

BEYOND BORDERS AND BARRIERS: PESTEL DYNAMICS AND THE ROLE OF SUPPORT AGENCIES IN FOSTERING INCLUSIVE ENTREPRENEURSHIP IN ALGERIA — INSIGHTS FROM THE UK

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Abstract

This study examines the effectiveness of support agencies in promoting the inclusive entrepreneurship among marginalized groups. While grounded in the Algerian context, international policy lessons presented in the UK are used to generalize wider recommendations to other emerging economies. A mixed-methods approach was used by combining quantitative data from 250 Algerian entrepreneurs, and qualitative interviews with agency officials. The paper uses a PESTEL analysis in testing external environmental forces on agency effectiveness and benchmarking selected UK initiatives. Findings demonstrate that although support agencies in Algeria have a role to play, their effectiveness is hindered by bureaucratic inefficiencies, lack of sufficient financing as well as lack of the coordination of operations. This study links the internal institutional limitations to the environmental factors providing directions to reform using international policy models and points to the development of inclusive entrepreneurship as an institutionally entrenched option to support equity and resilience.

Keywords: *Inclusive entrepreneurship; Marginalized groups; PESTEL analysis; Support and accompaniment agencies.*

JEL Codes: *I3, L26, O25*

Introduction

Economic growth, job creation, increased equity, and social inclusion come through entrepreneurship as a strong economic power. The world recognizes inclusive entrepreneurship as a fundamental tool to reduce economic gaps and achieve the Sustainable Development Goals (SDGs) particularly in developing countries (United

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Nations, 2023). Certain areas have discovered that entrepreneur training and microloan programs allow communities to support self-reliance as well as distribute wealth locally.

In Algeria, various support and accompaniment agencies such as NESDA, ANGEM, ANDI, ASF, and CNAC have been established to provide entrepreneurs with different types of aid, particularly those from underrepresented groups (British Council, 2020). These agencies use financial resources, training, and mentorship support to increase inclusive entrepreneurship for those who deal with economic or social barriers as well as geographic limitations (World Bank, 2020). They have improved their support for entrepreneurship; however, inadequate support continues to be an issue for marginalized groups who encounter distinct obstacles when attempting to use these resources (Lounes & Mancera, 2024).

Research on the actual impact on promoting inclusive entrepreneurship by Algeria's support systems remains limited despite established assistance structures. Existing studies often provides analysis about entrepreneurship promotion but overlook how marginalized groups face hurdles and what results they achieve. Consequently, a significant literature gap remains unaddressed regarding the effectiveness of these agencies in promoting inclusive entrepreneurship and the challenges they encounter in the achievement of their goals and objectives. This analysis reveals internal constraints in order to implement better effective policy changes to strengthen support systems and enhance socioeconomic equity. It creates a logical context for understanding how internal and external factors enhance the achievement of these initiatives while providing applicable findings for countries that share similar socio-economic conditions with Algeria.

The study aims to determine the effectiveness of support and accompaniment agencies in promoting inclusive entrepreneurship in Algeria. it combines quantitative and qualitative data to simultaneously analyze the direct impact of agency support and put the influence of external factors into context through PESTEL analysis. Ultimately, it presents practical recommendation to enhance inclusivity and sustainability of Algeria's entrepreneurial ecosystem with the aim of delivering fair business opportunities for marginalized groups.

To achieve these objectives, this study seeks to answer the following research question:

How effective are support and accompaniment agencies in promoting inclusive entrepreneurship among marginalized groups under the influence of internal challenges and PESTEL factors?

The RQ above support the formulation of the following hypotheses:

- H1: Support from accompaniment agencies positively influences entrepreneurial success among marginalized groups.

- H2: PESTEL factors significantly moderate the relationship between support from accompaniment agencies and entrepreneurial success among marginalized groups.

In the context of benchmarking inclusive models of entrepreneurship, this paper draws on mature systems such as the United Kingdom. As an example, the Startup Loans scheme is a government-supported program, which has funded more than £1 billion unsecured loans and mentoring packages since its launch (British Business Bank, 2023). This reflects the importance of structured finance and specific support that can greatly enhance the performance of marginalized founders, a useful guide to policy learning.

The paper adds value to a broader debate on how institutional and contextual processes influence the operation of entrepreneurship support systems in different parts of the world by considering the Algerian case. The findings particularly apply to nations in North Africa, Sub-Saharan Africa, Latin America and South Asia where inefficiencies in bureaucracy, lack of access to finance and policy fragmentation undermine the ability to engage in inclusive economic participation.

Conceptual Framework and Comparative Context

Inclusive Entrepreneurship

Inclusive entrepreneurship is a process that focuses on eliminating systemic barriers and neutralizing obstacles including socioeconomic exclusion to financing, lack of skills, and institutional discrimination, so that individuals from all segments of society especially the disadvantaged groups, can pursue entrepreneurial activities (OECD/ European Commission, 2019, 2023). Such barriers generally exclude women, youth, people with disabilities, seniors, migrants, and rural populations from contributing to business growth thereby highlighting the need to build an equitable entrepreneurial landscape that promotes sustainable growth.

Inclusive entrepreneurship maintains its position as a key area of interest for both governments and NGOs worldwide among other actors who have been establishing policy changes, deliver capacity development, and resource accessibility initiatives. It exists as a fundamental facilitating mechanism that enables (SDGs) 8 (inclusive and sustainable economic growth with decent work) and 10 (poverty reduction) to accomplish their targets (Rolle et al, 2020)

According to the progress report of the United Nations Secretary-General (2024) on the SDGs the current achievements reach only 17% while substantial inequalities persist when it comes to providing equitable opportunities for economic growth. This background highlights the critical importance of developing inclusive business opportunities towards a more effective resistance of the global economy.

