



Crowdfunding: Study of the Viability of a New Method of Financing Small and Medium Enterprises in Algeria

Anaïs Radja ZOUAMBI

Higher National School of Commerce, Algeria

Mehdi BOUCHETARA

Messaoud ZEROUTI

Higher National School of Management, Algeria

r_zouambri@esc-alger.dz

Abstract

Our study aims to understand the current failure of crowdfunding in Algeria, we conducted a two-step study. First, we extracted from the literature the various factors that contribute to the success of this funding process and those that hinder it. We specified the influence of these factors in the Algerian context. In the second step, we surveyed a group of persons that follow a double-skill management degree in entrepreneurship and project management to know their opinion about crowdfunding. The results show that the surveyed were significantly unaware of crowdfunding, i.e., 64% of our sample with a p -value > 0.05 ($p = 0.151$); as for their view of the current failure of crowdfunding, 51.5% feel that it is due to a lack of information. 29.7% think it is due to a lack of trust. 8.9% think there are few investors; others put it down to a lack of ideas, i.e., 7.9% of those questioned, and 2% think it is for other reasons. 58% of the subjects see themselves as project holders, only 8.9% are ready to be funders, and 3.26% think they could be both. The results clearly show a statistical bias towards being more of a project holder than a funder (with a p -value of 0.48). On that account, Algeria could be a favorable ground for Crowdfunding if more people were more informed about this process and more funders were available.

Keywords: *Crowdfunding, Alternative financing, SMEs, Double Skill, Entrepreneurship.*

JEL Classification: G21 – G24

Introduction

Small and Medium Enterprises (SMEs) represent a critical economic asset for all countries, especially developing countries (Bouri, 2018). At the end of 2022, Algeria has registered 1.320.664 SMEs with a half-year growth of 34.300 SMEs.

and about 98% of them are Very Small Enterprises (VSE) (Ministry of Industry and Mines, 2023). Difficulty in accessing bank credit is the primary obstacle SMEs face in Algeria. And fluctuating macroeconomic conditions negatively influence the financing of small businesses (Sansari & Cheurfa, 2021). Obtaining bank credit depends on several financial and non-financial factors. Despite implementing a loan guarantee system, the success rate of access to bank credit for Very Small Enterprises and SMEs remains below 76% (Gerardin & Nicolas, 2021). A new alternative to traditional venture capital investment has emerged in recent years under crowdfunding. This innovative method makes it possible to finance various entrepreneurial projects without going through standard financing means (Woods, Yu, & Huang, 2020).

Algeria was one of the first African countries to adopt participatory financing by creating its first platform in 2013, which launched more than 50 participatory financing campaigns. Still, it has yet to reach its 100% target (Tekfi, 2018).

As an entrepreneur, our goal is to find the best means of collecting funds that could allow us to launch an SME in Algeria, and during our research, we discovered this new method of financing. However, its negative results have pushed us to seek more about the viability of this concept and the causes that hinder this system in Algeria. Therefore, our research question is: Is Algeria a favorable ground for the development of crowdfunding?

After several research in the literature review, we found two hypotheses: The first, deduced by Wolf (2017), assumes that crowdfunding could be a new provider of funds to African entrepreneurs. It is a technological solution that exploits the spirit of mutual aid and community reciprocity in the African culture. The second suggests that lack of regulation, relatively low internet access, and societies characterized by low social trust may hinder the adoption of participatory finance (Chao, Serwaah, Baah-Pepurah, & Shneor, 2020).

To confirm or reject these hypotheses, our study will be based on two aspects: an analytical study of the literature. It'll determine the various factors that contribute to the success of crowdfunding, as well as those that hinder it. It will also establish the influence of these factors in Algeria. As a second step, we conducted a qualitative analysis through a survey in order to know the opinion of a group of person that follows a double-skill master's degree in entrepreneurship and project management at the highest school of management.

