

**Crowdfunding as an alternative financing solution for SMEs in Algeria****KHODHEIR Latifa Salima <sup>1\*</sup>****OUGUENOUNE Hind <sup>2</sup>**

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**Received:** 01/03/2021**Accepted:** 12/06/2021**Published:** 18/06/2021**Abstract:**

The purpose of this study is to present crowdfunding as a new financing alternative for SMEs, which, despite their small size, represent a major challenge for economic growth in Algeria. Therefore, by offering several advantages compared to traditional bank financing, crowdfunding further encourages project leaders to implement their innovative ideas. The crowdfunding present in the world has contributed to the financing of a significant number of emerging companies in the field of entrepreneurship. Despite the rapid evolution of this new mode of financing, the crowdfunding is experiencing slow growth in the Maghreb countries in general and Algeria in particular. This delay is due to the lack of awareness and initiatives on the part of the authorities. Despite the effort made by the Algerian authorities through the complementary finance law of 2020 to regularize this mode of financing, Algeria will have to make even greater efforts to raise awareness of the use of this mode of financing.

**Keywords:** Crowdfunding; Crowdfunding platforms; SMEs; Funding projects; Algeria.

**JEL classification codes:** G29; F39.

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## التمويل الجماعي كحل بديل لتمويل المؤسسات الصغيرة و المتوسطة في الجزائر

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### الملخص:

تهدف هذه الدراسة إلى بناء أسس نظري وتحليلي حول التمويل الجماعي، بصفته حل بديل لتمويل المؤسسات الصغيرة والمتوسطة، والتي رغم صغر حجمها، إلا أنها تعتبر تحدياً رئيسياً للنمو الاقتصادي في الجزائر، فالتمويل الجماعي يتيح عدة مزايا على غرار التمويل التقليدي، فهو يشجع مروجي المشاريع على وضع أفكارهم الابتكارية موضع التنفيذ. التمويل الجماعي القائم في العالم ساهم في تمويل العديد من المشاريع في مجال المقاولاتية. لكن رغم التطور السريع لهذا النمط الجديد للتمويل إلا أن هذا الأخير يشهد نمواً بطيئاً في دول المغرب العربي بصفة عامة والجزائر بصفة خاصة. ويعود هذا التأخير إلى نقص الوعي والمبادرات من جانب السلطات. ورغم الجهود التي بذلتها السلطات الجزائرية من خلال القانون التمويل التكميلي لعام 2020 لتنظيم هذا النمط الجديد للتمويل، إلا أن على الجزائر القيام بمبادرات أكثر للتعريف بالتمويل الجماعي وكيفية استخدامه لدعم المؤسسات الصغيرة والمتوسطة في الجزائر.

**الكلمات المفتاحية:** التمويل الجماعي، منصات التمويل الجماعي، المؤسسات الصغيرة والمتوسطة، تمويل المشاريع، الجزائر..

رموز تصنيف JEL: F39 ;G29.

## **Introduction**

All firms, regardless of their size, need financing at different stages of their lives, whether they are starting up, growing, expanding or diversifying. Among these firms are SMEs, which are an important part of the country's economic fabric, as long as they create jobs and wealth. Despite the important place these firms occupy, they are still struggling with financing, whether in the pre-launch or launch phase.

Indeed, the sources of financing are limited and SMEs usually do not meet its criteria, as self-financing of these firms is not easy given their margins, and recourse to external financing is not a solution either, as they do not always meet the demands of banks or financial markets. All these barriers put SMEs in front of a harsh reality they have to face, which is either continue or give up.

Nevertheless, the emergence of information and communication technologies had a considerable impact on the lives and activities of individuals and firms. This emergence, characterized by the global proliferation of the Internet, has led to the birth of various economic and financial applications.

It is in this context that crowdfunding came as a major alternative to the financing of innovative projects, which directly puts the supply and demand for funds through an internet platform that meets the requirements of startups and SMEs. Obviously, the main objective of crowdfunding is to provide entrepreneurs with an alternative way to raise funds. It is indeed well recognized that new ventures face difficulties in attracting external finance at their very initial stage, be it through bank loans or equity capital (Cosh, Cuming, & Hughes, 2009). As a result, crowdfunding seems to be an alternative and immediate solution for the financing of SMEs and young project leaders who are blocked by the barriers of traditional financing channels.

## **Importance of the study**

Studies on the crowdfunding as a new alternative financing solution represent a growing field. It's a result of the rapid development of information and communication technologies (ICT), to the full digitization of our world in the near future. Thus, this study is meant to contribute to the already existing literature on this topic by explaining the functioning of crowdfunding and the influence of this new financing alternative on Maghreb SMEs in general and Algeria in particular.

## **Problematic of the study**

Growing small businesses need financing to facilitate their growth. However, a particular problem for SMEs operating in Algeria is the difficulty they have in obtaining financing from traditional sources and often lack knowledge about how to use crowdfunding as a source of financing for their growth.

Thus, this study sought to answer the following specific research question:

## **Can crowdfunding be developed as an alternative mode of financing for SMEs in Algeria?**

In order to support our main question, several underlying issues arise:

- What is the operating process of Crowdfunding platforms?
- What opportunities does crowdfunding offer to SMEs?
- What place does Algeria occupy in the world and in the Maghreb in the context of crowdfunding?