Aligned with the SDGs, inclusive entrepreneurship promotes “development-orientated policies,” which help create jobs and stimulate innovation, while giving special priority to business financial inclusion and institutional support for businesses of all sizes. Such policies form the basis needed to support marginalized communities’ specific needs (United Nations, 2023). The implementation of adaptive multi-level policies promoting inclusion and resilience lies at the core of addressing challenges in Algeria as they combine socio-economic necessity and SDG progress.

The practice of inclusive entrepreneurship goes beyond creating economic growth since it involves transformation of society (Bakker & McMullen, 2023). It enables disadvantaged communities to achieve economic independence and social impact as it builds a sustainable global economy (Rolle et al., 2020).

Support and Accompaniment Agencies

Support and accompaniment agencies earn their importance through facilitating access to funding, while providing training and mentorship services and connecting entrepreneurs with essential networks (OECD/ European Commission, 2023). It develops tailored programs that address group-specific challenges, enhance resilience levels, as well as improving innovative potential (Jones et al., 2022). On a global scale, Business incubators, accelerators, and microfinance institutions have successfully reduced challenges for disadvantaged groups.

Public institutions, private entities, and civil society must form stronger partnerships according to The Sustainable Development Goals Report to build innovation and resilience in sectors without adequate support. Algerian agencies aim to provide both financial support and technical guidance to entrepreneurs. To maximize their impact, these agencies must adopt the transformative practices such as digital inclusion along with capacity-building programs (Kheira & Safia, 2024).

In advanced ecosystems like the UK, agencies such as Innovate UK and the British Business Bank have a well organised institutional framework that combines universities, government bodies, and other private institutions. Their digital tools, coordinated funding mechanisms and inclusion requirements present a reference model on how to create ecosystems seeking modernization (UK Research and Innovation, 2023).

Internal Challenges of Support Agencies

Multiple internal issues faced by accompaniment agencies prevent them from offering effective and sustainable service delivery. The solutions to these obstacles will guarantee efficient entrepreneur empowerment to progress sustainable inclusive growth (Audretsch et al., 2022).

- **Financial Limitations:** Insufficient funding remains one of the widest problems across the board. It forces agencies to struggle with the development and expansion of tailored programs that fits the needs of marginalized communities (Hamza et al., 2024). Funding shortages decrease outreach, restrict the adoption innovation and slow infrastructure development (Fetni & Barhoum, 2022).

- **Bureaucratic Inefficiencies:** Policymakers creating multiple definitions put agencies through a challenging position which results in communication problems, resource mismanagement, and prevents coordinated action. Simultaneously, Algeria faces difficulties where its bureaucratic governance structures create multiple delays in service delivery systems (Bouazzouz & Tahraoui, 2024).

- **Skill and Capacity Gaps:** The agency staff often lack training in digital tools, market analysis and specialized mentoring preventing tailored support delivery (Oussedik, 2025).

- **Policy Constraints:** Confusion and poor performance in support activities stem from unclear agency mandates and their failure to achieve proper coordination across programs (Lounes & Mancera, 2024). Many stakeholders face significant issues when their goals do not align, leading to overwork and neglect of important aspects (Guerrero & Espinoza, 2020).

Marginalized Groups

a. Women Entrepreneurs

Women encounter various obstacles such as social discrimination, restricted mobility and limited access to finance (OECD/ European Commission, 2023). This kind of discrimination persists despite legal policies that promote fair treatment for women in Algeria. Cultural norms prevent women from developing their businesses or participating in male-dominated industries (Işık et al., 2025). Family policies along with unfavorable financial systems intensify these challenges (Setti, 2024). However, current socio-cultural developments in Algeria have made it possible to expand women's entry into entrepreneurship, while there are still large gaps in the achievement of real equity (Ghanem, 2022)

b. Youth Entrepreneurs

Young people experience structural obstacles which prevent them from pursuing entrepreneurial ventures (Bouazzouz & Tahraoui, 2024). High youth unemployment rates in Algeria emphasize the importance of acting in this regard. Successful entrepreneur development requires main components which young entrepreneurs usually do not have sufficient access to: financial support, education, and mentorship (Metaiche, 2024). Modern entrepreneurial ecosystems become challenging to understand where youth entrepreneurs lack experience along with social capital (Rahman & Raman, 2024).

c. People with Disabilities

People with disabilities stand among the most marginalized groups in the entrepreneurial environment. The combination of structural disadvantages with nonexistent individualized support systems prevents them from obtaining needed resources and opportunities (Csillag et al., 2025). Disabled entrepreneurs face major challenges in gathering information, attracting sponsors, and establishing networks while reaching the crucial phase which requires these elements for businesses to succeed (Mendoza, 2023). The wide range of disability types makes it challenging to develop a universal solution for support system development (OECD/ European Commission, 2023).

3. Comparative Perspectives

The United Kingdom is a highly structured entrepreneurial ecosystem with support agencies that function using coordinated institutional frameworks, digital systems and inclusive funding mechanisms. Programs such as Innovate UK, the British Business Bank, Startup Loans, and the Women in Innovation Fund demonstrate how clear mandates and integrated online platforms as well as performance monitoring tools help to enhance the delivery of services and improve inclusivity (British Business Bank, 2023). These models provide a useful contrast to the developing ecosystem in Algeria and offer lessons on how to build stronger and more efficient support structures.