1. Literature review

Crowdfunding is a promising alternative to traditional financing methods that has recently gained significant popularity. However, the success of crowdfunding is dependent on various factors that differ across countries and regions. In this literature review, we identify and categorize the factors that could influence the viability of crowdfunding in Algeria. According to the Cambridge Center for Alternative Finance University of Cambridge, CCAF (2018), Africa reached a market size of \$182 million in 2016, this is a 118% increase from \$83 million raised in 2015. Crowdfunding is therefore becoming the primary funding alternative for new entrepreneurial projects (Block, Hornuf, & Moritz, 2018). The first platform in Algeria was founded in 2013 under the name of "Twiza" which is dedicated to donations, followed afterward by the equity Crowdfunding platform "Chriky" in 2014 (Tekfi, 2018) these first two platforms failed and ceased to operate without succeeding to fund even a single project.

In 2020, Algeria launched two other crowdfunding platforms, the platform "NINVESTI" and "Kheyma" which were approved by the Commission for the Organization

and Supervision of Stock Exchange Operations, which is the regulatory authority of the Algerian financial market, under the status of Digital Intermediary Advisor (CIN) (Sansari & Cheurfa, 2020). But today in 2023, none of these platforms exist anymore.

According to Sansari & Cheurfa (2020), the economic factor is the primary obstacle to participatory financing in Algeria. The following factors are identified as significant challenges. Inflation can harm crowdfunding by reducing potential investors' purchasing power and decreasing their investments' value. As inflation increases, the amount of money required to finance a project also increases, making it more difficult for individuals to save and invest in crowdfunding campaigns (Statista, 2020). According to the International Monetary Fund (IMF), Algeria's inflation was 9.3% in 2022 (IMF, 2022). This high inflation rate reduces the willingness of Algerians to invest in crowdfunding campaigns due to the decreased value of their savings and the increased costs associated with financing projects.

Sansari and Cheurfa (2020) also highlighted that inflation is a significant economic factor that negatively affects participatory financing in Algeria. They noted that the high inflation rate reduces crowdfunding investors' potential return on investment and increases the risk associated with financing projects. Overall, inflation can have a significant impact on the viability of crowdfunding, and its effects should be considered when evaluating the potential success of a crowdfunding campaign.

According to the National Statistics Office (ONS), the average monthly salary in Algeria is 41,000 DZD, which needs to be increased given the high inflation rate. This inflationary environment makes it difficult for Algerians to save and invest. Rising prices outpace income growth, reducing purchasing power and disposable income. Consequently, it becomes challenging for individuals to consider investing in crowdfunding projects. Moreover, inflation can increase borrowing costs, discouraging potential borrowers from seeking funding through crowdfunding platforms. The depreciation of the Algerian Dinar against major currencies like the Euro and the Dollar (Trading Economics, 2021), negatively affects investment decisions, income, purchasing power, and savings. This has significant implications for crowdfunding. Investors in crowdfunding projects denominated in Algerian Dinar may experience reduced income, making such projects less attractive. Additionally, the devaluation reduces individuals' purchasing power, making it difficult for them to contribute financially to crowdfunding campaigns.

The COVID-19 pandemic has caused significant disruptions to the global economy, and the participatory funding industry has not been immune to its effects. Battaglia, Busato, & Manganiello (2020) conducted a study of 437 crowdfunding campaigns in Italy between January and June 2020 and found that the pandemic severely impacted the industry.

During the pandemic, crowdfunding platforms faced a significant challenge in providing adequate customer support. Social distancing measures made it easier for campaign owners and potential investors to interact face-to-face, hindering trust-building and personal connections. The inability to establish these connections impacted the success of campaigns in securing funding. Furthermore, the pandemic brought about economic uncertainty, causing financial insecurity for many individuals and making it harder for them to contribute to crowdfunding campaigns. Goethner, Luettig, & Regner (2020) provides insight into the motivations and investment strategies of different types of investors in crowdfunding. They conducted a study of 16,666 investments on one of the largest crowdfunding platforms in Europe. They distinguished three types of investors that differ in their motivations and investment strategies: "Occasional Investors," "Enthusiastic Investors" or "Crowd Pleasers," and "Sophisticated Investors."

