

# MECHANISMS OF ECONOMIC EMPOWERMENT OF ALGERIAN WOMEN AND THEIR IMPACT ON FEMALE ENTREPRENEURSHIP.

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## **Abstract**

Women's economic empowerment is the fifth goal of the Sustainable Development Goals for 2030. Achieving this empowerment is crucial for optimal utilization of human resources, necessitating a reconsideration of economic structure within the framework of economic globalization. Algeria, recognizing the importance of women's engagement in sustainable development, has implemented a legislative framework to enhance their economic status. It has adopted various strategies impacting the labor market, particularly concerning gender-based positions and business management, positively influencing female entrepreneurship within the country.

**Keywords:** Women, Economic Empowerment, Entrepreneurship Algeria.

## **INTRODUCTION**

The concept of sustainable development emerged in the 1970s within the framework of globalization as a new development paradigm. The World Commission on Environment and Development defined it in 1987 as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs."<sup>[1]</sup>

In this context, Algeria, recognizing the importance of integrating women into development, has sought to establish a legal system to improve their economic status. This is reflected in constitutional amendments, as well as in legal texts, national economic policies, raising questions about the current state of women's economic empowerment in Algeria and its impact on female entrepreneurship.

To address these questions, this research paper is divided into two sections: the first section discusses the mechanisms and reality of economic empowerment of Algerian women, while the second section examines the impact of this empowerment on female entrepreneurship.

### **First: Mechanisms and Reality of Economic Empowerment of Algerian Women**

Algeria has implemented a range of legislative tools to empower women, which have positively affected indicators of their economic empowerment. This will be elucidated in the following subsections:

#### **1. Mechanisms of Economic Empowerment of Algerian Women**

Empowerment is defined as "a process aimed at enhancing the capacities of individuals or groups to propose specific options and transform them into actions or policies ultimately aimed at improving the efficiency and organizational integrity of an institution or organization."<sup>[2]</sup>

Economic empowerment, on the other hand, is defined as "equal distribution of roles in administrative, organizational, and professional positions, as well as earned income and wages, between men and women."<sup>[3]</sup>

The concept of women's empowerment has been linked to development and has undergone three approaches. The first is related to women's integration into development, initiated in 1973 by supporting women's integration into various sectors and their assumption of high-ranking positions. The second approach is associated with harnessing technology to alleviate household burdens, thereby providing more time for productive work. However, due to neglecting the economic role of women and confining them to traditional roles, the third approach, based on gender and development, was adopted, emphasizing the need for balance between sustainable development and social justice<sup>[4]</sup>.

Since independence, Algerian constitutions have attempted to adopt the principle of non-discrimination and equality between citizens in all fields, as emphasized by Article 32 of the Constitution after the 2016<sup>[5]</sup> amendment, stating that "all citizens are equal before the law, and no discrimination based on birth, race, sex, opinion, or any other personal or social condition shall be invoked."

Additionally, Article 34 reaffirms that "institutions aim to ensure all citizens' rights and duties by removing obstacles that hinder the individual's personal development and prevent everyone's effective participation in political, economic, social, and cultural life."

The Article 36 of the Constitution was amended pursuant to the constitutional amendment of 2016, which stipulated that "the State works to promote equality between men and women in the labor market. The State encourages the promotion of women to positions of responsibility in public bodies and administrations and at the institutional level."

Additionally, Article 02/35 of the 2020 constitutional amendment affirmed that "the institutions of the republic aim to ensure all citizens' rights and duties by removing obstacles that hinder the individual's personal development and prevent everyone's effective participation in political, economic, social, and cultural life."

Furthermore, Article 68 of the Constitution was amended pursuant to the constitutional amendment of 2020, which stated that "the State works to promote equality between men and women in the labor market. The State encourages the promotion of women to positions of responsibility in public bodies and administrations and at the institutional level."

By examining the text of these articles, it is evident that the constitutional legislator was keen to recognize women's right to economic empowerment.

On the international level, Algeria ratified the Universal Declaration of Human Rights in 1948 in 1963, which stated in its first article that "everyone has the right to enjoy their declared rights and freedoms without discrimination based on race, color, or sex." Algeria also ratified the International Covenant on Economic, Social, and Cultural Rights in 1966, along with the interpretative declarations of Articles 1, 8, 13, and 23 in 1989. Additionally, Algeria ratified several relevant international treaties, including, for example, the International Labour Organization Convention No. 111 concerning Discrimination in Respect of Employment and Occupation in 1958, which it ratified on October 15, 1969.

On the domestic level, the Algerian legislator prioritized women's economic empowerment through various provisions, including:

- Article 84 of the Labor Relations Law of 1990: "Every employer must ensure wage equality for workers for equal work without any discrimination."
- Article 17 of the Labor Relations Law of 1990: "All provisions stipulated in agreements or employment contracts that lead to discrimination between" [remainder of text not provided]
- Article 27 of the Basic Law of Public Employment for the year 2006: "Discrimination between employees based on their opinions, gender, origin, or any personal or social circumstances is not permissible."

