



# Global Social Enterprise State of Social Enterprise in Algeria

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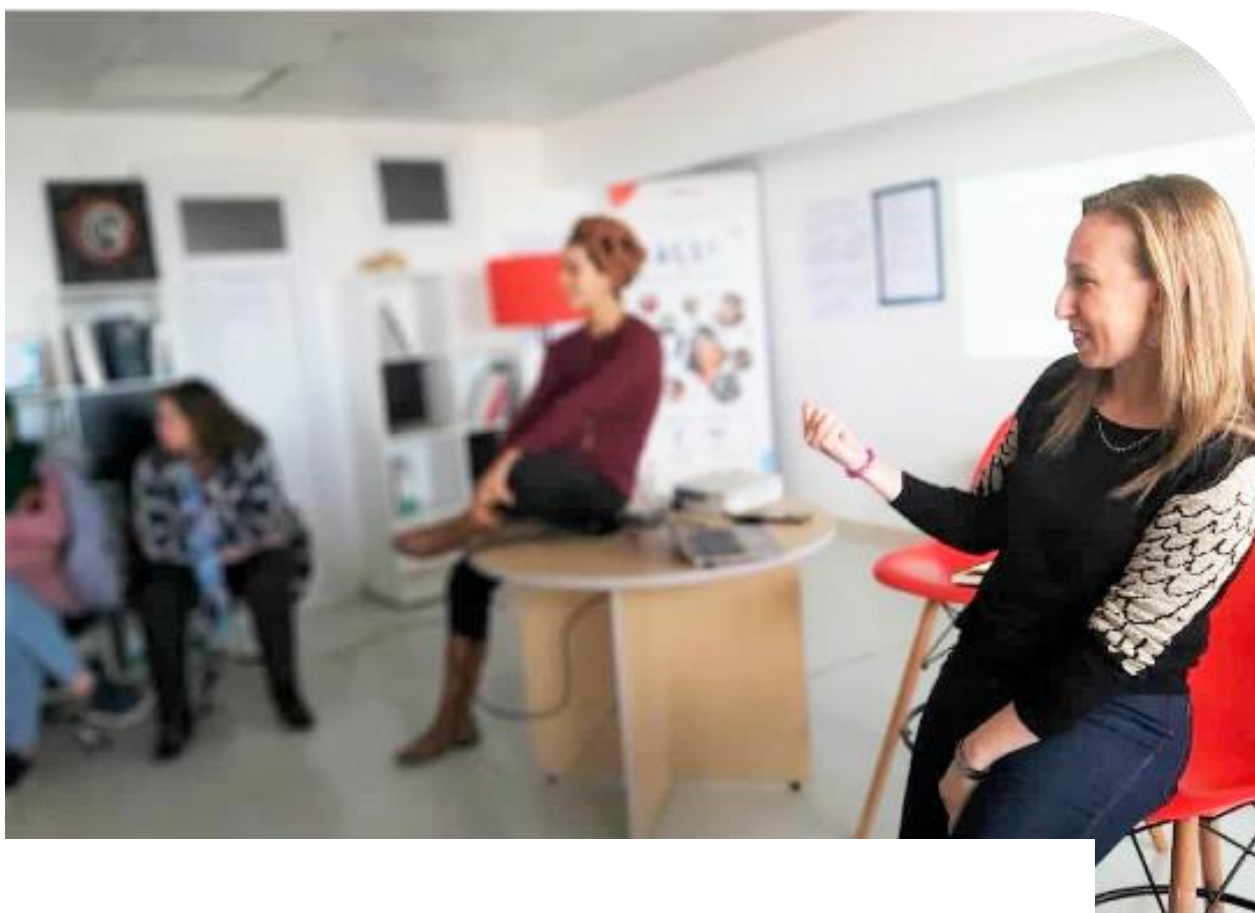
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# Acronyms and abbreviations

Acronyms Abbreviations	Signification in French	Translation in English
ACSE		The Algerian Centre for Social Entrepreneurship
ANGEM	Agence nationale de gestion du microcrédit	National micro-credit management agency
ADS	Agence du développement social	Social development agency
ANEM	Agence nationale de l'emploi	National employment agency
ANSEJ	Agence nationale de soutien à l'emploi des jeunes	The national youth employment support agency
ANADE	Agence nationale d'appui et de développement de l'entrepreneuriat	The national agency for support and development of entrepreneurship
CNRC	Centre National de Registre de Commerce	National Trade Registration Office
DZD	Dinar Algérien	Algerian dinar
EU	Union Européenne	European Union
FCMG	Fond de Caution Mutuelle de Garantie	Mutual Guarantee Guarantee Fund
FCMGR	Fonds de Caution Mutuelle de Garantie Risques	Mutual Risk Guarantee Fund
FGAR	Le Fonds de garantie des crédits aux PME	Le Fonds de garantie des Crédits aux PME
FGMMC	Fond de Garantie Mutuelle des Micro Crédits	Micro Credit Mutual Guarantee Fund
IMS	Institut Méditerranéen des Métiers du Spectacle	Mediterranean Institute of Performing Arts
ONS	Office National des Statistiques	National Statistics Office
PADSEL NOA	Programme d'Appui au Développement Local Durable et aux Actions Sociales du nord Ouest de l'Algérie	Support Programme for Sustainable Local Development and social Actions in Northwestern Algeria
PAJE	Programme d'Appui Jeunesse Emploi	Youth Employment Support Programme
PAP ENPARD	Programme d'Actions Pilotes pour le Développement Agricole et Rural en Algérie	Pilot Action Programme for Agricultural and Rural Development in Algeria

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# Introduction

This report presents the results of research that BH Advisory was commissioned to undertake on behalf of the British Council Algeria, in partnership with Social Enterprise UK. This research aimed to provide a baseline of the current size, scale and scope of social enterprises in Algeria and to provide recommendations for growth in this area.

## Context of intervention

In Algeria there is no national consensus around the definition of social enterprise, nor is there a single legal structure dedicated to this type of enterprise.

However, the principles of solidarity and mutual aid are deeply rooted in Algerian traditions which foster the emergence of social enterprises. Even if some of these organisations do not define themselves as being social enterprises, they have in common an enshrined social (and/or environmental) purpose and drive to deliver social value as well as an enterprise business model.

There is also no official statistical data on social enterprise in Algeria. Consequently, we adopted an inclusive research approach to help us explore the state of social enterprise in Algeria for the first time.

## Summary of key findings

Social enterprises in Algeria:

- have mostly emerged in the last three years (66 per cent of the respondents)
- are still in the start-up and growth stages (76 per cent).
- operate in various sectors, such as arts and crafts (20 per cent), culture and leisure (8 per cent), environment (8 per cent)
- often have a regional reach-
- create jobs for women more often than other businesses, with women accounting for more than 50 per cent of their workforce (64 per cent of the respondents).
- mostly use personal financing to launch their enterprises, as 59 per cent report that access to finance is a major barrier
- often report that government regulations and administrative burdens (49 per cent) can be significant barriers.
- are just as likely to be led by women as men (49 per cent by women, 49 per cent by men). The percentage of women leaders is far higher than in other businesses.
- Are optimistic about the future, with 66 per cent expecting an increase of their turnover.

# Methodology

## Desk-based research

The first phase of our research was an intensive literature review of publications about social enterprise in Algeria. Interest in the social economy more widely has been growing in Algeria since 2015, with numerous academic publications, and several European-Algerian projects which include a social economy dimension. These projects include PAJE: Youth Employment Support Programme, PAP ENPARD: European Neighbourhood programme for agriculture and rural development, PADSEL NOA (Support Programme for Sustainable Local Development and Social Actions in Northwestern Algeria, etc.) and others. However, no statistical data about the social economy or social enterprise more specially yet exists.

## Consultation workshops

We organised two online consultation workshops on February 9th and 15th 2021 with a range of incubators, public institutions, social enterprises and academics.

The main purpose of these workshops was to involve stakeholders in the project and gather their feedback and advice on the methodology.

## Semi-structured interviews

Twenty individual interviews (face-to-face or online) made up the next phase of the research, giving us insight into a number of key ecosystem stakeholders' individual perceptions and opinions about the following topics:

- structure of social enterprises in Algeria and their nature (to compare with the results of the desk-based research);
- barriers and challenges that social enterprises face, and their needs
- short, medium and long-term recommendations for overcoming these barriers and support for the ecosystem to create a more enabling environment for growth and development
- the sectors where social enterprises may have the greatest impact (i.e. where the market is failing to provide adequate goods and services, or which are the top priority sectors for national growth)
- identification of three localities with particular potential for growth of social enterprises.

## Focus group

We convened six focus groups with social entrepreneurs, incubators, academics, students and ministry advisors to further discuss the findings of the semi-structured interviews.

The results of these focus groups were submitted to an advisory group in order to discuss concrete solutions to improve the way social enterprises are structured and operate.

## Social enterprise survey

At the heart of this research was a survey of social enterprises, exploring the following information:

- characteristics and activities of social enterprises
- community, social and environmental
- goals, social impact
- economic data
- leadership structure
- personnel
- ecosystem support services
- challenges and barriers
- future planning and expectations
- effects of Covid-19.

The questionnaire was available in three languages: Arabic, French and English.

## Sampling

We created a database of organisations that could be potentially understood as social enterprises.

This was designed as an inclusive approach with the aim of collecting as much relevant information as possible and then filtering and analysing it at a later date.

Based on this database, we contacted 250 organisations by telephone, by email, and during face-to-face events in order to reach participants who are not comfortable with digital tools. We also published the survey online, via Facebook and LinkedIn.

While our objective was to collect 100 answers, we were able to survey 109 organisations in total.

To help us filter the survey answers and focus only on the information provided by those organisations which we considered social enterprises for the purpose of this study, we used a combination of three criteria:

- the organisation has a social purpose and is not driven by profits only
- the organisation has a trading activity and less than 50 per cent of its total income came from grants last financial year
- the organisation's profits and surplus are not used to share with shareholders.

After applying these criteria we kept a total of 80 respondents. It should be noted these 80 respondents a significant proportion had never heard of the concept of social enterprise (36 per cent). Moreover, only one per cent of the respondents believe that trading is one of the main principles which defines a social enterprise.

This confirms the findings of the in-depth interviews and of the focus groups we carried out which suggested that generating earned income is sometimes perceived as taboo and thus information that they would rather not disclose. They also suggested there was some confusion between social enterprise and charity work, even among social enterprises themselves.



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## **Student survey**

We also conducted an online survey of students with the purpose of measuring their awareness of and interest in social enterprises.

The questionnaire was also available in three languages: Arabic, French and English and published online.

## **Sample size**

The sample base consists of 102 students from universities located in 15 of the 58 provinces in Algeria.

# Country overview

## Area and population

With a surface area of more than 2.3 million km<sup>2</sup>, Algeria is the largest country of Africa.

Algeria's 43 million inhabitants are very unevenly distributed across the 58 prefectures called *wilayas*. An estimated 91 per cent of the population live in 12 per cent of the territory, largely in the northern part of the country, along the Mediterranean coast. Nature is harsh and public services are less accessible in the mountainous, Saharan or remote regions, commonly called 'shadow zones', where some of the population are nomadic.

The country is plurilingual: Arabic and Tamazight are the two official languages, but Darija (Algerian Arabic dialect) and French are also widely used.

## Economy

Since the 1990s, Algeria's economy has heavily relied on the production of hydrocarbons. Indeed, hydrocarbons account for approximately 93 per cent of exports and 20 per cent of GDP (average for the period 2015- 2019).

Between 1999 and 2014, high oil prices generated huge revenues. But the oil price shock of 2014 weakened the economy and emphasised the vulnerability of an economic model based upon hydrocarbons.

## Political changes in 2019

After being elected in 1999, President Bouteflika served several presidential terms, and continued to remain in post even after suffering a severe stroke that left him disabled.

After twenty years, in February 2019, President Bouteflika announced that he would be running for a fifth presidential term, which triggered massive, peaceful protests all over the country. President Bouteflika renounced his candidacy and resigned.

An interim president, the President of the Council of the Nation, Mr. Abdelkader Bensalah, was appointed until presidential elections were organised in December 2019.

Abdelmajid Tebboune won these elections with 58.51 per cent of the vote. Since the election, popular mobilisations continue every Friday with demands for further political changes.



**Table 1 : Main socio-economic indicators**

Years	2015	2016	2017	2018	2019
Population (millions) <sup>1</sup>	39.728	40.551	41.389	42.228	43.053
Labour force (millions) <sup>1</sup>	11.8	12.1	12.4	12.5	12.7
Unemployment rate (%) <sup>1</sup>	11.21	10.2	12	11.89	11.81
Inflation, consumer prices (annual %) <sup>2</sup>	4.8	6.4	5.6	4.3	2.0
Gross national income per capita (US\$) <sup>1</sup>	11 700	11 510	11 370	11 450	11 530
GDP total (current US\$)	165.97 bn	160.03 bn	167.38 bn	173.75 bn	169.98 bn
GDP annual growth (in %) <sup>1</sup>	3.7	3.2	1.3	1.2	0.8
Non hydrocarbon GDP annual growth (in %) <sup>1</sup>	5	2.2	2.1	3.3	2.4

<sup>1</sup> Office National des Statistiques, ONS

<sup>2</sup> World Bank

# Principles of solidarity and co-operation are rooted in Algerian culture

In Algeria, the social economy is built upon values of co-operation and mutualism which are deeply rooted in Algerian culture, tradition and religion. These practices originate from traditional social organisations and religious principles that precede the independence of Algeria. Academic researchers Karima Benamara and Malika Ahmed Zaid have identified three main forms of social organisation: village solidarity, religious solidarity and organic solidarity.

## Village solidarity

Village solidarity is based upon the contribution of each villager to the functioning of the village, either on a voluntary basis or in a mandatory manner:

- Touiza, also called *tiwizi*, is a system of mutual aid and co-operation on a voluntary basis. It consists of the voluntary provision of work for the benefit of someone who needs help (for example the construction of a house) or for the general interest of the village (for example the construction of a dispensary). This form of solidarity remains to this day in all regions of Algeria.

- Thachemlith: it is mandatory collective action undertaken for the well-being of the village.

## Religious solidarity

The second type of solidarity which can be observed in Algeria originates in religious tradition.

Wakf: in Islamic law, wakf refers to an inalienable charitable endowment of a land, property or of any other asset, made by an individual to a public, pious or charitable organisation, or to one or more individuals. This is a practice that continues today. In 2021, Algeria has 11,700 wakf assets.

Zakat: is a religious obligation for those who can afford it, of giving money to the poor and the needy, according to a certain rate applied to resources of an individual (financial resources superior to the equivalent of 85 grams of gold, livestock, goods, fruits, vegetables, etc.). Zakat is redistributed to those in need.

## Organic solidarity

Organic solidarity exists within a more formal legal framework and refers to associations which mainly operate in the fields of religion, politics, sports, culture and social action.

# Defining social enterprise in the Algerian context

While principles of solidarity and mutuality are rooted in Algerian culture, there is no consensus on the definition of social enterprise in the country.

For the purposes of this study we chose not to impose a definition of social enterprise but to take this opportunity to explore with key stakeholders and social enterprises themselves their own definitions of Algerian social enterprise.

On the basis of the focus groups and the individual interviews we carried out, we were able to identify a number of key criteria which could be used to define social enterprise.

## **Positive impact is the main purpose of a social enterprise**

Unanimously, respondents believe that the primary purpose of a social enterprise is to bring a positive impact to society or the environment. The social impact must benefit the community and not serve the interests of a single person.

The notion of positive impact is viewed in a broad sense and can include reducing inequality, meeting a specific need, or improving the conditions of a population.

## **A social enterprise should generate an income**

Stakeholders also pointed out the distinction between social enterprises and voluntary work.

A social enterprise must be able to achieve financial autonomy in order to be able to fulfil its social commitment. Income generation takes place through selling goods and services in a market, as a commercial activity.



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### **Profits should not be used to increase shareholders' wealth**

The notion of profit was also considered as central. Social enterprises are distinct from other enterprises for which the main objective is to generate profits and distribute them to shareholders.

Rather, a social enterprise uses any profits to better achieve its mission, by growing or expending its social impact, by building reserves or by funding other social organisations, for example.

### **The word social is often perceived differently**

However, stakeholders also note that the terminology 'social enterprise' can be misleading or problematic in the Algerian context. Indeed, the word 'social' is sometimes perceived to refer to state hand-outs and to people who rely on welfare.

# There is no legal framework unique to social enterprises

Social enterprise remains formally undefined in Algeria. While some businesses are arguably unknowingly social enterprises, others may claim to be social enterprises when in fact they merely undertake a degree of Corporate Social Responsibility (CSR), rather than having a social mission at the core of their practice.

Currently, therefore, businesses that claim to be social enterprises have no access to preferential support or to a distinct legal framework (either a distinct legal framework or an additional legal status), since there is no formal distinction between a traditional for-profit enterprise and a social enterprise.

## **The current legal framework does not encourage the creation of social enterprises**

This lack of a formal framework or support is sometimes perceived as a source of fiscal and operational disadvantage for social enterprises. For instance, a social enterprise we interviewed reported that public officials do not understand the specificities of social enterprise, leading to inappropriate tax demands and difficulties in accessing conventional finance.

Regardless of this perspective, there is also a lack of guidance regarding the legal structures that social enterprises can adopt to help them navigate and surmount the challenges they face.





# Legal forms adopted by social enterprises

Although there is no legal form designed specifically for social enterprises, the fact remains that there are many other existing legal forms that they can adopt.

## Small and medium sized enterprises

In Algeria, the National Trade Registration Office is the organisation responsible for the trade registration of all type of enterprises. The different type of legal structures are shown in the table below.

**In 2019 there were 2,059,810 enterprises registered in Algeria, of which 90 per cent of were sole traders and five per cent were limited liability companies\*.**

**Table 2:** Type of legal forms available in Algeria

Type of business	Minimum no of shareholders	Minimum capital	No of businesses registered in 2019
Sole trader (Entreprise individuelle)	1	None	1,856,676
Sole proprietorship with limited liability (Entreprise unipersonnelle à responsabilité limitée)	1	None	72,404
Limited liability company (Société à Responsabilité Limitée)	2	None	105,852
General partnership (Société en nom collectif)	2	None	11,159
Joint-stock company (Société par Actions)	7	5,000,000 DZD	11,583
Partnership limited by shares (Société en commandite par actions)	3 sleeping partners	5,000,000 DZD	4
Group of companies (Groupement)	2 legal persons	None	479
Limited partnership (Société en commandite simple)	1	None	18
Branch (Succursale)	NA	NA	206
Public Industrial and Commercial Enterprise (Entreprise publique industrielle et commerciale)	NA	NA	1429
Total			2 059 810

\*While this may appear high it is not so different from other countries. In he UK, for instance, an estimated 62% of businesses are sole traders.

## Social mutual society

In Algeria, mutual societies are non-profit organisations whose mission is to carry out solidarity, mutual aid and provide activity to benefit their members. Indeed, Art. 2. of executive decree no. 15-02 of January 4th 2015 defines social mutual societies as 'a non-profit legal person governed by private law.'

Resources of mutual societies mainly come from members' subscription fees, donations and bequests; income from funds invested by the mutual society; and other income.

The resources and profits of mutual societies can be allocated to individual and collective benefit, into investments and reserves.

## Association

Although some people may not consider associations to be social enterprises, Law no. 12-06, articles no. 29 and no. 31 allow for the possibility for associations to generate an income, on the condition that the allocation of this income must be used to achieve the objectives of the organisation. It is therefore possible for associations to meet the criteria we have adopted to define social enterprises, even if some may not recognise themselves as such. NB: associations are forbidden to receive funds from foreign institutions and NGOs, unless they are authorised to do so by the Ministry of Interior, Local Authorities, and Territory Planning.

## Foundation

Foundations are defined as private institutions created by one or more natural or legal persons, by the devolution of a fund or of goods or rights intended to promote a work or specifically defined activities.

Foundations have the same rights and obligations as associations.

## Craftsperson and enterprise

In Algeria, the craft sector benefits from a specific status: people can either choose to adopt the legal personality of an enterprise or work as craftspeople.

Any individual who practises a craft activity has the right to be registered as a craftsman in the register of crafts and trades. Similarly, any enterprise which practises a craft activity, employs a number of employees and is managed by a craftsman can benefit from the status of craft enterprise.

Craftspeople and craft enterprises benefit from incentive measures such as: a simplified tax regime (tax exemption at the beginning of their activity, low VAT rate, etc); an ease of access to loans for the acquisition of raw materials, equipment, tools and operating cost; a facilitation for the acquisition of a land.