The first type of investor, "Occasional Investors," are primarily motivated by monetary returns and makes up the majority of funders. They tend to make small, one-time investments and are less likely to engage in follow-up investments. The second type of investor, "Enthusiastic Investors" or "Crowd Pleasers," are motivated by social and community factors. They are more likely to invest in projects that align with their values and beliefs and tend to make multiple investments over time. They are also more likely to share information about the crowdfunding campaign with their social networks, which can lead to increased exposure to the project. The third type of investor, "Sophisticated Investors," are a smaller group of experienced and active investors. They tend to make larger investments and have a higher level of involvement in the project. They may also provide additional support, such as mentoring or expertise in their field.

Understanding the motivations and investment strategies of different types of investors can be helpful for project creators when designing their crowdfunding campaigns. For example, projects that align with the values and beliefs of "Enthusiastic Investors" may benefit from a more community-oriented marketing strategy, while projects that appeal to "Sophisticated Investors" may require more detailed information and a higher level of engagement with potential funders. A study conducted by Tenner & Hörisch (2021) conducted a study to investigate the sociological and demographic characteristics of funders in the German population. They analyzed data from a sample of 282 individuals who had participated in at least one crowdfunding campaign in Germany. The study found that most funders were young individuals aged 18-34 years old, with a higher proportion of men than women. Additionally, the researchers found that funders were generally well-educated, with a higher level of education than the average population. They also found that funders had liberal political beliefs and were not very conservative.

Furthermore, the study showed that funders were generally familiar with participatory financing, with a high percentage of participants having supported multiple campaigns in the past. The researchers noted that the familiarity with crowdfunding among funders could result from the increasing popularity of crowdfunding platforms in recent years. These findings suggest that crowdfunding campaigns targeting young, well-educated, and politically liberal individuals may be more successful in attracting funding from the German population. However, it is important to note that these results may need to be more generalizable to other populations or countries, and further research is needed to understand the characteristics of funders in different contexts.

Block, Hornuf, & Moritz (2018) aimed to analyze the effectiveness of communication with funders and how it affects their investment decisions in crowdfunding campaigns. The researchers analyzed a dataset of 39,399 investment decisions in German equity crowdfunding campaigns, focusing on the impact of two communication strategies on investment behavior: updates and language complexity. The results showed that publishing regular updates significantly positively affects the number of investments received by the crowdfunding campaign. This effect is even more pronounced for updates that include positive news about the project or the team. This suggests that transparency and a good relationship with funders can enhance investor confidence and trust.

Furthermore, the study found that simpler campaign descriptions and updated language lead to more investments. Specifically, the use of shorter sentences and words and a lower level of technical jargon can increase the perceived trustworthiness of the project and its team, making it more appealing to potential investors.

Overall, the study suggests that effective communication with funders is essential for the success of crowdfunding campaigns. Regular updates that provide positive news and use simple language can help build trust and engagement with funders, leading to more investments and a higher likelihood of achieving funding goals.

The absence of a regulatory framework in Algeria and the monopoly of banks on interest-bearing loans have posed significant challenges to the growth of crowdfunding. However, the creation of the status of the consultant in participative investment as stipulated by the Law of complementary finance in 2020, could help minimize these regulatory gaps. The legal framework plays a crucial role in the development and growth of the crowdfunding industry. In Algeria, the absence of clear regulations for crowdfunding has posed significant challenges to its growth. This legal vacuum has led to a lack of investor protection, making it difficult for crowdfunding platforms to attract investors. The regulatory gaps also make it challenging for crowdfunding platforms to operate effectively, leading to a lack of investor trust and reduced participation. (Tekfi, 2018). However, in 2020, the Algerian government took a significant step toward regulating the crowdfunding industry by introducing the status of the consultant in participative investment through the Law of complementary finance. This status aims to provide a framework for the crowdfunding industry and regulate its activities in Algeria as stipulated by the Law of complementary finance (2020) in its article n°45 of June 04, 2020.

