

Bureaucracy: A Brake for the Diversification of the Algerian Economy

البيروقراطية: معوقات لتنوع الاقتصاد الجزائري

Dr. Lilia Benmansour / Dr. Sabrina Manae / Samia BENZAIM, Khenchela University, Algeria.

تاريخ التسليم: (2017/01/21)، تاريخ القبول: (2017/05/30)

Abstract :

In Algeria, administrative burdens resulting from centralized management and the monopoly of the state have reformulated the meaning attributed to the bureaucracy; it follows from looking in this paper for the bureaucratic hindrances that have hindered the process of Algerian economic diversification and the modes that can eradicate them. The study reveals that bureaucracy is one of the main causes of the obstruction of the course of economic development; it is at the root of the deterioration of the investment climate (SME & FDI). And the non-performing monolithic system of government in economic choices gives the state the role of the bureaucrat further blocking any rational initiative. This discourages mixing that fosters competition, market economy and transparency.

Keywords: Bureaucracy, Business climate, Investment

ملخص :

أعادت الأعباء الإدارية الناتجة عن الإدارة المركزية واحتكار الدولة في الجزائر صياغة معنى البيروقراطية؛ ويترتب من خلال هذا البحث عن العقبات البيروقراطية التي أعاقحت عملية التنوع الاقتصادي الجزائري والطرق المحتملة التي تمكن من القضاء عليها . وتكشف الدراسة أن البيروقراطية هي السبب الرئيسي في إعاقة مسار التنمية الاقتصادية، وهي من إحدى أهم المسببات في تدهور مناخ الاستثمار (الشركات الصغيرة والمتوسطة والاستثمار الأجنبي المباشر). كما أن احتكار السلطة للأنشطة اقتصادية من خلال دورها البيروقراطي، يقوم بعرقلة المبادرات الجيدة. هذا يثبط التنوع الذي يشجع المنافسة، اقتصاد السوق والشفافية.

الكلمات المفتاحية: البيروقراطية، مناخ الأعمال، الاستثمار

Introduction :

Undoubtedly, bureaucracy is a pejorative word for Algerians, a synonym for heaviness in the delivery of a document. It is a scourge that is growing and which brings with it harmful economic and political effects. The damage is deep, rigidity in administrative action, corruption, clientelism, non-transparency, and even unspeakable damage. Several studies (Kherrazi, 2013; Benachenhou, 2012 & Arbani, 2012; Ferro, 2011; Mebtoul, 2005) have demonstrated the many adverse effects of bureaucracy on the Algerian economy. As a result, this paper aims to show us the concept and the economic aspects of the bureaucracy in Algeria, it is necessary to highlight the main effects of the Algerian bureaucracy, which profoundly affect the process of diversification of the economy national level. What follows is the search for ***what bureaucratic obstacles hindered the process of Algerian economic diversification and what modes can eradicate them?*** This brings us back to the following questions:

- What are the causes and consequences of the bureaucracy in Algeria?
- What are the most effective means of alleviating the bureaucratic constraints on the national economy?

The objective of our research is to:

- Insist on the importance of this phenomenon and sensitize public authorities, decision-makers and researchers to contribute in turn to propose possible solutions;
- Propose a modest contribution to provide new research avenues at the academic level.

The research is structured in two parts:

- In a preliminary part, we will examine the main aspects of the Algerian bureaucratic reality, which deserve the most interest for research;
- In our second part, we will propose the means which seem to us the most appropriate to combat this phenomenon.

The approach we will adopt along this research will call for analysis from the managerial point of view, while using some statistics elaborated by international organizations.

Part n ° 1- main aspects of the bureaucracy in Algeria

Algeria is slowing down in the economic sphere because of multiple reasons, including bureaucracy. This phenomenon has given rise to many negative aspects which have seriously affected the national economy of this young country. This preliminary part leads us to study its appearances in order to better understand their impact.

- Basic Concepts of the Algerian Bureaucracy: The interview that we conducted with Algerian citizens refers us to the meaning defined by the dictionary *La Toupie* "The term bureaucracy designates in a pejorative way an excessive influence or power of the administration in public affairs or in politics. The bureaucracy is then characterized by its slowness, its heaviness, its lack of flexibility, its inability to deal with particular cases. Bureaucratic decisions are hardly comprehensible, inconsistent with common sense or democracy " (Toupictionnaire).

