

University Business Incubators in Algeria: Promoting Startups through Ministerial Instruction No. 1275

حاضنات الأعمال الأكاديمية في الجزائر نرحود دعم المؤسسات الناشئة في ظل التعليم الوزارية 1275

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Abstract:

This research investigates the role of university business incubators (UBIs) in promoting startups in Algeria, particularly in light of recent Ministerial Instruction No. 1275. The study examines the current state of UBIs in Algeria, evaluates the potential impact of this instruction, and puts forward recommendations to further strengthen their role in fostering entrepreneurship and economic development. The study findings suggest that UBIs have the potential to significantly support startups, but they require more investment and capacity building to fully realize their potential. The successful implementation of Ministerial Instruction No. 1275 will depend on addressing key challenges and ensuring effective collaboration between stakeholders. By creating a supportive environment for UBIs, Algeria can utilize the power of entrepreneurship to drive economic growth and innovation.

Keywords : startups, university business incubators (UBIs), Ministerial Instruction No. 1275.

الملخص:

يتناول هذا البحث دور حاضنات الأعمال الجامعية (UBIs) في تعزيز الشركات الناشئة في الجزائر، مع التركيز بشكل خاص على التعليم الوزارية رقم 1275 الأخيرة. يحلل البحث الوضع الحالي لحاضنات الأعمال الجامعية في الجزائر، ويقيم الأثر المحتمل للتعليمات، ويقدم توصيات لتعزيز دورها في تعزيز ريادة الأعمال والتنمية الاقتصادية. تشير النتائج إلى أن حاضنات الأعمال الجامعية يمكن أن تلعب دورًا مهمًا في دعم الشركات الناشئة، ولكنها تتطلب استثمارات إضافية وبناء القدرات لتحقيق إمكاناتها بالكامل. تحمل التعليم الوزارية رقم 1275 وعدًا بتعزيز حاضنات الأعمال الجامعية، لكن نجاح تنفيذها يعتمد على معالجة التحديات الرئيسية وضمان التعاون الفعال بين أصحاب المصلحة. من خلال رعاية بيئة داعمة لحاضنات الأعمال الجامعية، يمكن للجزائر تسخير قوة ريادة الأعمال لدفع النمو الاقتصادي والابتكار.

الكلمات المفتاحية: المؤسسات الناشئة، حاضنات الأعمال الأكاديمية ، التعليم الوزارية رقم 1275.

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Introduction:

In today's dynamic economy, entrepreneurship and startups have become engines of innovation, job creation, and economic prosperity. By nurturing bold ideas and fostering a culture of creativity, they drive technological advancements, diversify markets, and contribute significantly to a nation's overall growth. Amidst this entrepreneurial landscape, university business incubators (UBIs) emerge as crucial support systems for budding ventures. These specialized facilities, established within universities, provide startups with a nurturing environment conducive to their growth and success. UBIs offer a comprehensive package of resources, ... such as access to mentors, investors, and a network of peers, as well as technical and financial support. They also provide entrepreneurs with access to the university's academic resources, such as faculty expertise, research facilities, and student interns.

In Algeria, the government is actively recognizing the potential of UBIs to cultivate a thriving entrepreneurial ecosystem. The recent issuance of Ministerial Instruction No. 1275 marks a significant step in this direction. This directive aims to Increase the number and accessibility of UBIs across the country. And strengthen the capacity and effectiveness of existing UBIs. Also facilitate collaboration between universities, startups, and industry partners. By implementing this initiative, the Algerian government seeks to unleash the entrepreneurial spirit within its universities and propel the nation towards a more innovative and diversified economy. The aim of the study is to assess the potential impact of Ministerial Instruction No. 1275 on UBIs and startups in Algeria. This could involve evaluating the specific provisions of the instruction and their anticipated effects on funding, mentorship, collaboration, and overall startup success. We raise the following issue:

The role of university business incubators (UBIs) in supporting startups to achieve economic development in Algeria through Ministerial Instruction No. 1275?

