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Startup oznaka i razvoj preduzetničkog ekosistema u Alžiru: Empirijski dokazi za period 2020–2024

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Apstrakt: Ovaj rad analizira uticaj programa „Startup Label“, koji je alžirska vlada pokrenula u septembru 2020. godine Uredbom br. 20-254, na rast preduzetničkog ekosistema u periodu 2020–2024. Korišćenjem zvaničnih regulatornih tekstova (Uredbe br. 20-254, 21-170, 23-323), statističkih podataka ministarstva, platforme startup.dz, kao i istraživanja organizacija StartupBlink i Tracxn, rad ispituje pet ključnih indikatora: veličinu ekosistema, infrastrukturu, finansijsku privlačnost, otvaranje radnih mesta i međunarodni konkurentni položaj Alžira. Rezultati pokazuju da je broj subjekata registrovanih na startup.dz porastao sa oko 200 (2020) na više od 7.800 (2024), pri čemu 2.300 subjekata ima zvaničnu oznaku „Startup“, što predstavlja rast od 228% između 2021. i 2023. godine. Mreža inkubatora proširila se sa 14 na 124 institucije, a ukupno finansiranje dostiglo je 650 miliona USD u 2024. godini. Alžir se popeo na 111. poziciju u globalnom rangiranju u StartupBlink. Uprkos ovim rezultatima, ostaju strukturni izazovi: nizak procenat odobravanja oznake (21,4% do 2022. godine), nedostatak finansiranja u kasnoj fazi razvoja i odliv mozgova. Nalazi sugerišu da je program „Startup Label“ možda imao katalitički učinak, ali da je dalji napredak uslovljen kvalitetom, a ne samo količinom ekosistema.

Ključne reči: startup ekosistem, Startup Label, AlgeriaDisrupt, inovaciona politika, ekonomska diverzifikacija, Alžir.

Startup Label and Entrepreneurial Ecosystem Development in Algeria: Evidence from 2020–2024

Abstract: This paper analyses the impact of Algeria’s Startup Label programme, formally established by Executive Decree No. 20-254 of 15 September 2020 as part of the Algeria Disrupt initiative, on the development of the national entrepreneurial ecosystem between 2020 and 2024. Drawing on official legislative texts, data from the national startup.dz platform, ministerial statements, and evidence from StartupBlink and Tracxn, the study examines five performance dimensions: ecosystem size, supporting infrastructure, financial attractiveness, direct employment, and international competitiveness. Registrations on startup.dz grew from an estimated 200 in 2020 to over 7,800 by 2024, with 2,300 entities holding the Startup Label, representing 228% growth between 2021 and 2023. The incubator network expanded from 14 to 124 institutions; total funding reached USD 650 million in 2024, a 60% year-on-year increase; and over 20,000 direct jobs were created. Algeria advanced to the 111th position in the StartupBlink global ranking. Despite this trajectory, structural constraints persist: a label approval rate of approximately 21.4% as of 2022, a late-stage funding gap, and significant brain drain. The findings suggest that the Startup Label may have acted as a catalyst for ecosystem formation, but that the programme’s next phase must prioritise startup survival and revenue growth over registration volumes.

Keywords: startup ecosystem, Startup Label, Algeria Disrupt, innovation policy, economic diversification, Algeria.

1. Introduction

Algeria’s economy faces a structural paradox that has grown more acute with every oil price cycle: it is endowed with some of the world’s largest hydrocarbon reserves yet remains unable to convert this natural wealth into broadly shared, sustainable development. The hydrocarbon sector contributes approximately 60% of government

revenues and 90% of export earnings (AfDB, 2024), while manufacturing, services, and technology together account for a structurally modest share of GDP. Youth unemployment stands at levels significantly above the national average of 14.9% (AfDB, 2024), and a well-documented brain drain deprives the domestic economy of its most highly trained graduates each year.

It is against this backdrop that President Tebboune's government launched the Algeria Disrupt initiative in 2020, a comprehensive regulatory, financial, and institutional overhaul designed to position Algeria as a startup nation and to make innovation-led entrepreneurship a credible pillar of economic diversification. The centrepiece of this initiative is the Startup Label, a formal government certification scheme created by Executive Decree No. 20-254 of 15 September 2020, which grants qualifying early-stage innovative companies access to an integrated package of fiscal, financial, and institutional advantages (Journal Officiel de la République Algérienne, 2020).