## Co-operative

'Co-operatives are not-for-profit organisations whose founding principle is solidarity', as described in Art 2 of executive decree no. 96-459. They often operate in the agriculture and the craft industry. Co-operatives can carry out operations related to the production, collection, processing, packaging, storage, marketing and exports of their members.

The initial share capital of the co-operative is made up of shares, owned equally by all members. The co-operative may receive donations and legacies, as well as other assets and property.

When the co-operative has generated a profit or surplus, they are legally obliged to use this to build reserves or to make discounts to members' fees.



## **Sole traders**

This form of enterprise is generally intended for small businesses. The registration of sole traders at the Trade Registration Office is an easy and quick process that does not require the incorporation of a new entity or the contribution of a share capital. Sole traders benefit from a simplified taxation and accounting scheme.

## **Unregistered businesses**

Unregistered businesses are a significant part of the Algerian economy. Indeed, the World Bank estimated that between 2010 and 2018, the informal economy accounted for 29.1 per cent of Algeria's GDP.

# Case study : the city of Ksar Tafilelt

Located in the south of the country, in the *wilaya* of Ghardaia, Ksar Tafilelt is the first Algerian 'eco-citizen' city. The project won the National Energy Globe Award 2020 as well as the 'sustainable city' prize at COP 22.

## Social purpose

The creation of the city of Ksar Tafilelt was initiated in 1997 by Ahmed Nouh, the founder of the organisation Amidoul.

At the time, Algeria was facing a housing crisis that left many families unable to afford housing.

With the purpose of building a city with affordable housing and which would respect the environment and the cultural heritage of the region, the organisation bought 22.5 hectares of rocky land from the Algerian state at a very cheap price. The project offers zero-interest mortgages.

The project was supported by the Algerian state, and by notables of the region who lent the money to cover the initial cost of the project, and by the local population who organized a *touiza* (see page 17 for a definition of *touiza*) for its construction.

## An organisation which took many forms

To complete his mission, the project owner, Ahmed Nouh, created in 1997, a property management enterprise with the mission to build collective dwellings for sale. However, its Memorandum and Articles of Association indicated that the purpose of the enterprise would not be to make a profit.

In 1998, Ahmed Nouh created a sole proprietorship with limited liability with the purpose of enshrining the mission of the enterprise.

In 2017, Ahmed Nouh created the Amidoul Foundation, a charitable organisation whose purpose is to provide support for the maintenance of common areas of the city, to promote environmental, social and ecological guidelines, and to encourage any collective or individual action aimed at improving the quality of life of its inhabitants.





## Sustainability

Sustainability is at the heart of the project: the city is built with local, insulating and durable materials such as plaster, stone and lime. Nearly half of the waste water is treated via biological purification and most of the public lighting is powered by solar energy. Inhabitants sort their garbage, which is not common in Algeria.

### Social impact

Amidouh has measured the impact of its project and reports that:

#### Social

- Result: reduction of 30% of the housing cost
- Impact: provide affordable housing

#### Ecology

- Result: 72 000 m<sup>2</sup> of construction
- Impact: maintain the ecological balance in the palm grove

#### Culture

- Result: construction of traditional housing
- Impact: preservation of cultural heritage

#### Technic

- Result: implementation of new construction standards
- Impact: inspire other constructions



# Relevant policies which apply to social enterprises

## A historical overview of SME policy

SMEs policy in Algeria has developed since the 1980s against a background of heavy taxation, tight labour legislation and foreign trade restrictions.

A law promoting private investment was introduced in 1982 (Law no. 82-11) within the context of the two five-year plans of 1980-1984 and 1985-1989.

An investment code was established under the legislative decree no. 93-12 of October 1993 on the promotion of investment. This code enshrines the freedom to invest. It is aligned with the legal provisions governing investment in the neighbouring countries of Morocco and Tunisia.

In 1995, the law on privatisation was promulgated, establishing in particular a Privatisation Council responsible for directing the execution of a privatisation programme. The privatisation of many public enterprises contributed to the development of small and medium-sized enterprises in certain areas of the economy.

## Specific laws promoting SMEs

Three key pieces of legislation were enacted between 2001 and 2017:

- the ordinance relating to the development of investment (Ordinance no. 01-03 of 20 August 2001)
- the law on the promotion of SMEs (Law no. 01-18 of 12 December 2001)
- the law on the development of SMEs (Law no 17-02 of 10 January 2017).

A wide range of support mechanisms accompanied these laws including a business incubator (created by decree no. 03-78 of 25 February 2003), and a range of measure intended:

- to encourage any initiative aimed at facilitating the access of SMEs to land
- to work for the establishment of tax regimes adapted to SMEs
- to facilitate the access of SMEs to financial institutions and services adapted to their needs
- to encourage professional associations, sub-training grants and groups.

- to strengthen the co-ordination between the creation and support arrangements for SMEs at central and local levels
- to promote the development of technologies and innovation within SMEs.

## **Creation and growth of SMEs**

A specific agency – the Agency for the Development of SMEs and the Promotion of Innovation – was created to ensure the implementation of the SME development policy in terms of emergence, growth and sustainability, including the improvement of quality, the promotion of innovation and the strengthening of skills and managerial capacities of SMEs.

The state oversees the development of public / private partnership and works to widen the scope of public service concessions for the benefit of SMEs

A consultative body called the “National Council for the Development of SMEs” was created in 2005 by the Minister in charge of SMEs.

When awarding public contracts, the relevant branches of the state ensure that a proportion of these contracts are subject to internal SME competition.

## **Promotion of sub-contracting**

As part of an effort to strengthen national sub-contracting capacity, the Algerian government encourages:

- the substitution of imports of goods and services by national production

- the insertion, by the public contracting services, of a clause obliging foreign co-contracting partners to resort to national sub-contracting in contracts for the provision of services, studies, monitoring and construction of public equipment
- the inclusion, in the specifications of calls for tenders and consultations of national public contracts, of a bonus clause in favour of tenderers using sub-contracting provided by SMEs.

## **Information system on SMEs**

The Agency for the Development of SMEs and the Promotion of Innovation has also set up an information system on SMEs in order to support foresight and better decision making.

# Public programmes to encourage the creation of social enterprises

Since 2013, the European Union has been implementing various programmes in Algeria with the objective of building a strategic framework to support local development. These programmes, developed in collaboration with local authorities, often include a dimension related to social economy. They include:

## **PAP ENPARD Programme (2014)**

PAP-ENPARD, was part of the European initiative ENPARD (European Neighbourhood Program for Agriculture and Rural Development) aimed at supporting neighbouring countries with agricultural and rural policies.

The PAP-ENPARD supported the implementation of Algeria's agricultural and rural development through the development of various projects and initiatives. The overall objective of the programme is to improve living conditions by increasing income and employment in rural areas.

With the support of partner associations, the programme organised training sessions on social enterprise and the wider social and solidarity economy.

## **PAJE programme (2015)**

The PAJE programme (Youth Employment support programme) started in 2015 and ended in 2019. It was co-founded by the European Union (providing €23.5 million ) and the Algerian government (providing €2.5 million).

The main objective of this project was to support employment of youth between 16 and 35 years old, through three components:

1. reinforcement of cross-sector partnerships in the implementation of the Youth National Policy
2. reinforcement of the support provided to young people in order to improve their socio-professional insertion
3. support for the creation of activities which favour employability, in particular through the development of the social and solidarity economy.

The programme focused on the four Algerian prefectures of Annaba, Batna, Khenchela and Oran.

## CAPDEL programme (2016)

Focused on capacity building of local development actors, the CAPDEL programme (Capacity building programme for local development actors) promotes transparent local governance, the strengthening of social cohesion and the emergence of local and diversified social enterprises. As such, the programme has funded 40 associative projects, especially those which would create employment for young people and women.

## PADSEL-NOA programme (2017)

The PADSEL-NOA (Support Programme for Sustainable Local Development and Social Actions in North-Western Algeria) is a programme that aims to promote local and sustainable development and social actions in the North Western region of Algeria.

With a budget of €43 million, the project's overall objective is to contribute to the reduction of social and economic disparities, thanks to the integrated and sustainable development of 24 municipalities within the prefectures of Aïn Defla, Chlef, Médéa, Tiaret, Tissemsilt and Saïda. The programme provides training and coaching on social, rural and agricultural enterprises.

## UNDP programme (2020)

In March 2020, the UNDP (United Nations Development Programme) launched a US\$1 million programme called 'social economy in the service of economic inclusion and social innovation'.

This programme, which focuses on the prefectures of Oran, Bechar, Khenchela and Naama, aims to improve the social and economic inclusion of young people, , women, and people with specific needs.

As such, 30 young people, of whom 40 per cent are women, will receive support and training to create micro enterprises.



# The support ecosystem is growing

While the Algerian social enterprise support ecosystem is still at an early stage, it is clearly growing. However, the support ecosystem for social enterprise includes not only dedicated support to social enterprises but also wider support for all SMEs and start-ups, including social enterprise. While support to enterprises is provided by public and private organisations, public support mainly consists in funding and tax exemptions whereas private organisations play a role in incubation, training, networking and co-working spaces.

## Public support

Since the 1990s, the Algerian government has been encouraging young people to create their own enterprises as a way to diversify the economy and reduce unemployment. A series of incentives have been developed through the creation of three agencies, each dedicated to different target populations. These agencies offer non-interest-bearing loans; facilitation in obtaining bank loans with public banks; interest rate subsidies on bank loans; and tax exemptions (e.g. on VAT, custom tax and corporate tax). Government support has largely been supporting enterprises more widely rather than targeted at SEs. While these programmes provided significant financial support to entrepreneurs, there are a range of views on how effective this support has been in the long term. Entrepreneurs can benefit from these measures with the following conditions:

**Table 3:** public investment incentives conditions

Agency	Target population	Non-interest-bearing loans	Public bank loans	Interest rate subsidies
ANADE (formerly ANSEJ)	Unemployed between 19 and 35 years old	- 25% of the cost of the project when the investment does not exceed 2 million DZD - 20% of the cost of the project when the investment does not exceed 10 million DZD	- Up to 70% of the global amount of investment	- 60%, 80% or 95% depending on the geographic area and on the type of activity
CNAC	Unemployed between 30 and 50 years old	- 25% of the cost of the project when the investment does not exceed 5 million DZD - 20% of the cost of the project when the investment does not exceed 10 million DZD - 22% of the cost of the project in specific geographic areas (mainly south Algeria)	- Up to 70% of the global amount of investment	- 60% for all sectors - 80% for the agriculture sector - 80% for specific geographic areas (mainly south Algeria) - 95% for agriculture project in specific areas
ANGEM	Any Algerian older than 18 years old, incomeless	- 100,000 DZD for the purchase of raw materials; 250,000 DZD in the south regions - 29% of the cost of the project when the investment does not exceed 1 million DZD	- Up to 70% of the global amount of investment	-100%



With the implementation of these public funding schemes, the Algerian government also created several guarantee funds to cover the risks for the public banks. Every individual who benefits from these schemes must subscribe to one of the guarantee funds:

Mutual Guarantee Fund of micro credits (FGMMC) which guarantees the micro credits granted by the public banks through the ANGEM (National Micro- credit Management Agency) scheme.

Mutual Guarantee Fund for Risk (FCMGR) which guarantees the loans granted by the public banks through the ANADE) scheme (formerly known ANSEJ: The national youth employment support agency).

Mutual Guarantee Fund (FCMG) which guarantees the loans granted by the public banks through the CNAC scheme.

Other guarantee funds were created to help SMEs to access bank loans (including with private banks) such as the FGAR (SME Credit Guarantee Fund) and CGCI (Investment Credit Guarantee Fund)

The public support ecosystem also includes the Agency of Social Development (ADS), whose core mission is to undertake actions in favour of the poorest people in Algeria. As such, the ADS can provide grants to a public or private organisation for projects which would have a positive social or economic impact.

### **Support especially granted to start-ups**

In September 2020, the Ministry for start-ups and knowledge economy created a certification label for 'start-ups', 'innovative projects' and 'incubators'.

Executive decree no 20-254 set the conditions to benefit from the start-up label as any company registered under Algerian law which meets the following criteria:

- Less than 8 years of existence;
- A business model based on products, services, business model or any other innovative concept;
- The annual turnover must not exceed the amount set by the National Committee; the current amount is 500 000 000 DZD ; the amount is not fixed and depends on the fluctuation of the Algerian dinar.
- At least 50 per cent of the share capital must be held by individuals, approved investment funds or other companies with the Start-up label;
- Company's growth potential must be sufficiently high;
- Less than 250 employees.

Labelled start-ups benefit from a set of tax incentive measures for a duration of four years, (exemption from tax on professional activity, tax on global income and tax on corporate profits).

Start-ups also benefit from a VAT exemption and from lower custom duties (5 per cent instead of 15 per cent) for the acquisition of equipment which are part of their investment.

Finally, a Start-up Investment fund of 1.2 billion Algerian dinars (DZD) was created to facilitate access to funding. Labelled start-ups have access to non- interest-bearing loans. They also have the possibility of receiving funding for the realisation of feasibility studies, business plans, technical support and the creation of prototypes and training.

Incubators and innovative projects can also benefit from the same set of measures.



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## Private support

Private support is mainly in the form of early stage support, such as incubation, mentorship, training and networking. Organisations such as ACSE, IncubMe, the Annex, or Medafco often combine all these types of support. ACSE, which is the Algerian Centre for Social Entrepreneurship, is the only organisation that focuses on social enterprises. Some of these support organisations are dedicated to specific populations such as WomWork by the Annex, which offers support to women, or the ENP incubator, which is dedicated to students of the Polytechnic school.

## Geographic inequalities remain

One of the weaknesses of the Algerian support ecosystem is that organisations are mainly concentrated in the capital and in big cities (Algiers, Oran, Annaba). Other regions have limited access to institutions which can support enterprises and social enterprises in setting up their businesses. We have listed the main organisations that are part of the Algerian social entrepreneurial ecosystem on the following page.

**Table 4: SME ecosystem**



# Role of the education sector in the development of social enterprises

## Higher education institutions offer entrepreneurship course to some students

Institutes of higher education in Algeria often include a focus on entrepreneurship. Public and private universities offer courses on entrepreneurship as part of their curriculum mainly to students pursuing economics and management degrees. On the other hand, students in the sciences, arts and humanities rarely have access to these modules.

Special events are often organised in nearly all universities that expose students to prevailing commercial knowledge and entrepreneurship. For example, a recent campaign delivered by the Ministry of Start-ups called 'A Youth, an Idea' encouraged young students to believe in their abilities and to transform their ideas into projects.

## Specific programmes are available on social enterprises

In addition, most universities have local incubators called 'houses of entrepreneurship'. Their goal is to help students with business ideas realise their projects.

In some universities, social enterprise is part of a degree programme. For example, the University Mouloud Mammeri of Tizi Ouzou offers a Master programme called 'Territorial management and project engineering'. This includes a comprehensive coverage of the social economy and specialises in social and solidarity enterprises.

Despite the growing focus on entrepreneurship in higher education, social enterprises are yet to receive much attention. In institutions that teach it, the concept is not a syllabus priority, and very few universities offer it as a degree programme or speciality.

Our interviews indicate that the understanding and awareness of social enterprise within the academic community is varied.

Thus, the education sector still plays a marginal role in the development of social enterprises in Algeria.

# Estimate of the number of social enterprises in Algeria

With no legal status specifically designed for social enterprise in Algeria, and considering the contribution of the informal sector to the national economy, it is difficult to assess the exact number of social enterprises in the country. During the 2016 Euromed Summit, the Euro-Mediterranean Network of Social Economy made an estimate that there would be 7,727 social enterprises in Algeria, employing 168,000 workers, and with around 1,500,000 members.

This estimate takes into account different types of organisations, including:

- farmer co-operatives: according to the Ministry of Agriculture there are about 1091 agricultural co-operatives officially registered in Algeria
- mutual societies: the Ministry of Labour, Employment and Social Security listed 32 mutual societies
- associations: according to the Algerian Ministry of Interior and Local Authorities, there are 1,027 national associations, of which 326 are social enterprises, and 92,627 local associations, of which 6,205 (6.7 per cent) may be social enterprises
- other organisations: including SMEs and unregistered organisations, based on field observations.

Although this estimate dates back to 2016, it nevertheless gives us an idea of the approximate scale of social enterprise in Algeria. We believe the number of associations and mutual societies in this estimate to still be relevant. However, the number of ‘other organisations’ which include SMEs and unregistered organisations, could be much higher than 73. Indeed, the number of SMEs on a national scale increased from 934,569 SMEs in 2015 to 1,193,339 in 2019. We could expect this 28 per cent increase to also apply to social organisations. Furthermore, it is likely that there are fewer than 1091 co-operatives in Algeria today.

**Table 5:** Estimate of the number of social enterprises

	SE organisations	Workers	Members
Co-operatives	1091	84,000	286.000
Mutual societies	32	4,000	1,137,267
Associations	6,531	79,000	76,219
Other organisations	73	1 000	514
Total	7,727	168,000	1,500,000



# Start-ups and innovative projects which are ‘socially responsible’

Since the creation of the certification mark for start-ups and innovative projects in September 2020, the Ministry for start-ups and knowledge economy have certified a total of 142 enterprises and 90 projects. To benefit from this certification mark, start-ups must comply with a set of criteria, as detailed earlier. Seventeen of these start-ups and 29 innovative projects have been identified as ‘socially responsible’ by the Ministry. The Ministry based this identification on the description of the social orientation and of the business model indicated by the applicants.

**Socially responsible start-ups**  
**Figure 1:** Certified start-ups, including those which are ‘socially responsible’



Start-ups certified as ‘socially responsible’ operate in various sectors: most of them are in the education sector (41 per cent of them), tourism sector (18 per cent), and green technology sector (17 per cent).

An estimated 94 per cent of these start-ups are led by men and only six per cent are led by women.

## Socially responsible innovation projects

There are currently 90 projects certified as innovative. Among these, 29 are seen as projects with a positive social impact.

**Figure 2:** Projects certified as innovative, including those which are ‘socially responsible’



Socially responsible innovative projects are particularly concentrated in the agritech sector (28 per cent), the greentech sector (24 per cent) and the renewable energy sector (17 per cent). Here again the percentage of women is quite low, representing 14 per cent of the innovative entrepreneurs, compared with 86 per cent of innovative projects led by men.

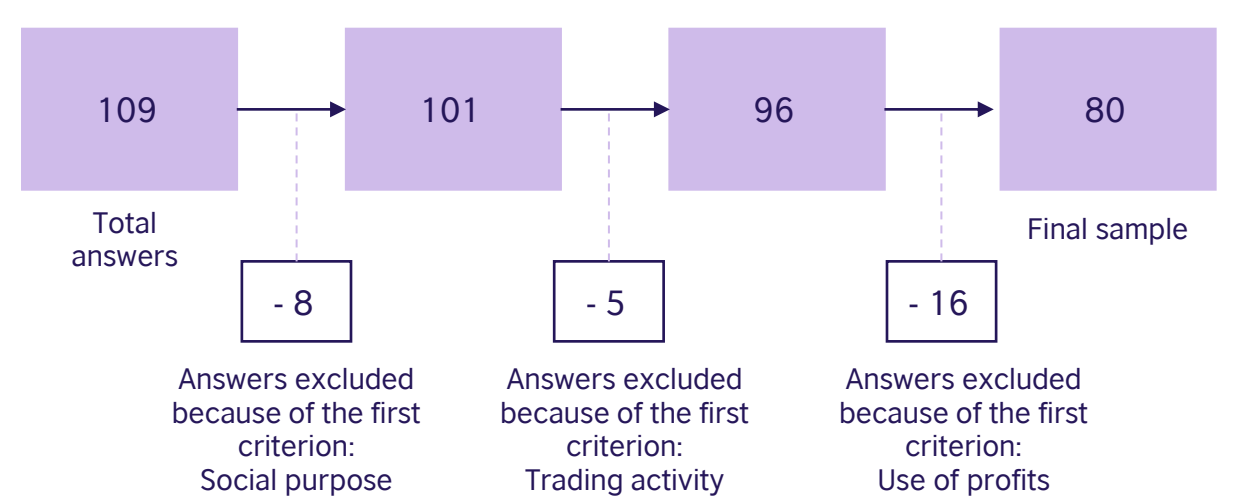
# Social enterprise survey methodology

For the purposes of this study, we used a combination of the three following criteria to define a social enterprise:

**Table 6: Classification of social enterprises**

Criteria	Survey question	Approach
Social purpose	Does your organisation place emphasis on profit first, social purpose first, both conjointly?	Organisations which answered ‘profit first’ were excluded.
Trading activity	What proportion of your total income came from grants last financial year?	Organisation which stated that 50% of their income came from grants were excluded.
Use of profits	Should the organisation, have profit/ surplus, how would you plan to use your profit/ surplus?	Organisations which answered ‘Profit sharing with owners and shareholders’ were excluded.

