & Pigneur, Y. (2010). *Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers*. Hoboken, NJ: John Wiley & Sons

²⁰ Chesbrough, H., & Rosenbloom, R. (2002). *The role of the business model in capturing value from innovation: Evidence from Xerox Corporation's technology spin-off companies*. *Industrial & Corporate Change*, 11(3), 529–555.

After analyzing the current state of entrepreneurship in Algeria, it is essential to explore the new approaches shaping the country's entrepreneurial landscape. One of the major developments observed in recent years is the emergence of innovative business models, often driven by local startups. These models not only capitalize on traditional sectors but also leverage technology and novel solutions to address economic and social challenges.

A. *Yassir, An Example of an Algerian Startup*

Yassir is a transportation and delivery service company that has rapidly evolved into one of the largest mobility platforms in North Africa. What makes Yassir particularly innovative is its hybrid business model, which combines mobile technology with a network of local partners. Yassir has not only introduced an app-based transportation system but has also expanded its model to include meal and product delivery, thereby creating an integrated ecosystem of on-demand services²¹.

Value Proposition: Yassir's value proposition focuses on enhancing the transportation experience for users. By offering an intuitive mobile application, Yassir enables customers to quickly and easily book rides while ensuring a reliable and secure service. The platform stands out for its ability to effectively connect passengers with drivers, while also providing convenient digital payment options.

Customer Segments: Yassir targets several customer segments, including individual consumers seeking practical and secure transportation solutions for their daily commutes, independent drivers looking for income opportunities by offering transportation services through the platform, and local businesses needing transportation solutions for their employees or business travel.

Distribution Channels: Yassir primarily uses digital channels to reach its customers. The mobile application serves as the main point of contact for users, available on both iOS and Android platforms. The company also employs digital marketing strategies to promote its services and attract new customers.

Customer Relationships: Yassir builds relationships with its customers through accessible customer support via the app and online channels. The company also offers a rating and feedback system that allows users to share their experiences, contributing to continuous service improvement. Regular app updates and special promotions are implemented to foster customer loyalty.

Revenue Streams: Yassir's revenue mainly comes from commissions charged on each ride booked through the platform. The company also generates income through service fees applied to both passengers and drivers. Partnerships with local businesses for specific transportation services can further contribute to Yassir's revenue.

Key Resources: Yassir's key resources include its technology, particularly the mobile application at the core of its business model. The technology development team, customer support, and product management are essential for ensuring the platform's smooth operation. Relationships with drivers and business partners also represent crucial resources for the company.

Key Activities: Yassir's main activities include the ongoing development and maintenance of the mobile application, as well as managing relationships with drivers and customers. The company invests in marketing and promotional strategies to attract new users and strengthen its market presence. Daily operations management and transaction processing are also essential activities.

Key Partnerships: Yassir has established partnerships with various stakeholders to support its business model. Collaborations with independent drivers help expand its transportation service offerings. The company may also partner with local businesses to provide tailored transportation solutions. Partnerships with payment service providers and marketing agencies are also important for the platform's effective functioning.

²¹ El Watan. (2023). Interview with Sofiane Aissaoui, co-founder of Yassir: A Look at Innovation and the Challenges of Transportation in Algeria.

Cost Structure: Yassir's main costs include the development and maintenance of the mobile application, marketing and customer acquisition expenses, and customer support costs. Operational costs, such as transaction fees and commissions paid to drivers, are also part of the company's cost structure.

In summary, Yassir has developed an innovative business model by leveraging mobile technology to provide transportation services tailored to the growing needs of the Algerian market. Inspired by the success of Uber, Yassir has distinguished itself by adapting its model to the specifics of African countries. Unlike Uber, which primarily focuses on major cities, Yassir has incorporated local solutions such as cash payment acceptance, coverage of more rural areas, and an expansion of services to include delivery. This ability to adapt to the realities of the African market allows it to meet the expectations of a sometimes underbanked population while overcoming local infrastructure challenges. Through this flexible approach, Yassir has established itself as a key player in mobility and technological innovation in North Africa.

B. Yassir: An Innovative Vision to Revolutionize Mobility and On-Demand Services in Africa

The prospects for Yassir are very promising, driven by several key factors. First, geographical expansion, with an already established presence in North and Sub-Saharan Africa, could extend to other emerging markets such as West Africa. Next, the diversification of services, particularly with Yassir Express, paves the way for related sectors like financial services. Technological innovation also plays a central role, with the integration of artificial intelligence solutions to optimize the user experience. Furthermore, strategic partnerships with local and international players, especially in telecommunications and logistics, would accelerate its development. Simultaneously, financial inclusion through digital payments could become a major growth area. Lastly, adapting to local realities, such as accepting cash payments and covering rural areas, strengthens its position as a leader in Africa while enabling it to compete with global giants.

C. Modeling Business Models

Modeling business models provides an analytical perspective on the strategies adopted by various companies to achieve their business objectives. By studying these models, startups can identify key success factors across different markets. For instance, comparing Uber and Yassir reveals that Uber relies on a dynamic pricing strategy and strong technological integration to maintain its international advantage, while Yassir emphasizes local adaptation and flexible pricing to meet the needs of regional markets. Each market has its own specifics, so a startup must adjust its business model to local conditions to succeed internationally. For example, the preference for cash payments in certain regions, as seen with Yassir, contrasts with Western markets where Uber primarily operates with electronic payments. A startup that can adapt its business model while maintaining overall coherence is better positioned for international growth.

For a startup seeking to internationalize, modeling business models enables the formulation of a comprehensive strategy that incorporates best practices while remaining flexible to local peculiarities. By combining successful elements from different models, startups can create a hybrid business model optimized for various markets, adjusting pricing, cultural adaptations, and technological investments according to regional needs. Therefore, it is essential to analyze multiple business models to determine which one would allow an Algerian startup to successfully expand into international markets.

V. CONCLUSION

The analysis of global reports on competitiveness, innovation, and the business environment underscores the intricate landscape of entrepreneurship in Algeria. While the country has made notable strides, particularly in areas such as business sophistication and infrastructure development, it remains encumbered by significant structural challenges. The prevailing rankings reflect a concerning position in terms of competitiveness, largely due to a persistent reliance on hydrocarbons, which hampers economic diversification and stifles innovation.

Nevertheless, recent initiatives signal a renewed political commitment to transforming the entrepreneurial landscape. Decree 1275 of September 27, 2022, the establishment of the Algeria Startup Fund (ASF), and the burgeoning of university-based incubators collectively illustrate a proactive approach to fostering an environment

conducive to entrepreneurship. The rise of promising startups like Yassir is indicative of a positive momentum, showcasing the potential for innovation even amid bureaucratic hurdles and financing challenges.

The future trajectory of entrepreneurship in Algeria hinges on the capacity of government and private sector stakeholders to implement essential reforms, streamline administrative processes, and cultivate a transparent and accessible business environment. By nurturing a vibrant entrepreneurial ecosystem, Algeria stands poised not only to enhance its competitiveness on the global stage but also to unlock new opportunities for local entrepreneurs. This shift could play a pivotal role in diversifying and fortifying the national economy, ultimately contributing to its resilience in the face of global economic fluctuations.

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