The Startup Label confers legally binding exemptions from corporate income tax (IBS), professional activity tax (TAP), and value-added tax (TVA) on equipment purchases; it grants preferential customs duty rates; and it opens access to the Algerian Startup Fund (ASF), a public venture capital vehicle created through the collaboration of six state-owned banks and endowed with a USD 411 million commitment (Algerie-eco, 2020). No prior programme in Algerian economic history had combined regulatory simplification with direct equity financing at this scale for the private entrepreneurial sector. Despite the programme's political prominence, empirical academic assessment of its impact remains limited. Most of the existing literature focuses primarily on the legal framework (Djekidel et al., 2021) or on financing mechanisms in isolation (Boukhelf, 2023; Boumendil, 2022). No study, to the authors' knowledge, has systematically measured the programme's impact across multiple ecosystem dimensions using data spanning the full 2020–2024 period. This paper addresses the following research question: To what extent has the Startup Label programme contributed to measurable growth in Algeria's entrepreneurial ecosystem between 2020 and 2024? Three specific objectives structure the inquiry: (1) to document the quantitative evolution of labelled startups and ecosystem infrastructure; (2) to assess changes in startup funding and employment associated with the programme period; and (3) to evaluate Algeria's competitive trajectory within the North African and global startup landscape. Section 2 reviews the relevant literature; Section 3 presents the methodology; Section 4 analyses the results; Section 5 draws conclusions and policy implications.

2. Literature Review

2.1. Startup Ecosystems as Drivers of Economic Transformation

The concept of the startup ecosystem has become one of the most influential frameworks in contemporary entrepreneurship research. Following Moore's (1993) foundational ecological analogy, Isenberg (2010) formalised the ecosystem model as a multi-domain architecture spanning policy, finance, culture, human capital, markets, and support structures, all of which must align for a high-growth entrepreneurial environment to emerge. Stam (2015) refined this into the notion of an entrepreneurial ecosystem, defined as a set of interdependent actors and factors coordinated in such a way as to enable productive entrepreneurship within a particular territory. Audretsch and Thurik (2001) demonstrated that economies with more entrepreneurial dynamism exhibit higher rates of innovation diffusion and employment creation. Aghion, Akcigit and Howitt (2015) showed that entry by new innovative firms constitutes the primary mechanism through which knowledge externalities are realised in modern growth models. For resource-dependent economies such as Algeria's, the startup ecosystem represents a structurally important pathway towards the kind of knowledge-intensive diversification that traditional industrial policy has failed to deliver (World Bank, 2023).

2.2. Government Label and Certification Programmes: Theory and Evidence

Governments can intervene in startup ecosystems through multiple channels: direct subsidies, public procurement, regulatory simplification, incubation infrastructure, and label or certification schemes. Label programmes represent a particularly structured form of intervention in which the state formally identifies high-potential ventures and confers a differentiated set of benefits upon them. The logic is straightforward: information asymmetries prevent private capital markets from efficiently pricing early-stage innovative ventures (Lerner, 2009), and a credible government label can reduce this asymmetry by signalling quality and commitment to investors, clients, and partners. France's La French Tech label, launched in 2013, contributed to a measurable increase in startup formation and funding in certified ecosystems (Demmou & Stefanescu, 2019). Israel's technological incubator programme, extensively studied by Avnimelech and Teubal (2006), is widely credited with catalysing that country's emergence as a global innovation hub. South Korea's TIPS (Tech Incubator Programme for Startups) similarly combined private sector mentorship with public co-investment to accelerate

ecosystem maturation (OECD, 2016). However, Lerner (2009) warns that such programmes are vulnerable to political capture. Wallsten's (2000) additionality framework provides the methodological bridge: a programme is effective to the extent that it generates innovation activity that would not have occurred in its absence, without displacing equivalent private-sector investment.

2.3. The Algerian Startup Ecosystem: Prior Research

Academic research specifically focused on the Algerian startup context has grown rapidly since 2020 but remains concentrated in domestic journals and doctoral dissertations. Djekidel, Doua and Rais (2021) provided the first systematic legal analysis of the Startup Label framework, detailing the obligations and characteristics of labelled entities under Decree No. 20-254. Boumendil (2022) conducted a field study of 20 labelled startups and found that access to the ASF, while formally available, remained practically constrained by procedural complexity and collateral-equivalent requirements. Boukhelf (2023), in a doctoral dissertation at Université Mouloud Mammeri Tizi Ouzou, confirmed that financing remains the primary structural barrier for Algerian startups, with venture capital penetration far below the levels observed in Egypt. A review article published in the *Revue Algérienne d'Economie de Gestion* (Dris, 2024) characterised Algeria's startup ecosystem as a dynamic and booming landscape while identifying three systemic weaknesses: geographic concentration of ecosystem actors in the three largest cities, limited availability of late-stage capital, and an unresolved tension between the speed of regulatory innovation and the inertia of the banking sector. The present paper builds on these contributions by analysing the full arc of the programme's performance through 2024, using a multi-dimensional indicator framework not previously applied to this context.

3. Methodology

3.1. Research Design

This study adopts a descriptive-analytical research design with a longitudinal orientation, tracking changes in Algeria's entrepreneurial ecosystem across the period January 2020 to December 2024. The choice of a secondary data methodology is consistent with established practice in entrepreneurial ecosystem research (Stam, 2015; Mason & Brown, 2014), where aggregate ecosystem-level indicators are routinely constructed from publicly available administrative and institutional data. The study does not claim to establish strict causal relationships between the Startup Label and the outcomes observed; rather, it uses a before-after comparative framework to assess whether the introduction and scaling of the programme is consistent with ecosystem-level improvements across multiple indicators simultaneously.