These criteria helped us filter the survey answers, to focus only on the information provided by those organisations which we considered social enterprises for the purposes of this study:

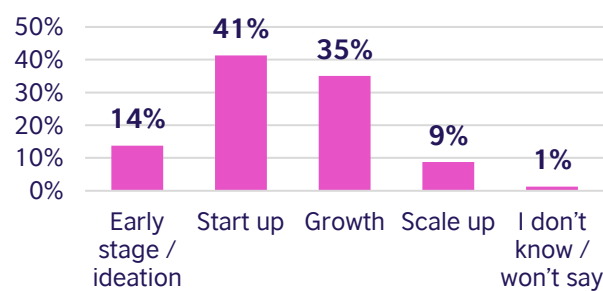


# Social enterprise survey findings

## ORGANISATION, CHARACTERISTICS, ACTIVITIES

Social enterprises in Algeria are mostly start-ups. As shown in Figure 3, social enterprises in this phase represent 41 per cent of respondents whilst 35 per cent are in the growth phase. Additionally, 14 per cent are at the early stage, while nine per cent are scaling up.

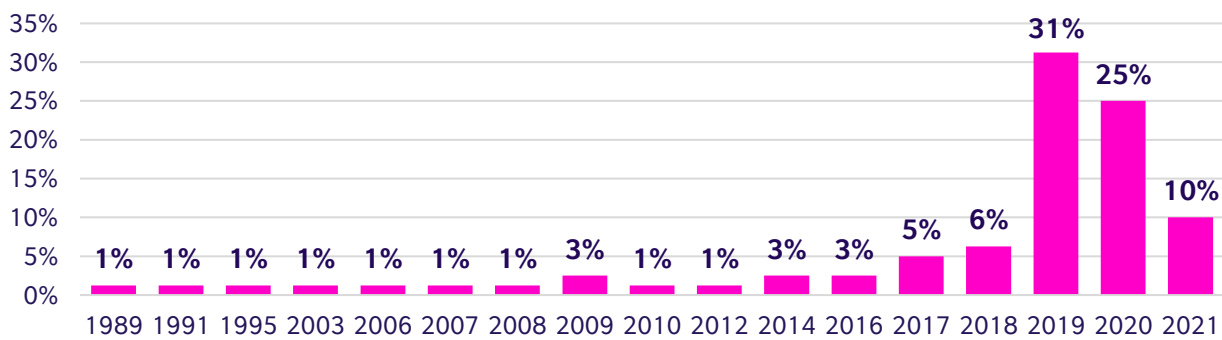
**Figure 3.** Stage of the entrepreneurial lifecycle



Social enterprises in Algeria are young. Figure 4 shows how most have been established in the last three years. Indeed, 31 per cent were created in 2019, 25 per cent in 2020, and ten per cent in 2021.

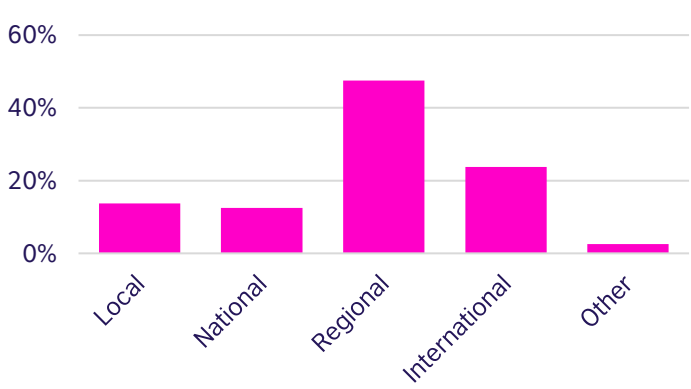
This recent increase in social enterprises is part of a global trend in terms of social enterprises and a national trend in terms of enterprise start-ups more widely. Indeed, during the year 2019, the number of trade registrations recorded by the National Trade Registration Office increased by 47 per cent with 392,076 trade registrations in 2018 and 577,373 registrations in 2019.

**Figure 4.** Social enterprise year of establishment



Algerian social enterprises often operate at a regional scale. Some 48 per cent report that they operate at a regional scale, while 24 per cent have an international reach. Respectively, 14 and 13 per cent of the respondents declared that they operate at a local and national scale.

**Figure 5.** Geographic reach of surveyed social enterprises

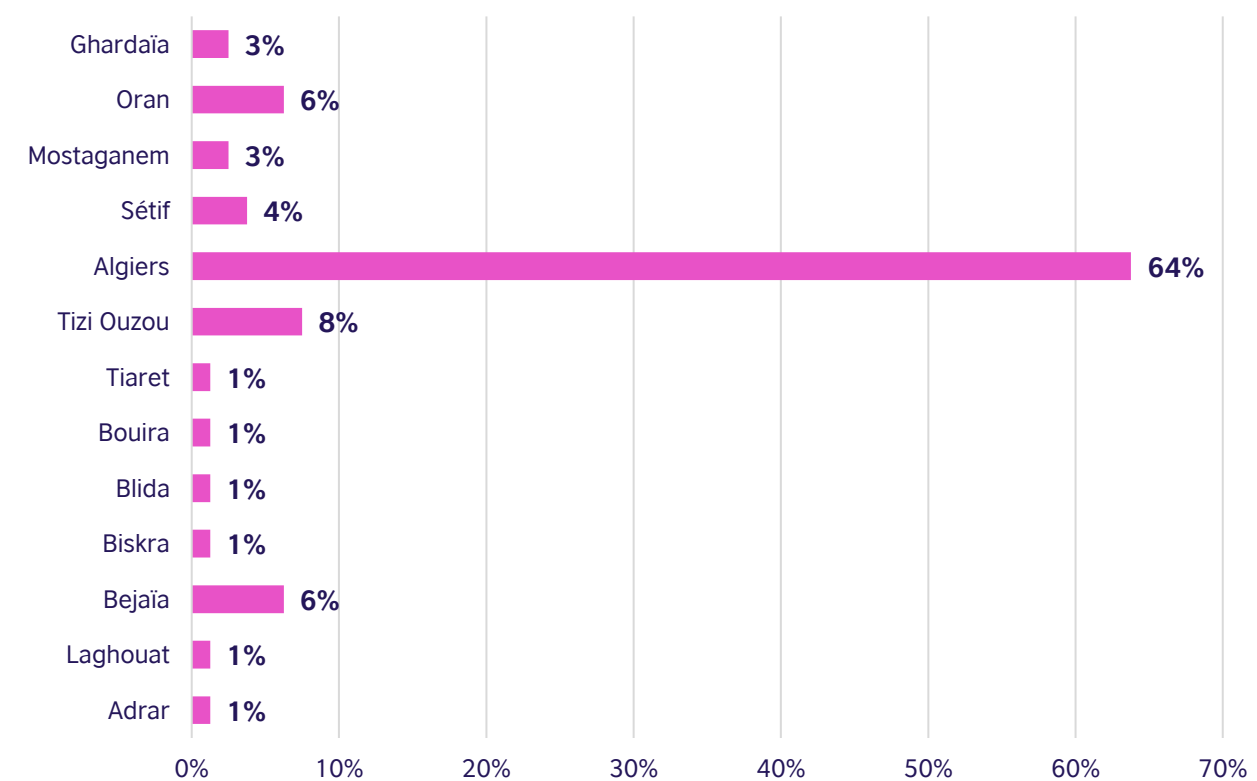


The majority of Algerian social enterprises (64 per cent) have their headquarters in the capital Algiers, the most populated city in the country.

This is followed by the Kabyle region represented by the prefecture of Tizi Ouzou (eight per cent) and of Béjaïa (six per cent). In the western part of the country, Oran is home to six per cent of the surveyed social enterprises while Mostaganem holds three per cent.

Finally, the respondents from the southern part of the country account for six per cent of the social enterprises we surveyed, with three per cent in Ghardaïa, and one per cent each in Biskra, Laghouat and Adrar.

**Figure 6.** Location of the organisations' headquarters



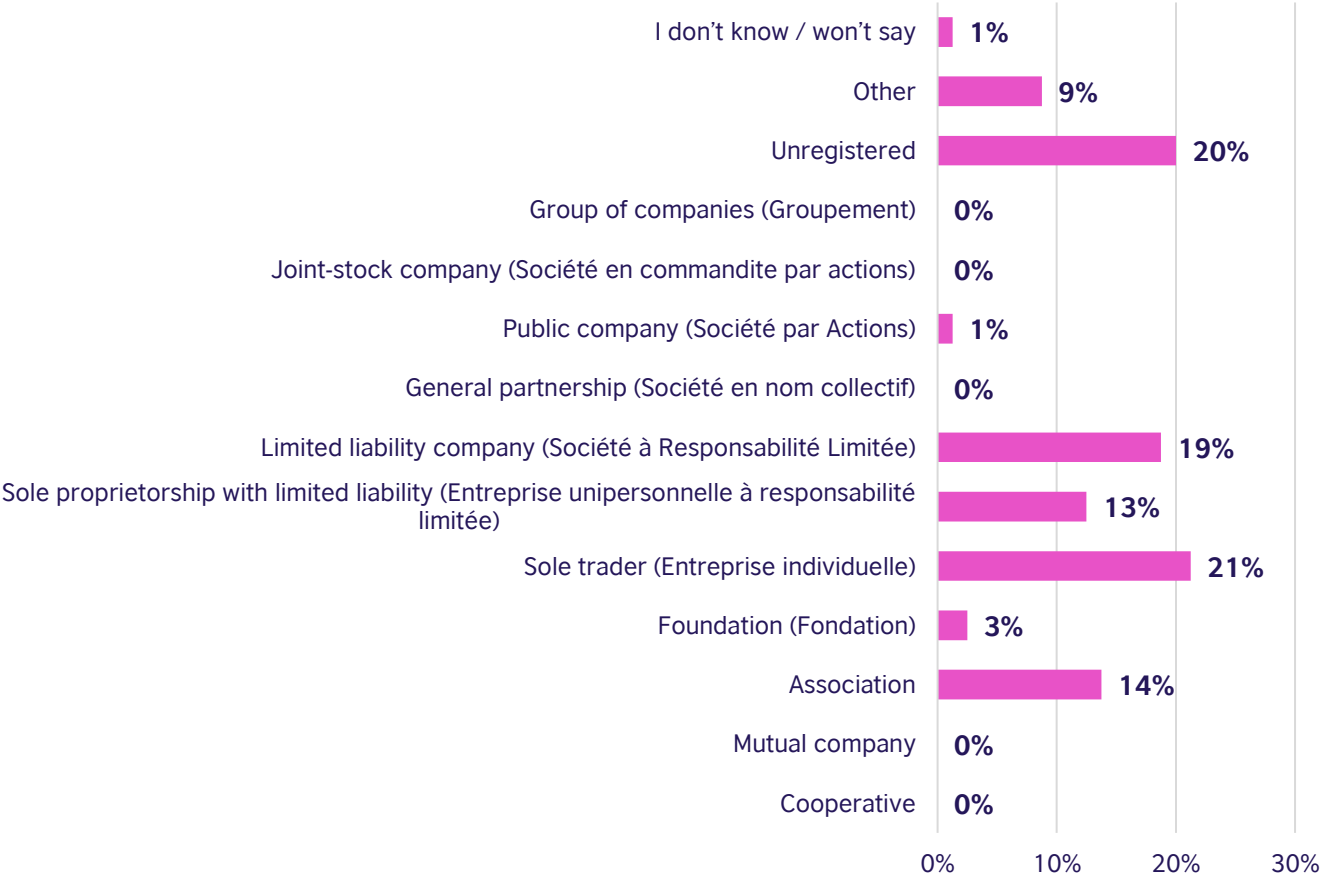
The vast majority of Algerian social enterprises are not subsidiaries of other organisations. (90 per cent). Nine per cent are, and one per cent of the respondents did not answer.

Algerian social enterprises are often sole traders, unregistered entities or limited liability companies. In Figure 8 we can see the distribution of social enterprises by legal structure. Twenty-one per cent of social enterprises are sole traders and 20 per cent are unregistered enterprises. Limited liability companies account for 19 per cent. Associations and sole proprietorships with limited liability make up 14 and 13 per cent of social enterprises respectively.

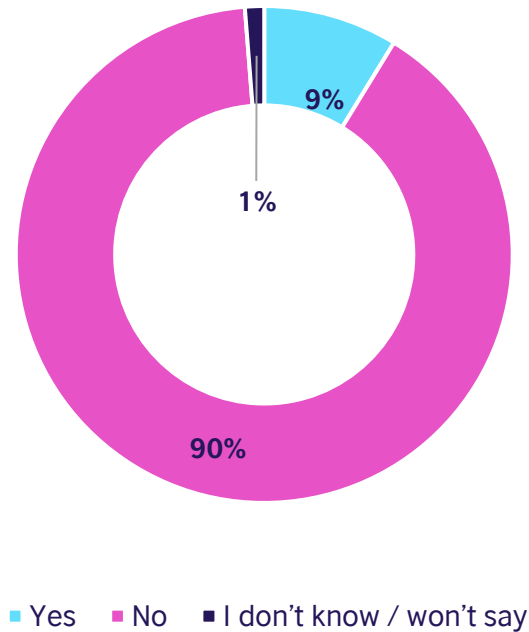
Nine per cent of social enterprises adopt the status of craftsperson – these appear as ‘other’ in the table.

We did not received any responses from co-operatives and mutual societies despite seeking them out.

**Figure 8.** Legal forms of the organisations



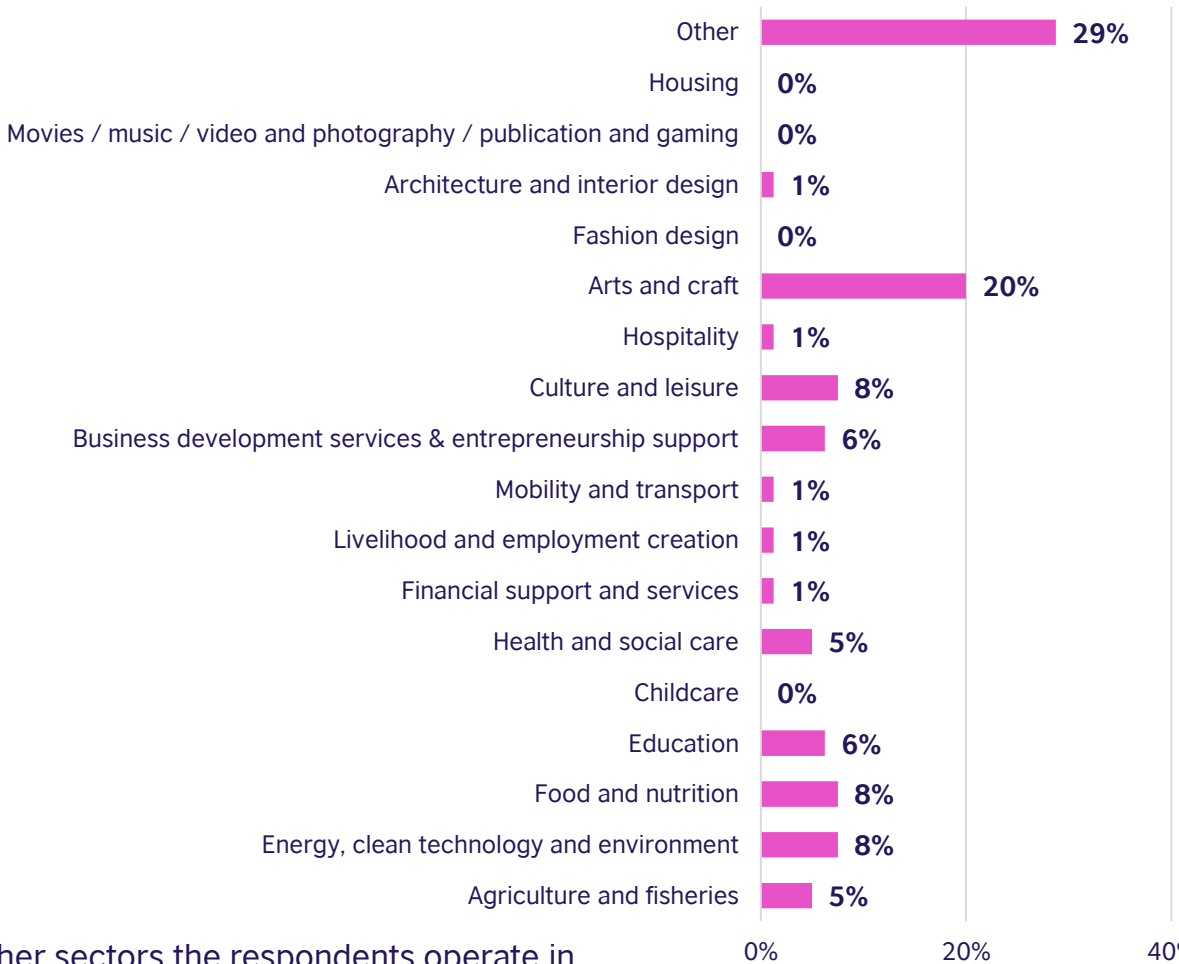
**Figure 7.** Social enterprises that are subsidiary of other organisations





Algerian social enterprises operate in various sectors of the economy. As shown in Figure 9, 20 per cent operate in the arts and crafts sector while 10 operate in business development services and entrepreneurship support. Culture and leisure, food and nutrition and energy, clean technology and environment each represent eight per cent of the respondents. A significant proportion operate in other sectors, detailed in Table 7.

**Figure 9.** Main sectors in which the organisations operate



**Table 7.** Other sectors the respondents operate in

Art and culture	Environment and education
Art and design	Healthcare and technology
Art, culture and tourism	Healthcare and well-being
Business	Hygiene and well-being
Company creation and support for SME and start-ups	Natural cosmetics
Culture and social	New technology and start-ups
Design office	People with special needs
Diverse industries (food-processing, mechanics, renewable energy)	Tourism
Diverse sectors	Tourism, communication and event
Ecommerce	Urban and architectural heritage
Ecotourism and educational farming	Youth, sustainable development and active citizenship
Ecotourism and heritage	

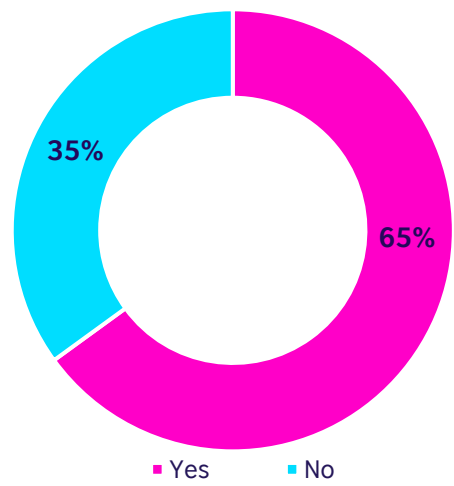
# COMMUNITY, SOCIAL AND ENVIRONMENTAL GOALS

Social enterprise is a familiar term to many of our respondents but still not commonplace even among organisations which we might consider as social enterprises. The majority (65 per cent) are familiar with the concept of social enterprise yet 35 per cent do not know what a social enterprise is.

The main principle that defines a social enterprise for our respondents is a defined community/ social/ environmental benefit, for 68 per cent. Moreover, 19 per cent believe that a social enterprise must be democratically controlled/have participatory governance, while 16 per cent believe that a social enterprise must be formally constituted. Only 10 per cent think that a social enterprise must have rules on limits to profit distribution . Just five per cent of the respondents stated that a social enterprise must be independent from the state and only one per cent believe that a social enterprise must sell goods and services.

These results are different from the main concepts defined by the social enterprises during the in-depth interviews and the focus groups. We chose to keep the three inclusion criteria as defined during the in-depth interviews and the focus groups because we were able to explore these concepts from top to bottom. Participants of the focus groups and in-depth interviews pointed out that earning money as a social enterprise is sometimes perceived as taboo and is thus an information that the respondents would rather not disclose.

**Figure 10.** percentage of respondents identifying as a social enterprise



**Figure 11.** Main principles that define social enterprises in Algeria



We asked the respondents if they believe that their organisations fitted the criteria that define a social enterprise and 81 per cent of them said yes, while 10 per cent said no and nine per cent did not know.

