

Business Incubators and their Role in Supporting and Developing Small Enterprises in Egypt and Algeria: A Case Study

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An incubator is a seed of the foundation of the establishment of any project. It requires attention and care until the project supports itself. Small projects are the result of the birth of business incubators. The main objective of establishment is to promote the leadership and support of small enterprises and provide advice, guidance and support for it to achieve its economic and social goals. In Egypt, we found that incubators started in 1991, when they were called the social fund for development. The aim was to mobilise local and international financial and technical resources for small projects and to provide services, assistance, office facilities and communications necessary for their work. In Algeria, the concept of a business incubator was introduced in 2003. Algerian legislators incorporated the concept of nurseries or nurseries in their early stages within the legislative frameworks of the said year. These aim to support the establishment of small enterprises and identify financiers.

Key words: *Business incubators, Small enterprises*

Introduction

Business incubators form a suitable environment for the growth of small enterprises. They pay off in the way that they make small enterprises reach a stage of full dependence on their own abilities by achieving different objectives, like reducing levels of the unemployment. They also contribute to facilitating and transferring modern and developed technology through their dependence on the scientific output of the universities (through the technological incubators that are associated with scientific research centres). This



consequently contributes to supporting knowledge and helps entities keep up with developments in technology and information.

The activation of services and the possibilities that incubators provide and the services of innovators and small enterprise owners increase the speed of the developmental process of projects. This is due to the fact that small enterprises are the main engines of economic development.

An incubator is considered a fundamental seed to establish any enterprise that requires a great deal of care and attention up to the stage of self-dependence. These small enterprises are the result of the birth of business incubators. The fundamental aim of establishing them is to promote entrepreneurship, support small establishments as well as to introduce advice and guidance for entities to achieve their social and economic goals.

In Egypt, we find that business incubators started in 1991. In that time, they were called the social fund for development. Their aim was to mobilise local and international financial and technical resources for small projects and provide services, assistance, office facilities and communications necessary for their work.

In Algeria, we find the concept of the incubator began to work in 2003. The Algerian project included the concept of incubators or nurseries in the early stages within legal frameworks and legislation in the mentioned year. This aimed to support the establishment of small projects through those incubators and identify funding bodies.

Objective of the Study

The study aims to study business incubators and their role in supporting and developing small enterprises. It also aims to highlight their abilities as tools of supporting economic integration.

The Problem

The research sets out to answer the following question:

Do incubators contribute to the support and development of small enterprises in Egypt and Algeria?

Hypothesis of the Study

The study predicts that business incubators play a positive role in supporting small enterprises in Egypt and Algeria.

Business Incubators (Concept, Origin and Types)

A) Concept

An incubator can be defined as an integrated work system that has the necessary capabilities to start an enterprise. It also includes a network of connections and communications with the business society and is run by a specialised form of management that has all types of support. This helps it to acquire a high average level of success for the enterprises that are connected to it, as well as helping it to overcome the troubles and challenges that its work faces (Raad, 2015).

Moreover, it is known as a system of work that is integrated and expresses small enterprises (newly born) in need of complete support and care. Hence, incubators are required to shelter and provide security from the risks surrounding these entities. They can then develop the power to continue and be pushed towards success gradually, enabling them to grow (Haif, 2012).

Others define an incubator as an establishment that stands alone and has legal presence. It takes from various services and different facilities for small institutions (small projects). It also helps these to get over the burdens of the starting stage. A businesses incubator can be in the form of a special, mixed or governmental institutions. The latter represents powerful support (Hussein, 2003).

Some define an incubator as an establishment of development that has a strong financial presence and is specialised in helping entrepreneurs in the field of establishing, managing and developing new projects by providing an integrated package of services and facilities. It may also provide consulting and support mechanisms and support an entity for a certain period of time in order for them to be able to depend on themselves. As a result, an entity can come into to the business market and continue their work outside the incubator (Hahem).

An Algerian legislator defined them as public enterprises of an industrial and commercial nature with their own administrative morale and financial autonomy (Sahrif and Mohammed, 2007).

B) Origin

Individuals seek to develop their economic activities and diversify their sources of income by thinking about setting up small businesses or developing them gradually. This idea began to work seriously in 1959, when a family switched their headquarters (that stopped working) to a workplace that could be rented by individuals interested in establishing their private projects and would provide the advice and guidance for them.