3.2. Data Sources

Data were collected from six categories of source: (1) official legislative and regulatory texts: Executive Decree No. 20-254 (15 September 2020), Executive Decree No. 21-170 (28 April 2021), Executive Decree No. 23-323 (6 September 2023), Finance Laws 2020 and 2021, and the *Journal Officiel de la République Algérienne*; (2) official government communications: statements by Minister Yacine Oualid reported by the Agence de Presse Service (APS, October 2021), Algeria Invest (July 2024), and the Algeria Disrupt conference proceedings; (3) platform data: startup.dz; Tracxn (accessed 2024); and Jeune Afrique (March 2022); (4) international index data: StartupBlink Global Startup Ecosystem Index, editions 2021, 2023, and 2025; (5) market intelligence reports: Stats & Market Insights (2025) and AlgeriaTech (2025).

3.3. Key Performance Indicators

Five measurement dimensions are operationalised, following the framework of Mason and Brown (2014): (1) Ecosystem size, measured by the number of entities registered on startup.dz and the number holding the Startup Label; (2) Ecosystem infrastructure, measured by the count of active incubators and Entrepreneurship Development Centres (CDEs); (3) Financial attractiveness, measured by total startup funding raised; (4) Direct economic impact, measured by direct job creation attributed to startups; and (5) International competitiveness, measured by Algeria's rank in the StartupBlink Global Startup Ecosystem Index. Where possible, data are presented at annual resolution to reveal temporal trends.

3.4. Limitations

Three limitations merit explicit acknowledgement. First, causal attribution is inherently difficult: the growth observed between 2020 and 2024 may partly reflect broader structural trends, post-COVID entrepreneurial reorientation, and digital infrastructure investment that are independent of the Startup Label itself. Second, official Algerian statistics on startup employment and funding are not disaggregated by label status, making it impossible to isolate the contribution of labelled entities from the broader ecosystem. Third, the approval rate data available captures only a point in time and may not be representative of the full study period.

In addition, many of the indicators used in this study are derived from official institutional sources, government publications, and entrepreneurial ecosystem reports. While these sources provide valuable and consistent information on ecosystem development, they may not fully capture firm-level dynamics and performance heterogeneity among labelled startups.

These limitations are mitigated through triangulation across independent sources and by consistently distinguishing correlation from causation in the interpretation of results. Future research should complement secondary-source analysis with primary data collection directly from labelled startups. Such an approach would provide deeper insights into startup survival rates, revenue growth, scaling trajectories, access to investors and finance, and entrepreneurs' perceptions of the value and effectiveness of the Startup Label programme.

4. Results and Discussion

4.1. The Regulatory Architecture of the Startup Label Programme

Understanding the programme's impact requires first understanding its legal structure. Table 1 summarises the key legislative and regulatory instruments enacted between 2019 and 2025.

Table 1: Key Regulatory Instruments Governing the Startup Label Programme in Algeria (2019–2025)

Year	Legislative / Regulatory Instrument	Key Provision
2019	Law No. 19-14 (Finance Law 2020), Art. 69	3-year tax exemptions (TAP, IRG, IBS) for startups
Sept. 2020	Executive Decree No. 20-254 (15 Sept. 2020)	Creation of the National Labelling Committee; definition of Startup, Innovative Project and Incubator labels
Oct. 2020	Algeria Disrupt 2020 Conference	Launch of startup.dz platform (15 Oct.), A-Venture accelerator, and Algerian Startup Fund (ASF)
Nov. 2020	Executive Decree No. 20-356	Legal framework for A-Venture (Algeria Venture) support structure
2021	Finance Law 2021, Art. 86-87	Extension and reinforcement of tax exemptions for labelled startups and incubators
Apr. 2021	Executive Decree No. 21-170 (28 Apr. 2021)	Conditions for VAT exemption and 5% customs duty on equipment for labelled entities
Sept. 2023	Executive Decree No. 23-323 (6 Sept. 2023)	Restructuring of the labelling committee (renamed National Labelling Committee)
Dec. 2025	Executive Decree No. 25-311	Latest amendment clarifying renewal criteria and Scale-up label requirements

Source: Journal Officiel de la République Algérienne (2020, 2021, 2023, 2025); Algerie-eco (2020, 2023); Legal Doctrine (2021).