**ORGANISATIONS WHO KNOW WHAT A SOCIAL ENTERPRISE IS**

Social enterprises in Algeria often work to create employment.

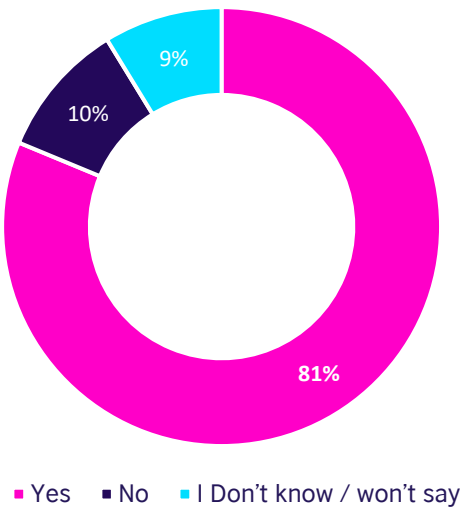
We asked the respondents about their overall objectives and let them select multiple answers. As shown in Figure 12, 44 per cent want to create more inclusive employment opportunities. 41 per cent work to preserve cultural heritage and improve access to quality services/products. In addition, 39 per cent support other social enterprises/organisations, 28 per cent work to improve health and well-being, 25 per aim to improve a particular community, 23 per cent work to create sustainable cities and 23 per cent address financial exclusion.

Added to this, 11 per cent of the respondents declared that they have other organisational objectives. We detailed them in Table 8.

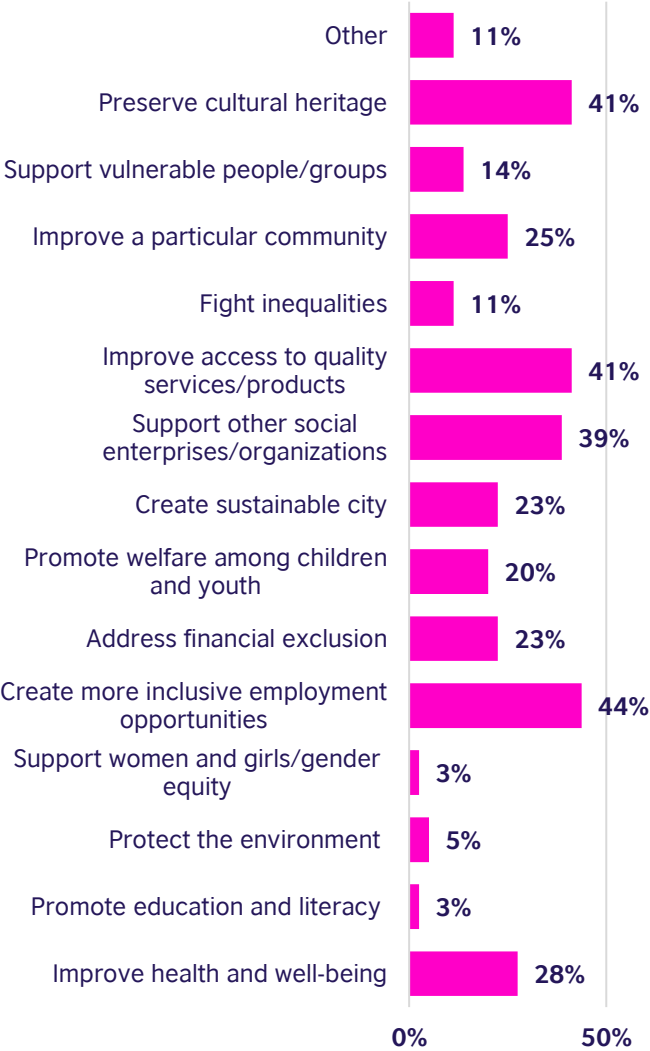
**Table 8.** Other objectives cited by respondents

Developing the country and creating jobs
Helping companies in their creation and development
Improving the inclusion of children with special needs
Popularising art and culture and improving access to culture in Algeria
Reaching sustainable development goals and sustainable tourism
Reducing north-south inequality
Supporting young producers and craftsmen and assisting their development
Supporting young producers and craftsmen and assisting their development

**Figure 12.** Organisations that believe to fit the criteria of social enterprise



**Figure 13.** Organisations’ overall objectives



BENEFICIARIES

We asked the respondents about the number of people they have supported in the last 12 months. While the minimum was none, the maximum was 17,000 people. The median was 30 people.

Figure 14. Number of people that respondents have supported in total in the last 12 months

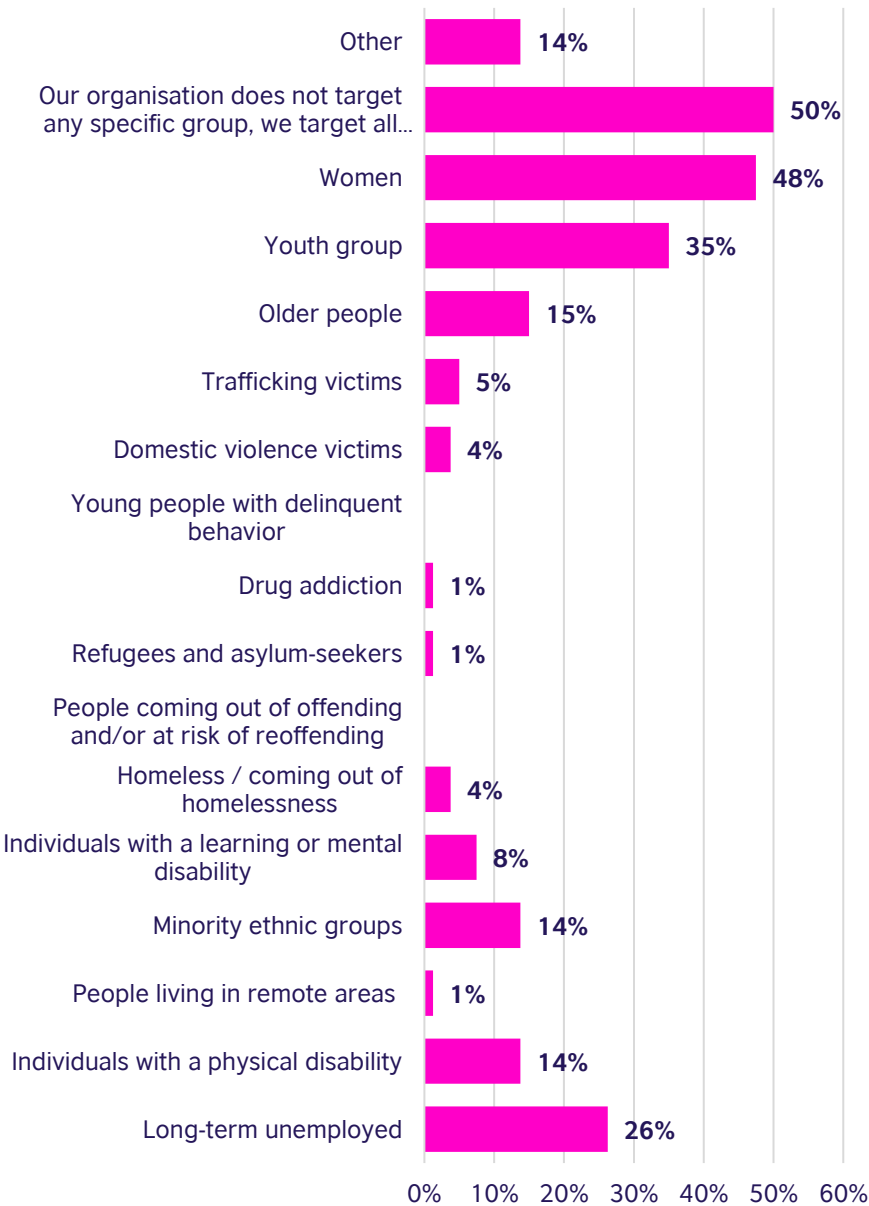


Algerian social enterprises work to improve the lives of all segments of society. As shown in Figure 13, 48 per cent target women, 35 per cent target young people and 26 per cent the long-term unemployed. Other beneficiary groups cited include housewives, students and deaf individuals, as shown in Table 9.

Table 9. Other groups that benefit from the organisations' activities

Children
Craftspeople
Deaf and hearing impaired
Female students
Women at home and low-income families
In need and sick persons
Students and projects
Young people from difficult social backgrounds

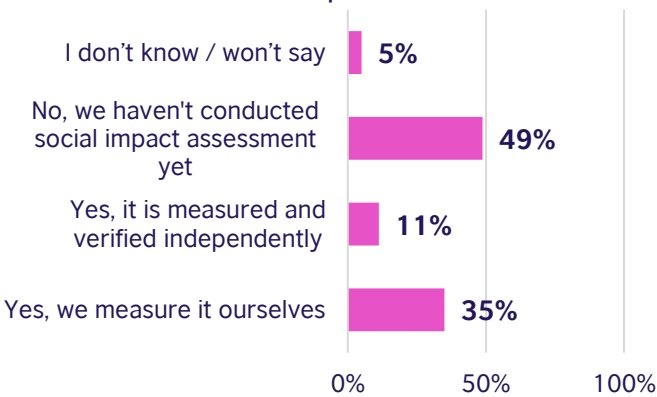
Figure 15. Groups that benefit from the organisations' activities



## MEASURING SOCIAL IMPACT

Many social enterprises in Algeria do not measure their impact. As shown in Figure 14, almost half of them do not measure their social impact while 46 per cent do, including 35 per cent who measure it themselves, while 11 per cent work with an independent entity to measure their social impact.

**Figure 15.** Organisations that measure their social and environmental impact



## SOURCES OF FUNDING

Most social enterprises in Algeria use personal financing to support their work. As shown in Figure 16, 58 per cent used personal financing, while 11 per cent receive funding from family and friends and 21 per cent have not received any type of funding. Only a small percentage of the organisations access cash donations (four per cent) and grants from incubators, accelerators or competitions (six per cent) or from foundations (five per cent). Some 16 per cent bring in other types of funding, which included ‘membership subscription fees’, ‘auto financing through the activity of the association’ or ‘ANSEJ’ / ‘ANADE’ - a public funding agency).

**Figure 17.** Type of funding received by the organisations

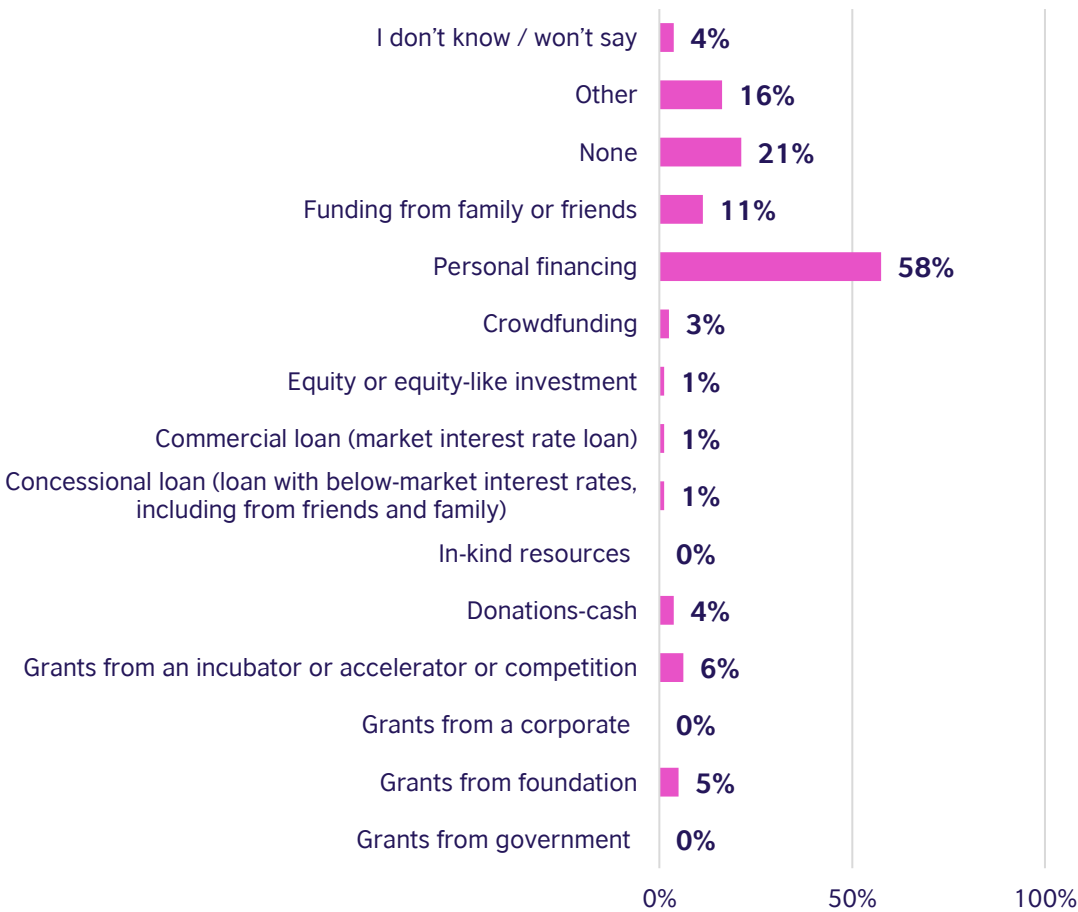




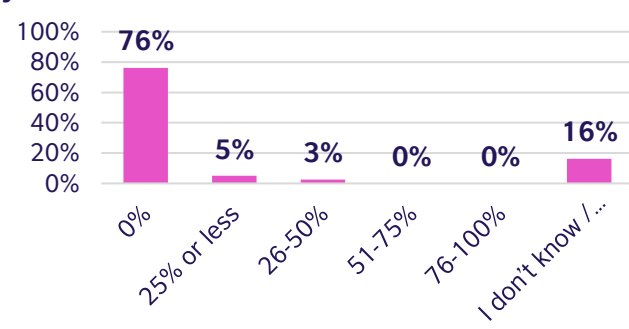
Figure 17 shows that most social enterprises in Algeria do not receive any grants. Only five per cent of the respondents have benefited from grants that represented up to 25 per cent of their total income in the last financial year while just three per cent received grants that represented 26 to 50 per cent of their total income in the last financial year.

## ECONOMIC DATA

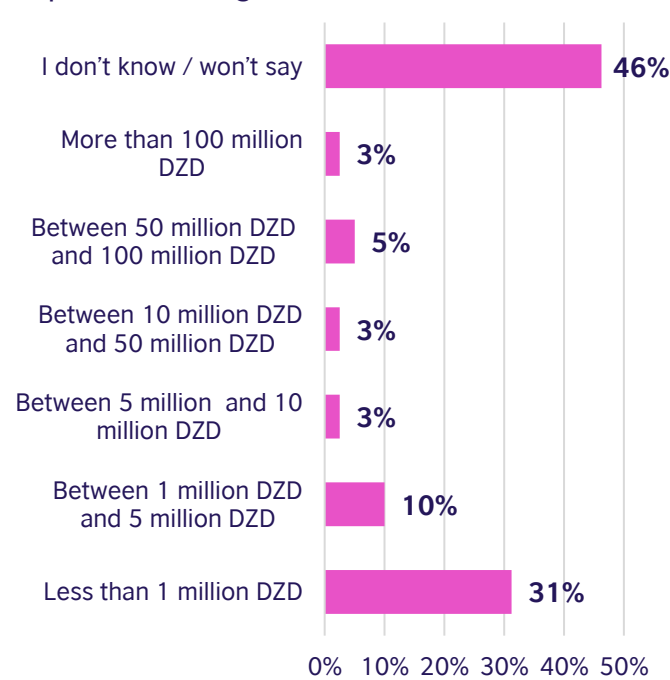
Many social enterprises in Algeria are small business, with 31 per cent earning an annual turnover of less than one million DZD. In figure 18, we see that 10 per cent earn between 1 and five million DZD. A smaller portion of the respondents (five per cent) have a turnover between 50 million and 100 million DZD and just three per cent) either earn between five and ten million DZD, between ten and 50 million DZD or more than 100 million DZD. It should be noted that almost half of the respondents did not want to indicate their annual turnover.

Almost half of social enterprises in Algeria have not reached the point of breaking even. And 24 per cent reached the breakeven point within one to three years of establishment, while four per cent within three to five years, three per cent within five to seven years and one per cent took more than seven years to reach breakeven.

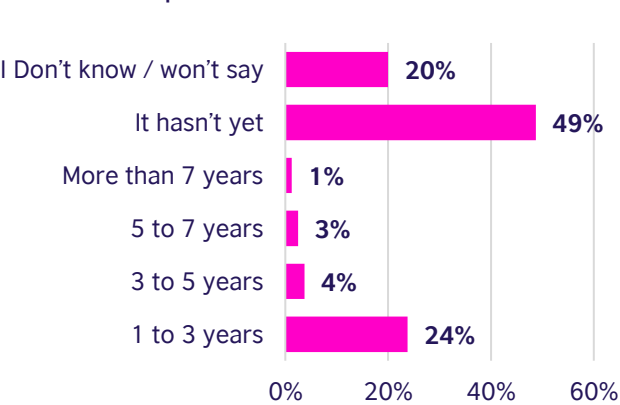
**Figure 18.** Percentage of total income provided by grants in the last financial year



**Figure 19.** Annual turnover of the respondents' organisations



**Figure 20.** Number of years to reach the breakeven point



Only some social enterprises in Algeria manage to make profits or surplus, while others are breaking even and others making a loss, like any business. As indicated in Figure 21, 23 per cent of the surveyed enterprises made a profit or surplus, while 31 per cent of them did not and six per cent broke even. Finally, 40 per cent of the organisations surveyed did not want to answer the question.

USE OF PROFITS AND SURPLUS

Social enterprises in Algeria mostly use their profit or surplus for growing and expanding their social impact. As indicated in Figure 21, 66 per cent report that they use it to grow and expand the organisations' social impact and 40 per cent stated that they fund third party social/environmental activities. Some 36 per cent reward their staff, 24 per cent build reserves and 13 per cent reward beneficiaries or the community. In total, 13 per cent use profits or surplus some other ways, including 'reinvest the money in the enterprise', 'use it for working capital', 'buy equipment', or 'finance the project of the association'.

Figure 21: Percentage of organisations which made a profit or surplus in the last year

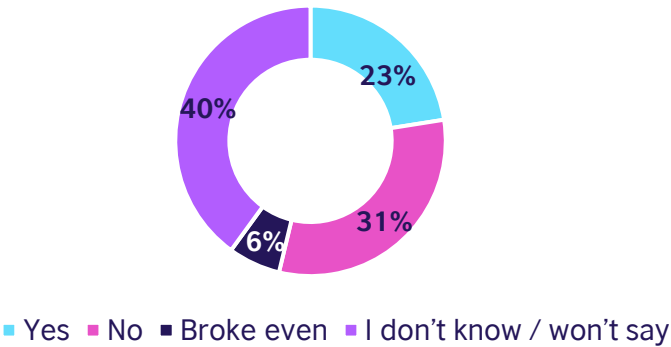


Figure 22: Use of profit/surplus



## LEADERSHIP

Social enterprise leaders in Algeria are relatively well educated. Almost 90 per cent have a higher education degree. As indicated in Figure 19, 61 per cent are post-graduates while 28 per cent are graduates. Six per cent of have a high school diploma.

### PROFILES OF THE LEADERS OF SOCIAL ORGANISATIONS

Social enterprises in Algeria are led by both men and women, with the percentage of men and women leading social enterprises both at 49 per cent.

This proportion of women leaders is much higher than in business more widely in Algeria, where in 2019, only 7.9 per cent of sole traders were women and 92.1 per cent were men. Similarly, 93.7 per cent of managers of registered enterprises were men while 6.3 per cent were women, according to the National Trade Registration Office.

Most social enterprise leaders do not come from a vulnerable group (86 per cent) but nine per cent do. Of these, 2.5 per cent were women and 2.5 per cent were people with economic difficulties.