In this literature review, we suggested a holistic approach that considers economic, sociological, and legislative factors would be essential to successfully implementing and developing crowdfunding in Algeria. The factors identified could help policymakers and crowdfunding platforms develop strategies that address the unique challenges and opportunities presented by the Algerian market.

2. Data and Method

To answer our research question of “if Algeria is a favorable ground for the development of crowdfunding?” we conducted a quantitative survey in the form of a questionnaire according to the research of Chao & al (2020) and Tenner & Hörisch (2021). The study focuses on several axes:

The knowledge of crowdfunding, and the amount of information the user has about the concept, according to the research of Tenner & Hörisch, (2021) that highlights the importance of been familiar with the participatory financing. The behavior as a user of this process as defined in Wolf (2017) research. The degree of possible risk they can take and their trusts towards crowdfunding as shown in the study Chao & al, (2020), that define the character of African societies as being marked by low social trust. All of these aspects represent the variables to be analyzed. To collect these variables, the questionnaire contained several questions that were divided in several rubrics.

For our sample, we chose students from the National School of Management specializing in entrepreneurship and project management. Given the specific nature of this school, which gathers students who already hold an initial degree and wish to acquire dual skills to venture into entrepreneurship, the second specificity is that these students have different profiles. They can be employees, unemployed individuals, or students wishing to continue their studies, and they vary in age. This randomness gives our sample a diverse character. For convenience, we selected three different cohorts for which we had direct contact, resulting in a parent population of 120 students. We distributed the questionnaire

using Google Forms, as it was the most practical way to collect responses. We received a total of 101 responses, which represents a representativeness with a margin of error of 4% and a confidence level of 95%. We took a proportion of 0.5 (because the homogeneity of the population is unknown), and a confidence level of 95 % (cote $z = 1,96$).

3. Results

In this section, we present our study's main results that focus on the knowledge of crowdfunding, the user's behavior of this process, the degree of possible risk they can take, and their trust towards crowdfunding. These aspects represent the variables to be analyzed (tables n°1,2,3,4,5,6 and 7). Table 1. represent the demographic structure of the respondents. The number of people surveyed is 101, with an approximative equal frequency between genders: 50.5% men and 49.5 women. The sample age is between 17 and 46 years, 46% are between 27 and 36 years old, and 42% are between 17 and 26 years old.

The different proportions of the social status of the interviewed group before joining the complementary master's degree are 43.6% employees, 8.9% Marchant, 34.7% students, and 12.9% unemployed.

Table 1.

The demographic structure of respondents

	Frequency ($N = 101$)	
	N	%
<i>Gender</i>		
Man	50	50.5
Woman	51	49.5
<i>Age</i>		
17 – 26	42	41.6
27 – 36	46	45.5
37 – 46	13	12.9
<i>Social categories before the complementary master's degree</i>		
Employee	44	43.6
Merchant	9	8.9
Student	33	34.7
Unemployed	15	12.9

(Source: Author's calculation based on SPSS 23.0)

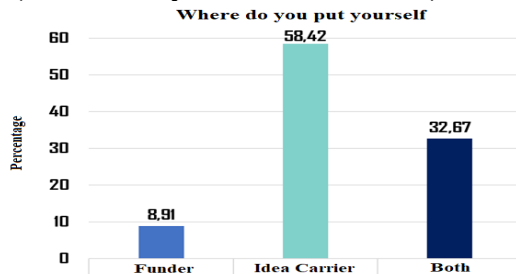
The variables from the questionnaire were tested using non-parametric statistical dependence tests. Spearman's correlation is the most appropriate for this measure, it also allows us to calculate the degree of the relationship when it exists. We also performed significance tests to determine whether the answers to the questions were different between the different backgrounds of the interviewee before joining the complementary training (employees, traders, etc.). The study was carried out over a period of 10 days. The statistical analysis was done with the SPSS software (version 23.0).