However, the administrative bureaucracy according to Weber tends to ensure compliance with laws and rules in the functioning of a state. In Algeria the phenomenon has produced the opposite result, since the laws are flouted and the confidence of the citizens in their institutions is undermined. Everyone knows that our

country has all the laws and regulations necessary for its operation. But the problem is in the application of these laws and regulations (Ghezali, Abdelkrim, 2013, 31 mai). Moreover, on the basis of numerous examples, the state bureaucracy, it is demonstrated by Max Weber that "the more time passes, the more the great modern state simply needs a bureaucratic basis". For him, the primary cause is the "growing demands addressed to the administration", notably because of the social policy missions that are partly "endorsed" to the state, and that it usurps for the" the other party (Anter, 1995, p.2). In the case of Algeria, the monopoly in the provision of goods and services was at the origin of the diffusion of this spirit, the Soviet model adopted after the war of liberation gave the state the role of a bureaucrat, affirming Its administrative omnipresence in all economic fields, bringing with it a strong centralization in different decisions and strategic actions.

Unlike Weber, Carl Marx the sociologist and Michel Crozier have long regarded bureaucracy as a negative aspect. For Marx, bureaucracy is a product of the separation between the state and civil society: it is "the consciousness of the state, the will of the state, the power of the state, incarnated in a corporation, a particular society and closed within the state "the bureaucracy is the republic priest. As for the bureaucrat, "taken individually", the aim of the state "becomes its private goal." The suppression of bureaucracy will therefore be possible only "if the general interest becomes the particular interest, which cannot be conceived that if the particular interest becomes the general interest ". In the eyes of Marx the bureaucracy is only a tool of domination (Cours université Lyon, Acgrenoble). It is clear that this is the case in states where there is a closed government apparatus of supreme power to defend its personal interests such as Algeria. As for Michel Crozier, he highlighted the dysfunctions of the bureaucratic organization joining the analyses of Marx for the bureaucracy. According to him, bureaucracy rarely creates new wealth by itself, but rather controls, coordinates and governs the production, distribution and consumption of wealth. Bureaucracy as a social stratum derives its income from the appropriation of a part of the social produced in surplus of human labor. Mebtoul, Abderahmane (2013, 20 novembre).

- **Realities of the Algerian bureaucracy** :The damage of the bureaucracy makes of Algeria a climate of obscurantism which destroys much more than it helps to hatch the good initiatives of any kind. Here are some examples on the economic side:

Centralization of decisions and administrative actions: Centralization is one of the aspects of the bureaucracy that makes the citizen grumble towards the state, Algerian public institutions are all (the majorities) concentrated in the capital of the wilayas. Adding the decision-making process, excessive centralization, the dictatorship of the administration, the latter are anchored in the Algerian system. The power of the chronic administration wants to control everything and to subjugate the social and economic actors through wear and coercion. The dictatorship of the administration is so anchored in the Algerian system as a spider's web; it reigns as absolute master over the functioning of the state, its central institutions and its dismemberments at the local level. The citizen faces this phenomenon in his everyday life in the local administrations that are supposed to be at his service, this centralization which blocks the process of local development through decisions that come from power and not from local authorities. Ghezali Abdelkrim (2013, 31 mai)

The office as the great sociologist Max Weber has shown is necessary in any economy but it must be at the service of society. It is necessary for the functioning of any economy but not to function as in Algeria as a bureaucratic power that works in a vacuum, because social practices often contradict speeches so praiseworthy. The bureaucratic sclerosing power thus has three harmful consequences for development in Algeria: a centralization to regulate the political, social and economic life of the country; The elimination of all rival power in the name of the bureaucratic power, and finally the bureaucracy builds in the name of the state of plans whose effectiveness, if not the imagination, proves to be very weak, the goal of the bureaucrat being to give the illusion of " A government even if the administration runs empty, in fact governing a tiny population by ignoring the majority society. Mebtoul Abderahmane (2012, 22 octobre).

Corruption:“Institutions are the guarantee of the government of a free people against the corruption of morals, and the guarantee of the people and the citizen against the corruption of the government.” Saint-Just.