## **Hypothesis**

In order to provide answers to these questions, we proposed the following hypothesis:

**Hypothesis 1:** Crowdfunding is a new source of financing for Algerian SMEs and of profitability for investors.

**Hypothesis 2:** The strengthening of crowdfunding in Algeria is an action that promotes the creation and development of SMEs, which are an effective springboard towards economic growth.

## **Method of research**

The methodological approach adopted in this study is a mixed methodology based on a descriptive and analytical approach in order to highlight the position of Algeria in the world and the Maghreb in terms of crowdfunding. To do so, we collected recent data related to crowdfunding from different sources, and then created relevant figures from these data so that we could present and describe them in the results section, we then considered and analyzed the implication of these results in the discussion section.

## **Plan of study**

The remaining part of the paper proceeds as follows. The first section of this paper presents the theoretical framework of crowdfunding, by outlining the different definition of crowdfunding, its types and its functioning. The second section presents the crowdfunding as an alternative financing solution for SMEs, by assessing the financing difficulties of SMEs and also by showcasing the importance of this type of financing for SMEs. In the last section we will expose and discuss Algeria's place in the world and Maghreb in the framework of crowdfunding. And we will end with the main conclusions and some recommendations.

## **Theoretical Framework**

### **Crowdfunding definitions**

The concept of crowdfunding finds its roots in the broader concept of crowdsourcing, which uses the “crowd” to obtain ideas, feedback and solutions in order to develop corporate activities (Belleflame, Lambert, & Schwienbacher, 2010).

The literature offers different definitions of crowdfunding; here we list only a few of them:

In a study carried out by the association "framework for European Crowdfunding," its authors define Crowdfunding « as a collective effort of many individuals who network and pool their resources to support efforts initiated by other people or organizations. This is usually done via or with the help of the Internet. Individual projects and businesses are financed with small contributions from a large number of individuals, allowing innovators, entrepreneurs and business owners to utilize their social networks to raise capital. » (De Buysere, Gajda, Kleverlaan, & Marom, 2012)

Lambert and Schwienbacher(2010) define crowdfunding as « An open call, essentially through the Internet, for the provision of financial resources either in the form of donation or in exchange for some form of reward and/or voting rights in order to support initiatives for specific purposes » (Ethan , 2013).

Here, we propose a definition that covers all the existing models of crowdfunding: « Crowdfunding refers to the efforts by entrepreneurial individuals and groups – cultural, social,

and for profit – to fund their ventures by drawing on relatively small contributions from a relatively large number of individuals using the Internet, without standard financial intermediaries. » (Larralde & Schwienbacher, 2010).

The following characteristics can be distinguished in the definitions of crowdfunding:

- In crowdfunding, we have a free invitation called an “open call, “to the internet community,
- The objective and amount of the project are defined by the entrepreneur,
- The internet community can support the chosen project,
- The funders participate with a micro-contribution,
- The internet as a tool of communication and platforms as a financial intermediary,
- Limitation of the action in time (Katarzyna, 2020).

### **Actors and stakeholders in the crowdfunding process:**

There are three main actors in Crowdfunding:

- **Applicants for funds:** The entrepreneur who wants to raise funds for his project, which can be artistic, social or business projects.
- **Funders:** The crowdfunders or the backers who contribute their own money for the projects (micro-contributions).
- **Financing platforms:** the crowdfunding platform, an online platform which forms the intermediary who brings together the entrepreneurs and crowdfunders (Kavitha & Pankaj Kumar, 2018).

### **Types and models of crowdfunding:**

The Crowdfunding models are distinguished by what the contributors are given in exchange for their investment. There are different websites that specialize in each of these crowdfunding models (Kshetri, 2015).

The main crowdfunding models used are:

#### **Crowdfunding (or Donation/Reward-based crowdfunding):**

##### **Donation-based crowdfunding:**

This type of financing is suitable for all types of businesses. It is considered to be an altruistic act, where the project leader receives funds from contributors without consideration.

Fundraising to finance non-profit organizations can easily achieve its funding objective because it is for the good of society, unlike an organization with a profit motive it seeks its own interest (Burtch, Ghose, & Wattal, 2013).

##### **Reward-based crowdfunding:**

This funding model, also known as grant-for-gift, is the most widely developed and used. It is based on rewards in kind. The principle of this model is that a project leader submits his project with the amount to be collected and the rewards offered. Once the project is launched, the contributors start to pay in and everyone receives their reward according to the amount paid. For example, in donation-based crowdfunding, friends and family tend to be the first to participate, because they have private information about the project owner’s (Agrawal, Catalini, & Goldfarb, 2015) . Artistic, cultural, educational and even new product ideas are often more funded by these platforms than entrepreneurial projects (Bernard & Gazel, 2017).

The form of the reward will depend on the amount paid and the nature of the project. Generally, it can be a dedication, CD, an autograph from an artist, or a small gift (Cecere, Le Guel, & Rochelandet, 2017).

The advantage of funding by donation is that it is quicker and there is always the possibility of changing the amount (Boudreau, Jeppessen, Reichstein, & Rullani, 2017).

The risk with this type of financing is that the money is not used as intended; even if it is a donation, the neglect of a good presentation on the platform can fail the project.

