

Women's Entrepreneurship in Algeria as an Important Lever for Women's Economic Empowerment

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Abstract:

Women's entrepreneurship is now considered a topic that is becoming more and more important in our society and which is gaining momentum day after day. The interest in women's entrepreneurship is mainly due to the role it plays in economic and social development and progress through the creation of new jobs, and also through the improvement of income and wealth. It is useful to recall what Winn (2005) said on this point: "Women are changing the face of modern business". Indeed, today, women are transforming the modern business world. This phrase perfectly sums up this new vision of the current position of women in business development. In Algeria, everyone agrees that female entrepreneurship is still in its infancy. However, it is important to clearly understand the parameters and factors that could encourage women to start their own businesses. This is the reason we decided to undertake this research for the purpose of identifying the factors that could possibly contribute to encouraging and supporting women, in the Wilaya of Tlemcen (Algeria), to develop their own business. To do this, the motivations of a sample of twenty female entrepreneurs were examined and discussed.

Keywords —Female Entrepreneurship, Motivations, Opportunities, Obstacles, Alegria

I. INTRODUCTION

Nowadays, female entrepreneurship is seen as a powerful means of economic empowerment for women, especially in rural areas where job opportunities and resources are often not sufficiently available (Belhouaria, 2006; Iren, 2016). Women in these areas often face significant hindrances, such as poverty, social isolation, and marginalization (Brush, 1992; Williams & Williams, 2014). They are also exposed to multiple problems related to access to education, health and financial services. However, these women can become more or less financially independent if they can create their own business (Hughes, 2003). This can certainly allow them to improve their quality of life and that of their families, and at the same time to

contribute to the economic development of their community (Shapero, 1975; Sekkal, 2020). It is worth knowing that the advantages of female entrepreneurship are not limited only to income and financial situation because in this case the female entrepreneur can develop greater self-confidence, while acquiring leadership capacity and autonomy (Lebègue, 2015). These two elements have a significant positive impact on their social status and on their role in family and community decision-making. Obviously, female entrepreneurship is generally undertaken by dynamic and combative, passionate, courageous, strong and determined women who possess abilities and skills that transcend all normal limits or boundaries. It should also be emphasized that the extent of female entrepreneurship and its contributions depend on

the country's level of economic development and the size of the companies concerned (Mebtoul, 2016). Furthermore, it must be recognized that the number of women entrepreneurs is still modest compared to what it should be, despite the fact that the socio-economic conditions of women in general have improved considerably in recent years.

Considering today's economic situation, national and international decision-makers, managers and practitioners have decided to pay increasing attention to the phenomenon of women's entrepreneurship (Ghiat, 2020a).

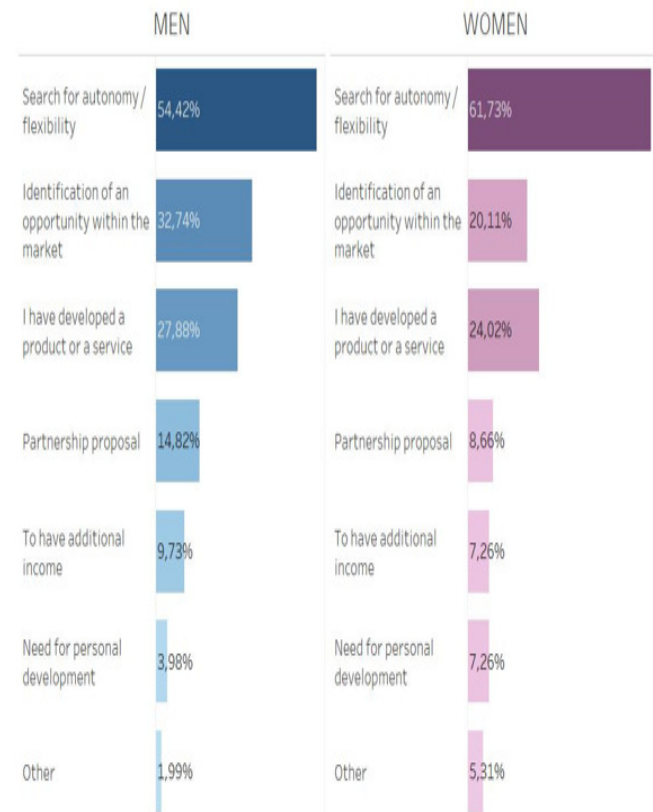
On the other hand, there is no doubt that women's entrepreneurship is very dynamic in a large number of countries, while in others it is still in the embryonic stage and is certainly less developed due to the blockage resulting from a series of problems (Hammache, 2019).