In the Algerian context, several institutional inefficiencies and resource limitations are evident, which align with overall findings from the Progress towards the Sustainable Development Goals Report. Agencies frequently struggle with delayed services, unstable funding and poor coordination between the support structures. Structural issues in governance systems create operational gaps and hinder the development of a fully supportive entrepreneurial environment (Bouazzouz & Tahraoui, 2024). Furthermore, the support services remain concentrated in urban areas leaving rural regions with minimal access to resources (Zidane, 2022). Women and youth continue to face barriers as the current programs rarely provide gender responsive initiatives or mentoring and inclusive training opportunities remain limited (Hamza et al., 2024).

Conversely, the UK model shows how the inclusion can be institutionalized in terms of policy. For example, the dedicated initiatives of the British Business Bank such as the £450 million Women in Innovation Fund and diversity-oriented investment vehicles can help to see how the structural funding mechanisms can proactively support underrepresented founders (British Business Bank, 2024). These measures fill in systemic gaps and increase the opportunities of entrepreneurs who traditionally face challenges and barriers to finance and networks (OECD & GWEP, 2025). Such practices demonstrate the role of formal inclusion mandates in enhancing the participation of entrepreneurs a lesson

that can be applied to contexts like Algeria where the fragmented support systems and the gender-biased program delivery still exist.

Overall, the UK benefits from coordinated agency framework, formalized evaluation systems and the consistent digital processes. These elements facilitate reducing administrative burdens, expanding outreach and ensuring the transparency (Lopez et al., 2025). For Algeria, adopting aspects of these institutional practices especially digitalization, performance monitoring, and coordinated inclusivity policies could highly improve the effectiveness of the support agencies and enhance outcomes for marginalized entrepreneurs.

Methodology

This paper adopts a mixed-methods approach to analyze the effectiveness of support and accompaniment agencies in promoting inclusive entrepreneurship in a conclusive manner. It draws upon both quantitative and qualitative data enabling it to capture the macro environmental factors affecting entrepreneurs as well as the internal issues faced by agencies. This methodological choice also supports the comparative element of the study, where the UK serves as a reference point on the institutional practices relevant to Algeria.

Research Design

The research design combines survey data and interview findings to investigate the effects of PESTEL factors on the entrepreneurial experiences and how internal agency challenges shape support outcomes. This approach provides a more comprehensive understanding of the Algerian entrepreneurial environment and allows the findings to be compared with structured UK institutional models.

Justification for Mixed Methods

The mixed-methods approach was selected because the research examines two dimensions simultaneously:

- External macro-environmental pressures (PESTEL) faced by entrepreneurs, and
- Internal institutional challenges experienced by support agencies.

Quantitative data measures the effect of PESTEL factors on entrepreneurial outcomes, while qualitative data is used in order to gain a deeper insights of agency operations. The combination increases the study's validity and supports the comparative component with the UK case by offering a complete view of both systemic and institutional conditions.

Data Collection Methods

Quantitative Data Collection

A total of 250 Algerian entrepreneurs participated in the survey which focused on the PESTEL dimensions, using a structured methodology to include participants

representing marginalized groups such as youth, women and people with disabilities from different regions of Algeria. Other sections included in the survey addressed rates of entrepreneurial success and effectiveness of support agencies, which also contributed to the overall data collection.

Out of the 250 collected questionnaires 209 were retained for analysis due to incomplete demographic responses in 41 cases. Missing data were handled using listwise deletion to ensure consistency across statistical analyses. Therefore, all subsequent statistical analyses are based on valid responses ($N = 209$).

Qualitative Data Collection

A PESTEL analysis was conducted using qualitative data that was gathered through structured interviews with officials from key support agencies. The interviews assessed both background details of the agencies and their support programs as well as the challenges they faced and evaluated the effectiveness of their operations to explore potential areas for improvement. Each interview revealed how political, economic, social, technological, environmental, and legal elements affected agency operations. The analysis applied thematic coding on the responses to identify patterns of similar occurrence that were relevant to the PESTEL components. Through this research design the analysis preserved both the complete structural aspects and the contextual nuances of the entrepreneurial ecosystem in Algeria.

Sampling Technique

A purposive sampling technique was used for both the survey and interviews. Entrepreneurs were selected based on their belonging to marginalized categories (women, youth, and disabled people) and their interaction with support agencies. This ensured that the sample reflected the target population of the study.

For the qualitative component, agency officials were selected according to their administrative experience and involvement program delivery. This approach allowed the collection of relevant and information-rich data needed to understand institutional challenges and PESTEL influences.

Data Analysis

Quantitative Analysis

Descriptive statistics, correlation analysis, and trend analysis of the survey responses were conducted to determine the impact of the PESTEL factors on entrepreneurial outcomes. SPSS software was utilized for this purpose.

Control variables such as age, gender and sector as well as years of experience were not included in the regression models which may influence the observed relationships and represent a limitation of the study.

Qualitative Analysis

NVivo software was used to analyze the interview transcripts thematically. Analysis included PESTEL dimensions as main coding categories which allowed researchers to uncover patterns and obstacles with new business prospects. It revealed Supplementary significance of themes that relate to internal agency challenges and productive effectiveness.

Operationalization of PESTEL Variables

To ensure analytical clarity, each PESTEL dimension was operationalized using specific indicators measured through the survey and interview data.

- Political factors were assessed through variables related to government support policies, regulatory stability and the access to public programs.