### **Crowdlending (or Debt-based crowdfunding):**

In this model of crowdfunding the contributors lend their money to project holders who are most often entrepreneurs or startups who intend to finance different projects at lower interest rates than those determined by the banks. So here the investor expects returns that are interest. There is also another case where the investor saves his money in the form of a loan, but the latter is interest-free. Here the contributor has more societal than financial motivation (Baek, Collins, & Zhang, 2014).

Financing in the form of a loan allows the project leader to test his product. Moreover, the granting of credit is simple and does not require guarantees (Pierrakis & Collins, 2013).

The one and only problem that can be encountered by this crowdfunding platform is that related to the solvency of the borrowers, as the platform is not a bank to give guarantees. However, despite this ambiguity, crowdfunding campaigns with loans are estimated to account for 44% of the amounts allocated to participatory finance worldwide.

Thus, there is a risk of plagiarism of the project, because the project leader must reveal his idea. (Onnée & Renault, 2013). In addition, the platform is not a bank so there is no guarantee that the lender will be reimbursed and the payment of the commission set by the platforms can destabilize the project.

### **Crowdequity (or Equity crowdfunding):**

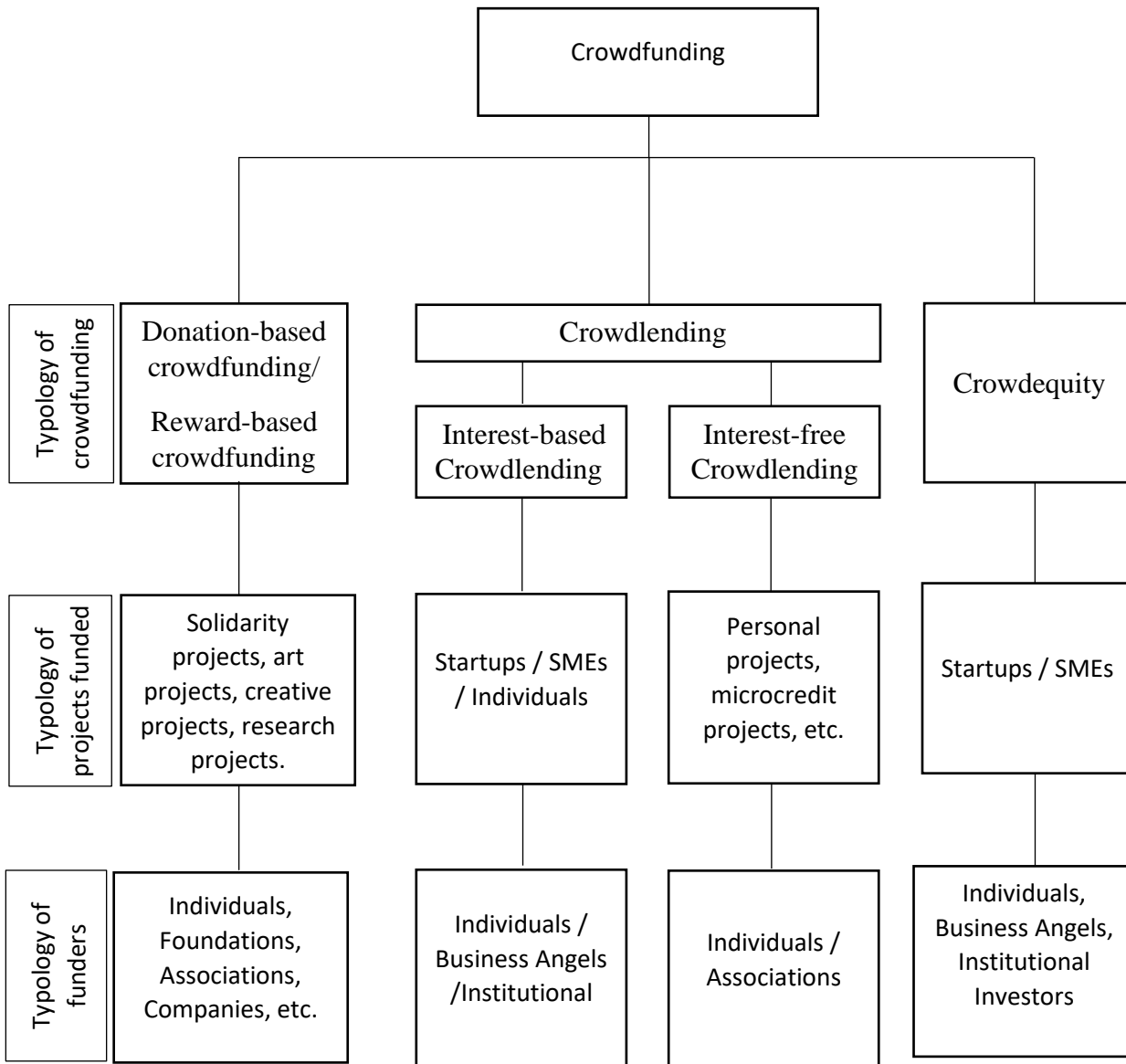
Equity crowdfunding has sometimes been named also crowdfunding to distinguish it from other forms of crowdfunding, here the goal is to enable investors to gain an interest in the capital of a company via a stake, and in return for their contribution, they receive shares in the company, shares or bonds. This means that he will be entitled to dividends and/or voting rights, depending on the contract between the investor and the borrower of funds. Despite the large sums of money raised by this financing model the latter is still weak, as it is a risky investment and requires the most administrative procedures. On the other hand, this form of crowdfunding is the most profitable if the platform manages to reduce doubts for potential investors (Gerber, Hui, & Kuo, 2012).