In recent decades, entrepreneurship in Algeria has become a national concern of major importance, especially after large public companies have failed to reduce unemployment and stimulate growth and economic progress (Ghiat, 2020b). For this, it was deemed important to identify the determinants of female entrepreneurship in our country and thus seek the motivating factors that could encourage and convince a large number of women to develop their own businesses. Afterwards, the motivations were then analyzed and finally the process to be followed was proposed in order to help the woman create her own business.

II. SOME DIFFERENCES BETWEEN FEMALE ENTREPRENEURSHIP AND MALE ENTREPRENEURSHIP

In a study previously carried out by Pierre Nicolas Schwab in the year 2021, it was shown that the motives for engaging in entrepreneurship and creating one's own business are not the same for men and women. Indeed, it turned out that women need more flexibility and demand more autonomy than men, with 61.7% versus 54.2%, respectively. However, in terms of starting a business, it was reported that women are not ambitious enough, as only 20.1% of them claimed to have found a

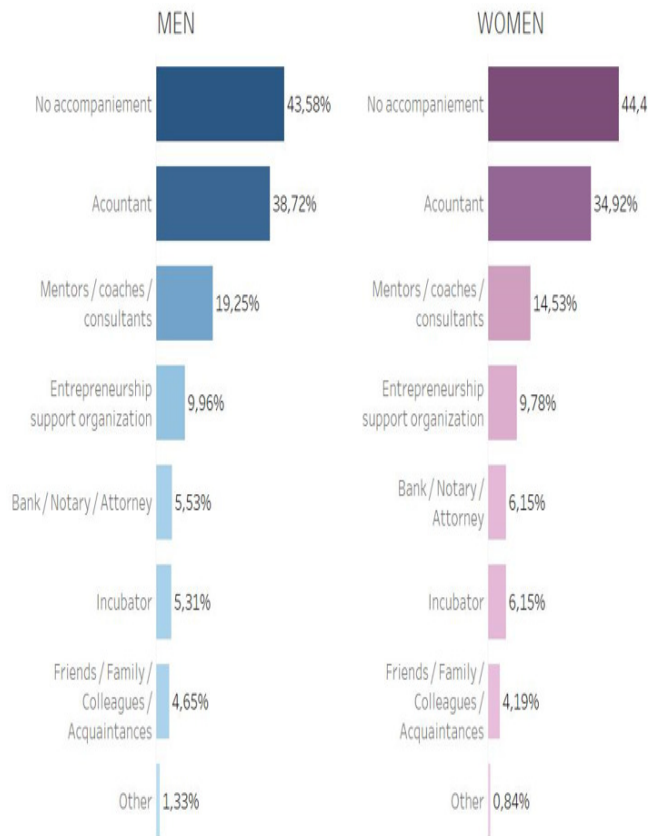
favorable opportunity in the market, while this percentage for men was 32.7%.



Source: <https://www.intotheminds.com/blog/en/entrepreneurship-differences-women-men/>

Fig. 1: Entrepreneurial motivations according to female and male gender

On the other hand, regarding entrepreneurial support, no substantial difference was observed between men and women. It is worth emphasizing that the majority of business creators, around 44%, have not benefited from real entrepreneurial support. It should also be noted that during the process of creating a business, the accountant remains the first and fundamental point of reference. In addition, entrepreneurship support organizations manage to attract only one business creator out of ten. Moreover, some studies have shown that men and women do not adopt the same approaches to preparing for the creation of their business. In addition, it was revealed that 43.3% of women and only 31.8% of men receive specific training before starting a business.