Corruption in Algerian is the result of bureaucratic management of citizens' problems. There is a crisis of confidence between the citizen and the administration that produces the informal sphere in extension (controlling in 2010 more than \$ 13 billion of the money supply in circulation). Through Transparency International in its 2006/2016 reports ranks, we see Algeria among countries with high corruption rates. The following table notes that there is almost no improvement between 2003 and 2016:

Table 1: notification and classification of the Algerian corruption level

Year	Rating out of 10	Ranking by contribution to the countries concerned by the survey
2003	2.6	88 th place (out of 133 countries)
2004	2.7	97 th place (out of 146 countries)
2005	2.8	97 th place (out of 159 countries)
2006	3.1	84 th place (out of 163 countries)
2007	3	99 th place (out of 179 countries)
2008	3.2	92 th place (out of 180 countries)
2009	2.8	111 th place (out of 180 countries)
2010	2.9	105 th place (out of 178 countries)
2011	2.9	112 th place (out of 183 countries)
2012	3.4	105 th place (out of 176 countries)
2013	3.6	105 th place (out of 107 countries)
2014	3.6	100 th place (out of 175 countries)

2015	3.6	88 th Place (out of 168 countries)
2016	3.4	108 th Place (out of 176 countries)

Source: Transparency International, Corruption Perceptions Index.

Transparency International's ranking is based on data collected by 12 international organizations, including the World Bank, the African Development Bank and the World Economic Forum. Through its Corruption Perceptions Index (CPI) 2016, Transparency International considers that a rating below 4.3 means that there is a high level of corruption within the institutions of the state and citizens face the tangible impact of Corruption on a daily basis and the connection between corruption and inequality, which feed off each other to create a vicious circle between corruption, a distribution of power in society, and a distribution of wealth. The table above shows us in the majority that the notes are lower than this note which has favored the speculative activities. The informal sphere produces systemic dysfunctions and controls 40% of the circulating money supply (with concentration in favor of a rentier minority) and 65% of the segments of different markets maintain informal financial intermediation away from state channels. The bureaucracy is at the origin of such a paralyzing economic situation. Indeed, the extension of this informal sphere is only the product of a system that badly treats the needs of citizens and derives its power from the existence of a space of no law favoring fraudulent practices. Some say that the last ranking in 2016 is a disappointment for Algeria as it has lost 20 places by falling to 108th position, but this recoil is explained solely by the larger number of countries in the table of this edition. In 2015 Algeria ranked 88th on a list comprising 168 countries in the country thus losing 20 places compared to 2016 as it was ranked at 108th out of 176.

The stagnation of Algeria in 14 years of rating by the Corruption Perception Index (2003-2016) is indicative of the widespread corruption that seriously threatens the stability and security of the country Mebtoul Abderahmane (2010, 16 janvier). - --
Administrative "fiddling" :

- 1- The big Algerian employees do not accept to assign their responsibilities to the other employees, in order to keep the image of an authoritarian who does not trust his employees thinking that it is necessary to intervene to any small and great action Despite the deficit and misunderstanding they show in many cases, this despotism creates a feeling of fear and alienation, which is translated into bondage to the superior.
- 2- The absence of depersonalization, the personal relationship that brings together the administrator and his employees helps them to defend their erroneous behavior caused by any of this united sphere.
- 3- The employee exaggerates to follow the judicial rules, forgetting that he is there to facilitate procedures, which very quickly leads to a shift in his goals. The original objectives are indeed forgotten. This phenomenon is called "sub-optimization".

Characteristics of the Algerian bureaucracy:The bureaucracy in Algeria includes several origins, among which we mention the most important, which largely and profoundly influence the micro and macroeconomic management system:

structural rigidity of the public service:

- 1- Resistance to change;
- 2- Politico-administrative system;
- 3- Regulation by very precise texts which leave no room for initiative;
- 4- Sub-optimization;
- 5- Heaviness and rigidity; due to high hierarchy and tedious decision-making procedures;
- 6- Central and local structures that are not synchronized and often contradictory block the flow of information; which explains that at seminars at intervals of a few months, managers give different figures, sometimes contradictory. Worse, sometimes officials are informed by the press unaware of the operation of their sector;

The concentration of power : The concentrated character of Algeria appears to be the product of a movement of reaction to colonial imperialism, which is nevertheless accompanied by a form of continuity in the structure and exercise of power inherited from the ancient empires (Férron, J., 2011). The country has thus opted for a Soviet policy which stipulates the presence of the state in all economic activities. This option is more cumbersome for the conduct of economic affairs especially as it is confronted by the French colonial heritage which connected to writing.