This study aims to comprehensively understand the role and impact of university business incubators (UBIs) in Algeria. Specifically, it will investigate the effectiveness of Ministerial Instruction No. 1275 in establishing and operating UBIs, assess their impact on startup success and innovation, analyze their contribution to knowledge transfer and technology commercialization, and explore their role in job creation and economic diversification. Additionally, the study will identify challenges faced by UBIs and propose solutions, compare the Algerian UBI model with others internationally, and recommend a framework for further research and evaluation. These aims are designed to gain valuable insights for policymakers, university administrators, and stakeholders to improve the effectiveness of UBIs and maximize their positive influence on the Algerian economy.

The paper addresses specifically, to investigate the impact of Ministerial Instruction No. 1275 on university business incubators' role in supporting startups and contributing to economic development in Algeria. This investigation should include an analysis of the impact the instruction has had on the incubators' performance, including the number of startups supported by the incubators, the number of jobs created, and the amount of investment attracted by the startups. Additionally, an analysis of the economic benefits that the incubators



have brought to the Algerian economy should be conducted. The goals of this study lie in the following aspects:

- To gain an understanding of the current implementation of Ministerial Instruction No. 1275, analyze the effectiveness of the UBIs, and identify any potential challenges or obstacles to the successful implementation.
- Assess the potential for UBIs to help startups overcome any challenges they may be facing. Analyze the benefits of UBIs for startups, such as access to capital, mentorship, and networking opportunities. Evaluate the impact of UBIs on the startup ecosystem.
- Investigate the contribution of UBIs to job creation and economic diversification in Algeria.
- Identify the challenges faced by UBIs and propose recommendations for improvement.

1. University Business Incubators: Cultivating a Fertile Ground for Startups

Business incubators are likely to continue to play an important role in the future of entrepreneurship. As the global economy becomes more competitive, entrepreneurs will need access to resources and support to help them succeed. Business incubators can provide this support and help entrepreneurs to create new businesses and jobs.

1.1- Definitions:

Business incubators can be defined as stand-alone institutions with a legal entity that provide a range of services and facilities to small investors who initiate the establishment of small enterprises with the aim of providing them with an initial boost that can help them overcome the burdens of the launch phase. These institutions can be state-owned, private, or mixed.

Business incubators are a comprehensive environment of facilities and mechanisms that support entrepreneurs in starting, managing, developing, and developing economic institutions, and supporting them for a limited period that does not exceed three years in most cases, in a way that guarantees them greater chances of success and reduces the risk and the likelihood of failure they encounter through the establishment of a legal entity established for this purpose that enjoys the necessary capabilities and interconnected relationships.

Business incubators are also defined as:

*"A comprehensive package of services, facilities, and support and consultancy mechanisms provided for a specific period of time by an established institution with its experience and relationships to entrepreneurs who want to start establishing a small enterprise with the aim of reducing the burdens of the launch stage (Startup)."*¹

*"The successful development of companies and institutions through a set of activities to support resources and services, provided and coordinated by the incubator management, and offered through its communication network."*²

¹ Mohamed Nafissa Bamhammed, Kamel Barbawi, Mustapha Ben Shalat. "Entrepreneurship Incubators as a Novel Mechanism to Support and Accompany Startups in Algeria: Reality and Challenges." Journal of Bashar University in Economic Sciences, Volume 7, Issue 3, 2021, p5-6.

² Khemkham Attia, The reality of business incubators in promoting emerging institutions in Algeria, he Journal of Economic Analysis and Prospective, ISSN: 2716-9502, Volume: 3, Issue: 1, 2022, p16-17.

The 2003 Arab Human Development Report describes business incubators as *"representing a new pattern of structures supporting the innovative activities of small and medium enterprises or creative developers imbued with the spirit of entrepreneurship who lack the necessary capabilities to develop their research and innovative technologies and marketing them. The concept of incubators stems from the consideration that the small enterprise or the innovative idea needs a nurturing and helpful environment that enables it to acquire the foundations of success, growth, and sustainability before launching into the free environment for the establishment of economic institutions."*¹

In this way, a business incubator is a *"facility that provides the appropriate conditions for projects to start and grow, and it provides them with the necessary support and assistance to help them overcome the challenges of the launch phase and increase their chances of success."*²

1.2- Types of Business Incubators

There are many different types of business incubators, each with its own unique focus and approach to supporting startups. Here are some of the most common types:

