**POWER IN INNOVATION: OPPORTUNITIES FOR SOCIAL ENTREPRENEURSHIP CULTIVATION IN ALGERIA**

**BACKGROUND**

Social entrepreneurship takes many forms; one common definition is to describe it as for-profit business initiatives that have, at a minimum, a double bottom line; a financial bottom line that requires financial sustainability as a core element of the business, as well as a social and/or environmental bottom line. Both of these elements are of equal importance to the sustainability and health of the business. Social entrepreneurship has only risen to prominence as a known term and strategy in the past decade or so, primarily in response to traditional development, business and CSR initiatives, as well as government inefficiencies in the provision of services and protection of culture and the environment.

The Arab World is no stranger to social entrepreneurship initiatives. With burgeoning populations and in the wake of the Arab Spring, social entrepreneurship has become the go-to solution for many of the youth – which constitute over 30% of the region’s population - seeking to make meaningful change. Algeria is currently the largest Arab country in terms of size; it is also the second most populous country in the MENA region. Particularly in the context of North Africa, Algeria remains in the most nascent stages of social entrepreneurship awareness/presence. That said, there is still a great deal of movement in this sector in Algeria, with a core group of youth working towards promoting awareness, influencing policy change and expanding social entrepreneurship initiatives in the country. The Algerian Center for Social Entrepreneurship (ACSE) has identified nearly 100 associations, foundations and businesses covering a wide range of sectors and interventions that would be considered social enterprises, if they were they given the legal option to register as such.

**LIMITATIONS**

There is a severe lack of data on the subject of youth unemployment in Algeria by any administrative level other than country level, which made determining such rates by state difficult to deduce directly. Additionally, given that social entrepreneurship is still so new to Algeria, there is a gap in this data set that remains in the process of being mapped by independent entities such as ACSE. Lastly and as previously mentioned, there is still no legal registration option available to those entities that wish to register as social enterprises in Algeria; therefore, the entities constituting social enterprises for the purpose of this project were deemed potential social enterprises based on the scope and nature of their interventions and as well as their willingness to pursue a change in legal status to social enterprise, if it were to become available.

**RECOMMENDATIONS**

Social entrepreneurship could be particularly helpful in improving the economic conditions in Algeria at this point in time, both given especially high rates of youth unemployment, as well as in consideration of its dependence on natural resource extraction and in light of a huge drop in oil prices as of late.

The national and international private and public sectors could be most impactful in the cultivation of social entrepreneurship in Algeria by focusing funding and training initiatives in the wilaya of Chlef, Tiaret, Djelfa and Ouissi Bouaghi. The Algerian authorities in particular, should also consider making progress in the creation of a legal statute that allows for ease of registration for social enterprises, as distinguished from associations, businesses and foundations. Through the targeted cultivation of social entrepreneurship, Algeria could tackle the major issue of youth unemployment while creating opportunities for increased, diversified and impactful socioeconomic and environmental interventions.

**RESEARCH QUESTIONS**

- Which Algerian wilayas (states) are considered economically vulnerable, based on unemployment, youth unemployment, population size, women’s education, illiteracy and UNDP poverty measures?
- Where are enterprises that could be considered social enterprises concentrated?
- What areas of Algeria are ripe for investment in social entrepreneurship activities from either the private or public sector, based on these aforementioned factors?

**METHODOLOGY**

Using a key set of economic indicators, a vulnerability study was conducted in order to determine which wilayas are most in need of economic amelioration. The indicators used consisted of overall unemployment, youth unemployment, women’s education, illiteracy, poverty as defined by the UNDP and population density, all measured by wilaya. Each indicator was classified and ranked from 1-5, with 1 indicating low rates/density and 5 indicating high rates/density. Individual rankings were then added up to create an overall vulnerability ranking.

The mapping of the identified social enterprises shows the highest concentration of social enterprises in the wilaya of Algiers, with additional concentrations along the coast.

**FINDINGS**

The results of the vulnerability study demonstrated that, based on the stated economic factors employed, the wilaya of Chlef, Mestaga, Mascara, Tiaret and Djelfa—mostly located in the north of the country—demonstrate the highest levels of economic vulnerability.

The mapping of the identified social enterprises shows the highest concentration of social enterprises in the wilaya of Algiers, with additional concentrations along the coast.