Source: <https://www.intotheminds.com/blog/en/entrepreneurship-differences-women-men/>
 Fig.2: Support for female and male entrepreneurship

It should also be noted that men particularly target reliable customers (45.8%) who write and present a reliable business plan (42.5%). This percentage is only 34.6% for women. On the other hand, generally one third of men carry out the market research process against one fourth only for women. In addition, it was revealed that women who embark on the creation of a business have much less experience in the field compared to men. Indeed, it turns out that 37.5% of women have experience of less than three years, while this percentage is 25.7% for men. It should also be noted that women look primarily for autonomy and flexibility which are considered today as two major challenges for competitiveness in companies. Nevertheless, men proved to be more motivated than women to identify a business opportunity in

the market. It is well acknowledged that it is imperative to be well prepared before engaging in entrepreneurship. In this regard, the results of this study showed that men and women do not prepare for the launch of their business in the same way. While the majority of men are primarily interested in finding potential customers or prospects, women rather prefer to start by training in order to have a better chance to succeed. Indeed, several studies previously carried out have shown that 43.3% of women take training courses directly related to their future field of work, and 21.2% of them attend courses in the administrative management of companies. However, it was found that only 31.9% of men are interested in a particular training. In addition, it is important to note that men are much more likely than women to prepare for their future activity by training in writing a business plan, market research, identification and analysis of needs, strategy to adopt, market segmentation, searching for public financial support, and searching for reliable business partners.

III. MOTIVATIONS OF FEMALE ENTREPRENEURSHIP

It is widely admitted that there are different types of female entrepreneurship. Based on the classification suggested by Kirkwood (2009), we can cite in particular the necessity entrepreneurship and opportunity entrepreneurship. This classification is based on fundamental entrepreneurial motivations. It should also be noted that the opportunity entrepreneurship is mainly associated with women who have embarked on the creation and/or development of a completely new business and who are looking for business opportunities in order to make the most out of it. Of course, it is all about making a voluntary entrepreneurial commitment, i.e. self-motivation.

Furthermore, in addition to opportunity entrepreneurship, Winn (2005) also highlighted the so-called necessity entrepreneurship. In this type of entrepreneurship, women, in particular, embark on the creation and/or development of new businesses. They consider that entrepreneurship is the ideal

alternative that can at the same time keep them busy and earn money, even if they have never thought about engaging in entrepreneurship before. It should also be mentioned that a large number of women started a business because they did not have any other more interesting activities to carry out. It is worth indicating that the previous types of entrepreneurship, i.e. opportunity entrepreneurship and necessity entrepreneurship, are quite widespread in developed and developing countries. Indeed, results reported in a large number of studies have shown that women entrepreneurs of opportunity are much more numerous in developed countries, while women entrepreneurs of necessity represent almost half of emerging women entrepreneurs in developing countries (Brannback & Carsrud, 2011).

On the other hand, several researchers in the field conducted studies to compare female entrepreneurs and male entrepreneurs by asking the following question:

“What are the reasons that push women towards entrepreneurship?”

It turned out that the fundamental motive that encourages women to embark on entrepreneurship is their desire to be independent and autonomous, which is not the case for men who prefer to engage in this sector in order to make more money. In this same context, Hughes (2003) and Iren (2016) carried a number of studies and found out that many women entrepreneurs own small businesses because they have a purely social objective, while male entrepreneurs are rather inclined to give greater importance to economic aspects. In addition, some women want to start a business because they want to balance a thriving career and a happy family life. On the other hand, Kirkwood (2009) and Winn (2005) believe that a woman wants to become an entrepreneur because she wants to assert her identity and have good self-esteem. As for Shaperro (1975), he states that the motivations that drive a person to become an entrepreneur can be classified into two large groups. There are first the motivations of the push type or motivations of necessity and then the motivations of the pull type