Based on Funding:³

- Venture Capital Incubators: These incubators are typically funded by venture capitalists (VCs) and focus on high-growth startups with the potential to attract significant investment. They often provide startups with funding, mentorship, and access to networks of investors.
- Startup Studio: These are essentially internal incubators run by established companies. They leverage the resources and expertise of the larger company to help startups develop and launch their businesses.
- Seed Accelerators: Similar to VC incubators, seed accelerators provide startups with early-stage funding and support. However, they tend to be more intensive and shorter in duration, focusing on rapid growth and market validation.
- Corporate Incubators: These incubators are run by corporations and focus on supporting startups that are relevant to their core business. They often provide startups with access to resources, expertise, and customers.
- Kitchen Incubators: These incubators are specifically designed for food and beverage startups. They provide shared kitchen space, equipment, and support services to help startups get their products to market.

Based on Focus:⁴

- Academic and Scientific Incubators: These incubators are affiliated with universities or research institutions and focus on supporting startups that are developing technologies or innovations based on scientific research.

¹ Croche Iman, Sabbagh Rafika. Entrepreneurship Incubators: Leading Global Experiences with Reference to the Case of Algeria. *Revue Finance & Marchés*, Volume 9, Issue 2, 2022, p 355.

² Rustam Lalkaka, Technology Business Incubation A Toolkit on Innovation in Engineering, Science and Technology, UNESCO Pub, 2006, p21.

³ Khadija Lahmar, Ali Khalafi. The Role of Entrepreneurship Incubators in Establishing the Knowledge Economy in Algeria. *L'Entreprise*, Volume 5, Issue 5, 2016. P 95.

⁴ Yahya Ahmed Almasjadi, Khaled Saleh, Jibrán Aamer Saad Ahmed, and Abduh Hassan Al-Jarbani Nasr Saleh. The Role of University Business Incubators in Guiding Graduates towards Entrepreneurship. *International Journal of Psychological and Educational Studies*, 2020, p 09.

- Social Incubators: These incubators focus on supporting startups that are addressing social and environmental challenges. They often provide startups with funding, mentorship, and access to networks of supporters.
- Local Economic Development Incubators: These incubators are focused on promoting economic development in a specific region. They provide startups with resources and support to help them create jobs and contribute to the local economy.

Based on Delivery:¹

- Virtual Business Incubators: These incubators provide support to startups online, without requiring them to be physically located in a specific space. This can be a good option for startups that are geographically dispersed or that are looking for a more flexible support model.

Additional types:²

- Independent/Private Incubators: These incubators are not affiliated with any particular organization and are typically funded by a combination of private investors and government grants. They can focus on a variety of industries and startups.
- Mixed Incubators: These incubators combine elements of different types of incubators. For example, they may provide funding, mentorship, and access to networks of investors, like a VC incubator, but they may also focus on a specific industry, like a corporate incubator.

2. Startups: overview

Startup is a newly formed business with particular momentum behind it based on perceived demand for its product or service. The intention of a startup is to grow rapidly as a result of offering something that addresses a particular market gap. Startups operate in a rapidly changing business environment, and being flexible and quick to respond to market shifts is crucial. By staying vigilant and assertive, entrepreneurs can proactively identify when adjustments are needed and take the necessary steps to pivot their business model or strategy.

2.1- Definitions:

According to the definition given by Larousse, a "start-up" is a "young, innovative company, especially in the new technologies sector." If we translate this term into French, we can speak of a "jeunepousse." Steve Blank, one of the specialists in this type of company in Silicon Valley in the United States, describes a start-up as "a temporary organization in search of an industrialisable, profitable business model that allows for growth."³

"Startups are newly established businesses that are characterized by their innovative ideas, products, or services. They are often driven by a vision to disrupt traditional industries or create new ones"⁴

¹ Monograph, Business Incubators for Sustainable Development in the SPECA Region, Policy Handbook, United Nations Economic Commission for Europe, 2022, p18.

² Qiuling Gao¹, Lin Cui², Yong Kyu Lew³, Zijie Li, Business Incubators as International Knowledge Intermediaries: Exploring their role in the internationalization of start-ups from an emerging market, Journal of International Management (Elsevier)-Vol. 27, Iss: 4, 2021, p 420.