Figure 23. Level of education

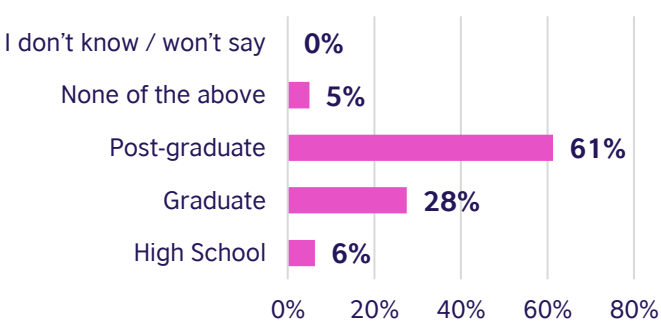


Figure 24. Gender of the leaders of the organisations

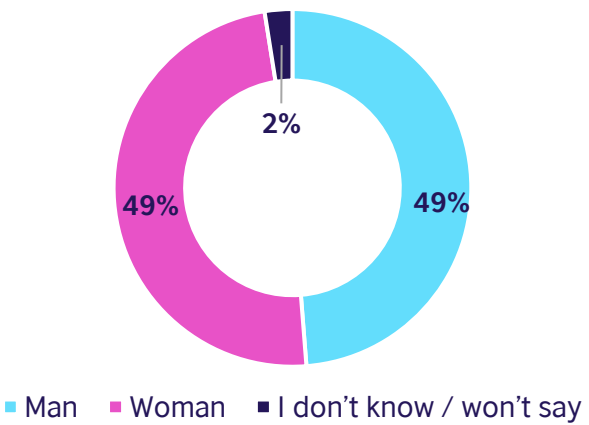
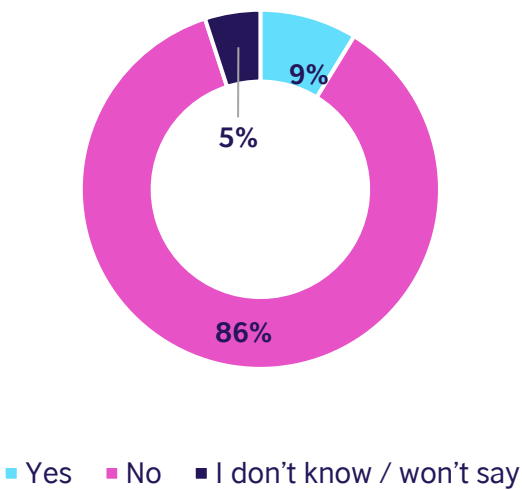


Figure 25. Percentage of organisations' leaders that are part of a vulnerable group

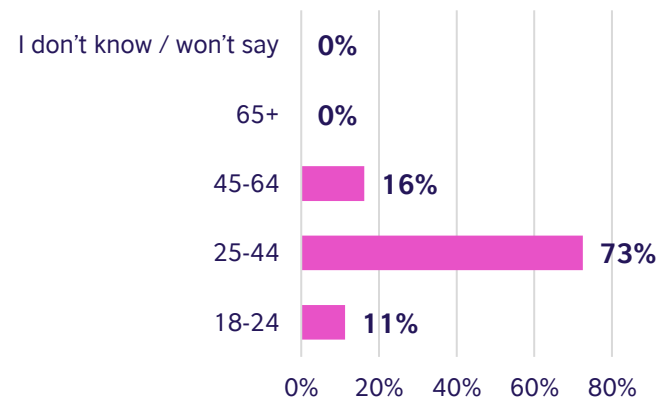


Most social enterprise leaders in Algeria are aged between 25 and 45 years old (73 per cent). And 16 per cent are aged between 45 and 64 years old.

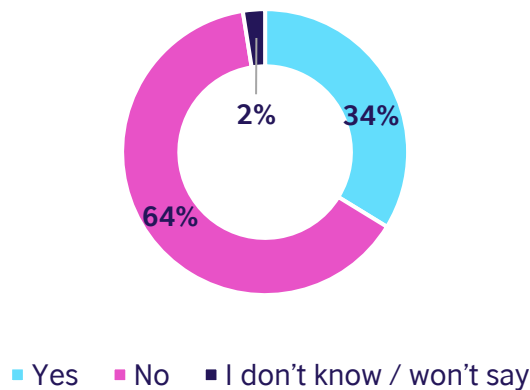
This age distribution is consistent with the age distribution of the general population, as 64 per cent of the Algerian population is above 18 years old, including nine per cent of the population aged between 18 and 24 years old, 32 per cent aged between 25 to 44 years old, 17 per cent between 45 to 64 years old and six per cent aged more than 65 years old.

Social enterprises in Algeria generally do not have management boards. Indeed, as shown in Figure 26, 64 per cent do not have a management board, while 34 per cent do. Figure 27 show the type of management boards, with 55 per cent having a trustee board, 40 per cent an advisory board and five per cent other types of management board.

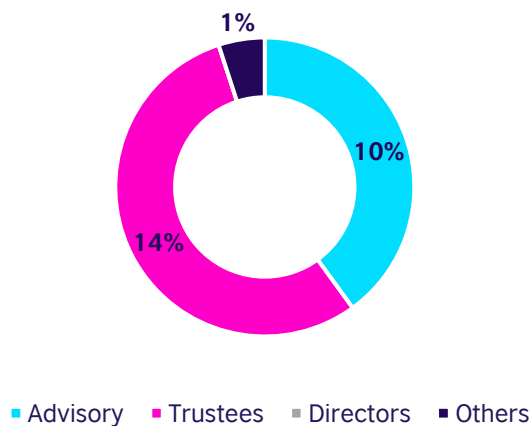
**Figure 26.** Age range of the organisations' leaders



**Figure 27.** Percentage of organisations that have a management board



**Figure 28.** Type of management board



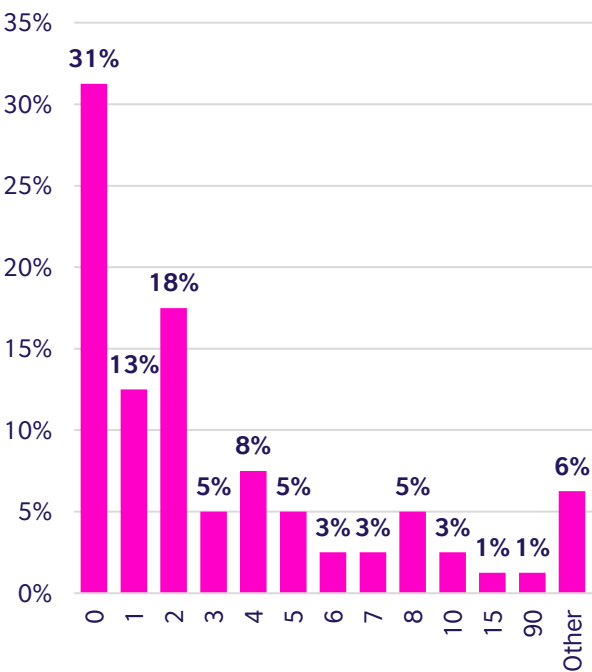
# PERSONNEL

In Algeria, a full-time employee works at least 40 hours per week, whereas a part-time employee works between 20 to 39 hours per week. We asked the organisations to indicate the number of their full time employees (Figure 28) as well as the number of part time employees (Figure 29) . This gave us an indication on the size of the workforce of social enterprises. We found:

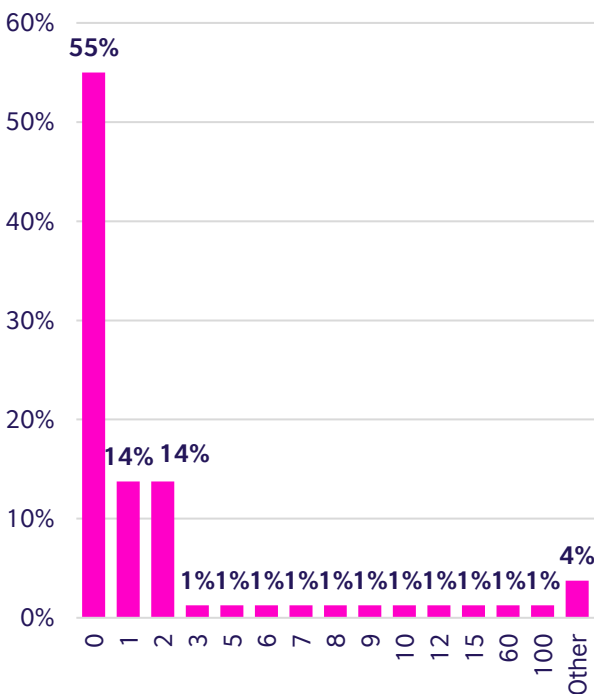
- 86 per cent of social enterprises have fewer than 10 employees. considered in Algeria to be very small enterprises. Yet this proportion is lower than in business more widely, as 97 per cent of all SMEs are very small enterprises
- ten per cent are small enterprises with 10 to 49 employees; by comparison, small enterprises account for 2.6 per cent of all Algerian SMEs
- four per cent of social enterprises are medium enterprises which have between 50 and 249 employees. This is much higher than in the general population of SMEs, where medium enterprises account for 0.4 per cent of the total
- more than half of the social enterprises do not have any full-time employees and a third do not have any part-time employees.

We also explored the distribution of full time and part time employees within social enterprises. We found that 68 per cent of the workforce work full-time, whereas 32 per cent work part-time. In enterprises more widely, 82 per cent of the employees work full-time whereas 18 per cent work part time. So part-time work is more common among social enterprises.

**Figure 29.** Number of full-time employees



**Figure 30.** Number of part-time employees





CHARACTERISTICS OF THE WORKFORCE

Women represent the majority of the employees of social enterprises in Algeria. Specifically, 31 per cent of social enterprises employ more than 75 per cent of women employees, 19 per cent have between zero and 25 per cent and 18 per cent have between 51 and 75 per cent.

Here again, the proportion of women in social enterprises is higher than in the general enterprise population. As a comparison, 20.4 per cent of the Algerian active working population are women.

Figure 31 shows the percentage of social enterprises which have volunteers. While 52 per cent do not have any volunteers, 45 per cent do.

Figure 31. Proportion of women in the workforce

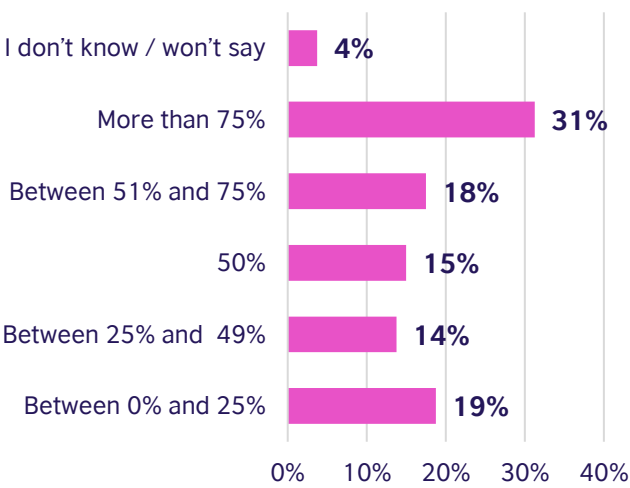
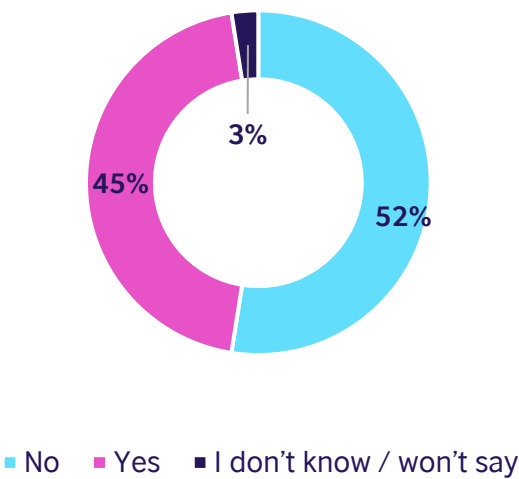


Figure 32. Percentage of organisations that have volunteers



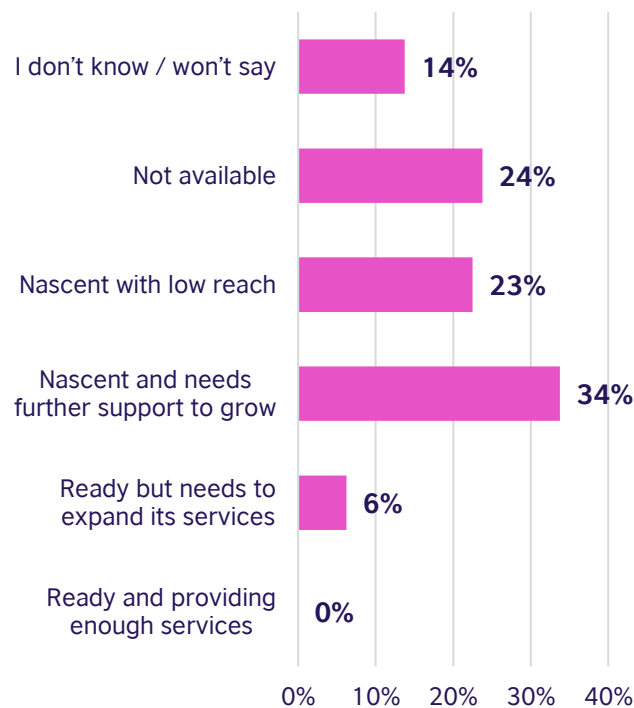
## ECOSYSTEM SUPPORT SERVICE

Social enterprises in Algeria report that the support services ecosystem is nascent and needs further support to grow.

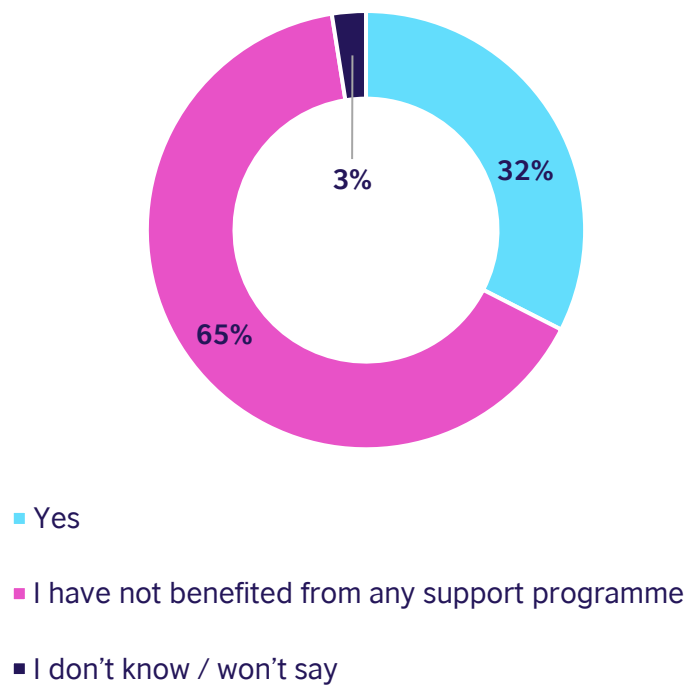
As shown in Figure 33, 34 per cent of the respondents described the support ecosystem as ‘nascent and needs further support to grow’ while 23 per cent described it as ‘nascent with low reach’, and 24 per cent described it as not available. Only six per cent of the respondents think that the support ecosystem is ready but needs to expand its services.

Most social enterprises in Algeria (65 per cent) have not benefited from support programmes. Only 33 per cent declared that they had benefited from a support programme. From our stakeholder interviews, this reflects the nascent stage in development of the support ecosystem and how demand for support is greater than the provision available.

**Figure 33.** Description of the support ecosystem according to the respondents



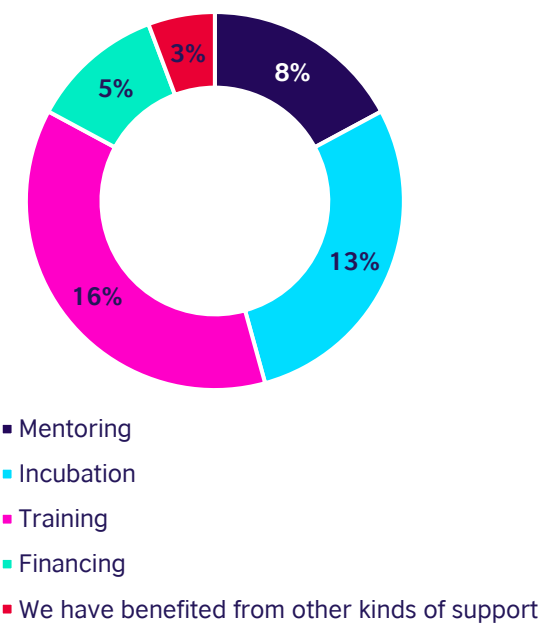
**Figure 34.** Percentage of organisations that benefited from support programmes



Social enterprises which had benefited from a support programme mostly received training support. That is the case for 16 per cent of the respondents, while 13 per cent benefited from an incubation programme and eight per cent benefited from a mentoring programme. Only five per cent of the respondents received financial support and three per cent benefited from other types of support.

We also asked the respondents to identify the organisations that had supported them. We have listed these in Table 7.

**Figure 35.** Type of support received by the organisations



**Table 10.** Organisations which provided support to the respondents

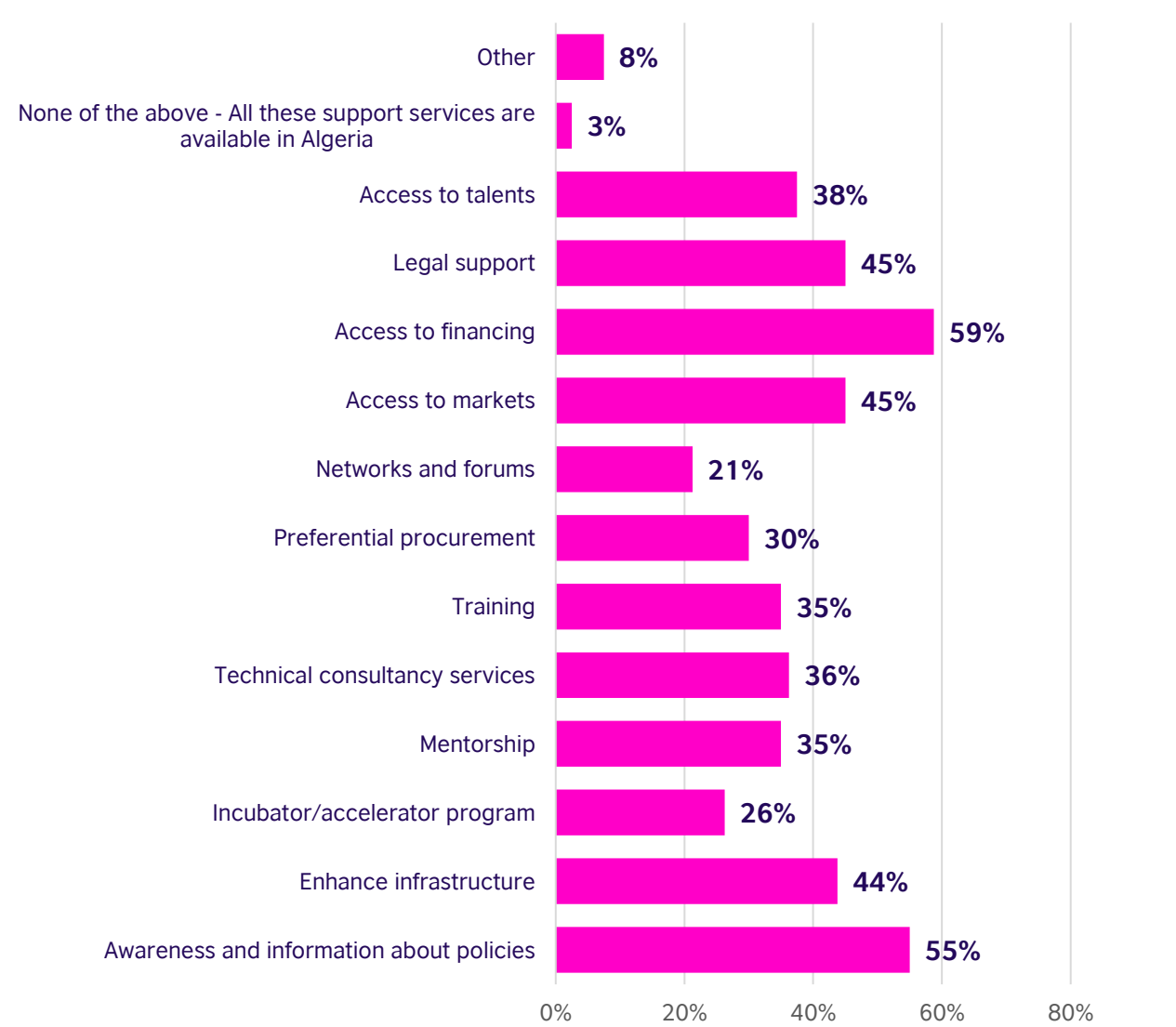
<b>Mentoring</b>
<ul style="list-style-type: none"><li>•National Agency for Protected sectors</li><li>•WomWork by the AnnexDz</li><li>•Women in Africa initiative</li></ul>
<b>Incubation</b>
<ul style="list-style-type: none"><li>•Ooredoo</li><li>•The Algerian Center for Social Entrepreneurship</li><li>•Orange Corner</li><li>•The Annex DZ</li><li>•Sylabs</li></ul>
<b>Training</b>
<ul style="list-style-type: none"><li>•WomWork by the AnnexDz</li><li>•Generation Unlimited 2.0 (a programme by Unicef and UNDP)</li><li>•ECOSIPARIS</li><li>•IMS Marseille</li><li>•Greentea</li><li>•Flambeau Vert</li><li>•ASI</li></ul>
<b>Financing</b>
<ul style="list-style-type: none"><li>•The European Union</li><li>•French Development Agency</li><li>•Goethe Institut</li><li>•Generation Unlimited 2.0 (a programme by Unicef and UNDP)</li><li>•US Embassy</li></ul>

Respondents tend to believe that support services are unavailable, especially access to financing (59 per cent), awareness and information about policies (55 per cent), legal support and access to market (45 per cent, each) and to enhance infrastructure (44 per cent).