- Economic factors included access to finance as well as funding availability and perceived economic stability.

- Technological factors measured the access to digital tools, infrastructure and innovation support services.

- Environmental factors reflected awareness of sustainability practices and environmental constraints affecting business operations.

- Social factors captured cultural norms, societal support as well as inclusivity perceptions toward marginalized entrepreneurs.

- Legal factors included regulatory complexity, administrative procedures and compliance requirements.

These indicators were integrated into the quantitative analysis and qualitative thematic coding to evaluate their influence on entrepreneurial outcomes and agency effectiveness.

Integration of Findings

The research findings collected through survey and interview data allowed the researchers to develop a full understanding of the impact of external factors and barriers to entrepreneurship. Through this integration of various research methods, the study achieves more validity as well as deeper insight.

The findings were then aligned with the UK benchmark to determine institutional differences, gaps in support systems and practices that Algerian agencies could adopt or adapt.

Integration of the UK Benchmark in the Methodology

The UK was included in this study as a benchmark because it has a well-developed entrepreneurial support system that shows how structured and coordinated agencies operate. Such Programs like Innovate UK and the British Business Bank apply to structured

support mechanisms, digital tools, and inclusion requirements that are helpful for comparison with developing countries.

In this study, the UK is not presented separately. Instead, it is used to help interpret the Algerian findings and highlight differences in support practices, levels of coordination, and policy implementation. This comparison allows the study to identify gaps in the Algerian ecosystem and understand which elements from the UK model can be used to inform future improvements.

It is important to note that the UK comparison is based on secondary data and institutional reports rather than primary empirical data collection, and is therefore used solely as a contextual benchmark for interpreting Algerian findings.

Results and Discussion

Demographic Characteristics

Table no. 1. Demographic Characteristics

		Count	%
Age	Under 20	44	21.1%
	20-30 years	56	26.8%
	31-40 years	51	24.4%
	41-50 years	32	15.3%
	Over 50 years	26	12.4%
Sex	Female	100	47.8%
	Male	109	52.2%
Level of Education	Primary	40	19.1%
	Secondary	59	28.2%
	Vocational	39	18.7%
	University	71	34.0%
Type of Business	Retail	56	26.8%
	Services	62	29.7%
	Manufacturing	54	25.8%
	Agriculture	37	17.7%
Years of Activity	Less than 1 year	45	21.5%
	1-3 years	52	24.9%
	4-6 years	42	20.1%
	7-10 years	40	19.1%
	Over 10 years	30	14.4%
	Yes	85	40.7%

Do you have a disability?	No	124	59.3%
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Source: Author's elaboration based on field survey data (2025).

Data obtained from valid responses (N = 209) indicates a wide and dynamic entrepreneurial environment. Nearly half of the responders fall within the age range of 20-30 years (26.8%) and 31-40 years (24.4%) showing substantial entrepreneurial interests while maintaining equal gender distribution (52.2% male and 47.8% female). Higher education stands out as significant for entrepreneurial success due to its prevalence among respondents at 34.0%. The Algerian economy reflects multiplicity with services (29.7%) and retail (26.8%) as major form of businesses. A vibrant entrepreneurial space exists due to the fact that most businesses start up fresh or maintain a brief operational period of 1-3 years which represents 21.5% and 24.9% respectively. A notable proportion of respondents (40.7%) reported having a disability, indicating representation of this group within the sample. However, this does not necessarily reflect overall inclusivity at the national level.

Reliability of Measurement Scales

To determine the reliability of the scales in terms of internal consistency, Cronbach's alpha reliability tests were conducted. Internal consistency analysis showed that the scale 24 items possessed consistent measurement with alpha values of $\alpha \geq 0.7$. According to Shevlin et al. (2000), the research shows that a strong Cronbach's alpha score indicates reliable measurement and consistent participant responses.

Table no. 2. Reliability Statistics

<i>Reliability Statistics</i>	
Cronbach's Alpha	N of Items
.819	24

Source: Author's elaboration based on empirical data processed using SPSS software.

Hypothesis Testing and Statistical Results

H1: Support from accompaniment agencies has a significant positive effect on entrepreneurial success among marginalized groups.

The Research investigations through regression analysis measured how accompaniment agency support influenced entrepreneurial success rates for three distinct groups: female entrepreneurs, individuals with disabilities and the youth (under 20, between 20 and 30 years old).

Table no. 3. Regression analysis

Group	R ²	F	p-value (F)	Coefficient	p-value (Support)
Women	0.202	24.756	< .001	0.455	< .001
Disabled individuals	0.217	33.851	< .001	0.436	< .001
Young People	0.315	45.003	< .001	0.582	< .001

Source: Author's elaboration based on statistical regression outputs computed from field data.

Women's entrepreneurial success shows a 20.2% association ($R^2 = 0.202$) with support from accompaniment agencies. The results show a statistically significant positive effect as measured by the regression analytics ($F = 24.756$, $p < .001$) with a coefficient value of 0.455 ($p < .001$). This indicates that women entrepreneurs achieve higher success rates when they receive increased support from accompaniment agencies.

Statistical data indicates that support from accompaniment agencies contributes to 21.7% of entrepreneurial success outcomes ($R^2 = 0.217$) for disabled individuals. Support demonstrates a substantial positive link with entrepreneurial success according to the model results ($F = 33.851$, $p < .001$) while showing a coefficient value of 0.436 ($p < .001$). The research indicates that Support levels which increase above average lead entrepreneurs with disabilities to achieve better outcomes.