or motivations of opportunity. According to Kirkwood (2004), the push factors correspond to modes of creation relating to necessity and need, while the pull factors come rather from the wish or the will to create a company. Stephan et al. (2015) conducted a study on the pull factors and succeeded in showing that the need for autonomy and the pride of having one's own business constitute remarkable motivating factors, both for women and men entrepreneurs. On the other hand, among the push factors that deserve to be mentioned are the lack of financial resources, lack of structures that take care of young children, and the unbearable work environment. It is also interesting to add the atypical working hours, exaggerated wage differences between men and women, discrimination in assigning jobs, deprivation of promotion in the workplace, and generally poor relationships between employees and employers. It is also important to specify that, for women, balancing between family life and professional career represents a very motivating factor for the creation of their own businesses.

IV. INFLUENCE OF THE SOCIO-CULTURAL CONTEXT ON FEMALE ENTREPRENEURSHIP

It must be recognized that, nowadays, *embarking* on the journey of starting entrepreneurship is not an easy task for men. Indeed, it turned out that many of them do not satisfy the necessary conditions and therefore lose interest immediately after they have started the process of creating their own business. As for women, embarking on entrepreneurship is an even more difficult mission. They see such an action as a real challenge on different fronts, such as family, society, limited financial resources, bureaucracy, as well as human potential management in a context of fierce competition. Similar difficulties have been reported in other Northern African countries. In this regard, Salman et al. (2012) indicated that the difficulties relating mainly to cultural virtues and social constraints remain exceptionally essential. It is well known that for the female entrepreneur the traditional culture of the society is a quite discouraging factor. According

to Salman et al. (2012), a large number of women stated that being female is a great disadvantage. In this regard, it was found that more than half of the women questioned declared that being a woman has a considerable impact on their entrepreneurial career. In addition, several studies have shown that, in many underdeveloped countries, a woman is generally viewed as a pitiful being who, most of the time, occupies a secondary and disadvantageous position in society. Such socio-cultural attitudes stem from the collectivization of women in the society in which they live. Indeed, several studies have confirmed that the collectivization of girls does not help them to become more confident and more autonomous. It has a significant impact on their sense of risk as well as on their passion for innovation. It should be noted that these two elements are essential skills for anyone wishing to create and manage his/her business in an efficient manner. In addition, entrepreneurship is an activity that provides resources that help to meet the needs of the entrepreneur and her family. It should also be noted that entrepreneurship can greatly help to meet the desire for autonomy, personality satisfaction, and independence. Despite the socio-cultural metamorphoses that have occurred in society recently, customs and traditions still remain firmly rooted.

V. UNDERSTANDING THE CONTEXT OF WOMEN ENTREPRENEURS IN ALGERIA

Compared to the majority of developed and developing countries, it has been revealed that female entrepreneurship in Algeria is not yet ready to reach an acceptable level of maturity. According to the National Trade Register Center (Centre National du Registre du Commerce - CNRC), female entrepreneurship has made significant progress over time. Similarly, the statistics decreed on February 10, 2021 (CNRC, 2021) indicate that the number of women registered under the status of natural persons was 154 662 out of an overall number of 1 928 567, which represents a percentage of approximately 8 %. Furthermore, the number of women registered

under the status of legal persons was equal to 13 894 out of a total number of 212 432, which represents a percentage of 6.5%. It should also be noted that the total number of women holding a trade register was 168 556. Moreover, at the end of February 2020, 160 908 women possessed a trade register, with 147 928 as natural persons and 12 980 as legal persons, which corresponds to an increase of 7 648 women entrepreneurs, despite the health crisis caused by Covid-19. On the other hand, the National Trade Register Center (NTRC) reported that between the end of February 2015 and the end of February 2020, the number of women who possessed a trade register increased from 136 204 to 160 908, which represents an increase of 24 704 corresponding to a percentage increase of 18.1%. On the other hand, according to the National Agency for Support and Development of Entrepreneurship (National Agency for Support and Development of Entrepreneurship- ANADE, 2019), women are more attracted by liberal professions, crafts, and services (ANADE, 2019). Women's businesses are mainly located in the big cities of the country, like Algiers, Oran and Sétif.