More than a third of the respondents declared that access to talent (38 per cent), technical consultancy services (36 per cent), training (35 per cent) and mentorship (35 per cent) were not available.

Finally, 26 per cent of the respondents indicated listed incubators and accelerator programs as not available, while 21 per cent declared that networks and forums were not accessible.

**Figure 36.** Support services which are not available in Algeria



# CHALLENGES AND BARRIERS

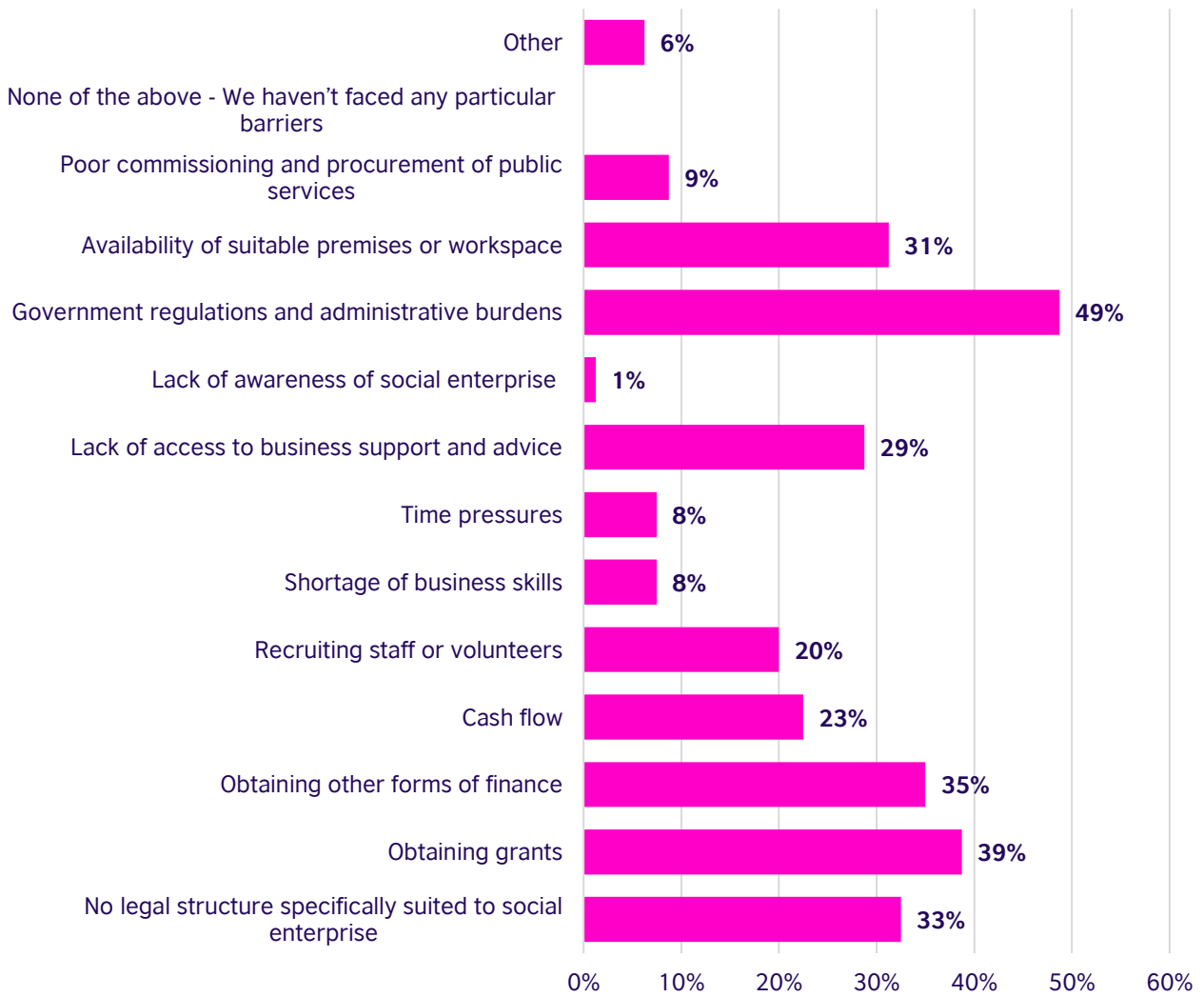
The biggest challenge faced by social enterprises in Algeria are government regulations and administrative burdens, as reported by 49 per cent of the respondents. This is a problem frequently discussed in Algeria and that was also cited by the participants of the focus groups.

This is followed by ‘obtaining grants’ and ‘obtaining other forms of finance’ which is a challenge faced by respectively 39 and 35 per cent of social enterprises.

Other challenges include the absence of either a legal form or legal status specifically suited to social enterprises (33 per cent), the unavailability of suitable premises or workspaces (31 per cent), lack of access to business support and advice (29 per cent)

Only one per cent of social enterprises reported that lack of awareness of social enterprise was a challenge; yet this was one of the most cited challenges discussed during the focus groups.

**Figure 37.** Barriers faced by the respondents

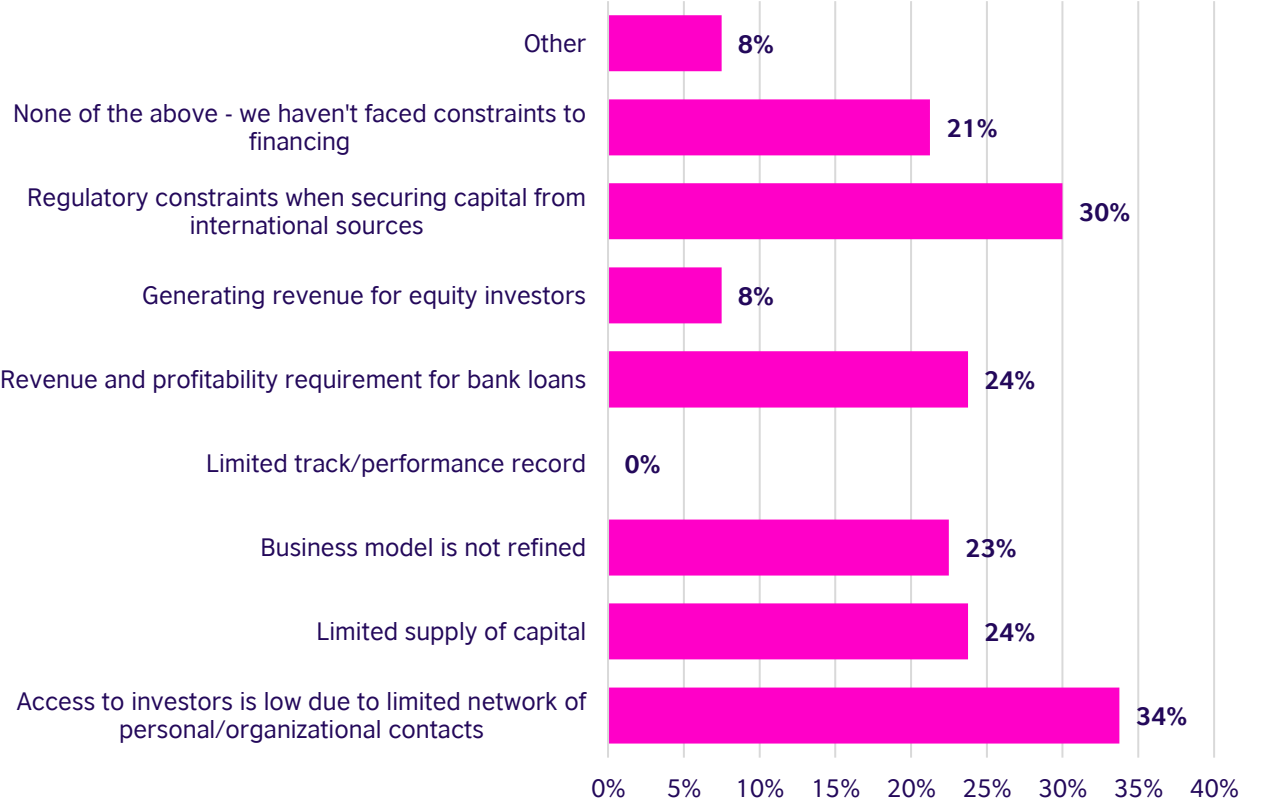


Social enterprises in Algeria struggle to access investors. This is the case for 34 per cent, due to a limited network of personal and organisational contacts. Some 30 per cent report that regulatory constraints when securing capital from international sources affect them. Indeed, Algerian associations are forbidden to receive funds from foreign legations and NGOs, unless they have an authorisation to do so by the Ministry of Interior, Local Authorities, and Territory Planning.

Additionally, 24 per cent see revenue and profitability requirements for bank loans and limited supply of capital as challenges, and 23 per cent face issues with defining their business model.

Conversely, 21 per cent report that they do not face any constraints linked to financing.

**Figure 38.** Financial barriers faced by the respondents





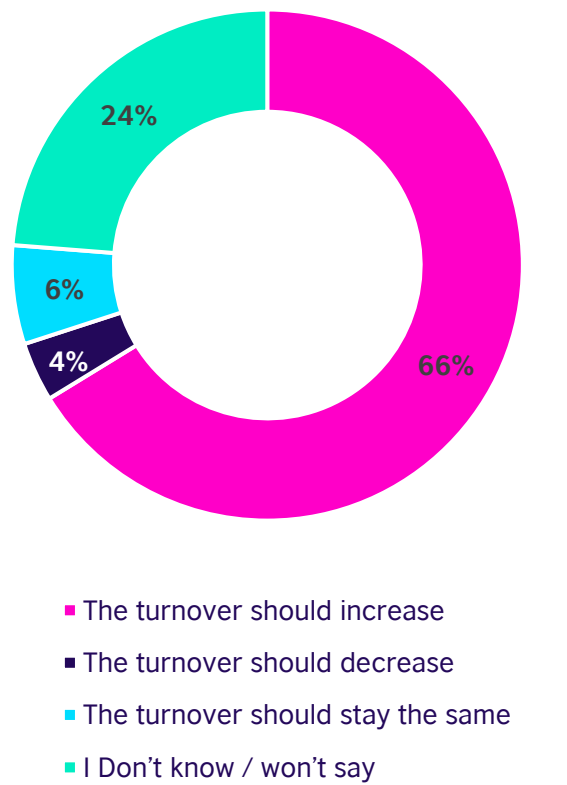
**FUTURE  
EXPECTATIONS**

**PLANNING,**

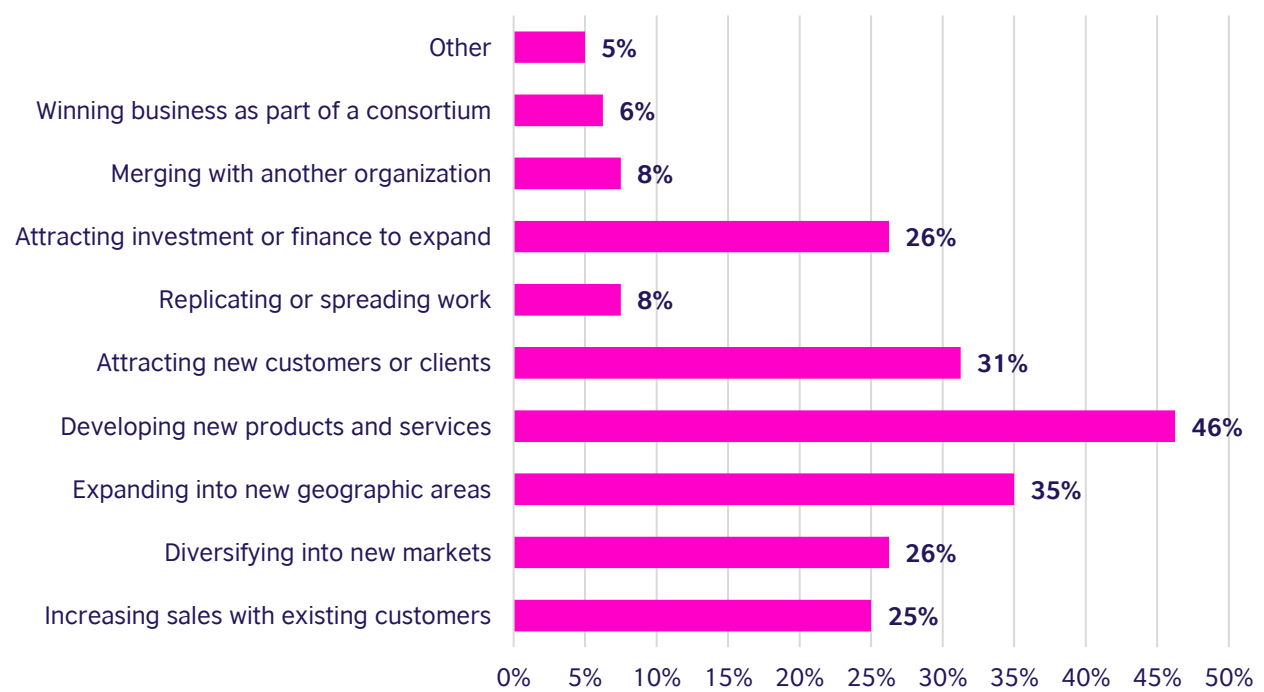
Social enterprises are optimistic about the future of their organisations. Indeed, 66 per cent believe their turnover will increase in the coming year. Only four per cent expect their turnover to decrease, while six per cent think it should stay the same. Yet, 24 per cent reported that didn't know or wouldn't say.

In order to achieve growth, social enterprises in Algeria believe they should develop new products and services, expanding on their existing offer. This is the objective of 46 per cent of the respondents, while 35 per cent believe they should expand into new geographic areas and 31 per cent would like to attract new customers or clients. Moreover, 26 per cent plan on attracting investment or finance to expand and on diversifying into new market, while 25 per cent plan on increasing sales with existing customers.

**Figure 39.** Turnover in the upcoming year



**Figure 40.** Plan on achieving growth over the next year

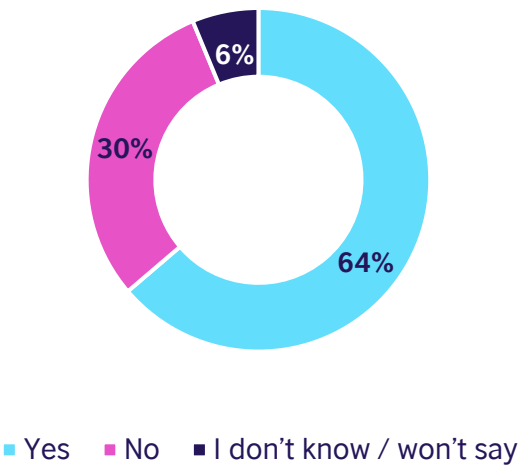


# EFFECTS FROM COVID-19

The majority of social enterprises in Algeria were affected by Covid-19. This is the case for 64 per cent, while 30 per cent were not and six per cent did not say.

When asked to explain how their organisation was affected by Covid-19, respondents mentioned supply chain blockages, the impossibility to travel from one prefecture to another, the closure of borders and of shops and the impossibility of organising or participating in events or training sessions.

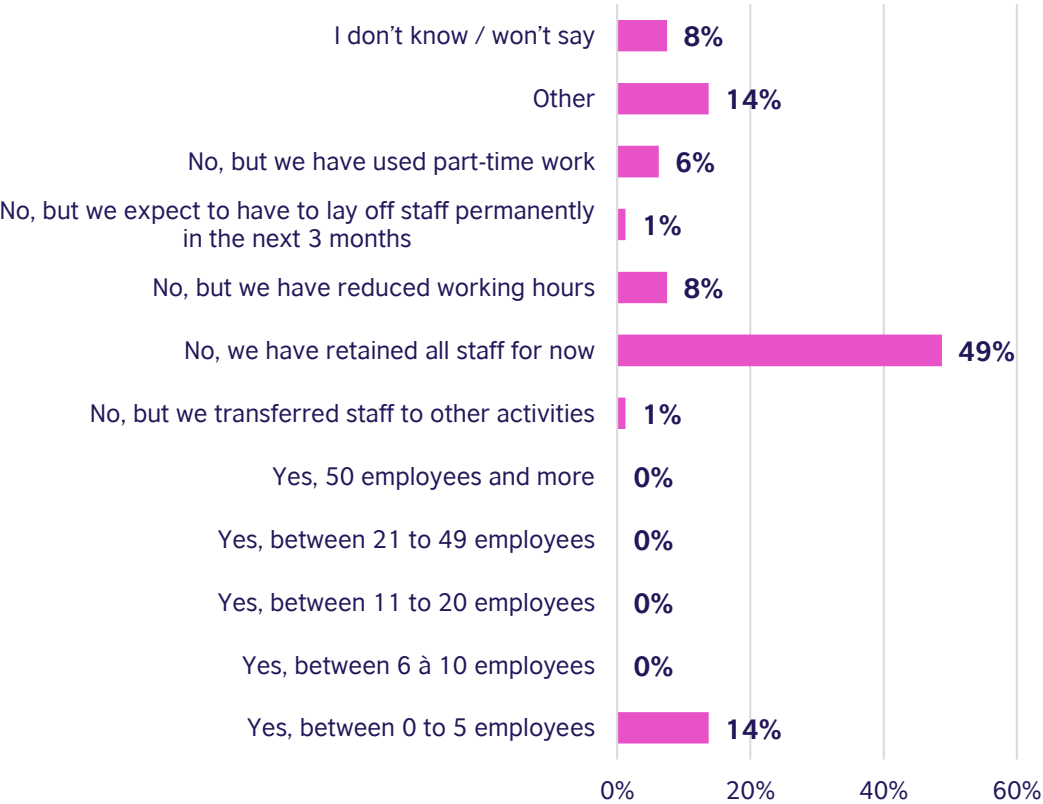
Figure 41. Percentage of organisations affected by COVID-19



Even though social enterprises have been affected by Covid-19, many of them were able to retain staff. This is the case for 49 per cent, while just 14 per cent had to lay off up to five employees. Eight per cent had to reduce working hours and six per cent switched to part-time work.

As a comparison, 51 per cent of Algerian SMEs more widely declared that they were able to retain all their staff, while 22 per cent had to lay off at least half of their employees.

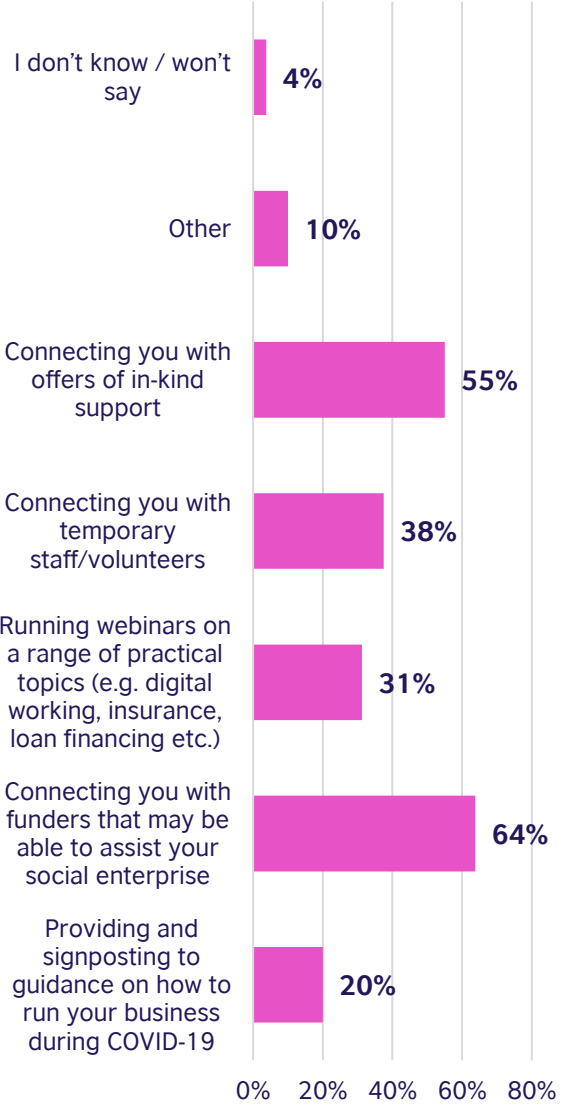
Figure 42. Organisations that have been forced to permanently lay off any staff as a consequence of Covid-19



Social enterprises in Algeria report that they want support to connect with funders.