Equity Crowdfunding is the most profitable financing model if the project is well exploited. But, it is slower than a donation or loan, it takes about 6 months in terms of organization.

The various crowdfunding types also differ on the complexity of their processes for investors and the degree that they have to get involved with the new venture. The most complex type for backers, requiring their highest involvement, is equity crowdfunding, followed by lending crowdfunding and reward crowdfunding. Donation crowdfunding is significantly less complex and crowdfunders' involvement is minimal (Hornuf & Schwienbacher, 2018).

The models of crowdfunding can be summarized in the diagram below:

**Figure N°1  
Crowdfunding models.**



Source: Author's own

## **The functioning of crowdfunding**

The approach of crowdfunding is generally the same for the different forms of platform, their functioning is based on the following steps:

### **The choice of the platform and the preparation of the project:**

It is important to choose a suitable platform that meets the objectives that the startup wants to achieve. It also depends on what the project leader is able to give in exchange for contributions; here we are talking about the type of crowdfunding that should be chosen. Then, the startup must prepare a business plan that meets the requirements of the platform, whose project must be well detailed, as well as the amount to be raised, the objectives outlined, the return on investment, and how to reimburse the investors, and, of course, presentation videos and images must accompany the file in order to clarify the idea to the platform and Internet users.

### **The reception, study and validation of the project:**

Upon receipt of the application, the platform seeks to verify the eligibility of the project thanks to an internal selection committee made up of financial analysts, professionals and even former startups that have successfully completed their project. The latter will intervene to analyze and evaluate the projects submitted. And at this stage the platform will validate or reject the project.

Often these platforms do not ask for any guarantee, they are based on trust (Collectif, 2016).

### **The launch of the campaign:**

After the validation of the project. The latter will be taken in charge to launch its crowdfunding campaign. The campaign is generally limited in time. From this phase, the funders are directly involved and the crowdfunding platform supports the project by accompanying it throughout the fundraising period (SANSARI & CHEURFA, 2020).

### **The post-campaign**

The failure or success of the campaign is mainly based on the achievement of the objectives defined by the project leader with regard to the funds collected. In case of success, the platform takes a margin from the overall amount of the campaign.

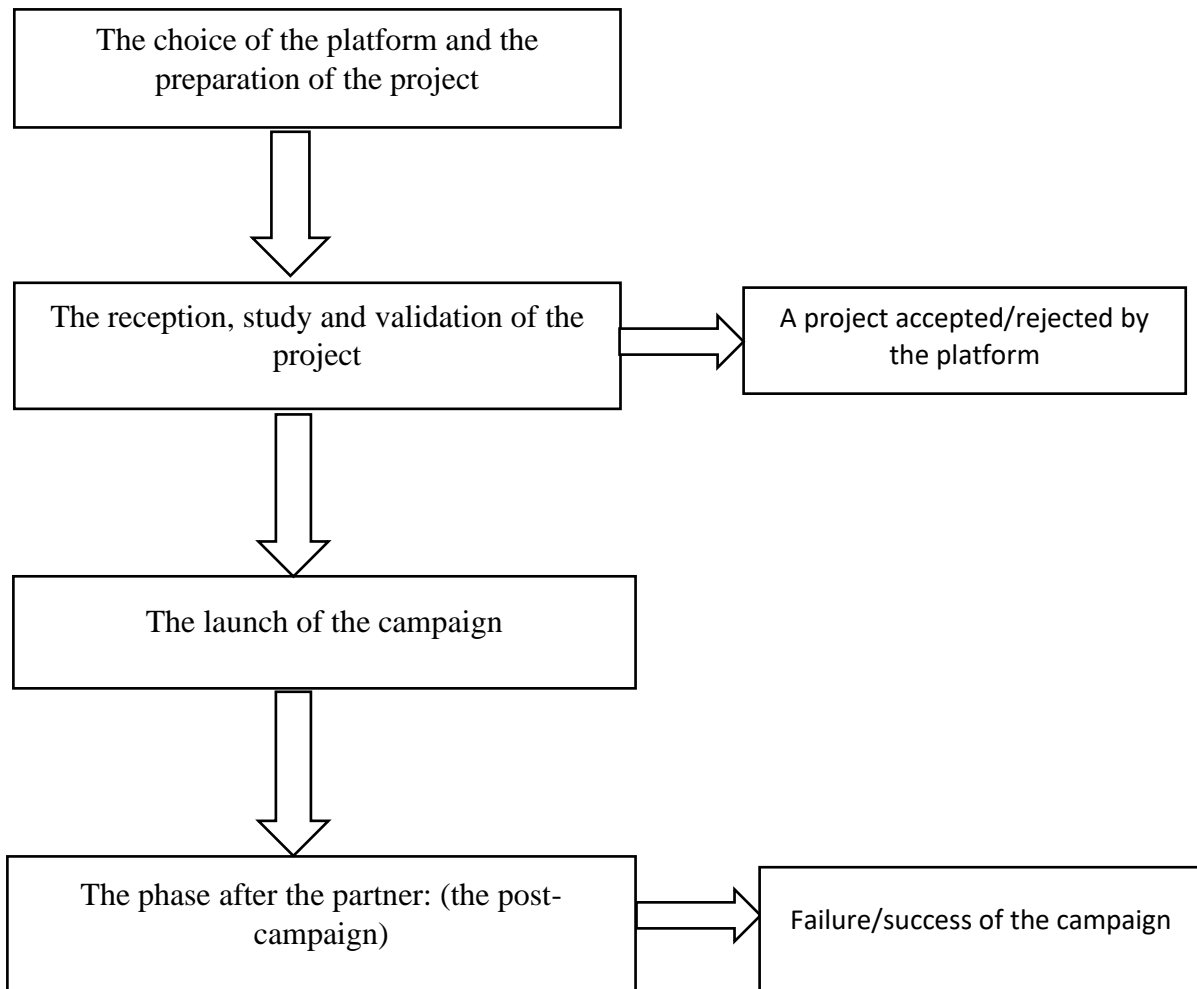
The fundraising mode can occur in two ways, either by « all-or-nothing » or « keep-it-all » (Bottiglia,R., 2016).