The lack of control and transparency: The absence of transparency and the ineffectiveness of the control, absence of the observatories allow flourishing this scourge, the supposed equality of treatment thus ceases where the networks of recommendations are activated. In public institutions, priority is always given to those recommended who are quickly served. The result being that, faced with a problem to be solved, the citizen "no longer seeks to learn the procedure to be followed, but to know who can be seen to be boosted": the "passive" corruption of the official feeds the "active" corruption of the citizen. The anonymous citizen, unrestrained and uncorrupted, "disturbs" the comfort of the agents. The bureaucratic world, supposedly that of the "general interest", seems, on the contrary, to be based on irresponsibility, privileges and clientelism. Lack of productivity and corruption are institutionalized. With this hyper-bureaucratic form of administration, we arrive at a new form of "informal privatization of the state" Soufiane Kherrazi (2013, 02 avril). In reality, the forms of control of the agents behavior of the Algerian public administrations towards the citizens are not repetitive and without results. The Algerian system does not ensure the verification of the regularity of administrative acts and does not acquire techniques that enable them to evaluate the activities and deontology of administrative agents.

Impact of the bureaucracy on the diversification of the Algerian economy: It seems very interesting to evoke through a managerial analysis some assignments caused by the way of economic management of Algeria, in order to grasp the macroeconomic impact of this phenomenon on economic diversification:

Development impediments of SMEs : Algeria is a country that cannot be satisfied with about 700,000 small and medium-sized enterprises (SMEs) of which 98% are very small enterprises employing less than 10 people. Algeria should have 2 million SMEs to claim to offer work to job seekers. (S.P., 2013, 25 décembre) However, figures from the Economic Census (RE) conducted by the National Office of Statistics (ONS) reveal that bureaucracy, access to land and financing decried by business leaders who participated in the ONS survey. Bureaucracy, access to land and

financing remain the main obstacles to the smooth running of the business creation process in Algeria, especially for the private sector. According to this survey, which affected almost 940,000 economic entities with a response rate of almost 71%, the administrative file relating to the creation of the company "is complex" and the delays are "long", especially for the private sector , Indicate the results of this opinion poll on the concerns and constraints of economic operators. 43.9% of company directors say that the administrative record relating to the creation of the company is complex. However, 44.2% of private operators consider the complex administrative file against only 19% of those of the public. Nearly 40% of entrepreneurs in both sectors consider that the time needed to set up a business is long, 40.1% representing the private sector and 24% the public, specify the results of the survey.

Moreover, all the operators affected by the survey point out that access to land remains "a major handicap" for almost 27% of entrepreneurs, with private companies being the most affected. The high cost of land remains the main obstacle according to nearly 24% of the respondents. Indeed, more than half of the employers of the companies affected by this survey judge that the financial resources remain an important factor in the initial decision to invest, of which 59% of the private companies and 37% of the public enterprises. Regarding the main sources of investment financing, the use of bank loans by enterprises is not a common practice, the survey shows. Indeed, only 3.3% of companies report bank loans as their main source of financing. However, the survey does not say whether this choice is made by companies or imposed by banks' propensity to reject applications for financing. Self-financing appears to be the most widely used modality, with 83.2% of firms in all sectors reporting self-financing. State subsidies accounted for almost 5% of entities in all sectors, with 4.2% for the private sector Mourad Arbani (2012, 06 aout).

Access to a bank loan, for its part, remains very difficult for companies in Algeria. Banks demand that the project be profitable in the immediate future. In any case, this is what is mooted in the laws applied by these institutions, even though they do not necessarily require high funding, and they can grow very quickly. Algeria is still characterized by a debt-saving economy, with corporate financing predominantly with banks, whether investment or operating loans. Nevertheless, access to bank loans remains constraining and project promoters are sometimes forced to abandon their initiative due to the lack of an ineligible file. Yet, as the tables below show, the availability of loan-able funds has evolved favorably in recent years: (Bouzar. Chabha, 5-6-7 juin 2014)

Table 2: Collection of bank resources (in billions of dinars)

The resources	2006	2007	2008	2009	2010	2011	2012
Sight deposits	1750	2561	2947	2502.9	2870.7	3495.8	3356.8
Public Banks	1597	2370	2705	2241.9	2569.5	3095.8	2823.6
Private Banks	153	191	242	261.0	301.2	400.0	533.2
Term deposits	1766	1956	1991	2228.9	2524.3	2787.5	3331.5

Public Banks	1670	1834	1870	2079.0	2333.5	2552.3	3.51.5
Private Banks	96	122	121	149.9	190.8	235.2	280.0
Total resources	3516	4517	5162	5146.4	5819.1	6733.0	7235.8

Source : Bouzar. C, les PME/PMI en Algéri : contraintes, soutien étatique et impact sur l'emploi, p :9.