3.1. Descriptive analysis

In this survey, 64% of respondents said they needed to become more familiar with crowdfunding. The distribution of the answers regarding which class they identified with was as follow: 8.9% of the respondent identified as funders, against 58.4% Identifying as project holders and 32.7% believing to be both. (Fig. n°1).

Figure 1.

Histogram representing the percentage of people according to their rankings (Idea Developer, Funder, or Both)

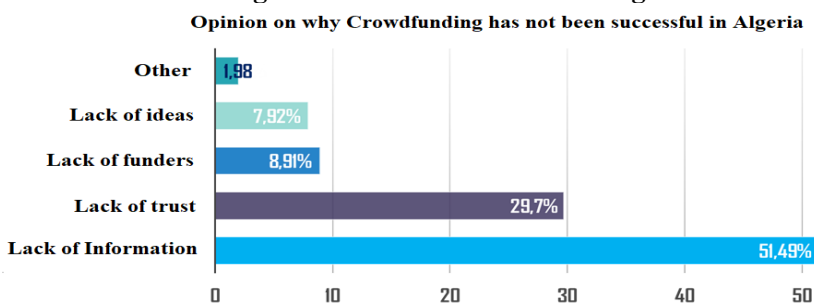


(Source: Author's calculation based on SPSS 23.0 and Excel 365)

Crowdfunding is not successful in Algeria, according to the responses for the following reasons: 51.5% believe that it is due to a lack of information; 29.7% for lack of trust; 8.9% think that there are not many funders; 7.9% of the people questioned put it on the lack of idea. And the rest (2%) think it is for other reasons. (Fig. no. 2).

Figure 2.

Histogram representing the percentage of different opinions according to which Crowdfunding has not been successful in Algeria



(Source: Author's calculation based on SPSS 23.0 and Excel 365)

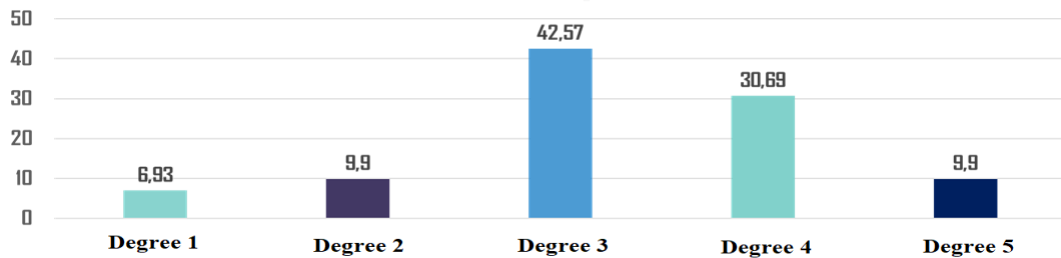
However, the people who position themselves as project holders only some trust crowdfunding. With 37.62% of them reported they don't trust crowdfunding. For respondents who identified as funders, 51.49% of them said they can trust crowdfunding (against 48.51% who doesn't). For all respondents, 81.19% reported that they are willing to take risks to earn money but 18.81% think the opposite.

When asked how much risk you are willing to take to invest or start a project, the highest percentages are degree 3 with 42.57% and degree 4 with 30.69%. Respectively, degree 1, 2 and 5 registered 6.93%, 9.9% and 9.9%. (Fig. No. 3)

Figure 3.

Histogram representing the percentage of risk levels taken to earn money

The degree of risk willing to be taken to invest in a project



(Source: Author's calculation based on SPSS 23.0 and Excel 365)

Lastly, 77.23% of the survey population believe that crowdfunding has a future in Algeria.