- In all-or-nothing campaign funders will have their money returned.
- In the keep-it-all model, the entrepreneur will keep all the funds that were raised, even when the funding aim is not reached (Cumming, Leboeuf, & Schwienbacher, 2014).

The steps of crowdfunding can be summarized in the diagram below:



**Figure N°2**  
**The steps of a crowdfunding project.**



**Source:** Author's own

## **Crowdfunding as a solution for SMEs**

### **Financing difficulties among SMEs**

SMEs are considered as new innovative enterprises. They start with original ideas that are generally compatible with technology (Marina, Jelena, & Maja, 2014).

These SMEs are confronted during their life cycle with several challenges, the main one being the problem of financing, whether in the creation or development phase.

There are two financing options available to an SME. The first is to use its own resources, i.e., self-financing. SMEs find it difficult to be self-financing because their profit margin is generally small, which does not allow them to invest. The second source of financing for companies consists of resorting to bank loans or the financial markets through the issue of securities, i.e., shares or bonds, is external financing.

The ability of an SME to meet its needs through its own funds or through external means varies according to its size. Indeed, SMEs are the ones that encounter the most difficulties in

meeting their financing needs, especially during the first two phases, i.e., the pre-enterprise and start-up phases.

Raising capital is one of the main obstacles encountered by SMEs in their search for financing. As a result, many entrepreneurs seeking to start a business find themselves without external financial support. This is because banks generally require a guarantee from the companies from which they issue loans, which means that bank credit financing is not available for many SMEs as they rarely meet this requirement.

The financial market, on the other hand, presents SMEs with opportunities for development and growth. However, going public is not simple and requires a significant cost. Characteristics such as their small size, the number of years of existence and the experience of their managers make it difficult to access this alternative financing.

These financing difficulties are becoming a reality that SMEs have to deal with, if not get around.

### **The importance of crowdfunding for SMEs:**

Crowdfunding is a particularly useful financing mechanism for emerging enterprises that often need capital to embody practical ideas for creating new businesses and jobs. Below are some of the main opportunities that crowdfunding offers to SMEs:

- Crowdfunding platforms help SMEs to reach a large number of investors who will support their ideas and projects, unlike banks who put barriers in front of these SMEs because of solvency (2020 بللعماء).
- Crowdfunding offers SMEs the opportunity to choose new credit products, unlike traditional financial sources, which are often untied or unwilling to offer flexible loan products.
- It is easier for SMEs to consider crowdfunding, in terms of procedures, than to choose traditional sources of finance, as the taking of guarantees is absent in crowdfunding (2019 شيداد).
- Crowdfunding platforms helps to promote the idea of SMEs worldwide via the internet, with a considerable advantage in terms of speed.
- Obtain financing disbursed in a few weeks as opposed to several months in the case of bank financing. The financing process is extremely fast. Typically, crowdfunding platforms offer the possibility to hold the campaign for a period of between 20 and 90 days maximum.
- The fact that an SME succeeds in convincing a large audience to support a product or service means that it can consider these investors as the first loyal customers who will support the project (Hemer, 2011).
- As long as the project leader has direct contact with the public, this will help him a lot, as he will be listening to his clients before the official launch of the project, so he will know whether the project will be profitable through the opinion and advice of the contributors.
- Diversify their sources of funding, so as not to be too weakened by the slightest assistance from banks in the future.
- Crowdfunding will allow the creation of small businesses without direct assistance from the State, because up to now all aids for business creation are provided by the State.
- Crowdfunding will boost entrepreneurship, which remains the key to a country's sustainable economic development, by encouraging young entrepreneurs to realize their projects by creating start-ups and SMEs.

