

Entrepreneurship and Mechanisms for Scientific and Economic Development Among Algerian University Graduates

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Abstract:

Recently, it has become evident to both the general public and experts that the economic and financial sectors are unable to absorb the influx of university graduates, resulting in a noticeable rise in unemployment rates and a decline in individual income levels. This issue stems from the tendency of degree holders to rely solely on formal employment as the only means of finding work and validating their academic qualifications. This mindset has prompted some to propose the integration of entrepreneurial knowledge within universities and promote its adoption among students.

This study aims to explore how to bridge the gap between university graduates and entrepreneurial knowledge, focusing on private ventures and open-market competition as fertile grounds for fostering creativity, innovation, and productivity in society. The study emphasizes the potential for reducing unemployment and overcoming stagnation among university graduates by engaging them in entrepreneurial activities, fostering a spirit of initiative and innovation, and thereby contributing to the country's economic development.

Keywords:

University, university student, entrepreneurial awareness, entrepreneurship, economic development.

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Introduction:

Studies in contemporary entrepreneurial thought have gained significant acceptance and improvement compared to the past, particularly in the early 20th century and after World War II. During this period, large corporations and multinational companies emerged, attracting economic participants from all corners of the world. At that time, entrepreneurial activity was disproportionately concentrated, with a handful of economic institutions dominating import,

export, and economic production within the realm of trade exchanges. These companies also invested heavily in products, goods, and weaponry, all under the umbrella of free competition.

However, in recent times, new, more dynamic, and open avenues have emerged, primarily represented by entrepreneurial knowledge and awareness. This shift marks a qualitative leap in the economic and social spheres, driven by a generation of youth capable of taking on field responsibilities by establishing small and medium-sized economic enterprises and launching new projects within the framework of a free economy. This study delves into the issues and relationships that define the entrepreneurial path and explores the role of institutional and entrepreneurial awareness within universities among students.

Research Problem:

What are the new research frameworks governing entrepreneurial awareness and societal knowledge? Furthermore:

- What role does the university play in fostering the spirit and culture of entrepreneurial awareness?
- How can universities contribute to addressing unemployment and creating job opportunities for graduates?
- What is their role in economic development?

Study Objectives:

This study aims to achieve several objectives, including:

- Introducing contemporary entrepreneurial thought and the mechanisms that govern it.
- Uncovering the role played by universities in fostering entrepreneurial spirit and the economic planning devised by the modern state to develop university students who are both self-aware and socially active.
- Exploring the significance of the entrepreneurial field and its role in combating unemployment and building the economic strength of the state.

1. The Concept of Entrepreneurship:

There are various definitions and approaches to entrepreneurial thought, such as the behavioral school, which focuses on the behavioral aspects of entrepreneurs, the descriptive school, which examines the entrepreneur's role in the socio-cultural environment, and the phase-based approach, which emphasizes the temporal preparedness of personal factors that promote or hinder entrepreneurial spirit. This phase-based approach views entrepreneurship as a succession of stages: starting with entrepreneurial tendencies, followed by immediate readiness or entrepreneurial orientation, then decision-making to enter the entrepreneurial field, and finally engaging in entrepreneurial activity or behavior.