Among the factors that contribute to the success of this work and increase the turnout of individuals is the presence and availability of a number of commercial banks and sales centres nearby. This idea was been developed and these entities were later called incubators, as they represent the first environments to adopt the birth of projects.

The United States of America is considered the first country to implement incubators. In 1959, the first incubators were established and known as Batavia based on their centre of business (Batavia). They used to provide advice and guidance, present help and make financing available in addition to technical support for new projects. This situation continued until 1984, when the American Commission for Small Enterprises adopted programs to establish business incubators and development at the start of projects. Only 20 incubators existed, and the number began to increase especially after a special establishment by businessmen that worked on activating and organising business incubators. This was known as American National Business Incubation (NBIA) of 1985. In 1999, the number of the incubators in America reached around 800 incubators (nearly establishing one incubator per week) from 1986 to 1999.

The modern statistics that the (NBIA) issues refer to the average success of new projects in the incubators connected to this network. It has witnessed an increase in growth from an average of 7% to 22%. This is the double average of projects that are established outside of incubators. 19 thousand new companies and more than 245 thousand permanent job opportunities have been created.

C) Types

Business incubators are divided into several types. We mention the following (Nabeel, 2004):

- 1- Technological business incubators: These are incubators with scientific and technological support that are established within universities and are centres for scientific research. Their goal is to make use of scientific research and the factors of innovation and invention and transform them into successful enterprises. These are known as technical incubators.
- 2- Handicraft incubators: Their work focuses on international, financial and technological cooperation to attract foreign capital and qualify local companies through international companies and develop them and encourage them to expand towards foreign markets.
- 3- Industrial incubators: These are set up within specific industrial zones that are appropriate for meeting a region's need for industry and support services. They are mutually beneficial for large factories and small incubator projects.
- 4- Regional incubators: These serve certain geographical areas in order to develop them with the use of local resources (raw materials and services) and by investing unemployed human energy into work.



5- Non-technological incubators: These concentrate on agricultural and light engineering industries with outstanding craftsmanship for the sake of local and regional markets. They deal with small enterprises of various specialisations and involve industrial, production and service spheres.