As for young people (under 20 and from 20 to 30 years old), The analysis shows that support provided by accompaniment agencies correlates to 31.5% of entrepreneurial success ($R^2 = 0.315$). The model shows a statistically significant fit ($F = 45.003$, $p < .001$) where a coefficient of support variable = 0.582 ($p < .001$) indicates a large positive relationship between both factors. Young entrepreneurs experience more favorable outcomes when they receive higher levels of support.

The findings from these regression analyses reveals that Support from accompaniment agencies stands out as a vital factor to promote entrepreneurial growth and success of marginalized groups. Results from all groups indicate that proper support mechanisms represent a critical factor which affects the development of entrepreneurial success that align with the requirements of women, individuals with disabilities, and youth.

The regression results support the hypothesis that support provided by accompaniment agencies prompts significant positive impacts in terms of entrepreneurial success within marginalized communities (H1). The entrepreneurial success rate increases directly with higher levels of support through significant positive coefficient results across the examined demographic groups.

H2: PESTEL factors significantly moderate the relationship between support from accompaniment agencies and entrepreneurial success among marginalized groups.

This analysis aims to examine the impact of PESTEL factors on how accompaniment agency support affects entrepreneurial success of marginalized groups. The investigation focuses on three marginalized. The PROCESS macro for SPSS served to analyze interactions between variables while performing moderation analysis.

Table no. 4. Moderation analysis

Group	R ²	F	p-value (F)	Coefficient ¹	p-value ¹	Coefficient ²	p-value ²	Coefficient ³	p-value ³
Women	0.2795	12.4151	< .001	0.0657	0.8979	0.5445	0.3352	0.0445	0.7780
Disabled individuals	0.2649	14.4159	< .001	-0.2169	0.5731	-0.1115	0.8004	0.1601	0.1768
Young People	0.4082	22.0741	< .001	0.4292	0.1968	0.7899	0.0107	-0.0468	0.6259

*1 = (Support), 2 = (PESTEL), 3 = (Interaction)

Source: Author's elaboration based on data processed via the PROCESS macro for SPSS.

The analysis examined PESTEL factors interactions with accompaniment agency support through moderation tests applied to women, individuals with disabilities, and youth. For women, the predictive variables successfully explain 27.95% of entrepreneurial success outcomes ($R^2 = 0.2795$) showing statistical significance ($F = 12.4151$, $p < .001$). However, the interaction term (Support x PESTEL) did not demonstrate statistical significance ($\beta = 0.0445$, $p = 0.7780$) which indicates PESTEL factors fail to impact the relationship between accompaniment agency support and entrepreneurial success for women. Results indicate that accompaniment agencies maintain consistent support effectiveness for entrepreneurial success no matter what external PESTEL factors represents.

Similarly, for individuals with disabilities, the research models specified that predictors account for 26.49% of the variance in entrepreneurial success ($R^2 = 0.2649$) when the model remains statistically significant ($F = 14.4159$, $p < .001$). The (Support x PESTEL) interaction term fails to reach statistical significance ($\beta = 0.1601$, $p = 0.1768$) thereby indicating PESTEL factors do not impact the relationship between accompaniment agency support and entrepreneurial success for individuals with disabilities.

For young people, analysis revealed that the variables predict 40.82% ($R^2 = 0.4082$) of entrepreneurial success and shows a statistical significance at $F = 22.0741$ ($p < .001$). However, the interaction term (Support x PESTEL) did not demonstrate statistical significance ($\beta = -0.0468$, $p = 0.6259$), which indicates PESTEL factors fail to impact the relationship between accompaniment agency support and entrepreneurial success among youth.

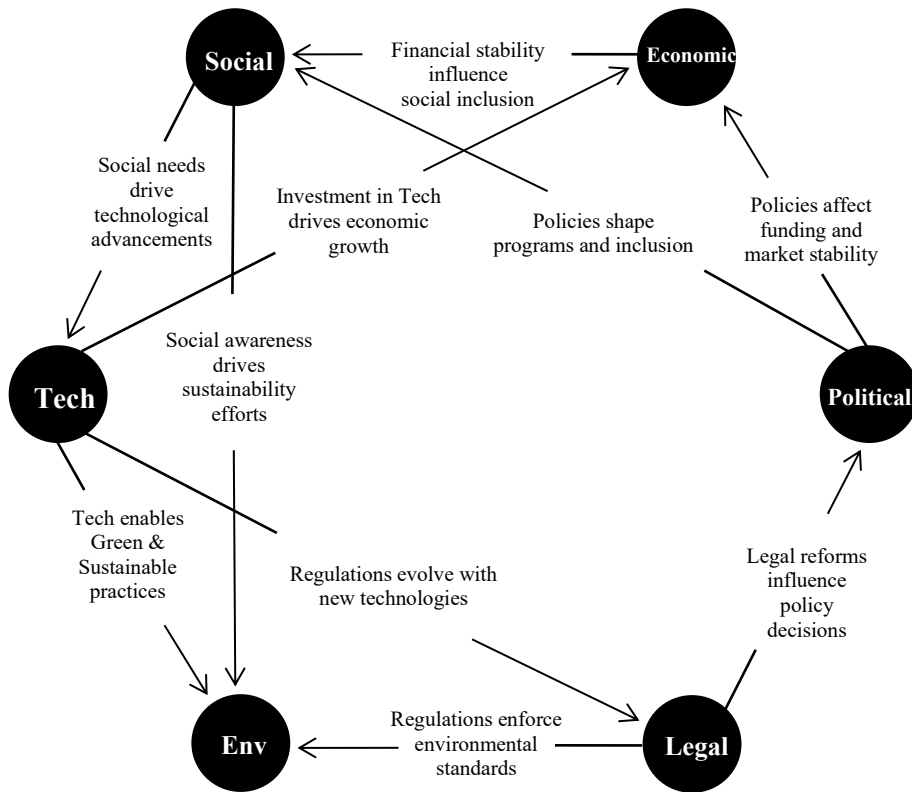
Overall, the findings of the moderation analyses do not provide statistical support for the hypothesis that PESTEL factors can have substantial moderating effects on the relationship between support by accompaniment agencies and entrepreneurial success in marginalized groups (H2). The findings show that support from accompaniment agencies foster entrepreneurial success among marginalized groups regardless of the external environment.