The regulatory sequence reveals a programmatic escalation of ambition. The initial fiscal exemptions introduced in the Finance Law for 2020 were intentionally modest, covering three years and restricted to tax exonerations, in order to gauge market response before committing larger public resources (Djekidel et al., 2021). The launch of the startup.dz platform on 15 October 2020 marked the operational start of the labelling system (Algerie-eco, 2020). By the Finance Law for 2021, the exemption period had been extended and the fiscal perimeter broadened; by 2023, the institutional architecture had been sufficiently consolidated to warrant a renaming of the labelling committee itself. The most recent amendment (Decree No. 25-311, December 2025) introduced a formal Scale-up label reserved for labelled startups that have achieved sustained revenue growth (TSA Algérie, 2025). A startup is defined under Algerian law as an Algerian-law company not more than eight years old, whose business model relies on innovative products, services, or business models, with a maximum of 250 employees and capital held at least 50% by natural persons or approved investment funds (Decree No. 20-254, Art. 11; Legal Doctrine, 2021).

This definition explicitly excludes lifestyle businesses, anchoring the label in genuine innovation, a design choice consistent with international best practice (Demmou & Stefanescu, 2019).

4.2. Quantitative Growth of the Ecosystem: 2020–2024

Table 2 presents the evolution of key ecosystem indicators across the study period, and Figure 1 illustrates the growth trajectory of registered and labelled startups.

Table 2: Evolution of Key Startup Ecosystem Indicators in Algeria (2020–2024)

Indicator	2020	2021	2022	2023–2024	Change
Registrations on startup.dz	~200	~700	3,516+	7,800+	+3,800%
Startups with Startup Label	~100	~480	751	2,300+	+2,200%
Applications submitted (cumul.)	--	~700	3,516	~7,000	--
Active incubators	14	29	60+	124	+786%
CDEs	0	0	~40	104	--
Jobs created (direct, cumul.)	--	~3,000	~8,000	20,000+	--
Total funding (USD)	~\$50M	~\$150M	~\$406M	\$650M	+60% (2024)
StartupBlink global rank	--	~180	~130	#111	↑ +7.2%
Africa rank (StartupBlink)	--	#6	#5	#4	↑

Source: APS (2021); Jeune Afrique (2022); Algeria Invest (2024); AlgeriaTech (2025); StartupBlink (2025); Stats & Market Insights (2025); Tracxn (2024).

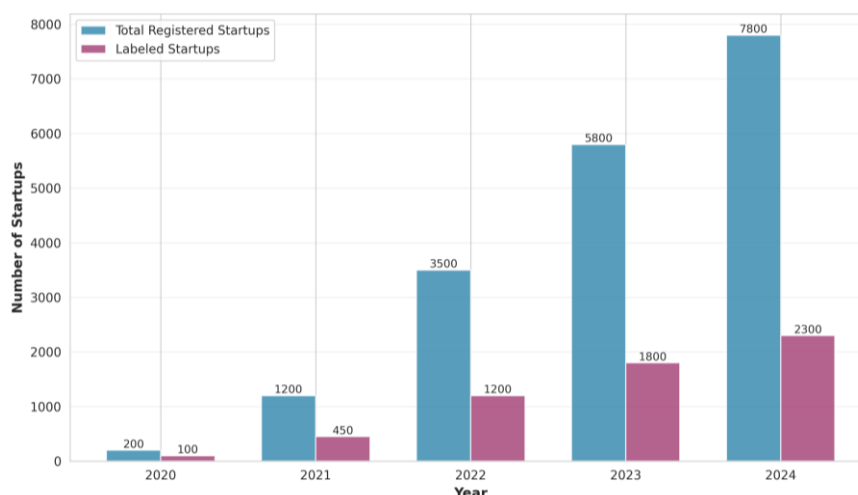


Figure 1: Growth of the Algerian Startup Ecosystem (2020–2024)

Source: startup.dz (2024); Algeria Invest (2024); APS (2021).

Registrations on startup.dz grew from an estimated 200 in 2020 to over 7,800 by 2024, an increase of approximately 3,800%. Of registered entities, 2,300 hold the formal Startup Label, representing a 228% growth in the labelled population between 2021 and 2023, as confirmed by Minister Yacine Oualid in a July 2024 television interview cited by Algeria Invest (2024). A particularly informative statistic, reported by Minister Oualid at the October 2021 regional conference in Constantine, is that 63% of all labelled startups then in existence had been created in the two years following the programme’s launch (APS, 2021), suggesting that the increase in startups creation coincided with the implementation of the programme rather than merely reflecting the relabelling of existing entities. The approval rate tells a more sobering story. As of March 2022, Nouredine Ouadah, Director-General of the Startups Directorate, confirmed that only 751 of 3,516 cumulative applications, approximately 21.4%, had received the label (Jeune Afrique, 2022). This low approval rate reflects the stringency of the innovation criterion and the capacity constraints of the National Labelling Committee, which is legislatively mandated to convene only every two months (Decree No. 20-254, Art. 6). While a selective approach may improve programme quality, it also implies that a large number of innovative projects are denied access to the programme’s benefits, a potential efficiency loss that future policy should address.