In another context, at a seminar dedicated to the training of innovative investors and entrepreneurs, jointly organized by the Algerian start-up initiative (ASI) and the American program Global Initiative for Science and Technology (GIST), Lamented the administrative and bureaucratic delays which hamper the creation of enterprises capable of creating added value by young graduates Kaci Haider (2012, 14 juillet). The cumbersome administrative steps to be taken to create an ICT startup, discourage more than one young person who aspires to embark on entrepreneurship, and would benefit from being reduced. State initiatives exist, however, to encourage the creation of enterprises, such as the National Agency for the Support of Youth Employment (ANSEJ). Intended for unemployed young people aged between 19 and 35, it allows them to create a company with a loan of up to 10 million dinars and very attractive tax advantages. The personal contribution rate is 1% for a triangular financing of the ANSEJ and the bank (2% for loans of more than 5 million dinars), and 71% for mixed financing with the fund Of the ANSEJ only (72% for loans of more than 5 million dinars). The mechanism of the ANSEJ is nevertheless criticized by the average duration of the steps until funding (between one year and two years). The project leader must therefore be patient, especially since he has no income, since he cannot be employed during the process of obtaining financing.(Merabtene. D, 2012, 25 avril). This situation can influence the technological backwardness of the country, as these startups can play a leading role in leading-edge technology. There are a few other obstacles, such as reluctance to change, and old management practices regarding effective coaching including incubators. Such a problem leads us to project the American experience with modern financing mechanisms for startups and SMEs in general in Algeria, and will have to inspire other research avenues and at the same time inspire policy makers to adopt some. It goes without saying that SMEs' access to adequate finance remains an area that deserves special attention because of its crucial importance throughout the entire life cycle of any company. Indeed, the financial system has not really developed products that meet the expectations of small entities / SMEs, according to flexible and rapid processes and procedures and with preferential volumes and conditions capable of boosting their real development. In view of this, it seems interesting to encourage young people to set up their business by adopting support mechanisms that will have to be raised by the private sector (Crowdfunding, Business Angels, corporate venturing..), which obviously can replace a large part of financial services endorsed by the state.

Climate obstruction in FDI : Regarding foreign direct investment (FDI), despite a not insignificant potential, the business climate remains perfectible. In addition to the detrimental effects of its oil revenues, Algeria suffers from a difficult business environment and, therefore, is not conducive to private sector development and foreign investment, adding that bureaucracy and sometimes burdensome administrative practices greatly block Private initiative and the development of the

Algerian economy. (ANDI) Thus, Algeria was ranked 163th out of 189 countries in the World Bank's Doing Business 2016 ranking. The table above shows the flows of FDI entering Algeria between the period 2010 and 2012:

Table 2: UNCTAD's performance indicator on the economic situation of FDI in Algeria

Foreign direct investment	2010	2011	2012
FDI Flows	2.264	2.571	1.484
flows (USD million)			
FDI stock (USD million)	19.209	21.780	23.264
Performance indicator, ranking over 181 economies	113	103	
FDI stock (as% of GDP)	11.9	11.0	11.1

Source : Conférences des Nations Unies pour le Commerce et le Développement (CNUCED)

The UNCTAD Performance Indicator is based on a ratio of the country's share of total incoming FDI to its share of global GDP. The UNCTAD Indicator of Potential is based on 12 economic and structural indicators such as GDP, foreign trade, FDI, infrastructure, energy consumption, R & D, education, country risk. The stock in 2012 has declined; this is explained according to the experts by the introduction of the rule 49/51 (extirpated of investment laws in July 2016) which limits to 49% the participation that a foreign investor can hold in a local company. This is expressed by foreign companies as a bureaucratic political order that tends to monopolize their different economic activity in the country. Moreover, this rule acts as a system of referring FDI to the commercial sector to the detriment of production and service activities. In particular, foreign companies are prohibited from using foreign financing. This prohibition obliges them to finance themselves on the Algerian market, whereas the latter is the most archaic of the region, the bureaucratic financial system is completely disconnected from the international networks, because the economy remains under the infusion of the hydrocarbon rent. The Algerian financial sector is strongly connected to political power, the state is 100% shareholder, and the local or international private is marginalized. The latter are generally used to transfer dividends. Without forgetting its quality of reception, the degree of use of new technologies and the efficiency of the service, are far better compared to neighboring countries one is obviously entitled to speak on a banking system scleroses by dozens of years of directed economy. An observation that comes from confirming a report of the WEF Forum between the period 2014-2015 which recommends, better management of the Algerian financial sector languishing at 133 place according to the index of the availability of financial services; 133rd place in terms of the solidity of the banking system and 72nd place in terms of the credit facility.