Furthermore, according to the statistical bulletins of the Office for National Statistics (National Statistical Office- ONS, 2020), women entrepreneurs are generally aged between 39 and 48, with 25.59%, and between 49 and 58, with 24.3 %. It is also useful to know that the most well-known organizations in Algeria whose role is to help and support people creating businesses are the National Agency for Support and Development of Entrepreneurship (NASDE), the National Agency for the Development of Investments (NADI), and finally the National Unemployment Insurance Fund (NUIF).

VI. EMPIRICAL STUDY

A. Procedure to follow and presentation of the study

In order to better understand the determinants of female entrepreneurship in Algeria, and given the critical shortage of appropriate means, it was decided to conduct a pilot study on a sample including 20 female entrepreneurs operating in the

Wilaya (Province) of Tlemcen (northwestern Algeria). The investigation was conducted for the purpose of identifying and clarifying the factors that are likely to encourage or discourage entrepreneurial activity among Algerian women. In order to better meet the desired objectives, it was deemed necessary to use a questionnaire with a view to carry out our survey. For this, twenty women were chosen on a non-random basis. It is worth specifying that the questionnaire used included six questions with five response options, i.e.: 1) Strongly agree, 2) Agree, 3) Neither agree nor disagree, 4) Disagree, 5) Strongly disagree. The first question concerns the beginning of the entrepreneurial process.

1) *The process of starting the business turned out to be quite complicated*

The responses of the twenty randomly selected women indicated that 60.7% of them fully agree that starting a business in Algeria is not an easy task.

2) *The following three questions concerned aspects taken from the literature*

Bureaucracy, sources of funding, and promotion are among the factors that have the greatest impact on motivation and demotivation in entrepreneurial activity.

3) *The bureaucratic aspects relating to the development and management of a business are not complicated*

4) *Identifying the sources of funding is not easy*

5) *Promoting the business is quite complicated*

The answers relating to the aspects mentioned above, concerning entrepreneurial activity, are considered by a large number of respondents to be quite complicated. The women who took part in the survey urge the government to create support and guidance tools that can assist women in meeting their needs and demands. In addition, women also complain about their legal status, and state that the steps to follow for the creation of an entrepreneurial activity are not flexible enough.

Furthermore, women also ask to consolidate their potential for the creation of larger businesses in more profitable sectors by following adequate support programs, organizing economic and commercial events such as trade shows, fairs, meetings, etc.

6) *The fundamental reason that motivates a person to start a business*

With regard to motivation, it was found that 57.14% of female entrepreneurs created their own businesses because they had to. However, only 38% of them initiated their businesses by opportunity. This was done for various reasons, i.e. the desire to be independent and financially autonomous, the need to

reconcile family life and professional life, and finally to play the role of a boss and to feel fully responsible.

VII. CONCLUSIONS

The present study focuses on a sample of twenty female entrepreneurs. Although modest, this investigation has made it possible to examine in detail the phenomenon of female entrepreneurship in Algeria and to identify the motivations that could encourage these women to embark on the entrepreneurial adventure. It is important to point out that the percentage of women-led businesses in Algeria is one of the lowest in the Middle East and North Africa (MENA) region.

The results of this study indicated that the motives that generally push women towards entrepreneurship vary from one person to another. Moreover, it was found that the way of embarking on entrepreneurship for women and men is not the same, which can certainly have different repercussions on their chances of success. Indeed, it was found that women-owned businesses, which were investigated in this research, are primarily located in major urban agglomerations. They generally carry out traditional activities with low capitalization due to a number of obstacles that hinder the development of female entrepreneurship that is actually exposed to socio-cultural constraints and problems that are actually a significant barrier for the development of entrepreneurship in Algeria. Mention should be made, for example, of problems related to access to loans or bank credits, access to land and training and insufficient support and guidance tools in the entrepreneurial process. In spite of all the above-mentioned obstacles and problems, women entrepreneurship can certainly become a key factor in Algeria's economic sector as long as sufficient aid and necessary assistance are provided to women entrepreneurs.

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