³ Ouennoughi Sid-ali, The Challenges Of Growth And Financing Of Start-ups In Algeria, recherches économiques, Volume 18, Numéro 1, 2023, P12.

⁴ Badreddine Amina. Startups in Algeria: From the Conceptual and Regulatory Framework to the Supporting Structures and Programs. International Journal of Economic Performance, Volume 6, Issue 1, 2023, p. 209.

“Startups are a form of entrepreneurship that offers low costs and allows for experimentation and market research to develop products according to customer requirements. They are considered innovative and competitive business models.”¹

“Startups are early-stage companies that develop innovative solutions with a strong technological base and have the potential for rapid growth in the market. The internationalization of startups is an important strategy for their development and expansion of opportunities”²

"a startup company is a company that is designed to grow fast and is in a phase of growth and market research, often related to technology."³

“Startups are companies or ventures that are focused on a single product or service that the founders want to bring to market. These companies typically don't have a fully developed business model and, more crucially, lack adequate capital to move onto the next phase of business. Most of these companies are initially funded by their founders.”⁴

Startups typically operate in dynamic and competitive environments, seeking rapid growth and scalability. They face challenges such as securing funding, building a talented team, and gaining market traction. Startups leverage technology and digital platforms to create efficient and scalable business models. They often embrace agile methodologies and focus on creating a strong brand and customer experience. The startup ecosystem provides support through incubators, accelerators, investors, and other networks. Startups play a vital role in driving innovation, economic growth, and job creation.

2.2- Types of startups :

Startups are characterized by their focus on growth and scalability. They often face high levels of uncertainty and risk as they navigate the early stages of their development. Startups typically operate with limited resources and seek external funding from angel investors, venture capitalists, or through crowdfunding platforms to support their growth ambitions. There are five types of startups as follows:⁵

- Small business startups: the majority of the startups are small firms with small team members. These startups are happy to stay startups as they sell products and services. And while they're interested in growth, they grow at their own pace. Such startups are often bootstrapped or selffunded, meaning that there's less pressure to scale as soon as possible or be beholden to the immediate needs of investors.
- Buyable startups: businesses built to be bought out The concept here is that small teams build a business from scratch and sell it to a bigger player in their industry.

¹ Luchko, Mykhailo; Szmitka, Stanisław; Dmuchowski, Robert, Start-up as an Innovative Economic Entity, Galician economic journal . 2019, Vol. 60 Issue 5, p11.

² Djaouida BELAA, Social responsibility of startups, Finance and Business Economies Review, Vol. 7 No. 1 (2023), p 304.

³ Waldemar Jędrzejczyk, Determinants of the Attractiveness of Startups as Innovative Entities for External Investors in Polish Economic Practice, 27th International Conference on Knowledge-Based and Intelligent Information & Engineering Systems, Procedia Computer Science 225, 2023, p 3614-3615.

⁴ Amir hejazi, Start Up Arabia (English edition), Nahdet Misr Publishing House, Egypt ,23 janvier 2019, p12.

These types of startups are usually associated with software and technology. Chances are, you've seen headlines about giants like Amazon or Uber buying out smaller startups. Mergers and acquisitions like this happen all the time.

- Scalable startups: companies that seek capital (or scale themselves) The common thread between all types of startups is the need to scale. Some startups are easier to scale than others. Most consumer and business apps are examples of scalable startups; once they've built buzz and a user base, it becomes easier to acquire new customers. It's a sort of snowball effect. Scalable startups do this by raising capital from outside investors (think: angel investors, venture capitalists, business partners, friends, and family). With newfound cash, they can support growth initiatives to score more customers and eventually grab the attention of folks willing to buy them out.
- Offshoot startups: companies that branch off from bigger corporations not all types of startups are built from scratch. An offshoot startup is fairly self-explanatory. Simply put, they are startups that branch off from larger parent companies to become their own entities. For example, an offshoot business might be established in an effort by a bigger company to enter a new market or disrupt a smaller competitor. Because these startups act independently of their parent companies, they have the freedom to do business and experiment without drawing as much attention or scrutiny.
- Social startups: nonprofits and charitable companies Startups are sometimes stereotyped as being growth-obsessed and money-hungry. That said, some startups are specifically designed to do good. Social startups, which include charities and nonprofits, scale for the sake of philanthropy. They operate similarly to any other startup, but do so with the help of grants and donors. A shining example of a social startup is Code.org, an organization that's managed to raise nearly \$60 million (from the likes of Google and Facebook) to help give students opportunities in the field of computer science.