The situation is deteriorating for the business climate in Algeria in the eyes of foreigners in 2014. According to the report "EY's attractiveness survey, Africa 2015" by the American firm Ernst & Young, the number of foreign direct investment in Algeria has This decline in direct investment is confirmed by statistics provided by UNCTAD (the United Nations Conference on Trade and Development), while Algeria

appears to be attracting Less foreign investors between 2012 and 2014. (See table below).

Table 3: UNCTAD's performance indicator on the economic situation of FDI in Algeria, year 2014

Foreign Direct Investment (USD million)	2012	2013	2014
Incoming FDI flows	3.052	2.661	1.488
FDI Stocks	23.607	25.298	26.786
Number of investments greenfield ***	18	16	13
Inward FDI (as% of GFCF ****)	4.7	3.7	2.1
FDI stock (as% of GDP)	11.4	12.1	12.5

Source : Rapport économique ALGERIE (Année 2014), Ambassade de Suisse / ALGER Rapport économique 2014, édition septembre 2015, p : 7.

*** Greenfield investments correspond to the creation of subsidiaries exnihilo by the parent company. **** Gross fixed capital formation (FCBE) is an indicator measuring the sum of investments, mainly material, made during a year.

The decrease in flows between these periods is explained by the caution that investors took following the hostage-taking on the In Amenas gas site that ended in blood (40 deaths) in January 2013. Furthermore, between those periods, FDI projects were submitted to the National Investment Board (CNI), which resulted in delays in the processing of files. The (CNI) is a political body, which is consulted for investment projects of more than 1.5 billion dinars for foreign direct investment (FDI). So there are political and bureaucratic aspects that are a block for foreigners. This has led to the change of destination of businessmen to other countries, such as neighbors.

The flow of FDI slows down in 2015, but the country has captured only US \$ 587 million as compared to US \$ 1.5 billion in 2014 Messaoud, Farid (2016, 22 juin). Nevertheless, Algeria needs to take a series of measures to improve the general conditions for foreign investment that can be observed by UNCTAD and Doing Business, which have insisted on the administrative change that favors FDI flows and support for SMEs. Facilitate the creation of enterprises and improve the framework in which they operate, such as conditions of attractiveness such as ease of access to credit on favorable terms, supply of land and the construction of Information and communication which will contribute to the investment procedures.

Today, the Algerian government is trying to improve the business climate and attract foreign businessmen. The investment promotion law, adopted in July 2016 by the Council of the Nation, removed rule 51/49%, applied from the Investment Code on foreign investment in Algeria, and that the right to Pre-emption has lost the role of an instrument for controlling foreigners' access to the national economy since the abolition of the preliminary examination procedure by the National Investment Board (CNI) Oumehdhi Z (2016, 17 juillet) and hoping to put in place new advantages.

Blocking innovation : The fourth Global Barometer of Innovation 2014 published by the US giant General Electric reveals that bureaucracy too burdensome and administrative red tape hinder innovation in Algeria. The survey shows that the

company's stakeholders in Algeria share an optimistic view of innovation in the public sector. For example, 32% of executives surveyed believe that government agencies stimulate innovation, compared with 27% of respondents who believe that SMEs are the driving force behind innovation. However, the business climate is not appropriate to encourage young people to invest in innovation projects that are characterized by a very high rate of risk. Bureaucracy and the elimination of administrative red tape stifle innovation. Centralized governance and bureaucratic management are more acute in high-risk activities (innovation), because the structures in place seem rather bureaucratic with very limited action.

The Med report supports this vision by pointing to the fragility of the link between industry and science and the lack of space for research associations or engineering groups (Asmani. A et Amdaoud. M, 2014). It therefore appears that the fight against bureaucracy and for the "Easing the administrative burden of companies seeking access to funds and support to support innovation are the top priorities that the country should focus on according to the opinion poll. While Algeria focuses on diversifying its economy.

Part 2- the fight against the bureaucracy in Algeria

Facilitating administrative procedures :

- 1- Deletion of certain administrative documents to facilitate the procedures of constitution of the files. In order to build a "quality administration that is at the service of the citizen and not the contrary"
- 2- Reducing the time required to obtain administrative documents;
- 3- Creation of one-stop-shops, they make it possible to group all the registration services in one place;
- 4 - Revision of certain legal texts related to the organization of the public service. Repeal texts, if necessary;
- 5- Review the working hours of the public service (extension of the opening of public administrations);
- 6- Publication of lists via the Internet and posters in the administration of the public services, including all the papers necessary to constitute the cases filed for the citizen.