3.2. Results of Significance and Correlation Tests:

The T-test gives a difference in distribution according to the different background experiences categories (shopkeepers, students...); it is significant with $p=0,001$

The significance test shows that there is no significant difference for the question “Do you know crowdfunding” with $p=0.272$

We conducted correlation tests to visualize the links between the answers to the questions and the different categories of people. These elements will allow us to better understand the problem of crowdfunding in Algeria.

Results of the survey of the different categories of people (traders, employees...):

* The correlation is significant at the 0.05 level

** The correlation is highly significant at the 0.01 level

Table 2

Correlation between categories of persons and the answers to the question “Why Crowdfunding has not been successful in Algeria? ”

			Category of person	Do you think that Crowdfunding has had no success in Algeria
Spearman's rho	Category of person	Correlation Coefficient	1,000	,135
		Sig. (2-tailed)	.	,177
		N	101	101
	Do you think crowdfunding has had little success in Algeria	Correlation Coefficient	,135	1,000
		Sig. (2-tailed)	,177	.
		N	101	101

(Source: Author's calculation based on SPSS 23.0)

We note that there is no correlation, so we can keep the null hypothesis of no relationship between categories of persons and the answers to the question “Why has crowdfunding not been successful in Algeria?” (Table n°2). It means that being an employee, a trader, a student or unemployed doesn’t affect the perception of why crowdfunding didn’t succeed in Algeria.

Table 3.

Correlation between categories of persons and the answers to the questions “How do you see yourself (funder or idea owner)?”

			Category of person	You are classified Like
Spearman's rho	Category of person	Correlation Coefficient Sig. (2-tailed) N	1,000 . 101	-,189 ,059 101
	You are classified as	Correlation Coefficient Sig. (2-tailed) N	-,189 ,059 101	1,000 . 101

(Source: Author's calculation based on SPSS 23.0)

We note that there is no correlation, so we can keep the null hypothesis of no relationship between categories of persons and the answers to the question “How do you see yourself (funder or idea owner)” (Table n°3). It means that being an employee, a trader, a student or unemployed doesn’t affect the perception of how they see themselves.

Table 4.

Correlation between categories of persons and the answers to the questions “As a project owner, would you trust Crowdfunding?”

			Category of person	would you Trust crowdfunding
Spearman's rho	Category of person	Correlation Coefficient Sig. (2-tailed) N	1,000 . 101	-,117 ,244 101
	As a project owner, would you trust crowdfunding	Correlation Coefficient Sig. (2-tailed) N	-,117 ,244 101	1,000 . 101

(Source: Author's calculation based on SPSS 23.0)

We note that there is no correlation, so we can keep the null hypothesis of no relationship between categories of persons and the answers to the question “As a project owner, would you trust Crowdfunding” (Table n°4). It means that being an employee, a

trader, a student or unemployed doesn't affect the feeling of trusting crowdfunding if they were a project owner.

Table 5.

Correlation between categories of persons and the answers to the questions “As financiers, do you trust Crowdfunding”

			Category of person	As a funder Would you do Trust crowdfunding
Spearman's rho	Category of person	Correlation Coefficient	1,000	,028
		Sig. (2-tailed)	.	,778
		N	101	101
	As a funder, would you trust crowdfunding	Correlation Coefficient	,028	1,000
		Sig. (2-tailed)	,778	.
		N	101	101

(Source: Author's calculation based on SPSS 23.0)

We note that there is no correlation, so we can keep the null hypothesis of no relationship between categories of persons and the answers to the question “As financiers, would you trust Crowdfunding” (Table n°5). It means that being an employee, a trader, a student or unemployed doesn't affect the feeling of trusting crowdfunding if they were financiers.

Table 6.