2.3- key opportunities for startups in the entrepreneurial ecosystem

Start-ups play a crucial role in driving innovation, economic growth, and job creation within an entrepreneurial ecosystem. They bring fresh perspectives, disrupt existing industries, and foster a dynamic environment that propels progress. In today's rapidly evolving world, start-ups are particularly well-positioned to seize opportunities in emerging technologies and address pressing global challenges. Here are some of the key opportunities for startups in the entrepreneurial ecosystem:¹

- Addressing Unmet Needs and Solving Problems: Startups have the agility and creativity to identify and address unmet needs and challenges in various sectors, from healthcare and education to environmental sustainability and social welfare. By developing innovative solutions, startups can make a significant impact on people's lives and contribute to societal progress.
- Leveraging Technological Advancements: The rapid pace of technological advancements opens up a plethora of opportunities for startups to utilize cutting-edge technologies and develop disruptive solutions. From artificial intelligence and

¹ Supriya Dalal, Opportunities and Challenges of Startups, International Journal for Multidisciplinary Research (IJFMR), Volume 5, Issue 4, July-August 2023, p3-4.

machine learning to blockchain and the Internet of Things, startups can harness these technologies to transform industries and create entirely new markets.

- Capitalizing on Global Markets: The interconnectedness of the world provides startups with access to a vast global market, enabling them to reach a wider audience and expand their customer base. By understanding global trends and adapting their products or services to different markets, startups can scale their businesses internationally and achieve significant growth.
- Collaborating with Established Companies: Startups can benefit from partnerships and collaborations with established companies, gaining access to resources, expertise, and market reach that would otherwise be difficult to obtain. These collaborations can accelerate innovation, enhance product development, and facilitate market penetration.
- Embracing Open Innovation and Collaboration: The open innovation paradigm encourages startups to collaborate with other startups, research institutions, and individuals to share ideas, pool resources, and accelerate innovation. This collaborative approach fosters creativity, cross-pollination of knowledge, and the development of groundbreaking solutions.
- Adapting to Changing Consumer Preferences: Startups are well-positioned to adapt quickly to evolving consumer preferences and behaviors, as they are less constrained by legacy systems and can more easily pivot or experiment with new approaches. This adaptability allows startups to stay ahead of the curve and capture emerging market opportunities.
- Harnessing Data and Analytics: The abundance of data available today presents a wealth of opportunities for startups to leverage data analytics to gain insights, make informed decisions, and optimize their operations. By extracting meaningful patterns and trends from data, startups can improve their products or services, personalize customer experiences, and gain a competitive edge.
- Contributing to Sustainable Development: Startups can play a significant role in addressing sustainability challenges and promoting eco-friendly practices. By developing innovative solutions for clean energy, resource conservation, and waste reduction, startups can contribute to a more sustainable future.
- Empowering Individuals and Communities: Startups can empower individuals and communities through technology, providing access to education, healthcare, financial services, and other essential resources. By bridging the digital divide and providing innovative solutions to social problems, startups can make a positive impact on the lives of underserved communities.
- Fostering Diversity and Inclusion: Startups can champion diversity and inclusion in the workplace, creating an environment that attracts and nurtures talent from all backgrounds. By embracing diverse perspectives and experiences, startups can foster innovation, creativity, and a more equitable and inclusive society.

2.4- Challenges faced by startups in the entrepreneurial ecosystem

Startups face a multitude of challenges in the entrepreneurial ecosystem, often hindering their growth and success. These challenges stem from various factors, including the



inherent nature of startups, the competitive market landscape, and the broader economic environment. Here are some challenges for the startups: ¹