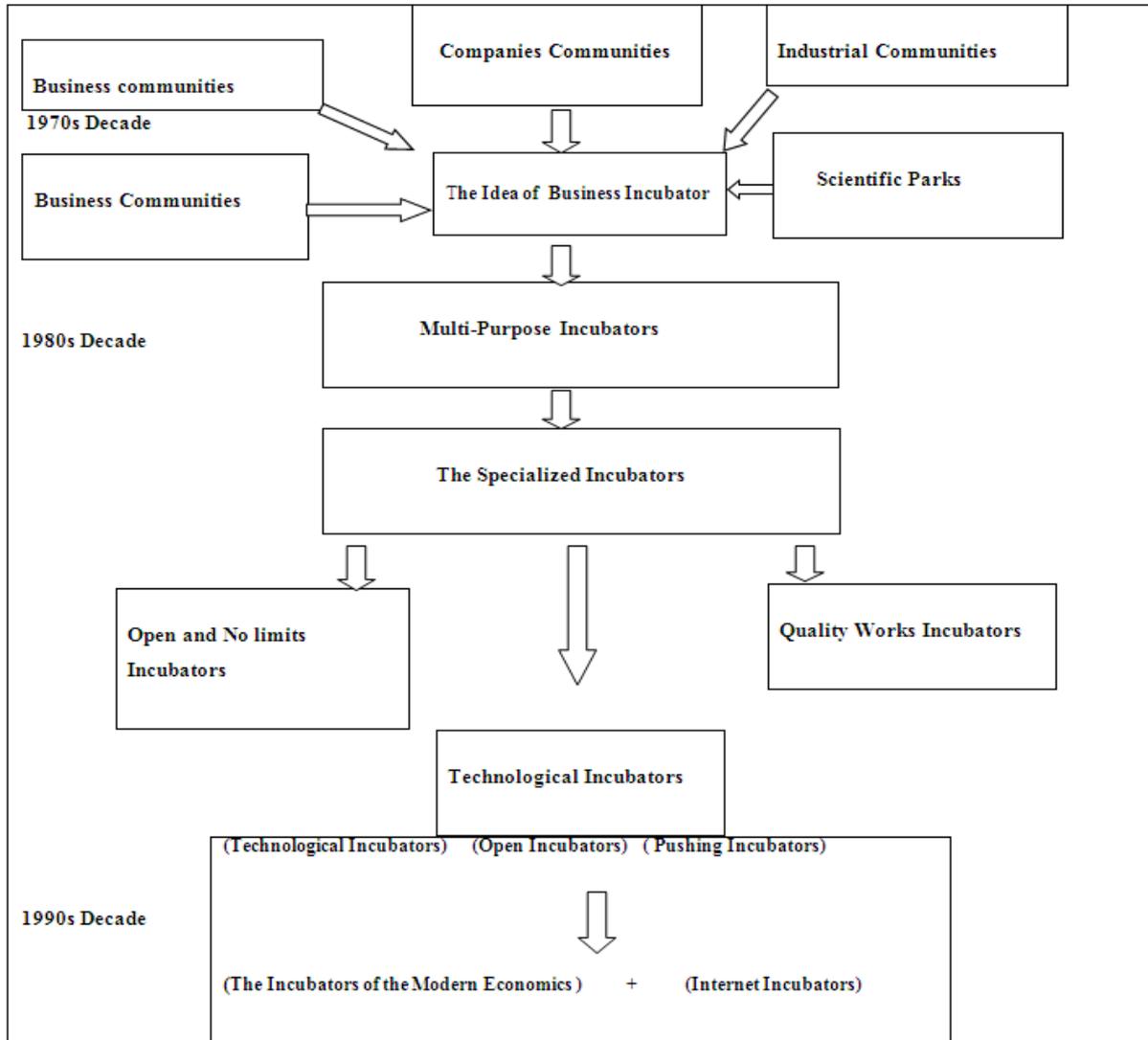
Moreover, there are other types of incubators besides the above-mentioned ones:

As for incubators that work in the field of programming and the internet, they help growing internet companies to mature, and are called internet incubators. The establishment of these incubators (CMG) in 1995 is attributed to David Taylor and Bale Gerdis, who established Idealab in 1996. According to the statistics of specialised companies, in 2001, the number of internet users around the world was nearly 356 million. This number reached 502 million users by the end of 2003. The percentage of growth for these incubators over two years reached 100%, whereas the percentage of individuals afforded the service of using the internet in the world during the same year was estimated at around %15 of the world population¹.

¹ For more review in: www.marefa.org/index.php

Diagram 1

The progress of incubators from 1970 to the end of 1990



(Atif Al Shebrawi Ibrahim, Business Incubators Initial Concepts and International Experiences, Islamic Educational, Scientific and Cultural Organisation, ISESCO, 2005, p. 16).

Based of the above diagram, the 1970's of the 20th century witnessed limited practices for business incubators that were concentrated in industrial areas, workplaces and agencies. The 1980's witnessed the emergence of the multiple incubators and the expansion of their practices in scientific factories and work centres. The 1990's witnessed the birth of new types of specialised incubators (pushing, open and technology). The end of the 1990's saw the expansion of the open incubator through the creation of internet incubators and modern economic incubators.



The Concept of Small Enterprises

A) The concept

Definitions of small enterprises vary in accordance with different countries. Based on the prevailing conditions in these countries (economic and the social) and what is available in form of technological and scientific possibilities, varied criteria are determined to define small enterprises (Laura and Mobile, 2010). The criteria used vary in their recognition of small enterprises, like the criteria for the number of workers and capital. The latter is considered the most effective criterion. The number of workers differentiates between the size of enterprises, although this varies by country due different components. Some studies eliminate the values specified for enterprises based on the components of capital. Moreover, there are hindrances for using these, like changes average prices and differences in the nature of countries as well as changes in currency exchange rates. Sometimes the size of a project is determined of according to both criteria (United State Agency for International Development (USAIO) Iraq Development Program, 2010).