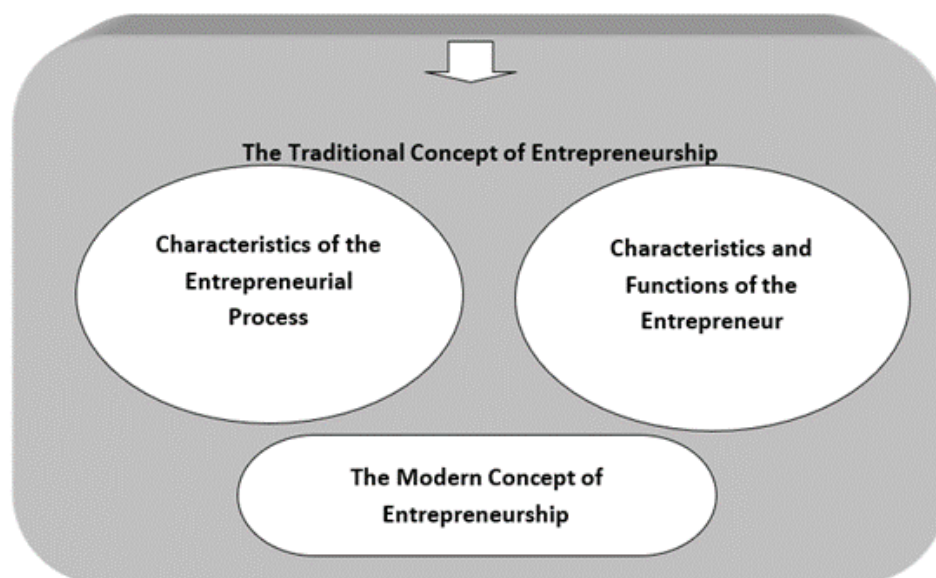
The concept of entrepreneurship has gained significant traction in recent years. Peter Drucker was among the first to highlight this shift in 1985, noting the transformation of modern economies from managerial economies to entrepreneurial economies (Al-Arabi Tigaoui, 2010, p. 9).

Many writings on the concept of the "entrepreneur" reveal that its origin is French. While there is no precise equivalent in Arabic despite numerous translation attempts, the terms "entrepreneur" and "enterprise" have come to represent different realities, ranging from boldness to managing uncertainty and noble values (Brahime, 2012, p. 17).

Entrepreneurship is described as a type of behavior characterized by pursuing innovation, organizing economic and social processes to exploit specific resources and situations, taking risks, and accepting potential failure. It is a process aimed at creating something different, achieving value by dedicating necessary time and effort, assuming financial, psychological, and social risks, and attaining outcomes in the form of financial and personal satisfaction (Mory Siomy, 2007, p. 90).

It is also defined as a process of managing human and material resources to create, develop, and implement solutions that meet the needs of individuals and groups (Thiery, 2001, Vol. 1). Another definition describes entrepreneurship as a series of stages where opportunities are identified to create future goods and services, which are then segmented and exploited (Eric Michael Laviolette, 2006, p. 3).

Figure 1: The Concept of Entrepreneurship According to Bygrave and Hofer (1991)



2. Definition of the Entrepreneur:

An entrepreneur is defined as "a person who can identify and seize opportunities when others cannot" (Don Hervey and Donald). Entrepreneurs are unconventional individuals who perform tasks in distinctive and innovative ways. Most importantly, they are capable of making decisions under ambiguous conditions with high levels of risk. An entrepreneur exhibits economic behavior

and possesses strong motivation to achieve their goals. They are characterized by exceptional performance and a broad imagination (Ahmed and Barham, 2008).

D. Prucker defines an entrepreneur as "a person who transfers economic resources from lower productivity to higher productivity" (Zaid Mourad, 2010, p. 7).

The study by Anne Gilly focused on the Algerian entrepreneur, aiming to understand the reasons behind the emergence of Algerian entrepreneurs as economic and social actors and to identify their socio-professional trajectories through an analysis of their ability to create private enterprises. Her research identified five models of Algerian entrepreneurs (Abderrahmane Abdou, 2004, p. 129).

3. Definition of Entrepreneurial Intent:

Entrepreneurial intent is a broad concept of entrepreneurial spirit, more closely related to initiative and activity. Individuals with entrepreneurial spirit possess the will to experiment with new ideas and have the inclination and desire to establish enterprises. Others consider entrepreneurial spirit as requiring the identification of opportunities and the collection of various necessary resources to transform them into an enterprise.

It is also defined as "the initiative demonstrated by an individual's ability to think outside the box, leading to change through a process that makes the individual sensitive to the problems they face and the changes occurring in the surrounding environment. This creative thinking is then directed toward meeting the practical demands of life, particularly in the field of business" (Bernie Latifa, Yemen Falta, 2010, p. 12).