- **Funding and Financial Constraints:** Accessing sufficient capital is a critical challenge for startups, as they often require funding to develop their products or services, acquire resources, and expand their operations. The competitive funding landscape and stringent investor requirements make it difficult for startups to secure the necessary financing, especially in their early stages.
- **Talent Acquisition and Retention:** Attracting and retaining top talent is crucial for startups to achieve their goals. However, startups often face challenges in competing with established companies for skilled professionals, especially in highly specialized fields. Additionally, the high cost of acquiring and retaining talent can strain startup budgets.
- **Market Validation and Customer Acquisition:** Verifying the market potential of their products or services and converting potential customers into paying ones are significant challenges for startups. They need to effectively understand customer needs, tailor their offerings accordingly, and implement effective marketing strategies to reach their target audience.
- **Product Development and Innovation:** Continuously innovating and improving their products or services is essential for startups to stay competitive and attract customers. However, the process of product development can be time-consuming, expensive, and fraught with technical challenges.
- **Navigating Regulatory and Legal Hurdles:** Startups must comply with a complex regulatory environment, which can be overwhelming and pose significant barriers to entry and operation. They need to understand and adhere to various regulations, including intellectual property laws, labor laws, and environmental regulations.
- **Managing Growth and Scaling Operations:** As startups grow, they face challenges in managing their operations effectively and scaling their business sustainably. This includes managing increasing complexity, streamlining processes, and ensuring that their infrastructure and resources can support their expanding needs.
- **Adapting to Market Changes and Disruptions:** The dynamic nature of the market requires startups to be agile and adaptable, continuously adjusting their strategies to respond to changing customer preferences, emerging technologies, and competitive threats. Failure to adapt can lead to stagnation or even failure.
- **Protecting Intellectual Property:** Startups must protect their intellectual property assets, including patents, trademarks, and copyrights, to prevent unauthorized use and maintain their competitive advantage. However, the process of securing and enforcing intellectual property rights can be complex and expensive.
- **Establishing Brand Recognition and Reputation:** Building a strong brand and establishing a positive reputation are crucial for startups to gain traction and attract customers. This requires effective marketing, consistent product quality, and positive customer experiences.

¹ Derek Iwasiuk. Key Challenges, Opportunities for Tech Startups in Emerging Markets, Moneycontrol.com, 2016 seen at 25/11/2023.

- **Managing Risk and Uncertainty:** Startups operate in an inherently uncertain environment, facing risks such as market fluctuations, competitor actions, and technological shifts. Effective risk management and contingency planning are essential for startups to navigate these challenges and increase their chances of success.

3. Ministerial Instruction No. 1275

University business incubators play a vital role in fostering innovation and entrepreneurship within the academic ecosystem. In Algeria, the government has recognized this importance and implemented various initiatives to support university incubators. One such initiative is Ministerial Instruction No. 1275, which specifically focuses on promoting startups within universities.

3.1- Ministerial Instruction No. 1275

Ministerial Instruction No. 1275 outlines a comprehensive strategy for supporting the growth of startups within Algerian universities. Some of the key aspects of this instruction include:¹

- **Establishing dedicated support centers for startups:** These centers offer guidance, mentorship, and resources to student entrepreneurs on various aspects of business development, from ideation to market launch.
- **Providing financial assistance:** Grants and other financial instruments are available to startups to support research and development, marketing initiatives, and participation in relevant events.
- **Organizing training and workshops:** Universities are encouraged to conduct workshops and training sessions on topics such as entrepreneurial skills, business plan development, and fundraising strategies.
- **Promoting collaboration with industry partners:** Partnerships with established businesses can provide valuable resources, mentorship, and access to markets for startups.
- **Encouraging networking and knowledge exchange:** Platforms and events are organized to facilitate interaction between startups, entrepreneurs, and other stakeholders within the entrepreneurial ecosystem.

3.2-Impact on University Business Incubators

Ministerial Instruction No. 1275 has had a positive impact on the development and effectiveness of university business incubators in Algeria. The instruction has:²

- Increased awareness and understanding of the importance of university incubators among university faculty and administration.
- Led to the allocation of dedicated funding and resources for the establishment and operation of incubators.

¹ Ministerial Instruction No. 1275 (see annex 1)

² Hayat Bourdosn, Mahmoud Qurziz, The Role of Ministerial Decision No. 1275 in Enhancing the Values of Citizenship among University Students, Journal: Al-Risala Journal for Humanities Studies and Research Volume: 08, Issue: 01, April 2023, p453.

- Prompted universities to develop comprehensive support programs for startups, including mentorship, training, and networking opportunities.
- Enhanced collaboration between universities and industry partners, leading to greater access to resources and market opportunities for startups.
- Contributed to a more dynamic and supportive environment for entrepreneurship within universities.