The European Union has defined small enterprises in the recommendations of the commission on 3rd of April 1996 by depending on certain criteria. These include the number of workers and the sum of the annual revenue of an enterprise and its total assets and independence. It defined it as ‘an organisation that includes less than 50 workers and the amount of its works less than seven million Euros and the total assets of it below five million Euro’ (Burkan and Haif, 2012). The concept of small enterprises in most of the Arab countries involve enterprises of crafts and small workshops besides modern factories. Table 1 illustrates the nature of small enterprises in the standard of the number of workers for a sample from countries of the world.

Table 1

The concept of small enterprises in selected countries

Country	Minimum number of workers	Maximum number of workers
The United States of America	250	1000
Italy	1	500
Japan	20	300
Sweden	1	200
Belgium	1	50
Egypt	9	50
Iraq	1	9
Ghana	1	9

(Abdulrahman Omar, 'The Small Industries in UAE', Journal of Afaq for Economics, No 4, UAE 1986, p. 44).

B) The determinants adopted in the evaluation of small enterprises

- I) Volume of invested capital: Small enterprises are distinguished by limited capital. This criterion differs from one country to another. For example, in the USA, the minimum invested capital in these enterprises does not exceed 9 million US Dollars. In Britain, it doesn't exceed 202 million Pounds.
- II) Number of the workers: Small enterprises have limited employees and few employers. Small-scale projects often employ 10 to 49 workers, while medium-sized enterprises employ between 50-249 workers, distinguishing them independently (Salih, 2004).
- III) The nature of ownership and the responsibility of management: Ownership of small enterprises is mainly attributed to the private sector. Most of their projects are individual and a director has a clear role at different levels. As for the domain of management's responsibility in SMEs, the manager or owner performs several functions at a time, unlike what is familiar in establishments whose functions are distributed among a group of people.
- IV) Technical level: The small projects are concentrated on simple production technology with technology.
- V) Limited market standards: The dominance of an enterprise in a market is among the most important criteria that determine its size. This importance is represented in the relationship of the productive unit with the market and the known types of Products. The production of small and medium sized establishments is a commodity production type. The relationship between them and the market is an offer and order relationship. The power of this relationship can be determined by the extent of the control of the latter in the market (Madkhel, 2011).

VI) Number of works: This criterion is used on a large scale in the United States of America and Europe, as establishments with sales of a million dollars or less are classified as small or medium sized enterprises. This criterion is associated with industrial projects.

C) The barriers to establishing small enterprises

Any enterprise or work is encountered by barriers and challenges, despite many factors that help in the success of these emerging projects. It is important to know these challenges when they are encountered:

- 1-The difficulties with other enterprises (difficulties with loans and bank facilities)
- 2- Shortages of resources regarding information and practical expertise in the field of business and technology.
- 3- The increasing population, shortages in job vacancies and the high prices in lands that are specified for commercial and industrial business.
- 4- Weaknesses in the field of marketing.
- 5- The great divergence between the scientific and productive institutions.
- 6- The lack of government systems that support emerging and industrial projects.

In order to reduce the difficulties and the challenges that face small projects, one must have knowledge of the following:

- 1) Conducting an integrating studies into a project before starting to see the extent of the possibilities of application.
- 2) Involving private and governmental sectors to work together, encourage development, moderate laws, moderate schemes and obtain support.
- 3) Gaining the support of the government and private banks and introducing tempting offers in order to get the required funds to establish enterprises.
- 4) Full awareness among project owners of laws and government regulations to avoid legal mistakes and accumulated taxes.
- 5) Searching new projects that serve individuals and society.
- 6) Finding a good place to establish projects that have the services like water, electricity, transportation and markets etc.

Moreover, making use of establishing incubators creates new creative projects that contribute by introducing services to society and working to connect small industries with one another. This achieves industrial and economic integration with an aim to continue developing a better future, afford new job opportunities, reduce unemployment and help youth in intellectual and scientific creation. They also transforming their ideas and suggestions into works that serve individuals and the society.