## 2. Algeria's Position in the Economic Empowerment Index for Women

According to the Gender Gap Report (2015)<sup>[6]</sup>, which covered the period from 2006 to 2015 and included 145 countries assessing their ability to close the gender gap in four areas: economic participation and opportunities, educational attainment, health and life expectancy, and political participation, we find that none of the top 100 positions in the report are occupied by any Arab country among the 15 countries covered by the report.

Arab countries were divided into three groups based on income criteria. The first group consists of high-income countries with an annual income exceeding \$12,735 (Saudi Arabia, the UAE, Qatar, Oman, Bahrain, Kuwait). The second group consists of upper-middle-income countries with incomes ranging from \$4,126 to \$12,735 (Algeria, Jordan, Lebanon, Tunisia). The third and final group includes lower-middle-income countries (Egypt, Morocco, Syria, Yemen, Mauritania), with annual incomes below \$4,126.

This report relied on a set of indicators to determine the extent of women's empowerment in society. Our study will focus solely on the economic empowerment index for women, measured according to the weighted average of sub-indicators, including three elements:

### 2.1 Gender Wage Gap Element

This element is measured by the extent of wage equality for similar work. It was assessed through a survey of individuals in all countries covered by the report. This variable was observed by answering the question: "To what extent are women's wages equal to men's for similar work in your country?" These data were then converted into percentages using the ratio of women to men.



## 2.2 Estimated Income Element

This element is inferred through the ratio of women's income to men's income, then calculating per capita income, gross domestic product, labor force participation rate, and average monthly benefits for workers in economic activities excluding agriculture.

## 2.3 Gender Progress Gap Element

This element is measured by calculating the proportion of women to men in managerial and senior positions and skilled workers.

## Second : The Impact of Economic Empowerment of Algerian Women on Female Entrepreneurship

Female entrepreneurship is considered a support tool for the economic empowerment of Algerian women. It has experienced growth in the labor market despite various obstacles and challenges, supported by a group of institutions. This will be detailed in the following subsections:

### 1. The Reality of Female Entrepreneurship in Algeria

This section will address the concept of female entrepreneurship, its evolution, and finally, the challenges and obstacles it faces.

#### 1.1 Concept of Female Entrepreneurship

Entrepreneurship relies on two fundamental elements: the entrepreneur and value creation. As a result, traditional entrepreneurial accounts are based on the efforts and skills of the actors, leading to a gender gap in entrepreneurship due to the difficulty for women to access markets. This has consequently delayed the focus on female entrepreneurship, which emerged in the mid-seventies of the last century<sup>[7]</sup>.

There are two diverging perspectives on the gender gap in entrepreneurship. The first perspective<sup>[8]</sup> attributes this difference mainly to progressive upbringing, by comparing the values and behaviors of men and women. The second perspective<sup>[9]</sup> is based on a liberal approach that asserts the impossibility of separating women from their work and household responsibilities, thereby preventing them from obtaining large loans from banks.

From this, female entrepreneurship can be defined as: "Women who independently or in partnership establish, purchase, or inherit an enterprise, bearing financial, administrative, and social responsibilities, and participating in its daily management with the aim of growth and profit."<sup>[10]</sup>

#### 1.2: Evolution of Female Entrepreneurship in Algeria

Algeria aims to promote female entrepreneurship through the support of several associations endorsing this direction. For instance, the Algerian Women Entrepreneurs Association accredited in 1993, the Algerian Feminine Executives Association Ideas established in 1998, and the Algerian Women Entrepreneurs and Businesswomen Association founded in 2005<sup>[11]</sup>.

Women entrepreneurs represent about 6% of the total small and medium-sized enterprises in Algeria. The number of female entrepreneurs increased to approximately 104,444 women by the end of February 2017, which signifies a significant rise from the previous count of 6,703.

## 2. Institutions Supporting Female Entrepreneurship in Algeria

The most important institutions supporting female entrepreneurship in Algeria include, but are not limited to, the following:

### 2.1 National Agency for Microcredit Management (ANGEM)

This agency was established by Executive Decree No. 04-14<sup>[12]</sup> to provide loans to individuals facing financial difficulties in realizing their projects. The agency targets a significant percentage of women beneficiaries through its program aimed at their economic and social empowerment by supporting their entrepreneurship endeavors to achieve a decent standard of living.

### 2.2 National Unemployment Insurance Fund (CNAC):

This fund was established on July 6, 1994, with the aim of supporting and providing opportunities for self-employed individuals to pursue their activities.

According to the statistics of this fund until the year 2017, it has financed 13,608 projects for women out of the total projects, representing a percentage of 9.81%.



## CONCLUSION

the following points can be drawn from this study:

- The policy of economic empowerment for Algerian women has provided them with opportunities to enter the business world. However, this has not reached the desired level, as male entrepreneurship still dominates the market.
- The lack of openness in the Algerian market has negatively affected efforts to market small and medium-sized women's products.
- There is a need to develop a culture of women's entrepreneurship at all levels, while benefiting from successful experiences in this field.
- Furthermore, it is essential to establish an observatory for women's entrepreneurship to guide public policy and support agencies.

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