Practices for public employees :

- 1 - Launch a retraining program for civil servants due to the "very poor application of the existing texts"
- 2 - Replace the counters which some of them have been assigned as such by disciplinary measure; the majority of ticket agents were not qualified and were appointed to their posts as a punishment;
- 3- Revise certain legal texts relating to the rights, duties and training of public service employees;
- 4- Assist the turnkeys with guidance assistants.
- 5-Train employees to communicate with the citizen and to listen to the concerns of the population echo them and know how to respond to them.

Moralizing public service :

- 1 - Create an observatory and a charter of the public service to point out the practices unworthy of certain agents at the level of the administrations
- 2- Cooperate with foreign companies (the partner can contribute more in technology and know-how);

3- Review the system of recruitment and promotion of employees and submit it under strict and systematic unannounced control;

4- Reactivate the general inspection of administrations;

5- Moralize the social body that participates in the corruption of agents practices.

Decentralization of public services : To fight the bureaucracy, it is important to decentralize the services to the level of the *daïras* and the communes by a development of the reception structures in order to ensure a better reception to the citizens, to take care of certain missions, and to reduce the Waiting lines before the counters and ensuring the quality of reception by the turnkeys. The creation of new wilayas can improve and help in this procedure the public services.

Modernizing public administration (use of ICTs): In order to modernize public administration, we must think first and foremost about the training of employees, and the use of the computer-3G, 4G and online services ... -which must rest before anything else on an investment in the human factor , Because it is the excellence of training and communication that all those who are called upon to exploit the infrastructures and the new information and communication technologies will depend on the achievement of the objectives assigned to the administrative reforms That the new government has placed. It is clear that the desired de-bureaucratization cannot be done without prior control of the computer tool. If not, the reforms envisaged would only be a wishful thinking. Fernane Djamila (2012, 12 au 18 novembre) In this regard, we have the problem of electronic payment, the first obstacle that hampers local and foreign investors in Algeria. If solutions to the latter are resolved, including international payments, entrepreneurship will be much better and we will note a significant growth of entrepreneurial projects in Algeria.

We have the example of the United States which is part of the Anglo-Saxon system characterized by its simplicity and efficiency. In the US, all the existence of a citizen holds in its social security number, it is a solution that must be considered by Algeria. It alleviates the process of building records that take a long time among other things it reduces the costs produced by over-crowding and paperwork.

Building a Right wing state: The fight against mismanagement and corruption refers to the question of the rule of law not yet established in Algeria, and to restore the true image of the rule of law, it must be a passage from a democracy Governed by a governing democracy, education or the National Observatory of Corruption and the separation of powers, for the rule of law is a state of justice, where social hierarchy is codified by accepted norms, Assimilated and internalized. The founding of the "Algerian state" necessarily involves the refounding of its spirit (philosophy) and its laws (rules) so that they become a right state. In this case, democracy becomes a tool and a method of achieving the rule of law Mebtoul. Abderahmane (2013, 11 Juin).

Amend laws and regulations :

- The abolition of Rule 49/51 established by the new Investment Code lately and the prior agreement of the CNI with the investments, will further liberalize the act of investing in Algeria and will in theory attract more, IDE. It will also allow Algerian groups to launch important projects without first waiting for government fire. Industrial groups have regularly complained of this constraint and will greatly influence the choice of destinations for foreign companies, especially those seeking great opportunities. However adding amendments that allow contracts to be more

flexible depending on the weight of the sector or joint ventures makes the business climate more attractive and encouraging to implant foreign businessmen and multinational firms. Change the regulations of the work of national institutes playing the role of the facilitator for young entrepreneurs in Algeria or for people who have lost their job to set up their own business, will be part of the revolutionary imperatives of entrepreneurship in Algeria. Under pressure, some young people in debt have even tried to commit suicide. With the dizzying fall of prices of oil, which has lost twice its value on stock markets in recent months, state structures to help create micro Companies, financed mainly by oil revenues, are waging war on bad payers. Ould Khettab (2015) The most effective solution, the experience of Business Angels and the seed financing in the United States are worth considering are private means of accompanying candidates in carrying out their business plans during the first years, By putting in place a framework, a follow-up, during the first months of the launch of the projects.