4.3. Infrastructure Expansion: Incubators and Support Structures

The most visible infrastructural achievement of the programme period is the rapid expansion of the incubator network. At the October 2021 Constantine conference, Minister Oualid reported that the number of active business incubators had doubled from 14 to 29 within the preceding six-month period (APS, 2021). By 2024, this figure had reached 124 university-linked incubators engaging an estimated 60,000 students in startup-oriented final-year projects (AlgeriaTech, 2025). Alongside these incubators, 104 Entrepreneurship Development Centres (Centres de Développement de l'Entrepreneuriat, CDEs) were established nationwide, collectively providing training and mentorship to 1,770 micro-enterprises in their first year of operation (Algeria Invest, 2024). Isenberg (2010) identifies the density and quality of mentorship networks as one of the most difficult-to-replicate components of a successful entrepreneurial ecosystem and one of the most consequential for early-stage firm survival. The rapid scaling of university-linked incubators is particularly notable in Algeria's case because it embeds entrepreneurship promotion within the existing higher education infrastructure, reducing marginal costs while addressing a documented skills gap in business creation competencies among STEM graduates (Boukhelf, 2023). Figure 2 illustrates the infrastructure development between 2020 and 2024.

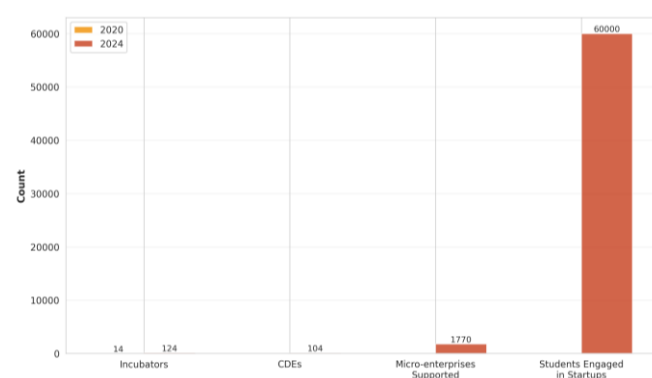


Figure 2: Infrastructure Development in Algeria's Startup Ecosystem
 Source: AlgeriaTech (2025); Algeria Invest (2024); APS (2021).

4.4. Benefits of the Startup Label: A Structured Analysis

Table 3 provides a structured summary of the benefits conferred by the Startup Label, with explicit reference to the legal instruments establishing each provision.

Table 3: Benefits Conferred by the Algerian Startup Label and Their Legal Basis

Benefit	Description	Legal Basis
Tax Exemptions	Full exemption from TAP, IRG/IBS for 4 renewable years (extended from initial 3 years by Finance Law 2021)	Art. 69, LF 2020; Art. 86-87, LF 2021
VAT Exemption	Exemption from VAT on equipment purchases required for the startup's investment project	Decree No. 21-170, Art. 5
Customs Duty Reduction	Reduced customs rate of 5% on imported equipment (vs. standard rates of up to 30%)	Decree No. 21-170, Art. 6
IP Cost Coverage	State covers fees for patent registration and intellectual property protection (announced Feb. 2022)	Algeria Disrupt 2022 Conference
Access to ASF Financing	Eligibility for equity/quasi-equity investment from the Algerian Startup Fund (6 public banks, USD 411M committed)	Algeria Disrupt 2020; startup.dz
Public Procurement Priority	Preferential access to government tenders and contracts for labelled entities	Decree No. 20-254, Art. 11
Incubation & Acceleration	Free access to A-Venture accelerator network and 124 university-linked incubators (CDEs)	startup.dz (2024)
Foreign Currency Account	Authorisation to open foreign currency accounts to facilitate international transactions	Bank of Algeria Circular (2022)

Source: Decree No. 20-254 (2020); Decree No. 21-170 (2021); Finance Laws 2020 and 2021; Algeria Disrupt 2022 Conference (Algerie-eco, 2022); startup.dz (2024).

The benefit package represents a substantial reduction in the cost of firm formation and early-stage operation. The tax exemption alone, covering TAP, IRG/IBS, and VAT on equipment purchases, can represent a saving equivalent to 20–30% of early-year operating costs for a technology startup with positive revenue (Boumendil, 2022). The reduction of customs duties on imported equipment from rates of up to 30% to a fixed rate of 5% is particularly significant given Algeria’s dependence on imported technology hardware. The Algerian Startup Fund (ASF), capitalised at an initial 1.2 billion Algerian dinars with a subsequent USD 411 million injection (Algerie-eco, 2020; startup.dz, 2024), operates as a public venture capital fund that takes minority equity stakes in labelled startups rather than extending debt. This design choice explicitly addresses the principal-agent problems identified by Lerner (2009) in government loan programmes: by sharing upside risk rather than merely transferring downside burden, the ASF aligns state and entrepreneur incentives in a manner closer to private-sector venture capital practice.