This indicates that while PESTEL factors shape the operational environment of agencies they do not statistically alter the strength of the relationship between support and entrepreneurial success. This apparent divergence suggests that while PESTEL factors influence contextual conditions their effects are indirect and not captured as statistical moderators in the quantitative model.

PESTEL Analysis: Fostering Inclusive Entrepreneurship

External factors affecting the entrepreneurial ecosystem interact differently using the PESTEL analysis. These factors affect inclusive entrepreneurship by interacting in a complex way that forms either supportive conditions or obstacles to its advancement. For instance, political funding and regulation policies directly affects economic stability while determining the availability of financial resources for entrepreneurs. In turn economic conditions affect social participation opportunities, particularly for the marginalized groups who may struggle to tap into entrepreneurial opportunities. Social and economic Barriers get solutions from Technological advancements although they are limited by outdated infrastructure and rigid legal constraints. The current Economic sustainability and policy directions receive influence from environmental concerns such as climate change and resource scarcity problems. These interactions demonstrate that the development of entrepreneurship requires a holistic adaptive approach.

Figure no. 1. Interactions between PESTEL Factors



Source: Author's own compilation based on PESTEL analysis and field data (2025).

- **Political Factors:** Support and accompaniment agencies depend heavily on political elements that determine their framework through government regulations and policies. The changes in laws and policies related to funding mechanisms, tax incentives, and regulatory frameworks affect support agencies through a combination of chances and difficulties.

- **Economic Factors:** Economic factors influence support program sustainability through the inflation rates, funding instability, and economic downturns. The insufficient funding available for programs remains the primary obstacle to their growth while economic recessions cause critical resource shortages which negatively impact entrepreneurial programs.

- **Social Factors:** Support programs are designed and delivered based on cultural norms, gender roles and social expectations. In order to overcome these social barriers, agencies put in place special programs targeted at fulfilling the unique needs of marginalized groups.

- **Technological Factors:** The entrepreneurial support environment has changed through technological advancements that include artificial intelligence, e-learning systems and digital marketing instruments. However, the successful implementation of modern entrepreneurship support is challenged by two major barriers, outdated infrastructure systems, and limited digital tools.

- **Environmental Factors:** The development of green energy and sustainable operation standards creates new entry points for entrepreneurs to build their business. Additionally, the impact of environmental factors particularly affects logistical operations in locations that experience negative effects of climate change.

- **Legal Factors:** The implementation of programs faces substantial effects from legal frameworks through their complicated licensing procedures as well as financial regulation needs and regulatory compliance standards. Agencies support legislative changes to simplify bureaucratic procedures, decrease administrative obligations and establish favorable business conditions for inclusive entrepreneurship.

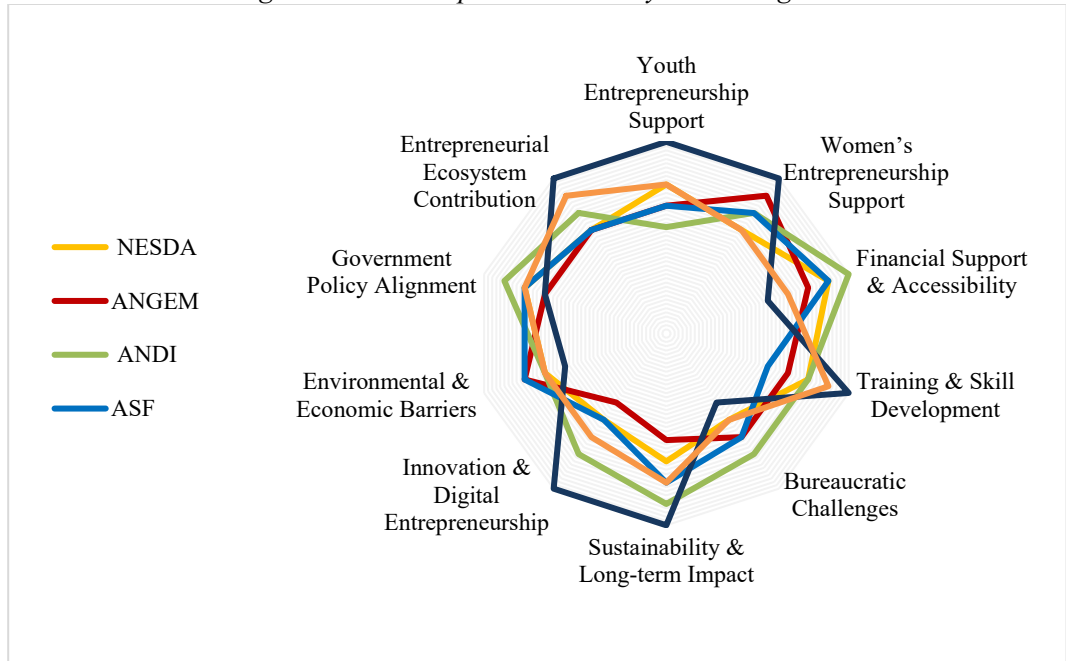
According to the PESTEL analysis, External factors interacting with each other create significant dynamic conditions which influence the development of inclusive entrepreneurship.