4. Approaches to Entrepreneurial Culture:

This can be summarized in five key points:

- **Social Environment:** The social environment is a crucial factor in driving individuals toward establishing enterprises due to its complex and rich structure.
- **Family:** Families play a significant role in nurturing entrepreneurial abilities in their children and encouraging them to consider establishing enterprises as a future career. This is particularly evident in families with private businesses, where children are encouraged from an early age to engage in activities and take on small responsibilities.
- **School and University:** Schools are not isolated from the socio-economic dynamics of society. In addition to their traditional educational and formative roles, they should build bridges with enterprises, thereby becoming drivers of development through fostering entrepreneurial culture among youth. The importance lies in transferring knowledge to society to create wealth within an entrepreneurial perspective of education and training.
- **Religion:** Religion serves as a motivator for social institutions, providing actors with many values and norms. Values such as diligence in work and self-reliance in earning a livelihood are shared across all divine scriptures. Thus, religion and the values it upholds form one of the pillars of entrepreneurial activity.

- **Customs and Traditions:** Customs and traditions influence the tendency to establish enterprises. For instance, pastoral communities focus on agriculture and herding, while traditional crafts and commercial activities are often passed down through generations.

5. Elements of Entrepreneurship:

These are values primarily related to the professional attributes of the entrepreneur, defined as an individual with capabilities such as the need for achievement, self-confidence, forward-thinking, desire, and independence, among others.

- **Need for Achievement:** This refers to delivering optimal performance, striving to achieve goals, taking responsibility, and continuously innovating and developing. Entrepreneurs aim for excellence and evaluate their performance and achievements against high and unconventional standards.
- **Self-Confidence:** Entrepreneurs possess the personal traits and intellectual abilities to establish business projects. They rely on their individual skills and resources, with the ability to think, willpower, and make decisions to solve problems and face future challenges. This stems from a sense of self-confidence and trust in their capabilities.
- **Forward-Thinking:** This entails looking to the future with optimism and envisioning the potential to achieve distinguished positions and increasing profitability levels. (*Falah Hassan Al-Husseini, 2006, pp. 47–48*)
- **Sacrifice and Perseverance:** Entrepreneurs believe that achieving success and ensuring its sustainability comes through perseverance and patience. They forgo immediate desires to fulfill future hopes and aspirations. Hard work, diligence, and effort are the surest guarantees for their projects.
- **Desire for Independence:** This refers to relying on oneself to achieve goals and constantly seeking to establish independent projects without partnerships, especially when financial resources are sufficient. Entrepreneurs tend to avoid working for others to escape constraints, allowing them to express and materialize their ideas, opinions, and ambitions fully. Schumpeter referred to this as the "small kingdom." (*Michel Adam, 2009, pp. 21–22*)

6. The University and the Requirements of the Entrepreneurial Approach:

The university is one of the key arenas where the concept of entrepreneurship is presented with precision and depth, aiming to embed an entrepreneurial culture within the research community. This involves linking economic and social frameworks with the educational system to advance the entrepreneurial concept. It also emphasizes empowering entrepreneurship to maintain its essence as a "business enterprise," develop it, and establish the foundations for growth in all sectors, achieving significant progress in industries, technology, and knowledge. This necessary awareness positions entrepreneurship as an economic unit, an investment project, and a social mechanism for integrating graduates into the labor market. (Boudraoui Sofiane, 2015, p. 75).

Education in general, and higher education in particular, plays a central role in fostering an entrepreneurial culture and a spirit of creativity. Curricula are designed to encourage independence, perseverance, self-confidence, and other essential skills, as previously discussed. Universities play a pivotal role in constructing entrepreneurial knowledge and teaching the scientific concepts upon which entrepreneurship is based.