4.5. Financial Performance and Sectoral Distribution

Total startup funding raised in Algeria reached USD 650 million in 2024, representing a 60% increase relative to 2023 (Stats & Market Insights, 2025). Figure 3 illustrates the funding growth trajectory from 2020 to 2024, and Table 4 disaggregates the 2024 figure by sector. Figure 4 presents the sectoral distribution as a proportion of total funding.

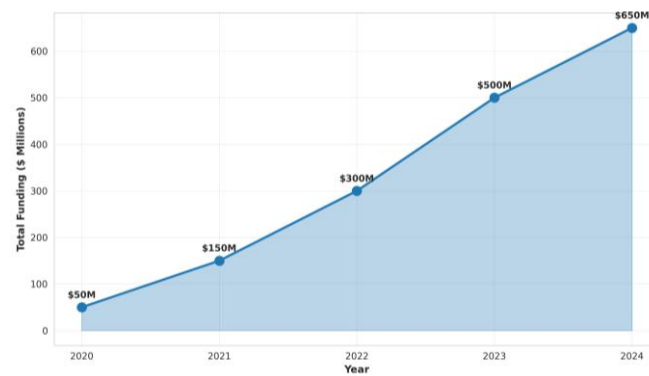


Figure 3: Total Startup Funding Growth in Algeria (2020–2024)

Source: Stats & Market Insights (2025); AlgeriaTech (2025).

Table 4: Sectoral Distribution of Startup Funding in Algeria (2024)

Sector	Funding Raised (2024)	% of Total
Financial Technology (Fintech)	\$200 million	30.8%
Agricultural Technology (Agritech)	\$180 million	27.7%
Green Technology (GreenTech)	\$120 million	18.5%
E-commerce & Logistics	\$100 million	15.4%
HealthTech & EdTech	\$50 million	7.6%
TOTAL	\$650 million	100%

Source: Stats & Market Insights (2025).

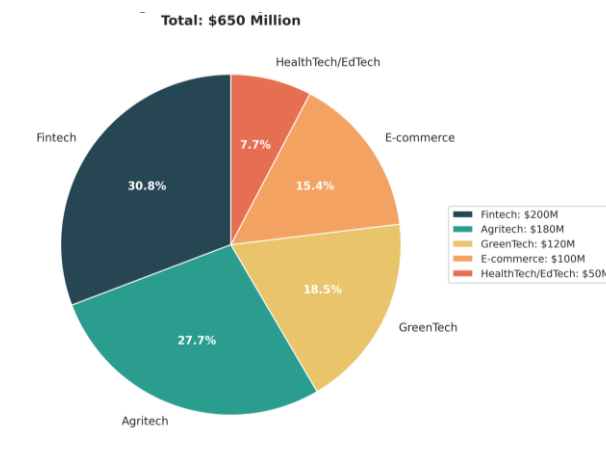


Figure 4: Funding Distribution by Sector, Algeria (2024)

Source: Stats & Market Insights (2025).

Fintech attracted the largest share at USD 200 million (30.8%), driven by the large unbanked population, estimated at over 60% of Algerian adults, and by regulatory openness following the National Financial Inclusion Strategy. Agritech followed with USD 180 million (27.7%), reflecting strategic government prioritisation of food security and smart farming. GreenTech raised USD 120 million (18.5%), aligned with Algeria's commitments under the 2030 National Energy Transition Plan (Stats & Market Insights, 2025). The flagship case study that anchors the programme's credibility internationally is Yassir, a ride-hailing and super-app startup founded in Algiers that raised USD 150 million in a Series B round in November 2022 led by BOND Capital, the largest single fundraising round by any Algerian company in history (AlgeriaTech, 2025). By 2024, Yassir reported 8 million users and 100,000 active drivers and merchants across 45 cities in six countries, illustrating the programme's wider ambition to produce scalable ventures capable of competing regionally and globally.

4.6. Employment Creation

Algerian startups created more than 20,000 direct jobs in 2024 (Stats & Market Insights, 2025). While this figure is modest relative to the formal employment market, its economic significance should be evaluated against its structural quality rather than its absolute scale. The jobs created are concentrated in sectors, fintech, artificial intelligence, and agritech, that are structurally absent from the hydrocarbon-dominated formal economy. They are also disproportionately filled by young university graduates (Dris, 2024), precisely the demographic most exposed to unemployment and emigration. TSA Algérie (2025) reports that 20% of all labelled startups were created by members of the Algerian diaspora, suggesting that the programme may be contributing to efforts aimed at reducing brain drain by creating high-quality domestic investment opportunities for internationally educated Algerians. Figure 5 illustrates the cumulative direct job creation trajectory across the study period.