Synthesizing PESTEL and Field Data: A Radar Mapping of Inclusive Entrepreneurship Dimensions

The PESTEL analysis provided qualitative insights into the external factors influencing the operations of support agencies. While qualitative evidence shows that PESTEL factors shape agency operations and create potential opportunities and barriers, the quantitative survey data processed by the PROCESS macro for SPSS indicates that PESTEL factors did not demonstrate a significant moderating effect on the relationship between accompaniment agency support and entrepreneurial success among marginalized communities. As revealed by the PESTEL analysis results and regardless of external challenges, the effectiveness of agency support shows statistical strength and stability across various external environmental conditions. This highlights a distinction between perceived external influences captured qualitatively and measurable statistical moderation detected in the quantitative model.

Based on these insights, a Radar Analysis was developed to offer a systematic visualization of the Algerian entrepreneurial ecosystem. Multiple sources including PESTEL analysis findings, survey responses from marginalized entrepreneurs and qualitative interviews from agency officials were used to create this Radar chart. Such combined data allows the researcher to carry out a multi-dimensional analysis between some of the key factors including youth and women entrepreneurship as well as agency impact together with sectoral representation and environmental barrier.

Figure no. 2. Entrepreneurial Ecosystem in Algeria



Source: Author's own compilation based on PESTEL analysis and field data (2025).

By mapping these dimensions, the chart shows how to create a full understanding of the strengths and limitations within the support system, thus supporting the requirements for specific policy changes. It illustrates inequalities in support dimensions with stronger performance in youth and financial support compared to innovation, sustainability and bureaucratic efficiency highlighting the need for a coordinated and inclusive ecosystem reform. This mapping also visualizes the precise areas where external pressures (revealed by PESTEL) translate into structural weaknesses, which creates a bridge between individual entrepreneurial experiences and gaps in the institutional systems.

The results obtained from both statistical analysis and qualitative insights reveal the strengths and the weaknesses of existing support ecosystem in Algeria. To better contextualize these findings it is important to interpret them alongside international practices especially the structured models applied in the United Kingdom. This comparative lens provides a clearer understanding of where Algerian agencies are in line with the international standards and where the institutional gaps still exist.

Therefore, the synthesis presented in this section serves as the foundation for the comparative framework that follows showing how the ecosystem of Algeria performs internally and how it contrasts with more mature models such as the UK.

Broader Relevance and Comparative Insights

While the analysis is rooted in Algeria, the emerging patterns in this study apply to many developing countries. These difficulties can be closely related to other areas of the Global South, where similar issues, including administrative complexity, policy discrepancy, and discrimination against particular social groups, can be readily found. For instance, entrepreneurship ecosystems in some regions of Sub-Saharan Africa, Tunisia and Egypt, report comparable inefficiencies in public support systems.

The PESTEL based evaluation framework utilized in this paper can serve as a replicable model to diagnose weaknesses in the ecosystems beyond Algeria.

Against this benchmark, the Start up Loans program in the UK provides a good example of how formal performance monitoring and broad outreach can benefit any initiative. With a 69% five year survival rate with clear activity surrounding targeting marginalized populations, this program brings to light how systematic monitoring and systems of accountability can help enhance the success of entrepreneurs in the long-term. Similar formalized systems could be adopted to the Algerian ecosystems to achieve transparency, reach and refinement of policies.

Comparative Framework: Algeria vs. the United Kingdom

The results from Algeria can be further contextualized in terms of a more mature entrepreneurial ecosystem like that of the United Kingdom to provide deeper perspective. Through a systematic comparison of the two countries in terms of essential institutional dimensions we can identify strengths, gaps and policy lessons. The following table presents a side-by-side comparison of Algeria and the UK, focusing on support mechanisms, coordination, digitalization, inclusivity, and other critical factors.

Table no. 5. Comparative Institutional Framework between Algeria and the UK

Dimension	Algeria	United Kingdom	Key Difference	Implication for Algeria
Institutional Coordination	Fragmented support system; agencies operate separately with limited coordination.	Highly coordinated ecosystem under UKRI and British Business Bank with clear integration.	UK has structured multi-agency coordination; Algeria has isolated institutions.	Algeria needs coordinated programs and shared operational frameworks.
Digitalization of Support Services	Limited digital tools, reliance on paperwork and in-person procedures.	Strong digital platforms (online applications, automated systems, monitoring dashboards).	Digitalization is fully operational in the UK.	Invest in digital transformation to reduce delays and increase transparency.

Funding Structure	Frequent financial shortages; unstable funding cycles; complex access to credit.	Stable, diversified funding (Start Up Loans, Innovate UK grants, women-specific funds).	UK funding is predictable and structured; Algeria faces scarcity.	Adopt clearer funding mechanisms and targeted financial programs.
Inclusivity Programs	Few gender-specific or disability-specific programs; limited outreach.	Clear inclusion policies (Women in Innovation Fund, disability access regulations).	UK has institutionalized inclusivity; Algeria has emerging but limited programs.	Create formal inclusion strategies and gender-focused initiatives.
Performance Monitoring	Weak evaluation systems; limited tracking of program outcomes.	Structured monitoring and annual reporting of startup survival and performance.	UK monitoring is systematic; Algeria lacks formal evaluation.	Implement monitoring tools to improve accountability and program efficiency.
Bureaucratic Efficiency	Multiple administrative delays and complex procedures.	Simplified processes with standardized documentation and clear timelines.	UK reduces bureaucracy; Algeria remains slow.	Simplify procedures and reduce administrative burdens.
Ecosystem Maturity	Developing ecosystem with uneven regional distribution (urban-centered).	Mature ecosystem with strong regional entrepreneurship hubs.	UK system is advanced; Algeria still building capacity.	Expand support services beyond major cities and strengthen local ecosystems.