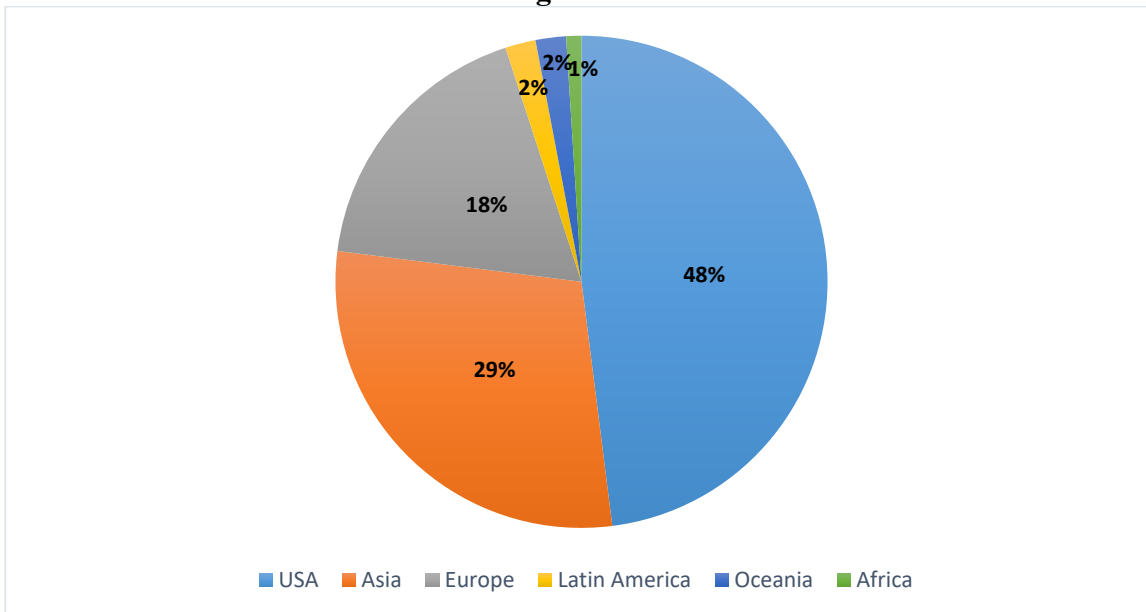
- The use of crowdfunding will help the emergence of SMEs, which will participate in the dynamisation of the Algerian economy.

### **Case study: Algeria's place in the world and Maghreb in the framework of crowdfunding**

#### **Crowdfunding in the World**

**Worldwide distribution of funds raised by crowdfunding:**

**Figure N°3  
Crowdfunding's Global Market in 2019**



**Source:** by the authors based on (Fundly, 2019) report

Fig 3 shows an overview of crowdfunding in the world, according to several studies and reports we summarized (we can be seen) that Crowdfunding has become one of the most popular ways to raise money for a cause, project, or event. By raising around \$34 Billion, the United States occupies the 1st position with \$17 Billion (48%), followed by Asia and Europe in the second position with \$10.54 Billion and \$6.48 Billion respectively. Latin America and Oceania display almost the same development with a rate of 2% (85.74 million) and 2% (68.8) consequently. Finally, Africa presents a modest development with a rate of 1% (\$ 24.16Million).

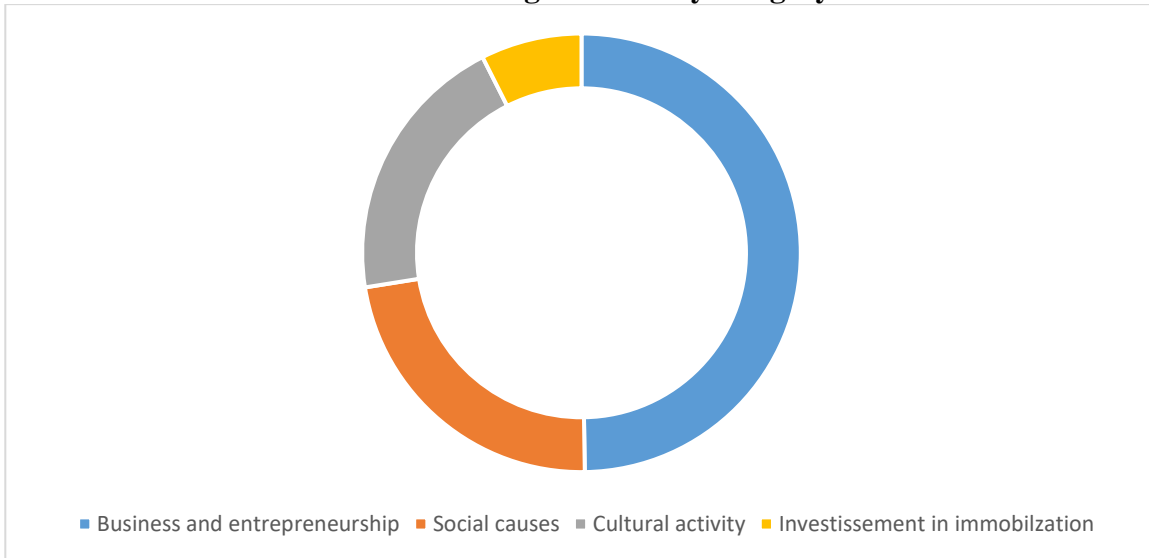
#### **Crowdfunding by economics sectors in 2019**

There are four (4) economic sectors of crowdfunding in the world:

- Business and entrepreneurship,
- Social causes,
- Cultural activity,
- Investissement in fixed assets.