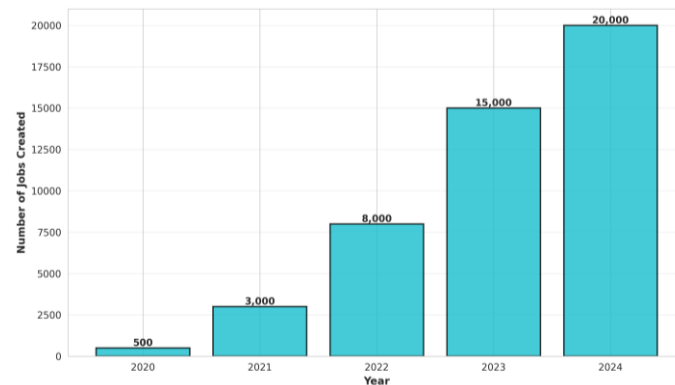


Figure 5: Direct Jobs Created in Labelled Startups (2020–2024)

Source: Stats & Market Insights (2025); APS (2021).

4.7. International Competitive Position

Table 5 situates Algeria within the North African startup landscape as of 2024. Figure 6 shows the trajectory of Algeria’s global and regional rankings from 2020 to 2025.

Table 5: North African Startup Ecosystem Comparative Overview (2024)

Country	Global Rank	Africa Rank	Labelled/Active	Funding (2024)	Ecosystem Maturity
Algeria	#111	#4	2,300+	\$650M	High: dedicated ministry, ASF fund, 124 incubators
Egypt	#66	#1	~5,000	\$1.2B	High: Flat6Labs, EFG EV, Cairo ecosystem
Tunisia	#101	#3	~1,500	\$210M	Medium: established VC culture, smaller market
Libya	--	--	< 100	< \$10M	Low: political instability

Source: StartupBlink (2025); Stats & Market Insights (2025); Tracxn (2024); AlgeriaTech (2025). Data for comparator countries are approximate.

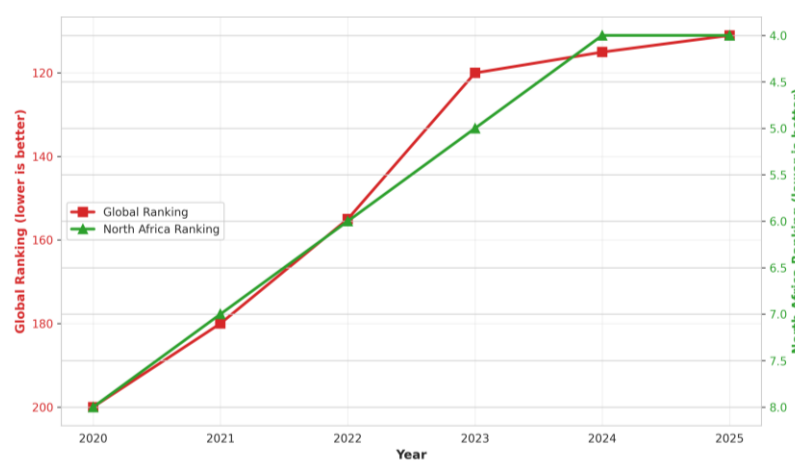


Figure 6: Algeria’s Startup Ecosystem Ranking Improvement (2020–2025)

Source: StartupBlink (2021, 2023, 2025).

Algeria’s position at #111 globally and #4 in North Africa represents a structural improvement from near-complete absence from global rankings in the pre-2020 period (Dris, 2024). The ecosystem grew at a rate of 7.2% in 2025, among the highest on the continent (StartupBlink, 2025). No African country improved its startup ecosystem ranking by a larger margin in the 2020–2024 period in absolute terms (StartupBlink, 2025). By the count of active labelled startups, Algeria now ranks second in Africa behind Nigeria (Tracxn, 2024), having overtaken more established ecosystems in Tunisia and Kenya. The persistence of the gap with Egypt, which ranks #66 globally and has attracted USD 1.2 billion in startup funding in 2024, reflects the structural advantages that a more mature financial sector, a larger consumer market, and a longer history of private equity activity confer upon the Egyptian ecosystem. Narrowing this gap will require progress on precisely those dimensions where Algeria’s programme has been weakest: late-stage funding availability and the depth of the domestic venture capital talent pool (Boukhelf, 2023).

4.8. Persistent Structural Challenges

The evidence assembled above must be qualified by four structural constraints that remain unresolved as of the end of the study period. First, the label approval rate of 21.4% as of early 2022 indicates that the National Labelling Committee, which meets only every two months under the terms of Decree No. 20-254, is functioning as a bottleneck. The volume of applications grew far faster than the committee’s institutional capacity, creating a backlog that deters applications and delays programme access. Second, the funding distribution is heavily concentrated at seed and Series A stages; Tracxn (2024) records only three Algerian startups at Series A or above as of 2024, and late-stage capital remains effectively unavailable domestically. Third, brain drain continues to represent a critical structural threat: the SNTN-2030 strategy’s target of reducing tech talent emigration by 40%

implies an acknowledgement that the current rate is itself a constraint on ecosystem depth (AlgeriaTech, 2025). Fourth, geographic concentration remains a concern: the vast majority of labelled startups are based in Algiers, Oran, and Constantine (Jeune Afrique, 2022), leaving the country's remaining wilayas with limited ecosystem infrastructure.