The Economic Significance of Small Enterprises

- 1- Small enterprises provide many low-price commodities, as this works to satisfy the needs of individuals. They also produce commodities that are exported, which leads to foreign exchange.
- 2- They create opportunities for manpower and reduce pressure on government jobs.
- 3- They work on driving the productive movement of countries through increasing exports and raising standards of living and civilisation.
- 4- These projects don't require huge capitals. Some countries work on providing soft loans to start these types of projects.
- 5- Sometimes these enterprises are more developed and more creative than big projects. This is because of their dependence on developing themselves and not only on their capital.
- 6- They are considered solid for national economies in facing economic fluctuations like inflation and depression. This is because they are less affected by such fluctuations when compared to the big enterprises
- 7- They help to develop and improve areas that are less lucky in terms of growth and development, decreased levels of income and increasing levels of unemployment (Asawer, 2018).

Business Incubators (Selected Experiences)

After recognising the concept of business incubators, its types, problems, barriers that they encounter and their factors of success, one must know how they are created and start to work in some countries by analysing experiences:

The Egyptian experience

The implementation of the economic reformation and the economic openness that Egypt witnessed during the 1970's and the 1980's of the 20th century had a negative effect. Social and economic costs resulted in the dropping of average growth by between 1 and 2 percent. Consequently, there was a drop in the level of fixed investments as a share of total local production. This bad distribution was not in favour of the production and commodity sectors, especially agriculture and manufacturing. In addition, it increased the level of poverty and the bad distribution of income. It also increased the level of unemployment due to the programs of privatisations that followed within the programs of economic reformation and structural conditioning that Egypt adopted. However, the government tried to find treatments for these effects and work started on a new program that encouraged small projects with the support of the state. The number of funded projects in this program in 1998 reached around 86 thousand projects, with a total value of 450 million dollars. Small and medium-sized projects in Egypt formed around 99.7% of total projects outside the agricultural sector that contributed to around 80% of the total added value. They provided 2/3 of afforded job opportunities and

75% of special jobs (Huda, 2009). The Egyptian government started what looked like a business incubator in 1991. They called it as the Social Development Fund in the republican decision No.40 in 1991. The aims of this fund included the following (Abdulrazaq and Nouruladin, 2006):

- 1- Mobilising financial, technical and local resources to support the financial, organisational and technical administrative capacity of small institutions in the field of the production and services.
- 2- Introducing the same services and aids that are presented from the side of the business incubators with the exception of affording locations for the projects and the office facilities and communications.

The important programs of the Social Development Fund are

- 1- the programs of quality technical centres in the field of the furniture and packaging industry.
- 2- the programs of developing small projects.
- 3- The programs of developing the feeding industries to provide the technical and economic data.
- 4- the program of developing the rights of commercial privilege.
- 5- the programs of the industrial complexes.
- 6- the programs of the industrial incubators and the technical business incubators (Thuraya, 2006).

Table 2

Table of the Incubators that have been established and started the work in Egypt in 2002

Name of Incubator	Type of Incubator	The Location
Tela Incubator	Business Incubator	Almenfoia Province
Altabeen Incubator	Technological Incubator	Qairo Province-Halawan
Almansoura Incubator	Technological Incubator	AldehlaqiaProvince-Almansoura University
6 th Oct. City Incubator	Technological Incubator	Asyot Province
Asyot Incubator	Business/Techno-Incubator	Asyot Province
AyenAlshams Incubator	Technological Incubator	Ayaen Ashams University/Engineering College
Aswan Incubator	Business/Techno-Incubator	Aswan Province
10 th of Ramadhan Incubator	Techno-Incubator	Alsherqiya Province



(The Social and Economical committee of West Asia, Building the technological capabilities through the 2th century in the ISCO countries, UN, New York, 2003, p. 167).

The business incubators that the social Development Fund has created introduce an integrated package of services that is directly connected to the difficulties and the obstacles encountered by small institutions at their starting point, like

- Managerial services: training on the work plans, training on the managerial skills and the secretarial works, internet services and fax and computer services etc.
- Technical services: specialised and technical consultations for factories to control quality and technical training etc.
- Financial services: the loans of the Social Fund, feasibility studies and financial documents etc. Among the most important products that have been produced through small enterprises that are attributed to incubators are the speed changing device of motors, electrocardiograph using a computer, electrical wheelchair for handicaps and many more. Most of them were produced for the first time in Egypt. This reflects positively on the quantity of exports that is an indicator of the status of production of the industrial sector and its ability to compete in international markets in accordance with international standards. The quantity of exports increased in the form of finished goods during 2002-2003 from 1% to 2.4%. As for the exports of the semi-manufactured goods, they increased from 0.7% to 1% through the role of incubators. The economy of Egypt has moderated the intensity of a lot of the costs of transformation, especially regarding the lowering rates of the GDP growth, inflation and foreign trade imbalance (Waffa and Huda, 2009).