**Figure N°4**

**Crowdfunding statistics by category 2019**



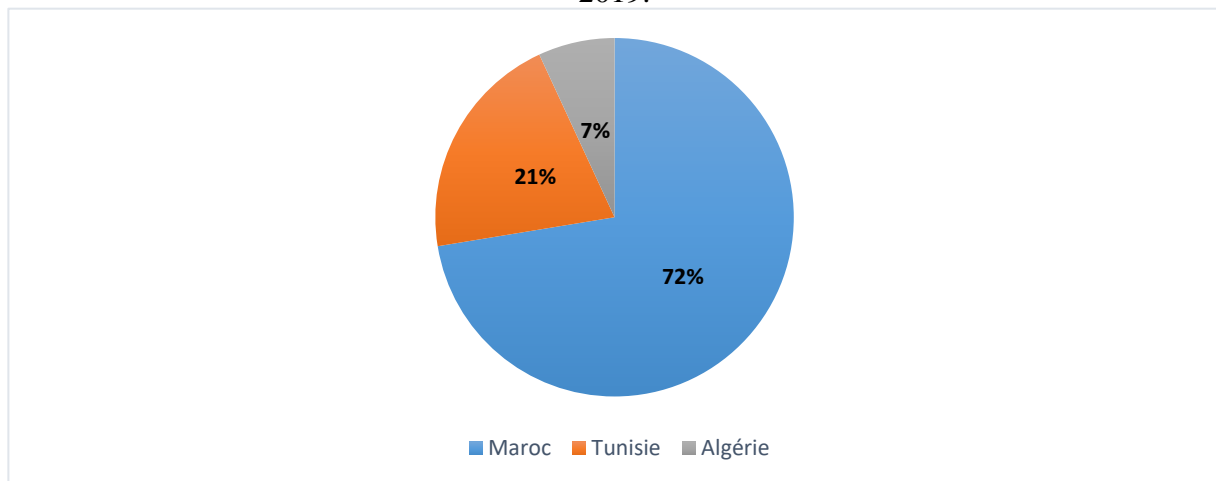
**Source:** by the authors based on (Fundly, 2019) report

In 2019, among all the categories financed, the Business Entrepreneurs and entrepreneurship category is the one that received almost half of the funds raised with 41.4%.

**Crowdfunding in the Maghreb**

**Figure N°5**

All Maghrebian projects launched on the Crowdfunding platform Kickstarter in percentages in 2019.

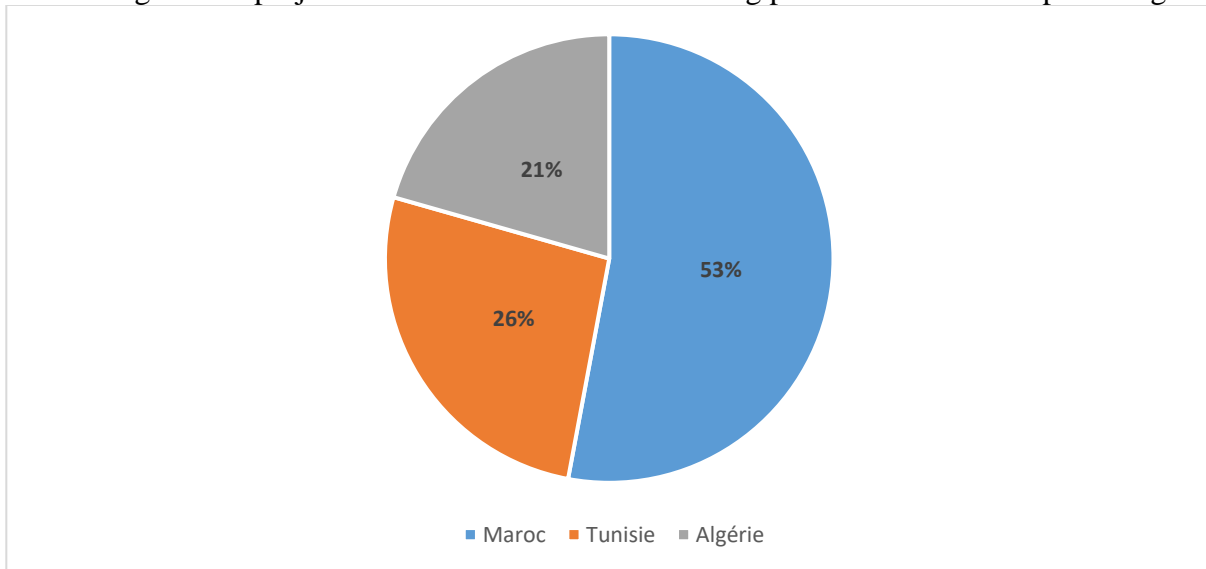


**Source:** Produced by us, based on information available on the platform's website, [kickstarter.com](http://kickstarter.com)

Figure.5 displays the percentage of all projects launched on the crowdfunding platform Kickstarter in the Maghreb. According to this figure, it can be seen that Morocco occupies the 1st position, with an ownership of  $\frac{3}{4}$  of all the projects launched; followed by Tunisia in 2nd position with a share of projects estimated at 21%, and finally comes Algeria in 3rd position with a very low share estimated at 7%.

**Figure N°6**

All Maghrebian projects launched on the Crowdfunding platform Zoomaal in percentages.



**Source:** Produced by ourselves, based on information available on the platform's website, Zoomaal.com

In the same vein as the last figure but with a different platform, that is "Zoomaal", Figure 6 indicates that Morocco, again, holds the largest number of projects launched on the Zoomaal platform, with 18 projects for a rate of 53%, followed by Tunisia with 9 projects for a rate of 26%, and finally comes Algeria with 7 project for a rate of 21%.