7. Ways to Promote Entrepreneurial Culture within Universities:

Entrepreneurial culture can be fostered in universities through:

- Generalizing the concept of entrepreneurship among university students and raising awareness that entrepreneurship is a choice, not just an alternative in the absence of employment opportunities.
- Introducing entrepreneurship-related courses across various disciplines and embedding the entrepreneurial mindset in university students to contribute to national productivity through the private sector.
- Bringing support and mentoring organizations closer to universities, as seen in the programs of entrepreneurial hubs.
- Increasing the number of forums, conferences, and lectures on entrepreneurial thought across university faculties and institutes. Such events are among the mechanisms that help disseminate entrepreneurial culture.
- Establishing branches of business incubators within universities to support student project ideas and encourage their realization, while instilling confidence to achieve their aspirations.
- Sensitizing students to their continuous connection with their social, cultural, and economic environments by signing agreements with various institutions and activating them to provide field training opportunities.
- Linking different academic disciplines to production and project establishment.
- Encouraging student organizations and administrative bodies within universities to organize training and workshops, intensify efforts to spread awareness of entrepreneurial thought, and promote private production.
- Motivating universities to support student research in entrepreneurship through theses and dissertations submitted for master's and doctoral degrees, as practiced in other Arab and Western countries.
- Expanding the teaching of entrepreneurship courses beyond economic sciences students, particularly business management students, to include all disciplines.
- Strengthening the social environment and assigning it a central role in promoting entrepreneurial culture among youth.
- Establishing a database to help aspiring entrepreneurs understand the risks they may face.

- Eliminating profit-related interest rates, which are among the primary barriers discouraging Algerian youth from engaging in entrepreneurship.

8. Study of Entrepreneurial Determinants for Some University Students:

Drawing on the study by Hamli Abdelkader, *Determinants of University Youth Orientation Towards Entrepreneurial Activity*, ...

R2(DT.ER/1)

R2	F	F{PR	R2 Bootstraps	Standard Error	Critical Ratio (cr)	Lower Bound (95%)	Upper Bound (95%)
1.000	333271 656	0.000	1.000	0.000	6637.060	0.999	1.000

Source: Outputs XL- STAT

From the table above, we observe that the coefficient of determination R2 reached its maximum value, approximately equal to one. This indicates that the four latent variables representing the determinants of youth orientation toward entrepreneurship in our study completely explain (100%) the entrepreneurial determinants within the sample under study.

9. The Importance of Entrepreneurial Education in Universities and Its Role in Economic Development:

The importance of entrepreneurial education can be outlined as follows:

The programs offered in entrepreneurial education focus on developing students' abilities to create jobs for themselves and others by initiating and establishing new entrepreneurial projects that produce goods and services. Given the creative and innovative nature of entrepreneurship, it is vital to activate it under the umbrella of higher education institutions. This enables the generation of entrepreneurial ideas and their adoption through entrepreneurial education, turning them into productive and pioneering projects.

Entrepreneurial education is a fundamental step toward instilling a spirit of initiative, increasing the chances of business success, and creating future leaders capable of driving national economic growth aligned with global trends. Additionally, entrepreneurial education enhances unique abilities to create wealth by identifying globally relevant opportunities, making significant contributions to building a knowledge society. Such education fosters entrepreneurs skilled in creativity and innovation, facilitating a shift toward building a knowledge-based economy through innovative ideas linked to societal development.

Furthermore, entrepreneurial education contributes to increasing knowledge assets and enhancing individual wealth, leading to economic growth and capital accumulation in the knowledge domain at the national level. This, in turn, impacts the construction of a knowledge society.

- University education and the promotion of entrepreneurship allow for the development of proactive graduates rather than passive ones, equipping them with ideas for high-tech business projects that contribute to building a knowledge society and addressing unemployment issues (Al-Joudi Mohamed Ali, 2010, p. 145).
- Contribution to Increasing Gross National Product: Particularly in developing countries, small enterprises enable the participation of all segments of society through savings and investments. They also contribute to developing individual and collective talents and innovations by creating new economic or service activities that did not previously exist, as well as reviving other activities abandoned for various reasons, such as traditional industries and subcontracting in the industrial, construction, and public works sectors (Mohamed El-Hadi Mubarki, 2002, p. 85).