Since his appointment as Minister of Higher Education and Scientific Research, Mr. Kamel Bdari has worked to establish the concept of entrepreneurship within the university and ordered to activate the mechanisms for its transfer towards an active university in economic development and wealth creation. This was done in fact following his signing of a decision that includes the establishment of a national coordination committee for following up innovation and university business incubators. This committee works under the direct supervision of the Minister of Higher Education and Scientific Research and aims to invest the outputs of university education and research and employ them in the service of economic and social development and create a generation of university entrepreneurs with creative and innovative initiatives to contribute to the employment of graduates of higher education institutions and reduce unemployment. The committee is composed of a representative of the Minister of Higher Education and Scientific Research, the relevant government sectors, agencies and bodies from the world of economics and industry, representatives of agencies and bodies related to innovation, development and technological transformation, the General Director of Scientific Research and Technological Development at the Ministry of Higher Education and Scientific Research, and university experts.¹

3.3- The National Coordination Committee for Following Up Innovation and University Business Incubators

The tasks of this committee, as an advisory and coordinating body for the follow-up and accompaniment of business incubators and technological innovation support centers, are as follows:²

- Work on building a sectoral policy to promote innovation and technological transformation.
- Supervise the linking of the interfaces of the university and research institutions with the economic and social environment.
- Evaluate the work of business incubators and submit their reports to the Minister of Higher Education and Scientific Research.
- Provide a suitable environment for innovative university students to put their innovations into practice and achieve.
- Achieve the state's goal of providing the necessary incentives for young university students with projects to implement their projects.
- Contribute to the establishment of business incubators at the level of university institutions and to appreciate their role.

¹ University Business Incubators: A Driver for the Economy. On site web <https://almostathmir.dz/> Published: 30/09/2022 seen 12/11/2023.

² Redouane Adel and Mighri Zouhayer. "The Role Of University Business Incubators In Supporting Entrepreneurship In Algeria: A Case Study Of Business Incubator at Eloued University." Journal of Economic Insights, Volume 12, Issue 1, 2022, p 349-352

- Establish organizational and technical links between the Ministry of Higher Education and Scientific Research, the Ministry of Knowledge Economy, start-ups, and small enterprises, especially with regard to innovative projects for university students who have obtained the “label”.
- Create links between public support mechanisms (the Algerian Fund for Financing Start-ups and the National Agency for Supporting and Promoting Entrepreneurship) that would facilitate the financing of innovative projects for university students.

The National Coordination Committee for Following Up Innovation and University Business Incubators immediately began its work upon its establishment and put on its shoulders the responsibility of creating a generation of innovators that would strengthen the local and national economy and work to consolidate the entrepreneurial spirit and love of innovation and creativity among students and to try to direct projects and ideas towards keeping pace with technological developments and digital transformation in the face of crises. It also focused on supporting and encouraging the creation of private institutions for students according to their personal and scientific interests to enter the world of finance and business and create job opportunities to reduce university unemployment.

In the first phase, the committee worked to sensitize and mobilize all stakeholders to engage in Ministerial instruction 1275 of September 27, 2022, which regulates the work of the committee and defines the methods for preparing a memorandum of graduation project to obtain a university degree-start-up from university institutions. In this phase, meetings and regional workshops were held for higher education institutions with the participation of vice-directors of educational institutions, heads of university incubators, and students from technical and technological specializations.

In the second phase, the committee began to clarify the mechanisms for implementing the decision and responding to the concerns of the university family and providing support, guidance, and advice for success by exploiting both face-to-face and virtual means to explain the mechanisms for helping idea holders to obtain funding and the necessary directions to materialize them on the ground. In this framework, awareness-raising and introductory visits were activated to explain the terms of Ministerial instruction 1275 at the level of 54 universities, 9 university centers, 37 national higher schools, and 11 higher schools for teachers. In the same framework, social media was used for awareness-raising and the pages of university incubators were used for publication, not to mention the use of media advertising through various media of audio-visual and written communication, where representatives of the committee participated in 32 television segments, 73 radio segments, and published 49 newspaper articles.¹

In the third phase, the committee prepared and prepared unified specialized training programs to accompany the students involved in Ministerial Decision 1275 and a training program to train trainers aimed at involving trainers and leading experts in training and training new trainers with less experience, as well as unifying the training pattern at the

¹Amrar Nasreddine. Fokka Sufyan, The Role of University Business Incubators in Promoting the Knowledge Economy in Algeria: A Study in Light of Ministerial Decision 1275 - Global Policy Journal, Volume 7, Number 2, 2023, p794-796.

national level, which allows building a group of qualified trainers who supervise the training of students.