**Table N°1**  
**Projects financed and amounts collected in the Maghreb**

Country	Number of funded projects	Amounts collected (Euros)
Morocco	126	415 000
Tunisia	41	290 000
Algeria	5	2665

**Source:** Author's own from statistics used in Afrikstart Report p.33

According to this table, Algeria occupies the weakest place of the projects financed whether in the Maghreb or foreign platforms. While Tunisia is widening a significant gap between itself and Algeria, which is perceptible in the number of projects financed: 41 projects by Tunisia for an amount of €290,000 and only 5 projects by Algeria for an amount of €2,665. Morocco has up to three times the number of projects financed by Tunisia, with 126 projects financed for an amount of €415,000.

## **Discussion**

This study set out with the aim of providing a better understanding of the importance of crowdfunding as an alternative financing solution for SMEs. According to the data analyzed in the previous section, the current study has shown that crowdfunding is a rapidly growing phenomenon worldwide. According to recently released crowdfunding statistics, an increase of \$1053.7 million will be recorded in 2021, followed by an increase in the number of crowdfunding platforms. (STATISTA, 2020). It can be concluded from figure 1 that the countries that have adapted the best to this new mode of financing are the developed countries, which by the advances they have acquired in the field of technology and information, the Internet, and the presence of the culture of crowdfunding and also of electronic means of payment, have facilitated the development of this new mode of financing. On the other hand, developing countries, which are mostly African countries, and which often lack these means of electronic payment, coupled with insufficient knowledge of the culture of crowdfunding, and especially the lack of a regulatory framework to protect the three main actors of this new mode of financing, has led to the slow adoption of crowdfunding. Therefore, all these problems must be overcome in order to reach the same level as developed countries.

It has also been deduced from Figure 2 that the sector most funded by crowdfunding is entrepreneurship, representing almost half of all the sectors, which means that several projects have been launched in the field of entrepreneurship around the world thanks to this new financing alternative dedicated to start-ups and SMEs. The influence of crowdfunding on Maghrebian SMEs is positive, indeed, since its entry into the region, crowdfunding has made it possible to finance a few projects. This leads us to validate our second hypothesis, according to which the strengthening of crowdfunding in Algeria is an action that promotes the creation and development of SMEs, which are an effective springboard to economic growth.

However, the information collected in this study indicates that this new financing method is still in its embryonic phase in the Maghreb in general and in Algeria in particular, as it is experiencing slow growth compared to the rest of the world. Thus the absence of awareness, information and initiatives on the part of the competent authorities does not make the task any easier for the actors of this young industry in Algeria. Consequently, it can be said that financing via crowdfunding can be a new and viable source for Algerian SMEs and of profitability for investors if the various constraints, especially regulatory ones, are lifted. Which allow us to confirm our first hypothesis.

The complementary finance law of the year 2020 stipulates in its article n°45 of June 4th 2020, the institution of a status of Participatory Investment Adviser in charge of the creation and management, on the internet, of participatory investment advisory platforms and the investment of funds from the general public in participatory investment projects (Loi de finance complémentaire, 2020).

## **Conclusion and recommendations**

The main goal of this study was to present crowdfunding as a new source of financing for Algerian SMEs and a potential profitability opportunity for investors. As a matter of fact, SMEs often face financing difficulties and are excluded from traditional financing due to their small size and lack of solvency. The characteristics of this new method of financing make it possible to finance a multitude of project categories (SMEs) and ensure that investors can be close to the projects they finance in order to follow their development. As such, it is adapted to the financing strategies used by SMEs, as it affects segments such as innovative projects.

In addition, SMEs are the companies that most often use this financing alternative, as they do not require guarantees to access it. Unlike large companies that need large sums of money to secure financing, SMEs generally start with small amounts. In addition, large companies have easier access to all other sources of financing, which is not the case for SMEs. All these characteristics converge and are in line with the solutions offered by crowdfunding.

Finally, this young industry was not born to compete with or disrupt traditional sources of financing, particularly in the banking sector, but to complement them and facilitate access to these start-ups and SMEs and occupy a special place in the country's economic fabric to enable them to finance themselves more easily and quickly, as all transactions are online, which requires an online payment system, credit cards and the existence of payment transaction registers. These different sources of financing can only be an opportunity for Algeria to eliminate the financing difficulties encountered by its companies and to contribute to economic growth.

In order to encourage the emergence of crowdfunding in Algeria, we suggest acting on the following points:

- Adoption of a legal and regulatory framework for crowdfunding for companies and individuals, whether they are donating, lending or subscribing for securities. This legislation aims to protect savers and accelerate the dynamics of crowdfunding. (Bourouba, 2018)
- Provide the necessary means of payment to carry out the crowdfunding operation.
- Teaching this new method of financing at university level, because this financing is aimed at SMEs, and the project leaders are often young people, so it is an opportunity for them to study this financing during their studies to finally use it as a means of financing to put their ideas into practice.
- Raise the awareness of economic agents to use this new method of financing.
- Platforms need to be reliable to gain the trust of contributors.
- The state needs to monitor crowdfunding platforms from a distance to avoid the problem of fake platforms.

It is obvious to develop this financing alternative in our country, because, on one hand, it helps the growth of companies, and, on the other hand, it does not reduce the unemployment rate.

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