Algerian Experimentation

Despite the global popularity of business incubators and their economic role in projects, they didn't get much attention in Algeria, especially before 2003. There was no law or decree that organised the works and activities of business incubators before the mentioned year, except for the law 18/01 in 2001, which states that incubators are a form of nursery and that their role is confined to supporting service-based projects only.

Later on, Algeria sought to develop legal frameworks and legislation to initiate and establish business incubators. It did this by issuing an executive decree (79-30) on 25th Feb 2003. This decree included the fundamental law for the facilitating centres, which determines the legal nature of nurseries of institutions and centres of facilitation. Each is explained as follows (Ammar and Hamza, 2014):

- 1- Nurseries of institutions are general institutions distinguished by their industrial and commercial character, enjoying a moral personality and financial independence. They aim to introduce support to establish institutions within the framework of the policy of promotion of small institutions. Nurseries assumes one of the following three forms:
 - a) Incubators as a framework of support specialised in a project within the services sector.
 - b) A connecting workshop as a supporting framework that is specialised in projects in the small industry and crafts sectors.
 - c) A supportive framework specialised in projects who join the research field.
- 2- Centres of facilities: General institutions with industrial and commercial orientation enjoy a moral character, financial independence and aim to achieve several goals that are lined up by the executive decree mentioned earlier.

The number of small institutions within an incubator is determined. The more the number increases, the more the management of the incubator gets complicated. An incubated institution graduates after 19-36 months. In earlier stages, the funding of businesses incubators in Algeria relied on three resources (Abdulrazaq and Nouruladin, 2006):

- 1- general aids (local, national and International).
- 2- revenue related to real estate.
- 3- revenues that are related to certain services.

The ministry of small and medium institutions has tended to establish 11 incubators as the first step in the areas of Alagwat, Patna, Albeleeda, Telmasan, Satif, Constantinople, Wahran, Alwadi and Algeria. About 4 Billion was allotted to support the growth sector for the period from 2005-2009, with an aim to increase the number of incubators to 20 incubators.

The contributing agencies in support of investment and small institutions in Algeria

- 1- Investment promotions and support agencies were replaced by the National Agency for Developing Investment. However, both of them didn't achieve foreseen objectives due to the centralised structure in the capital, which complicates the flow of information.
- 2- The National Agency for Supporting and Employment: it targets the assistance of the youth category to establish small enterprises. This consequently leads to reduced averages in unemployment.
- 3- The Centre for Supporting Small Industries in Wahran City (West Algeria): This aims to grant opportunities to develop the institutions of investors and economic clients. In addition, it aims to assure the rehabilitation of small and medium enterprises in Wahran City. This includes around 12367 institutions. This rehabilitation is to be done through forming experts and managing available funds for the benefit of investors and developing

the quality of national products to acquire competitive abilities in the international market.²¹

The first start of small institutions in Algeria dates back to the era of the aftermath of independence. This occurred in three stages, and the movement through these stages is slow in development:

(I) The first stage (beyond independence 1962-1984)

This stage witnessed a movement within the laws that are related to economic plans. At that time, there were enterprises developing in the hands of the government. Other small and medium institutions were filled with Europeans, and their role was mostly connected to colonialist objectives. After independence, their number was around 1120 units. The number of workers was 57480 worker (Abdulrazaq and Nouruladin, 2006). These enterprises underwent nationalisation by the state authority. Through this stage, the state supervised the different types of social and economic development.

(II) The second stage (1984-1991)

This stage witnessed the issuing of the set of laws for the different sides of economic life and the wheel of development. It was known to involve small and medium sized institutions and by improve the general authority for the policy of decentralised development by achieving the limited social and economic objectives. At the beginning of the 1980's, the attention was widely directed towards small and medium-sized institutions through incorporating them within the frames of the general policy of development. This was considered as a means for effective participation in activating productive mechanisms, consequently creating job opportunities. The total number of small and medium-sized enterprises increased in this stage. In the branches of construction materials, wood and paper, their numbers reached 22382 in 1991.