10. Conclusions and Recommendations:

10.1. Conclusions:

From the above, we conclude the following:

- Entrepreneurial thought is a behavioral mindset characterized by striving for innovation and organizing economic and social processes to exploit certain resources and situations, taking risks, and accepting failure. It aims to continuously drive economic progress forward.
- The entrepreneurial spirit requires identifying opportunities and gathering the necessary and diverse resources to transform them into an enterprise. It is also seen as an initiative that allows individuals to think outside the box and initiate change through processes that make them sensitive to problems they face and changes in their surrounding environment.
- Entrepreneurial education aims to equip individuals with societal knowledge and provide them with the necessary skills to encourage them to engage in entrepreneurial work. This is facilitated within universities through specialized books on entrepreneurship, as well as on management, labor, and human development in general.
- One of the significant findings of this study is that university students, and universities themselves, are among the key areas where the concept of entrepreneurship is explored with precision and depth. This aims to establish an entrepreneurial culture within the research community by linking economic and social frameworks with the educational system.
- The entrepreneurial education methodologies adopted in some Algerian universities follow carefully planned scientific stages. These methodologies are designed to align with individual needs and enhance entrepreneurial behaviors effectively.

10.2 Recommendations:

Among the recommendations that should be emphasized are:

1. **Promoting the Culture of Entrepreneurship:** Actively disseminate entrepreneurial work culture and encourage the legitimacy of private enterprise among university students by organizing seminars, conferences, and scientific forums related to this field.
2. **Expanding Entrepreneurial Education:** Broaden the focus of entrepreneurial thought beyond the faculties of economics, commerce, and management by integrating it into parallel disciplines.
3. **Encouraging Research Beyond Government Jobs:** Urge supervisors of research on entrepreneurship to move beyond the expectation of government employment, which has become almost unattainable in today's era. They should guide students in producing field-based theses aimed at understanding economic development in the country and the role of university students in contributing to it.
4. **Establishing Digital Portals and Databases:** Create a digital platform and database that enables aspiring entrepreneurs to identify and understand the risks they may face when entering the entrepreneurial field.
5. **State Support for Young Entrepreneurs:** The government should support the entrepreneurship sector, particularly for young beginner entrepreneurs, by providing assistance to expand their economic projects. This would contribute to building the national economy and developing a generation capable of earning individual income, which would inevitably lead to increased collective income in the country.
6. **Effective Supervision by Educators:** Ensure that supervising professors possess advanced teaching skills in entrepreneurial thought, tailored to meet economic and professional demands.
7. **Establishing Incubators and Research Units:** Set up entrepreneurial research incubators within universities. These could take the form of laboratories focused on entrepreneurial research as part of partnerships between universities and parallel sectors directly linked to the job market and professional administration in the country, such as entrepreneurial hubs. This would encourage students to delve deeper into entrepreneurial research and develop their creative projects.

Conclusion:

The entrepreneurship sector plays a vital role in building the national economy, requiring its mechanisms to be propelled forward by reducing unemployment and encouraging university students to engage in scientific research and fostering a spirit of practical and professional interaction among the university youth.

It is evident that fostering entrepreneurial awareness is an essential task that must be overseen by specialized bodies with precise field and scientific expertise, as well as thorough training. This is crucial for enhancing the willingness to engage in private ventures, whether through establishing medium or small-scale enterprises.

Universities have a significant role in training students and encouraging them to adopt entrepreneurial thinking, enabling each student to move beyond the expectation of securing public

sector jobs based on their academic specialization. Instead, students are motivated to actively pursue daily income generation, establishing private enterprises that provide employment opportunities not only for themselves but also for other university youth. This promotes self-reliance and independence rather than dependence on inherited professional roles.

State support for this sector can alleviate the burden on public finances by fostering financial flows that enable the government to invest in other projects rather than focusing solely on expenditures without clear returns. For example, Algeria, which has implemented awareness and follow-up policies through youth employment agencies and partnerships with higher education institutions, has achieved higher objectives by creating a culture rooted in the values of self-employment, independence, and creativity. This aligns with the principles of free competition adopted by most countries around the world today.

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