Correlation between categories of persons and the degree of risk willing to be taken to invest or start a project

			Category of person	What is the degree of risk that you are ready to Take for launching a project
Spearman's rho	Category of person	Correlation Coefficient	1,000	,102
		Sig. (2-tailed)	.	,309
		N	101	101
	How much risk are you willing to take to invest or launch a project	Correlation Coefficient	,102	1,000
		Sig. (2-tailed)	,309	.
		N	101	101

(Source: Author's calculation based on SPSS 23.0)

We note that there is no correlation, so we can keep the null hypothesis of no relationship between categories of persons and the degree of risk willing to be taken to invest or start a project (Table n°6). It means that being an employee, a trader, a student, or unemployed doesn't affect the degree of risk that they are ready to take to launch a project.

Table 7

Correlation between categories of persons and the perception of the future of Crowdfunding in Algeria

			Category of person	Crowdfunding has a future in Algeria
Spearman's rho	Category of person	Correlation	1,000	-,083
		Coefficient	.	,408
		Sig. (2-tailed)	101	101
		N		
	Does crowdfunding have a future in Algeria	Correlation	-,083	1,000
		Coefficient	,408	.
		Sig. (2-tailed)	101	101
		N		

(Source: Author's calculation based on SPSS 23.0)

We note that there is no correlation, so we can keep the null hypothesis of no relationship between categories of persons and the perception of the future of Crowdfunding in Algeria (Table n°7). It means that being an employee, a trader, a student or unemployed doesn't affect the respondent's perception about the future of Crowdfunding in Algeria.

4. Discussion and Conclusion

As entrepreneurs aiming to launch an SME in Algeria, we aimed to identify the most effective means of securing funds. During our research, we came across a new financing method. However, after observing its adverse outcomes, we became interested in investigating the viability of this concept and the obstacles that impede its implementation in Algeria. Hence, our research question focuses on whether Algeria provides a conducive environment for the growth of crowdfunding.

After conducting an extensive literature review, we encountered two hypotheses. The first, proposed by Wolf (2017), suggests that crowdfunding could serve as a novel source of funding for African entrepreneurs by capitalizing on the spirit of mutual aid and community reciprocity prevalent in African culture. On the other hand, the second hypothesis proposes that a lack of regulation, limited internet access, and societies with low levels of social trust might hinder the adoption of participatory finance, as stated by Chao, Serwaah, Baah-Peprah, and Shneor (2020). Our study consisted of two main components to confirm or refute these hypotheses. Firstly, we conducted an analytical study of existing literature to identify the factors contributing to the success of crowdfunding and those acting as barriers. Additionally, we explored the influence of these factors specifically within the Algerian context. Secondly, we undertook a qualitative analysis through a survey, seeking the opinions of a group of students specializing in entrepreneurship and project management, with a particular focus on their perspectives regarding crowdfunding. The results showed that more than half of the surveyed population are not aware of crowdfunding (63.33%). Noting that their background experience was 33% employees, 6% shopkeepers, 18% students and 7% of them were unemployed before joining the entrepreneurship training

programme. A disparity between the categories clearly shows the existence of a significant difference in the fact of being aware of the concept of crowdfunding with a $p < 0.05$ ($p = 0.031$), the null hypothesis is then retained at the security level of 0.05.

These results are in line with Tenner & Hörisch (2021) who according to their research define the profile of individuals using Crowdfunding as being well familiar with participatory financing. The crowdfunding has not been successful in Algeria in fact; 56.81% of the category of ex-employees and 38% of the category of ex-students think it is because of lack of information. 46.66% of ex-employees, 33.33% of ex-students by lack of confidence. 51.48% of the total respondents think it is because of lack of information and 29.70% because of lack of trust in this method. p -value being higher than 0.05 with $p = 0.177$, means that the null hypothesis is rejected; the answers are not different between the groups of people, on why crowdfunding didn't succeed in Algeria. These results are consistent with the study of Tenner & Hörisch, (2021) who demonstrate the importance of information in the use of Crowdfunding, as well as the study of Chao & al, (2020) who define the character of African societies as being marked by low social trust which is a brake to the adoption of participatory financing. Among employees, 52.27% say they are project holders, while only 9% are willing to be funders. 11.11% of the traders surveyed can be funders and 22.22% can be project holders. Students are much more project holders with 62.85% and 8.57% consider themselves capable of financing a project.