We asked social enterprises what type of support they needed and allowed them to select multiple answers. Results in Figure 42 show that 64 per cent wanted to be connected with funders that may be able to assist their social enterprise, while more than half (55 per cent) wanted to be connected with offers of in-kind support. In addition, 38 per cent sought connections with temporary staff or volunteers, 31 per cent wanted to attend webinars on a range of topics and 20 per cent wanted guidance on how to run their business during the Covid-19 pandemic. Ten per cent need other types of support that were not listed and four per cent did not specify if they needed support or not.

**Figure 43.** Type of support needed by the respondents



# Objectives of the student survey

## INTRODUCTION

Algerian students will become the future social entrepreneurs of tomorrow. With the objective of planting the seeds of social enterprise and measuring the awareness of Algerian students, we added an additional phase to the research – a student survey.

In this section we present the results obtained from the students' survey. The results have been rounded, which means that some percentages may not add up to exactly 100 per cent.

Some questions have multiple answers, so responses in these cases will add up to more than 100 per cent.

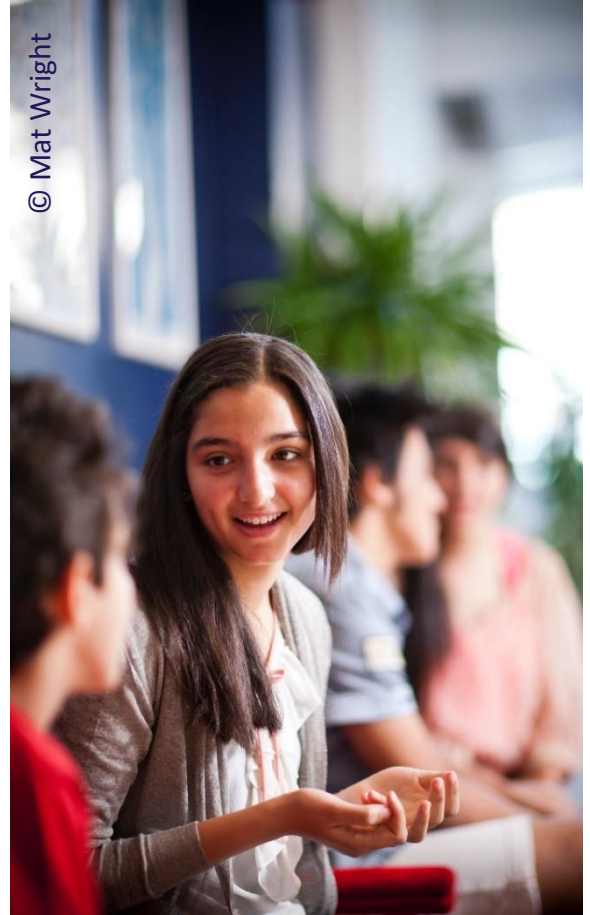
## Sample base characteristics

The sample base consists of 102 students from universities located in 15 of 58 provinces in Algeria (Adrar, Algiers, Annaba, Batna, Bejaia, Blida, Boumerdes, Chlef, Constantine, Ouargla, Setif, Tlemcen, Tissemsilt, Tizi Ouzou, Tipaza).

Of these, 52 per cent are female, 47 per cent male and one did not reveal their identity.

Nearly 57 per cent are post-graduate students, 38 per cent undergraduates and five per cent did not reveal their level of education.

In multiple choice responses, percentage calculations are anchored to the sample base of 102 students, even though the number of citations may exceed this value.



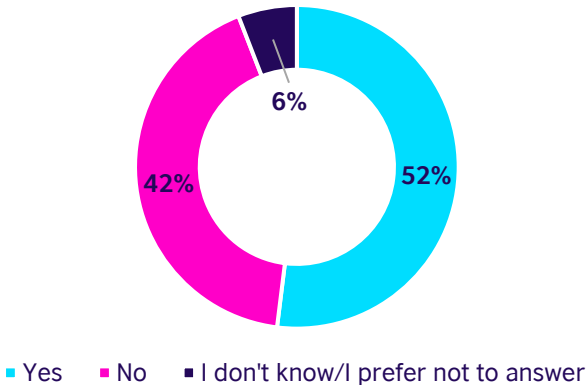
© Mat Wright

# Students survey results

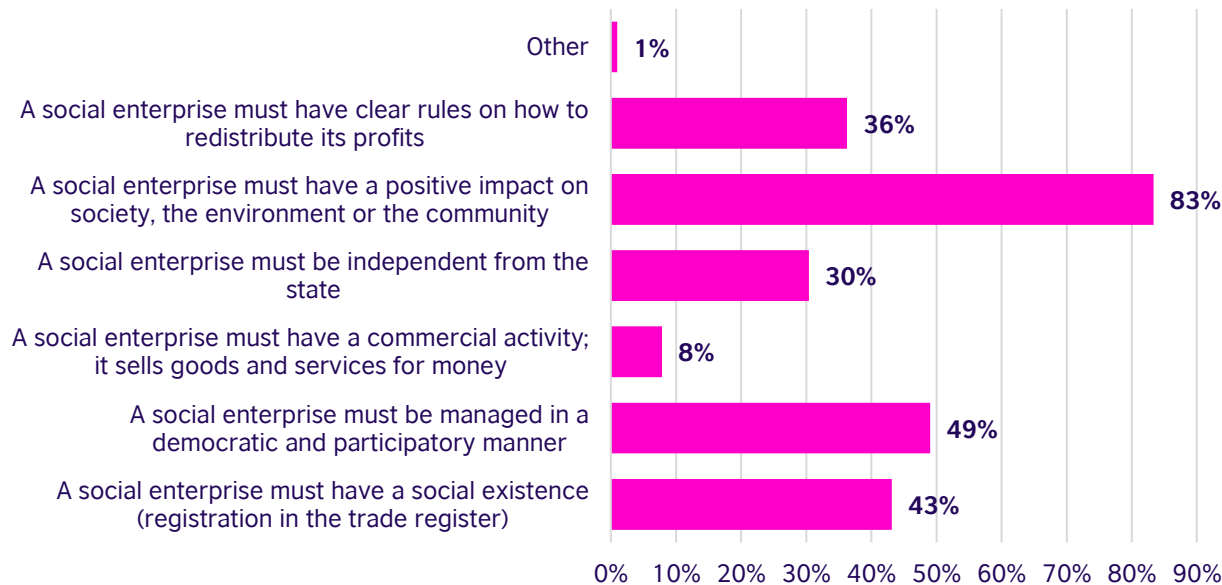
Slightly more than half of Alegrian students (52 per cent) are aware of the concept of social enterprise, while 42 per cent have never heard of it and six per cent are unsure.

Students think that SEs must have a positive impact on society, the environment or the community. As shown in Figure 44, only eight per cent think that a social enterprise must have a commercial activity i.e. selling goods and services for money. And 43 per cent think that a social enterprise must have a legal status.

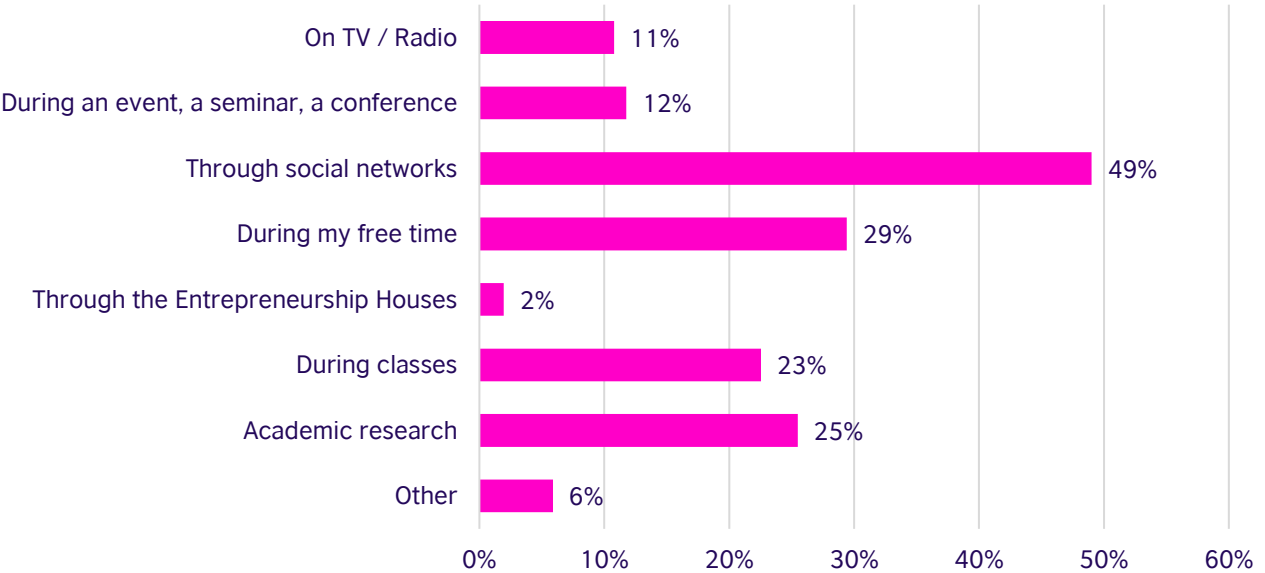
**Figure 44.** Students that have heard of the concept of social enterprise



**Figure 45.** Fundamental principles that define a social enterprise in Algeria according to students



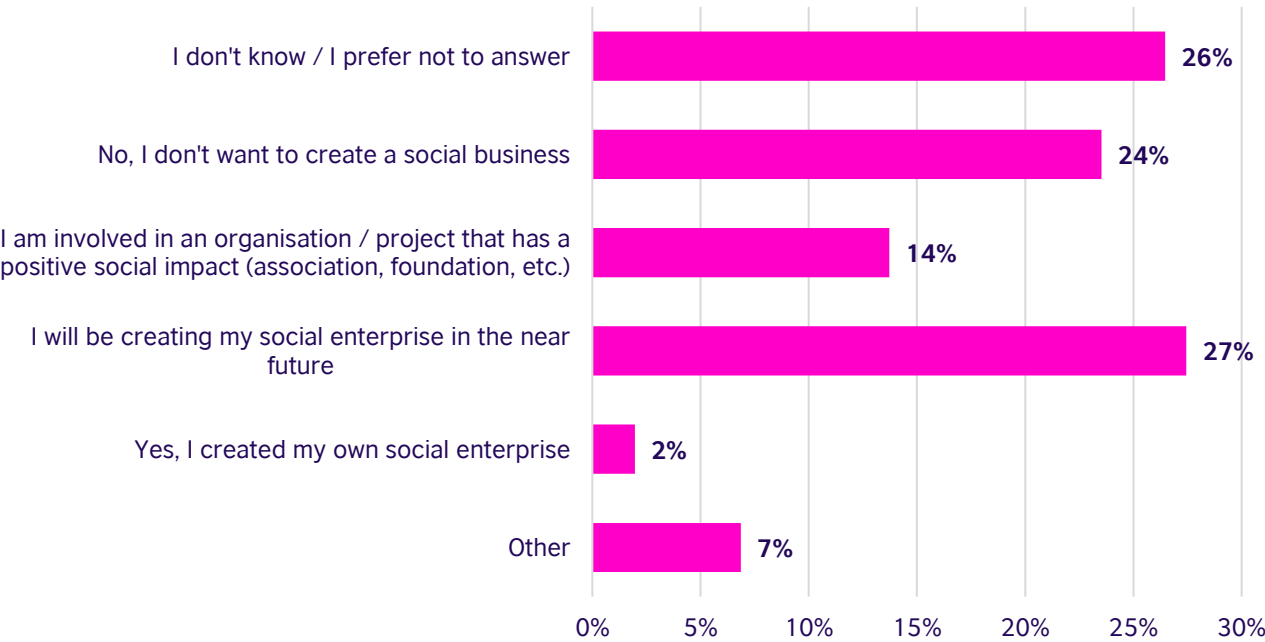
**Figure 46.** How students have heard of social enterprises



Algerian students have heard of social enterprises through social networks. In Figure 45, we observe that social networks are the most influential source of inspiration (49 per cent) for students who take an interest in social economy. School lectures account for 23 per cent, while academic research and seminars are responsible for 25 and 12 per cent, respectively.

Some students plan on creating their own social enterprises. 16 per cent of students are involved in social entrepreneurship; of which 2 per cent students have already created their own social enterprises and 14 per cent are involved in an organisation or project that has a social impact. 27 per cent have some ambitions to create social businesses in the future.

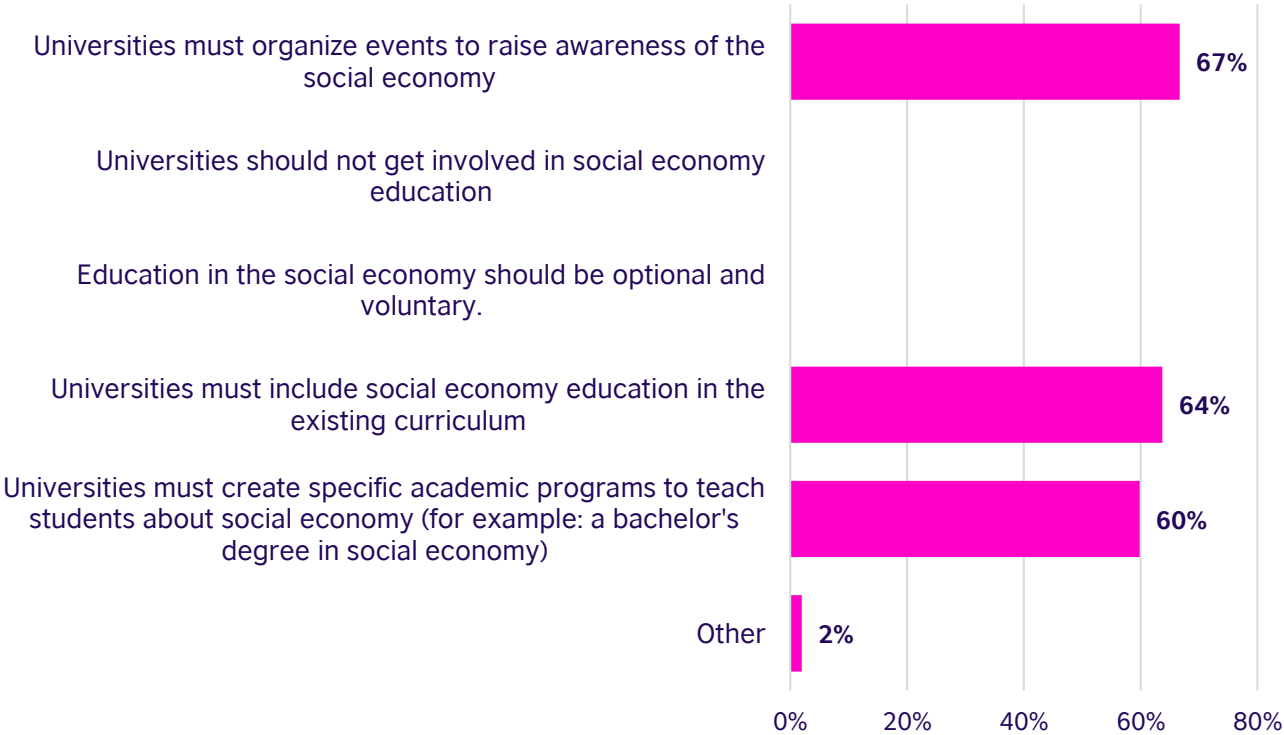
**Figure 47.** Students’ interest in social enterprises





Students suggest that events to raise awareness of the social economy should be organised as a support from the education sector. Figure 47 shows that students believe universities should play a role in the development of social enterprises with 67 per cent stating that universities should organise events to raise awareness, 64 per cent of the students who believe that universities should include social economy in the existing curriculum and 60 per cent who think that specific academic programmes should be implemented.

**Figure 48. Support the education sector provide for the development of the social economy sector according to students**



# Conclusion

Social enterprises are on the rise in Algeria, particularly during the last three years.

This development is founded on a range of cultural and religious factors which foster solidarity, mutual help and equality.

According to our survey, social enterprises are often working in arts and crafts, culture and leisure, food and nutrition, energy, clean technology and environment, tourism and education.

The proportion of women in social enterprises is higher than in other type of enterprises.

However, social enterprises also face many challenges, in particular because there is no specific legal status adapted to this kind of entrepreneurship. Social enterprises face difficulty in accessing funding and developing profitable business models.

Most social enterprises rely on personal funding and their turnover rarely exceeds 1 million DZD.

In addition to access to finance, social enterprises also express a need for support, such as awareness and information about policies, legal support and access to markets.

Finally, 64 per cent of the social enterprises we surveyed said they were affected by the consequences of Covid-19. Even if most were able to retain all their workforce, they are still seeking to be connected to funders that can help them overcome the crisis.

Stakeholders and social enterprises we interviewed also warned us about misconceptions surrounding the concept of social enterprise in Algeria, with many confusing them with voluntary work. This unawareness of what a social enterprise is, is also present among Algerian students. However, more than 50 per cent of the students who were surveyed declared that want their university to play a role in raising awareness and understanding.

# Recommendations

**1.** Social enterprises we interviewed are calling for a political recognition of the existence of the sector of social enterprise through the creation of a dedicated legal structure, or the creation of a certification label that could help them differentiate themselves from other types of enterprises.

**2.** The term 'social enterprise' is sometimes confusing and can have a negative connotation in the Algerian context. Together, social enterprises and stakeholders should think about the best way to designate these businesses, considering alternatives such as 'impact enterprise', 'sustainable enterprise' or 'inclusive business' for example.

**3.** So far, no specific ministry or agency has been designated to support the development of social enterprises. Instead, several ministries are in turn responsible for the programmes developed for social enterprises (for example: the Ministry of Labour, Employment and Social Security for the programme PAJE, the Ministry of Interior for the programme CAPDEL, etc).

The creation of a dedicated inter-sectorial agency or formal cross-departmental structure could help support the sector and discussions between social enterprises and the different ministries involved could help initiate concrete actions to help support social enterprises.

**4.** Social enterprises are still unknown to the general public and institutions. The ones we interviewed recommend a campaign to promote this form of entrepreneurship, supported by the different ministries concerned (ministries of start-ups, environment, tourism, crafts, finance, solidarity, etc.), by highlighting success stories.

**5.** Like start-ups and craft enterprises, social enterprises need support with preferential taxation in particular during the first years of activity (such as tax exemption, low VAT rate, etc.). Social enterprises we interviewed would like to benefit from a similar mechanism that crafts people, craft enterprises and start-ups can benefit from.

**6.** Social enterprises have specific needs in terms of funding and finance that could be addressed through a review of public funding mechanism granted by the National Agency of Microcredit and public banking institutions.

**7.** Existing incubators should take steps to both specifically support social enterprises through their programmes and to attract them into future cohorts, including outside the capital and major cities.

**8.** Organisations that provide support for social enterprises, such as private incubators, should provide training and support to social enterprises, to help them establish the best approach to measuring their impact.

**9.** The students we interviewed are interested in learning about social enterprises and would be interested to participate in dedicated events organised within their universities.

**10.** Four of the leading universities and/or business schools could co-operate to drive forward awareness and understanding of social enterprises among academics and students.



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# Appendix 1: Participants to the focus groups and in-depth interviews

We are very grateful to everyone who gave up their time to complete our surveys and take part in in-depth interviews and focus groups.