Source: Author's elaboration based on field data and institutional reports (2020-2025).

Interpretation and Policy Lessons

This comparison illustrates the clear differences in institutional maturity and operating patterns between the Algerian and the British entrepreneurial ecosystems. While Algerian agencies show strong commitment to supporting youth, women and people with disabilities, they struggle with poor coordination, limited digital infrastructure and weak performance monitoring. On the contrary, the UK model presents the impact of structured multi-agency coordination, inclusive funding mechanisms and the efficient digital systems that can result in more sustainable and scalable support.

For Algeria, the lessons are tangible: by investing in digital platform development and creating formal evaluation systems as well as enhancing the coordination of agencies can help policymakers significantly to increase the reach and impact of support programs.

Additionally, by creating inclusion-specific initiatives, including gender-targeted funds, can address gaps that continue to exist in entrepreneurial accessibility for the marginalized groups. This comparative insight underscores the value of adopting adapted versions of UK institutional practices to reinforce Algeria's support system and drive more equitable, effective entrepreneurship outcomes.

Conclusion

This paper has explored how effective support and accompaniment agencies are in fostering inclusive entrepreneurship for marginalized groups highlighting the effects of institutional systems, policy structures and the challenges they face. The study shows that a more specific and driven approach is needed, as one size fits all strategies are insufficient and require adaptable policies tailored to different entrepreneurial groups. While grounded in Algeria, the findings are also relevant to other developing economies and emphasize the importance of the structured institutional models such as those in the UK where coordinated support as well as digital procedures and formal evaluation systems strengthen outcomes for marginalized entrepreneurs.

Managerial Implications

This study offers several key managerial implications for the policymakers and support agency leaders aiming to foster inclusive entrepreneurship. Findings highlight the need for government bodies to cooperate with private sector entities and NGOs to build supportive ecosystems for marginalized entrepreneurs. Agency managers need partnerships where they can consolidate resources or pool their programs to expose it to a larger audience, especially in the rural or underserved areas. Additionally, they must be aware of the dynamic macro environmental highlighted in this study and adopt flexible strategies to keep agencies receptive to the changing circumstances. Being proactive in addressing the policies and providing services on these factors ensures the long-term sustainability of inclusive entrepreneurship initiatives.

Suggestions and Recommendations

The following recommendations address the institutional gaps identified in the empirical findings, particularly those related to bureaucratic inefficiencies, weak coordination as well as limited access to finance and insufficient digitalization.

- **Entrepreneurial Sandboxes:** Given the regulatory constraints and bureaucratic delays identified in the findings the Entrepreneurial Sandbox approach allows marginalized entrepreneurs to test new business models with reduced regulatory constraints and receive real world feedback before fully committing to the project.

- **Digital Twin for Entrepreneurial Policy Design:** In response to the identified gaps in data-driven policy design and coordination, a Digital Twin for Entrepreneurial Policy Design can be created within the framework of marginalized groups to assess the needs and potential of entrepreneurs from underserved communities, analyzes data to identify common challenges and proposes tailored policy solutions while identifying the high potential industries.

- **Entrepreneurial Support Credits:** Considering the limited access to finance highlighted in the results the Entrepreneurial Support Credits serves as a solution to fill this gap. Government could offer access to capital, mentorship and business infrastructure resources by providing it as rewards for entrepreneurial or educational achievements.

- **Startup-as-a-Service Platform (SaaS Platform for Entrepreneurs):** To address the lack of coordination and digital infrastructure identified in the analysis, Algeria could develop centralized Startup as a Service Platform where it provides ready made business templates, including licenses, legal frameworks, and pre-designed patterns.

Based on GOV.UK Business Support portal of the UK, this service platform makes all services including grants, mentoring, or legal guidance, available in one accessible, easy to reach digital space to enhance transparency and efficiency. Further, Algeria might emulate the Start up Loans scheme in the UK which takes the form of microloans, coupled with personalized mentoring. A localized version would be beneficial for marginalized entrepreneurs. Finally, inclusion mandates like the UK Invest in Women Fund would help create systematic support of underserved groups due to earmarked funds and diversity based outreach efforts. These are among the strategies that would be incorporated in GSSI to enable Algeria create an inclusive entrepreneurial ecosystem that minimizes barriers to entry, increases coordination, and enshrines equity in startup support systems.

Future Research Avenues

This research produced valuable insights yet it carries multiple restrictions. It does not control for demographic and firm-level variables such as age, gender, sector or experience which may influence outcomes. The sample is predominantly urban-based, limiting generalizability to rural areas. While the study examines accompaniment agencies in Algeria, its findings may not fully apply across different economic and socio-cultural contexts. Although PESTEL factors were analyzed, they did not show significant moderation effects. Future research should focus on specific PESTEL dimensions, particularly political and legal factors, explore digital transformation and innovation and use longitudinal studies to assess longterm impacts.

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