In the unemployed category, 92.23% are idea holders and do not see themselves as funders. Such results show a bias towards the project holder option without having statistical significance with a $p = 0.059$. This runs counter to Wolf (2017) who assumes that Crowdfunding could be a new provider of funds to African entrepreneurs.

The answers on trusting crowdfunding for the project holder profile are expressed by the following rates: 54.54% of employees, 71.42% of students, 66.67% of traders and 61.53% of unemployed with a $p = 0.244$ which means that H_0 is rejected. The answer to this question does not show a significant divergence. A total of 62.37% trust in the process.

The categories most apt to fund projects are employees and traders Students and the unemployed are much more likely to be project owners. The balance between the two categories seems a priori suitable for the realization of the crowdfunding concept since, financially it is the first two that are trustworthy. But this is contradictory to the question on: "why do you think crowdfunding has not been successful?"; the majority answered that it was because of a lack of trust, but they said that they trusted it, which contradicts the findings of Chao & al, (2020). The statistical test carried out highlighted the problem of confidence that is recurrent in the mind of the citizen vis-à-vis of risk-taking in the financing of projects, particularly in the context of crowdfunding. 51.48% answered "yes" for risk-taking. 42.30% were employees, 36.53% were students, 11.53% were traders and 9.61% were unemployed. In the intra-group, the difference in response between trusting and not trusting as a funder is not significant $p = 0.778$.

Among employees, risk-taking to invest or launch a project is 40.90% for level 3 and 27.27% for level 4. For traders, degree 3 is chosen by only 22.22%, degree 4 by 11.11% and degree 2 by 33.33%. The students chose respectively the degree 3 with 40%, the degree 4 with 54,71%. The unemployed 69.23% chose degree 3 and 15.84% degree 4. However, there was no significant difference between the various categories ($p = 0.309$).

It is noted that the preponderance has a penchant for risk-taking, these results support the findings of Wolf, (2017) who believes that crowdfunding could work very well in African countries, as it culturally adapts to the mindset and individual spirit of these

peoples. 72.72% of employees 77.14% of students and 84.61% unemployed think that there can be a future for crowdfunding, 88.89% of traders also think so but do not trust and do not qualify themselves as a funder. In total 77.22% are unanimous that there is a future for crowdfunding with a $p > 0.05$ ($p = 0.408$). This same mindset joins with that of Wolf (2017) who also believe that crowdfunding would have a great future in Africa and could be a new provider of funds to African entrepreneurs as a technological solution. It is by following the conception of Wolf (2017), who assumes that Crowdfunding could be a new provider of funds to African entrepreneurs and a technological solution that culturally adapts to the individual spirit of mutual aid and community reciprocity; that we conducted this study. The crowdfunding survey shows that all the individuals interviewed had almost the same opinions regardless of social status since the correlation tests did not show any significant difference for the different questions asked.

Noting that the number of people surveyed was low compared to the total population, that is to say, 101 people, of which 50 were women and 51 men; this does not allow us to have a real vision of the whole country but uniquely a particular category of person, with entrepreneurial intention, according to the choice of their master field specialty; thus omit a large group of people who already has funds and are likely to be potential investors or even carriers of ideas given the experience. This is in line with Chao, Serwaah, Baah-Pepurah, & Shneor (2020). Who suggests that the lack of Internet access in societies characterized by low social trust may be a barrier to adopting participatory finance? To estimate the viability of crowdfunding in Algeria, it would be necessary to focus more on potential investors, as well as traders, businessmen and industrialists; (outside the management school) and then integrate them and familiarize them with this new mode of financing which is precisely based on the internet (Fintech).

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