(III) The third stage (1990-2010)

Based on the statistics received from National Social Security Fund, the number of small and the medium institutions has increased to 156507 institutions employing 634375 workers. There was an increase of 53.4% since 1997, which explains the development of small and medium-sized institutions.

The role of small institutions in the Algerian economy

Small institutions may create new job opportunities and provide jobs that contribute to the reduction of unemployment. These institutions have an obvious role in the Algerian economy through providing job opportunities with greater absorptive capacity than the big institutions.

The data of the ministry of Industry and small and medium sized institutions from 2012 indicates the number of workers has reached around 1848117 workers. The private sector contributed to provide the biggest percentage of these work opportunities, consequently reducing the level of poverty and increasing the averages of employment and training of manpower.

Small and medium-sized projects raised the level of local production. This is because the rise in the level of employment led to increase in the level of total and effective order regarding different commodities. This consequently increased the levels of income of individuals in society and directed some of it to consumption. Here, small and medium-sized institutions have helped in elevating the productive averages of the used factors of production.

Statistics regarding the sum of internal production indicate an increase from 2041.7 Billion Dinars in 2001 to 5509.21 Billion Dinars in 2010, an increase of 169.83%. This increase in the amount of internal production is attributed to small and medium-sized institutions, as well as outperforming of the public sector. In the private sector, the sum of achievement and added value is increased continuously from one year to the next, unlike in the public sector.

The development of small enterprises in the work of business incubators (Algerian vision for the future)

As a result of development and new policies in the field of technology as well as commercial and economic globalisation, small medium projects encounter constraints and challenges in the assurance of their survival in markets. There is a need for systems that work on helping and updating schemes and data as well as taking care of the work of projects. Hence, incubators support the growth of these projects.

In the first topics, the researchers mentioned the origins of incubators their significance, referring to the first conceptual incubators that emerged in advanced countries like the United States of America and France. However, they are also found in Arab countries like Egypt and the UAE, but their birth came after success in countries that are economically, industrially, agriculturally and commercially advanced. This means it is possible for country like Algeria to establish these projects and incubators and use these previous experiments for new benefits. The growth of small and medium sized projects achieve economic integration and support the economies of country.

Algerian experimentation in the field of businesses incubators started in 2001 through a group of procedures and laws that the ministry of small and medium-sized institutions and traditional industries implemented. These laws work on facilitating, helping and establishing businesses incubators in form of incubators and nurseries for institutions. The first directive law, No.18/01, was issued to prompt small and medium institutions in 2001. Directly after

that, a law was issued by executive decree No.78/03 25 in 2003. It includes the basic law for the work of incubators and nurseries of businesses. This was later followed by another executive decree No.79-03 25 in 2003. These laws have reinforced the work of Algerian projects (Ammar and Hamsa, 2014). Algerian projects have shown the forms and types of businesses incubators, general agencies and organisations that run them may be private or public institutions, commercial or general institutions, industrial or non-profit institutions or commercial companies. Incubators are identified as containing around 20 to 50 small institutions. The period of incubation can last from 18 to 36 months before the incubating institution graduates. The more the number of institutions increases, the more the productivity of the incubator increase, although it faces complications in the field of management and the care of the enterprises. Hence, after the end of a period of incubation, enterprises graduate and practice their work by depending on themselves.

Algerian enterprises paid attention to identifying the concerned sites of funding for businesses incubators, and it introduced aid through

- 1- The Agency of Promotion and Supporting of Enterprises.
- 2- The National Agency for Support and Employment of Youth (ANSEJ). Its aim is to help youth to establish institutions and small projects (Alarabi). Algerian laws were made for nurseries, institutions and centres for support and facilitation (according to the previous decrees):
 - 1- Nurseries of institutions: They are a public institutions with a commercial and industrial character, moral personality and financial independence. They aim to help and support institutions. This involves the frame of promotion of small and medium sized institutions and it is based on the following forms:
 - a) Incubators: it is a supportive frame that specialised in project holders in the services sectors.
 - b) Connection workshops: These are frameworks concerning project holders in the sector of industry and crafts.
 - c) Supportive frames that are specialised for project holders joining the research field. The objectives of nurseries and institutions are to help small and medium sized projects in the stages of establishment through
 - activating cooperation with the institutional perimeter
 - contribution to an economic movement
 - encouraging innovated projects
 - ensuring the sustainability of accompanying institutions
 - encouraging the institutions in their work with a high level of professionalism (Ammar and Hamza, 2014).