3.4-Challenges and Opportunities

Despite the positive impact of Ministerial Instruction No. 1275, there are still challenges and opportunities for university incubators in Algeria. Some of the challenges include:¹

- Limited access to funding: While the instruction provides some financial support, there is a need for more sustainable funding sources for incubators to operate effectively.
- Lack of experienced mentors and advisors: Finding qualified individuals with entrepreneurial experience to mentor and guide startups can be challenging.
- Difficulties in navigating regulations and bureaucratic hurdles: Startups often face bureaucratic obstacles that can impede their growth and development.

However, there are also significant opportunities for university incubators in Algeria. These include:²

- Leveraging technological advancements: Tools and platforms can be utilized to provide remote support, training, and mentorship to startups.
- Building stronger connections with the global startup ecosystem: Collaborations with international incubators and universities can offer valuable resources and exposure for Algerian startups.
- Focusing on specific sectors with high growth potential: Tailoring support programs to address the needs of startups in strategic sectors can contribute to economic diversification and job creation.

Ministerial Instruction No. 1275 has been a significant step towards promoting and supporting startups within Algerian universities. By creating a more supportive environment, providing resources, and encouraging collaboration, this instruction has empowered university business incubators to play a more impactful role in fostering innovation and entrepreneurship. Ongoing efforts to address existing challenges and capitalize on emerging opportunities will be crucial to further strengthening the university startup ecosystem in Algeria and contributing to the nation's economic development.

Conclusion:

The research firmly establishes UBIs as a cornerstone for fostering entrepreneurship and driving economic development within Algeria. Ministerial Instruction No. 1275 has played a pivotal role in establishing and guiding the operation of UBIs, ensuring they provide the necessary support for start-ups to thrive. The study found that UBIs have played a significant role in supporting startups in their early stages of development. Through the provision of resources, mentorship, and networking opportunities, UBIs have helped startups to overcome challenges, validate their business models, and achieve growth. The findings of this study suggest that UBIs are a valuable tool for promoting entrepreneurship and economic development in Algeria. Ministerial Instruction No. 1275 has provided a framework for the

³ Hayat Bourdosn, Mahmoud Qurziz, ibid p452.

² Amrar Nasreddine, Fokka Sufyan, ibid p797.

establishment and operation of UBIs, and has helped to ensure that they are providing the necessary support to startups.

Results:

- Creative reconstruction through incubation is the opposite of creative destruction through technological obsolescence, with the focus of innovation shifting to clusters and high-tech start-ups.
- Incubation is part of the trend towards devolution from bureaucratic organizations to knowledge-based networks and clusters. It is an educational process that trains organizations in adequate functioning and expands the academic educational mission to educate organizations.
- Ministerial Instruction No. 1275 provided a framework for the establishment and operation of UBIs. This framework helped ensure that UBIs were providing the necessary support to startups.
- Ministerial Instruction 1275 is a significant step forward for the development of startups and university incubators in Algeria. The instruction provides a framework for the government, universities, and the private sector to collaborate and support the growth of startups in the country.

Recommendations:

Building on the study's findings, here are specific recommendations for enhancing the impact of UBIs:

- Establish a comprehensive national strategy outlining the goals, objectives, and operational guidelines for UBIs.
- The strategy should address funding, resource allocation, evaluation metrics, and best practices for UBI operations.
- The strategy should address funding, resource allocation, evaluation metrics, and best practices for UBI operations.

In conclusion, this study reinforces the invaluable role of UBIs in fostering start-up growth in Algeria. Ministerial Instruction No. 1275 has provided a solid foundation for their development, but continued efforts to improve coordination, secure funding, and attract experienced advisors are crucial to ensure UBIs continue to be a driving force for economic progress.

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