4.9. Discussion in Light of Entrepreneurial Ecosystem Theory

The empirical findings of this study can be interpreted through the lens of entrepreneurial ecosystem theory presented earlier in the literature review. The substantial increase in the number of labelled startups, incubators, entrepreneurship development centres, and funding volumes is broadly consistent with Isenberg's (2010) argument that successful entrepreneurial ecosystems depend on the interaction of multiple reinforcing domains, including policy, finance, human capital, and support institutions. The rapid expansion of university-linked incubators and entrepreneurship support centres reflects the strengthening of ecosystem infrastructure and mentorship networks, which Isenberg identifies as critical components for entrepreneurial development and early-stage firm survival.

Similarly, the observed growth in startup funding and the establishment of the Algerian Startup Fund (ASF) are consistent with Stam's (2015) conceptualisation of entrepreneurial ecosystems as systems of interdependent actors and resources that facilitate productive entrepreneurship. Access to finance, institutional support, and knowledge-transfer mechanisms appear to have expanded simultaneously during the study period, suggesting a progressive consolidation of key ecosystem components.

The findings may also be interpreted in light of Lerner's (2009) argument that government intervention can help reduce information asymmetries affecting innovative startups. Through the Startup Label certification mechanism, the programme provides an institutional signal that may facilitate access to investors, financial support, and market opportunities. At the same time, the persistent challenges identified in this study, particularly the limited availability of late-stage funding, geographic concentration, and continuing brain drain, indicate that some ecosystem components remain underdeveloped, confirming Stam's (2015) view that entrepreneurial ecosystem performance depends on the balanced development of all ecosystem dimensions rather than on isolated policy interventions.

While the findings are broadly consistent with the theoretical expectations of entrepreneurial ecosystem theory, the study does not establish a direct causal relationship between the Startup Label programme and the observed outcomes. Rather, the results suggest that the implementation and scaling of the programme coincided with significant developments across several dimensions of Algeria's entrepreneurial ecosystem.

5. Conclusion

This paper has examined the impact of Algeria's Startup Label programme on the growth of the national entrepreneurial ecosystem between 2020 and 2024. The evidence is consistent across five independent measurement dimensions: the observed growth coincided with the implementation and scaling of the programme, including a rapid and sustained increase in ecosystem size (from ~200 to 7,800+ registrations; 2,300+ labelled entities; 228% growth between 2021 and 2023), a major expansion of supporting infrastructure (14 to 124 incubators; 104 CDEs established), a significant increase in financial attractiveness (USD 650 million in 2024, +60% year-on-year), meaningful employment creation (20,000+ direct jobs), and a measurable improvement in international competitiveness (#111 globally, #4 in North Africa, +7.2% growth). These developments are broadly consistent with the theoretical predictions of the entrepreneurial ecosystem literature (Isenberg, 2010; Stam, 2015) regarding the catalytic role of structured state support when it is accompanied by public venture capital and an expanding incubation network.

The programme's design strengths, a clear legal definition of startup status grounded in innovation criteria, a structured benefit package with explicit legal instruments, a public venture capital arm (ASF) that aligns state and entrepreneur incentives, and an accelerator network anchored in universities, distinguish it as one of the most coherent startup support architectures on the African continent. The diaspora participation rate of 20% is a particularly encouraging sign that the programme may be contributing to reducing the talent flows that have historically depleted Algeria's knowledge economy.

The programme confronts four structural challenges that will determine whether the current quantitative growth translates into lasting ecosystem quality. The low label approval rate (21.4% as of 2022) suggests institutional capacity constraints in the National Labelling Committee that require either procedural reform or a significant expansion of committee resources. The late-stage funding gap, the Series B cliff, cannot be addressed by the ASF

alone and will require the development of a domestic private venture capital industry, for which the 2022 regulatory opening on foreign ownership (abolition of the 51/49 rule) provides the necessary but not sufficient condition. Brain drain and geographic concentration represent systemic challenges that go beyond the Startup Label itself and require coordinated policy responses across education, infrastructure, and regional development. The contribution of this study is two-fold. Theoretically, it applies the entrepreneurial ecosystem framework to a context, a state-led knowledge economy transition in a resource-dependent North African economy, that has been significantly under-studied in the international literature. Empirically, it provides the first systematic multi-dimensional assessment of the Startup Label programme using data spanning its full operational period. While the findings suggest that the programme may have played an important role in ecosystem development, the study does not establish a direct causal relationship between the programme and the observed outcomes. Future research should extend this analysis through primary data collection directly targeting labelled startups, enabling rigorous measurement of additionality (Wallsten, 2000) and of the long-term survival and revenue growth rates of certified entities. Comparative analysis across the North African region would further illuminate the conditions under which label certification programmes of this type can most effectively catalyse entrepreneurial ecosystem development in emerging economies.

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