2- Institutional facilitation centres: These are institutions with an industrial and commercial character. They have a moral personality and financial independence. Their objectives are to facilitate the establishment and development of small and medium institutions, and the facilitating centres aim at achieving a set of goals that are determined by executive decree No.79/30 (The Executive Decree No 78-03 dated in 2003).

Table 3 shows the number of facilitating centres of institutions in Algeria in 2013 (until the end of the hexagon of the year).

Table 3

Number of facilitating centres in Algeria in 2013 (till the end of the hexagon of 2013)

Facilitating Centres	Operational Projects	Accompanying projects
Tabaza	368	90
Wahran	325	325
Idrar	36	22
Burj Boareerij	232	191
Alyazi	98	64
Jayjel	277	239
Terminrast	37	17
Na'ma	175	114
Tendouf	163	39
Aljelfa	313	10
Sidi Belabas	21	21
Albleda	18	/
Total	2063	1132

(Ammar Zora & Hamza Bokafa, Previous Resource, p. 86).

The sustainability and guarantee of the work of businesses incubators in Algeria requires an entire mobilisation of efforts and resources to establish typical incubators. In rising them to the international level, the most important factors of success must be prepared:

- 1- In the spreading of the culture of self-employment and entrepreneurship, the growth of small projects are in need for an environment that has the spirit of entrepreneurship and the love of free work. This involves businessmen and special administrative talents in regard to risk and the adoption of new ideas.
- 2- The work to establish a joint incubator between state and private institutions involves the facilitation of financial and moral support in a better and more effective way.

- 3- Accuracy in selecting suitable managers and grant them authority and freedom leads to the success of incubators. Incubating institutions require the spirit of creativity and innovation.
- 4- Encouraging the systems of funding outside the system of bank loans supports and develops funding abilities. This involves the search for new fund resources, like the Islamic banks, companies involved in capital investment and leasing companies.
- 5- The matching of services and facilities are introduced by incubators with the type of needs of projects. The location of a project is one of the stipulations of its success. This concerns its proximity to businesses complexes, transportation (roads) and communication means etc.
- 6- Setting foundations and standards that are compatible with local conditions and feasibility studies leads to the possibility of expansion in the future. It guarantees an increase in local added value, the ability to export and international competitiveness. It also achieves a considerable amount of employment, as well as the consideration of environmental conditions (Fauzi, 2014).

Conclusions and Recommendations

Conclusions

- 1- Business incubators are new mechanisms that are active in the form of integrated systems of services and funds that small projects need in their early stages.
- 2- Business incubators are an important means of strengthening economic development. They have proved their success through providing job opportunities and adopting the idea of free works and work on setting new projects on a sound bases.
- 3- Small projects contribute to creating job opportunities and reducing unemployment due to their intensive nature regarding work. They also use simple techniques.
- 4- Business incubators increase the ratios of success and continuation of projects when compared to non-incubated projects.
- 5- Business incubators are the link between the centres of scientific research and universities when it comes to the transfer of technology to the productive sector. They are represented by small projects as they introduce developing programs that contribute to various economic activities.

Recommendations

- 1- Make use of pioneering international experiments in the field of establishing business incubators to concentrate on mechanisms and enable universities involved with business incubators to benefit from the experiences of countries selected in this study. This should have the aim of providing suitable opportunities for the success of small projects.



- 2- Work on establishing integrated business incubators, as they are considered to be a more successful and accepted form of contribution in a huge way that supports the path of these projects.
- 3- Adopt the establishment of regional incubators that are specified for particular geographical areas for the purpose of development and exploitation of economic resources or focusing on certain sectors or certain activities with the aim of developing them.
- 4- Set and organise mechanisms that contribute to advancing small projects through legislation or direct support.

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