Name of the participant	Organisation
Abdelfettah Herizi	Lean Incubator
Abdelkader Bayazid	Webelkhir
Achir Mohamed	University of Tizi Ouzou
Adel Amalou	IncubMe
Amel Mohandi	Azar Dziri
Amine Babou	Beesiha
Azziouz Laib	Bourse Algérienne de sous-traitance et de partenariat
Benyoucef	Kiddy Sorties
Chafik Zerrouki	Ambrosia Boutique
Chokri Ben Zarour	Director of family work of the Ministry of Tourism and Handicrafts
Fares kerouani	Ministry of Youth and Sports
Fazil Bouaiach	Filaha
Hasna Fenni	Student
Hemamda Abdellatif	Baladiya.tech
Hichem Mebarki	DirassaTic/Maison de l’entrepreneuriat
Hind Skander	Kheyma
Ihcène Menous	Social media expert
Ikram Bouagal	Charme et tradition
Ilhem Bouadjim	Sac à Tours
Judite Ferreira	Formerly at Medafco and Algerian Center of Social entrepreneurship
Kamel Osmane	Medafco
Mohamed Skander	Bucephal



Name of the participant	Organisation
Mohand Ousalem	University of Tizi Ouzou
Moufida Sedkaoui	7ob Paris
Moulay Asma	Director of Communication and Co-operation of the Ministry of Tourism and Handicrafts
Nacima Arhab	Ministry of start-ups and knowledge economy
Nassima Guettal	Qefza Market
Rami Ahmed Ramy	Nrecycli
Salim Boussedi	Organisation Nationale du Tourisme Durable
Sara Ait Hamou	The Annex
Sara Rebati Ait Hamou	The Annex
Touzene Alrachimi	Amusnaw
Walid Hadjadj	Torba
Yacine Oualid	Minister of start-ups and knowledge economy
Yasmine Agoun	Student
Yasmine Lallem	Amadhal

# Appendix 2: Social enterprise survey questions

## Organisation characteristics Activities

**1. What is the name of your organisation?**

---

**2. What is your role in the organisation?**

- ☐ Legal Representative
- ☐ Director
- ☐ Owner
- ☐ Managing Director/CEO
- ☐ Member
- ☐ Employee
- ☐ Volunteer
- ☐ Other, please specify: \_\_\_\_\_

**3. In which year did your organisation began operating?**

---

**4. Which stage of the entrepreneurial lifecycle is the organisation at?**

- ☐ Early stage/ideation
- ☐ Start Up
- ☐ Growth
- ☐ Scale up
- ☐ I Don't know/Won't say

**5. At what scale does your organisation operate?**

- ☐ Local
- ☐ National
- ☐ Regional
- ☐ International
- ☐ Other, please specify \_\_\_\_\_

**6. Where in Algeria does your organisation have its headquarters?**

- ☐ Adrar
- ☐ Chlef
- ☐ Laghouat
- ☐ Oum El Bouaghi
- ☐ Batna
- ☐ Béjaïa
- ☐ Biskra
- ☐ Béchar
- ☐ Blida
- ☐ Bouira
- ☐ Tamanrasset
- ☐ Tébessa
- ☐ Tlemcen
- ☐ Tiaret
- ☐ Tizi Ouzou
- ☐ Alger
- ☐ Djelfa
- ☐ Jijel
- ☐ Sétif
- ☐ Saïda
- ☐ Skikda
- ☐ Sidi Bel Abbès
- ☐ Annaba
- ☐ Guelma
- ☐ Constantine
- ☐ Médéa
- ☐ Mostaganem
- ☐ M'sila
- ☐ Mascara
- ☐ Ouargla
- ☐ El Bayadh
- ☐ Illizi

- ☐ Bordj Bou Arreridj
- ☐ Boumerdès
- ☐ El Tarf
- ☐ Tindouf
- ☐ Tissemsilt
- ☐ El Oued
- ☐ Khenchla
- ☐ Souk Ahras
- ☐ Tipaza
- ☐ Mila
- ☐ Aïn Defla
- ☐ Naâma
- ☐ Aïn Témouchent
- ☐ Ghardaïa
- ☐ Relizane

**7. In what legal form(s) is your organisation registered?**

- ☐ Coopérative
- ☐ Mutuelle
- ☐ Association
- ☐ Fondation
- ☐ Entreprise individuelle (personne physique ayant la qualité de commerçant)
- ☐ Entreprise unipersonnelle à responsabilité limitée (EURL)
- ☐ Société à responsabilité limitée (SARL)
- ☐ Société en nom collectif (SNC)
- ☐ Entreprise unipersonnelle à responsabilité limitée (EURL)
- ☐ Société à responsabilité limitée (SARL)
- ☐ Société en nom collectif (SNC)
- ☐ Société par action (SPA)
- ☐ Société en commandite par actions (SCPA)
- ☐ Groupement
- ☐ Non enregistrée
- ☐ Other, please specify\_\_\_\_\_
- ☐ I don't know/won't say

**8. Is your organisation a subsidiary of another organisation?**

- ☐ Yes
- ☐ No
- ☐ I don't know/won't say

**9. What is the main sector you operate in ?/ What is the principal trading activity of your organisation?**

- ☐ Agriculture
- ☐ Energy, clean technology and environment
- ☐ Food and nutrition
- ☐ Education
- ☐ Childcare
- ☐ Health and social care
- ☐ Financial support and services
- ☐ Livelihood and employment creation
- ☐ Mobility and transport
- ☐ Business development services and entrepreneurship support
- ☐ Culture and leisure
- ☐ Hospitality
- ☐ Arts and craft
- ☐ Fashion design
- ☐ Architecture and interior design
- ☐ Movies/Music/Video and photography/Publication and gaming
- ☐ Housing
- ☐ Other, please specify\_\_\_\_\_

**10. Have you heard of the concept of 'social enterprise'?**

- ☐ Yes
- ☐ No

**11. According to you, what are the main principles that define a social enterprise in Algeria?**

- ☐ Formally constituted
- ☐ Democratically controlled/Participatory governance
- ☐ Trading (selling goods and services for money)

- ☐ Rules on limits to profit distribution
- ☐ Defined community/social/environmental benefit
- ☐ Independent of the state
- ☐ Other, please specify
- ☐ I don't know/won't say

**13. What are your organisation's overall objectives?**

- ☐ Improve health and well-being
- ☐ Promote education and literacy
- ☐ Protect the environment
- ☐ Support women and girls/Gender equity
- ☐ Create more inclusive employment opportunities
- ☐ Address financial exclusion
- ☐ Promote welfare among children and youth
- ☐ Create sustainable city
- ☐ Support other social enterprises/organisations
- ☐ Improve access to quality services/products
- ☐ Fight inequalities
- ☐ Improve a particular community
- ☐ Support vulnerable people/groups
- ☐ Preserve cultural heritage
- ☐ Other, please specify\_\_\_\_\_

**14. Does your organisation place emphasis on:**

- ☐ Profit first
- ☐ Social/environmental mission first
- ☐ Both jointly
- ☐ Other, please specify\_\_\_\_\_

**15. Do you consider any of the following groups to benefit directly from your organisation's core business activities?**

- ☐ Long-term unemployed
- ☐ Individuals with physical disability

- ☐ Homeless/Coming out of homelessness
- ☐ People coming out of offending and/or at risk of reoffending
- ☐ Refugees and asylum-seekers
- ☐ Drug addiction
- ☐ Young people with delinquent behaviour
- ☐ Domestic violence victims
- ☐ Trafficking victims
- ☐ Older people
- ☐ Youth group
- ☐ Women
- ☐ Our organisation does not target any specific group, we target all segments of society
- ☐ Other, please specify\_\_\_\_\_

**16. Do you measure your social and environmental impact?**

- ☐ Yes, we measure it ourselves
- ☐ Yes, it is measured and verified independently
- ☐ No, we haven't conducted social impact assessment yet
- ☐ I don't know/won't say\_\_\_\_\_

**17. How many people do you estimate you have supported in total in the last 12 months? please only put numbers**

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**18. What forms of finance and funding have you received (in the last year or since you started operating)?**

- ☐ Grants from government
- ☐ Grants from foundation
- ☐ Grants from corporate
- ☐ Grants from an incubator or accelerator or competition
- ☐ Donation-cash
- ☐ In-kind resources
- ☐ Concessional loan (loan with below market interest rates, including from friends and family)

- ☐ Commercial loan (market rate loan)
- ☐ Equity or equity-like investment
- ☐ Crowdfunding
- ☐ Personal financing
- ☐ Funding from family or friends
- ☐ None
- ☐ Other, please specify \_\_\_\_\_
- ☐ I don't know/won't say

**19. What proportion of your total income came from grants last financial year?**

- ☐ 0 per cent
- ☐ 25 per cent or less
- ☐ 26-50 per cent
- ☐ 51-75 per cent
- ☐ 76-100 per cent
- ☐ I don't know/won't say

**20. What was your organisation's annual turnover in the previous financial year?**

- ☐ Less than 1 000 000 DZD
- ☐ Between 1 000 000 DZD and 5 000 000 DZD
- ☐ Between 5 000 000 and 10 000 000 000 DZD
- ☐ Between 10 000 000 DZD and 50 000 000 DZD
- ☐ Between 50 000 000 DZD and 100 000 000 DZD
- ☐ More than 100 000 000 DZD
- ☐ I don't know/won't say

**21. How many years did it take the organisation to reach the breakeven point ?**

- ☐ 1 to 3 years
- ☐ 3 to 5 years
- ☐ 5 to 7 years
- ☐ More than 7 years
- ☐ It hasn't yet
- ☐ I don't know/won't say

**22. In the last year, did you make a profit or surplus ?**

- ☐ Yes
- ☐ No, if the answer is no, why ? \_\_\_\_\_
- ☐ Broke even
- ☐ I don't/won't say

**23. Should the organisation have profit/surplus, how would you plan to use your profit/surplus?**

- ☐ Growing and expanding the organisation's social impact
- ☐ Rewards to staff
- ☐ Reward to beneficiaries or community
- ☐ Profit sharing with owners and shareholders
- ☐ Building reserves
- ☐ Funding third party social/environmental activities, for example : grants to other organisations
- ☐ Other, please specify \_\_\_\_\_
- ☐ I don't know/won't say

## *Leadership*

**24. What level of education does the person most responsible for managing your organisation have?**

- ☐ Post-graduate
- ☐ Graduate
- ☐ High school
- ☐ None of the above
- ☐ I don't know/won't say

**25. What is the gender of the person currently in?**

- ☐ Man
- ☐ Women
- ☐ I don't/won't say

**26. Is the person currently in charge of your organisation from a vulnerable group?**

- ☐ Yes, if yes, please specify
- ☐ No
- ☐ I don't know/won't say

**27. In what age range is the person currently in charge of the organisation?**

- ☐ 18-24
- ☐ 25-44
- ☐ 45-64
- ☐ 65+
- ☐ I don't know/won't say

**28. Does your organisation have a management board?**

- ☐ Yes, if yes what is the type of board
- ☐ Advisory
- ☐ Trustees
- ☐ Directors
- ☐ Others, specify
- ☐ No I don't know/won't say

## *Personnel*

**29. How many paid full-time employees (35+ per week) do you currently employ?**

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**30. How many paid part-time employees (between 20 and 39 hours per week) do you currently employ?**

---

**31. Approximately what proportion of your total workforce is made up of women?**

- ☐ Between 0 per cent and 25 per cent
- ☐ Between 25 per cent and 49 per cent
- ☐ 50 per cent
- ☐ Between and 75 per cent
- ☐ More than 75 per cent
- ☐ I don't know/won't say

## *Ecosystem Support services*

**33. How would you describe the ecosystem providing support to social enterprises in Algeria?**

- ☐ Ready and providing enough services
- ☐ Ready but needs to expand its services
- ☐ Nascent but needs further support to grow
- ☐ Nascent with low reach
- ☐ Not available
- ☐ I don't know/won't say

**34. Has your organisation benefited from any support programme (mentoring, incubation, training...)?**

- ☐ Yes, if so, which kind of support was it ?
  - ☐ Mentoring, if yes, what organisation was in charge of this ? \_\_\_\_\_
  - ☐ Training, if yes, what organisation was in charge of this ? \_\_\_\_\_
  - ☐ Financing, if yes, what organisation was in charge of this ? \_\_\_\_\_
- ☐ We have benefited from other kinds of support, if yes, can you please explain which kind and what organisation was in charge of it ? \_\_\_\_\_
- ☐ I have not benefited from any support program
- ☐ I don't/won't say



**35. Which support services do you think are not available in Algeria?**

- ☐ Awareness and information
- ☐ Enhance infrastructure
- ☐ Incubator/accelerator programme
- ☐ Mentorship
- ☐ Technical consultancy services
- ☐ Training
- ☐ Preferential procurement
- ☐ Networks and forums
- ☐ Access to markets
- ☐ Access to financing
- ☐ Legal support
- ☐ Access to talents
- ☐ None of the above – All these support services available in Algeria
- ☐ Other, please specify\_\_\_\_\_

## ***Challenges and barriers***

**36. What are the major barriers which your organisation faces?**

- ☐ No legal structure specifically suited to social enterprise
- ☐ Obtaining grants
- ☐ Obtaining other forms of finance
- ☐ Cash flow
- ☐ Recruiting staff or volunteers
- ☐ Shortage of business skills
- ☐ Time pressures
- ☐ Lack of access to business support and advice
- ☐ Lack of awareness to business support and advice
- ☐ Lack of awareness of social enterprise
- ☐ Government regulations and administrative burdens
- ☐ Availability of suitable premises or workspaces
- ☐ Poor commissioning and procurement of public services

- ☐ None of the above – We haven't faced any particular barriers
- ☐ Other, please specify\_\_\_\_\_

**37. What are your organisation's top 3 constraints to financing ?**

- ☐ Access to investors is low due to limited network of personal/organisational contacts
- ☐ Limited supply of capital
- ☐ Business model is not refined
- ☐ Limited track/performance record
- ☐ Revenue and profitability requirement for bank loans
- ☐ Generating revenue for equity investors
- ☐ Regulatory constraints when securing capital from international sources
- ☐ None of the above – we haven't faced constraints to financing
- ☐ Other, please specify\_\_\_\_\_

## ***Future Planning/Expectations***

**38. What do you expect to happen to your organisation's turnover next year?**

- ☐ The turnover should increase, if yes, how does your organisation plan on achieving growth over the next year ?
- ☐ Increasing sales with existing customers
- ☐ Diversifying into new markets
- ☐ Expanding into new geographic areas
- ☐ Developing new products and services
- ☐ Attracting new customers or clients
- ☐ Replicating or spreading work
- ☐ Attracting investment or finance to expand

- ☐ Merging with another organisation
- ☐ Winning business as part of a consortium
- ☐ Other, please, specify
- ☐ The turnover should decrease
- ☐ The turnover should stay the same
- ☐ I don't know/won't say

## ***Effects from COVID-19***

### **39. Has COVID-19 affected the organisation's ability to reach and/or serve its beneficiaries?**

- ☐ Yes, please specify how
- ☐ No
- ☐ I don't know/won't say

### **40. Have you adjusted your business model in response to the COVID-19 health emergency? If so please give details**

- ☐ Yes, if yes can you explain how?\_\_\_
- ☐ No

### **41. Have you been forced to permanently lay off any staff as a consequence of COVID-19?**

- ☐ Yes, if so how many?
  - ☐ 0-5
  - ☐ 6-10
  - ☐ 11-20
  - ☐ 21-49
  - ☐ 50 and more
- ☐ No, but we have reduced working hours
- ☐ No, but we have used part-time work
- ☐ No, but we transferred to staff to other activities
- ☐ No, we have retained all staff for now
- ☐ No, but we expect to have to lay off staff permanently in the next 3 months
- ☐ Other, please specify\_\_\_\_\_
- ☐ I don't know/won't say

### **42.What support do you need at this time ?**

- ☐ Providing and signposting to guidance on how to run your business during COVID-19
- ☐ Connecting you with funders that may be able to assist your social enterprise
- ☐ Running webinars on a range of practical topics (e.g. digital working, insurance, loan financing etc.)
- ☐ Connecting you with temporary staff/volunteers
- ☐ Connecting you with offers of in-kind support
- ☐ Other, please specify\_\_\_\_\_
- ☐ I don't know/won't say

### **43. If you are happy to be contacted again by any of the partners of this project?**

- ☐ Yes
- ☐ No

### **44. Would you help us to share this survey by sending it to 5 of your contacts?**

- ☐ Yes
  - ☐ If yes, please give us contact details
  - ☐ I will send them the questionnaire myself
- ☐ No

# Appendix 3: Student survey questions

## 1. Are you:

- ☐ A student interested in social economy
- ☐ An academic who teaches/research about social economy
- ☐ Other, please specify

## 2. Where is your university located?

- ☐ Adrar
- ☐ Chlef
- ☐ Laghouat
- ☐ Oum El Bouaghi
- ☐ Batna
- ☐ Béjaïa
- ☐ Biskra
- ☐ Béchar
- ☐ Blida
- ☐ Bouira
- ☐ Tamanrasset
- ☐ Tébessa
- ☐ Tlemcen
- ☐ Tiaret
- ☐ Tizi Ouzou
- ☐ Alger
- ☐ Djelfa
- ☐ Jijel
- ☐ Sétif
- ☐ Saïda
- ☐ Skikda
- ☐ Sidi Bel Abbès
- ☐ Annaba
- ☐ Guelma

- ☐ Constantine
- ☐ Médéa
- ☐ Mostaganem
- ☐ M'sila
- ☐ Mascara
- ☐ Ouargla
- ☐ El Bayadh
- ☐ Illizi
- ☐ Bordj Bou Arreridj
- ☐ Boumerdès
- ☐ El Tarf
- ☐ Tindouf
- ☐ Tissemsilt
- ☐ El Oued
- ☐ Khenchla
- ☐ Souk Ahras
- ☐ Tipaza
- ☐ Mila
- ☐ Aïn Defla
- ☐ Naâma
- ☐ Aïn Témouchent
- ☐ Ghardaïa
- ☐ Relizane

## 3. What level of education do you have?

- ☐ Post graduate
- ☐ Graduate

## 4. Are you :

- ☐ Male
- ☐ Female
- ☐ Prefer not to say

**5. Have you heard of the concept of “social enterprises?”**

- ☐ Yes, if yes, where have you heard of it ?
- ☐ No

**6. According to you, what are the main principles that define social enterprise in Algeria?**

- ☐ A social enterprise must have a legal existence (registration in the trade register)
- ☐ A social enterprise must be managed in a democratic, participatory manner
- ☐ A social enterprise must have a commercial activity, it sells goods or services for money
- ☐ A social enterprise must be independent of the state
- ☐ A social enterprise must have a positive impact on society, the environment or the community
- ☐ A social enterprise must have clear rules on how it redistributes its profits
- ☐ Other, please specify \_\_\_\_\_

**7. Are you interested in SE?**

- ☐ Yes
- ☐ No

**8. How did you come to be interested in social economy ?**

- ☐ Academic research
- ☐ In class
- ☐ Through the Maisons de l'entrepreneuriat
- ☐ In my free time
- ☐ Through social network
- ☐ During an event, seminar, conference
- ☐ On TV/Radio
- ☐ Other, please specify \_\_\_\_\_

**8. Do you plan to create a social enterprise or are you involved in any organisation/project with a social impact?**

- ☐ yes, I have created my own social enterprise
- ☐ I will create my social enterprise in the near future
- ☐ I am involved in an organisation/project which has a positive social impact (association, foundation, etc.)
- ☐ No, I don't want to create a social enterprise
- ☐ Other, please specify \_\_\_\_\_

**9. Do you believe that the education sector should play a part in the development of social economy**

- ☐ Yes
- ☐ No

**10. According to you, what support the education sector should provide to the development of the social economy sector?**

- ☐ Universities should create specific academic programs to teach student about social economy (for example : a bachelor of social economy)
- ☐ Universities should include the teaching of social economy in the existing curriculum
- ☐ Learning about social economy should be optional and on a voluntary basis
- ☐ Universities should not get involved in teaching social economy
- ☐ Universities should organise event to raise awareness about social economy
- ☐ Other, please specify \_\_\_\_\_

**11. If you are happy to be contacted again by any of the partners on this project?**

- ☐ Yes
- ☐ No

**12. Would you help us to share this survey by sending it to 5 of your contacts?**

- ☐ Yes, if yes,
  - ☐ Please Give Us Their Contact Details
  - ☐ I Will Send Them The Questionnaire Myself
- ☐ No





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Find out more about our work to support social enterprise at  
<https://www.britishcouncil.org/society/social-enterprise>

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