De-administering the state: The re-founding of the Algerian State with its enterprises, stipulates a new mode of governance, the foundation of which is freedom: it is the "transition from an authoritarian and patrimonial system to an open democratic system" and "State of revolutionary legitimacy" and a moralization of the practice of state structures themselves at the highest level without forgetting the valorization of regional potentials which require the emergence of regions as a center of decision and management of local affairs with Clearly defined and judiciously distributed responsibilities between the various intermediary institutions "that is to say, decentralizing administrative actions" and "de-administering" the State, which means putting an end to the exorbitant and stifling administrative power that prevents the exploitation of Skills and creative genius in all areas. Many studies and theses on the bureaucracy in Algeria have been carried out by Algerian researchers all converging to affirm that the bureaucracy is a complex political and economic system which hinders all development and all emancipation and that financial ease can do nothing against this phenomenon.

Generalizing private management: Encouraging mixing that will promote competition is an improvement in the quality of services. The non-performing monopoly public enterprises must be privatized; this spirit aims to give the state a role of regulator of the national economy and not a managerial role. In the United States, private companies and institutes are the main vectors of the economic development of this leader; privatization has encouraged the emergence of many economic actors by linking scientific research and funding organizations, as well as major institutions Synergy to embody creative ideas. The US experience in the field of management and management is a source of inspiration to meditate.

Conclusion :

The origin of the problem which blocks the process of fighting the bureaucracy and which hinders economic diversification lies in our opinion, within Algerian society as a whole. All Algerians do not hesitate to repeat the same phrase "it is the other", complaining that the reforms are not only political. If they are important, they do not have a direct and concrete effect on the daily life of the citizen. To obtain the least document, the making of a file, the economic actors are forced to a journey of the combatant. Calming economic and social tension often requires effective measures to

alleviate the constraints that must be borne by the entrepreneur and the foreign operator who are constantly confronted with numerous vexations, especially when they are forced to trade. Improved provision of services requires a restructuring of the civil service system affected by corruption. Certainly the great leaders are always pointed at but what is the weight of the "small" bureaucrat? How to cultivate respect for the ethics of the services provided by the State apparatus? How to set standards of operation by all the public devices?

Sound institutions require the existence of a rule of law in a democratic world where the most fundamental rights to access quality services are respected.

If we had to propose a model of functional bureaucracy, we would opt for the Anglo-Saxon model. But the adoption of the latter requires the acceptance of liberal principles and the market economy.

Références :

-Anter, Andreas. (1995): Max Webers Theorie des modernen Staates. Herkunft, - Struktur und Bedeutung, Berlin : Duncker & Humblot (Beiträge zur Politischen - Wissenschaft, n° 82), p. 172-188. Atlas Développement ANDI

-Asmani. A et Amdaoud. M, 2014, La gestion de l'innovation dans les entreprises - algériennes: enjeu majeur pour l'obtention d'un avantage concurrentiel durable, --- URL http://cit2014.sciencesconf.org/conference/cit2014/pages/ma_communication.pdf

- Bouzar. Chabha, 5-6-7 juin 2014, *les PME/PMI en Algérie : contraintes, soutien étatique et impact sur l'emploi*, 10ème forum international et 8e école doctorale de - l'association tunisienne des économistes, Hammamet, Tunisie.

- Fernane. Djamil, 2012, 12 au 18 novembre, *El Watan*, Débureaucratisation de l'administration publique ; l'enjeu capital des technologies de l'information et de la communication, consulté le 21 mars 2014,

-URL : <http://www.djazairess.com/fr/elwatan/392032>

-Féro. J, 2011, De la colonisation à l'indépendance : L'État autoritaire, instrument de l'unité nationale, Coopération internationale, URL : <http://www.wikiterritorial.cnfpt.fr> consulté

-Ghezali, Abdelkrim, 2013, 31 mai, La Tribune, La bureaucratie paralyse les institutions et l'économie, depuis [djazairess](http://www.djazairess.com/fr/latribune/83312) sur <http://www.djazairess.com/fr/latribune/83312>

- Kaci Haider, 2012, 14 juillet, *Algerie1.com* Les jeunes entrepreneurs face aux contraintes bureaucratiques, consulté le 17 janvier 2017,

URL: <https://www.algerie1.com/actualite/les-jeunes-entrepreneurs-face-aux-contraintes-bureaucratiques/>

- Kherrazi Soufiane, 2013, 02 avril, *Libre Afrique*, Gouvernance en Afrique : vers une privatisation informelle de l'État, consulté le 02 avril 2014, URL: http://www.librefrique.org/Kherrazi_corruption_bureaucratie_060413

- Mebtoul. Abderahmane, 2013, 11 Juin, Le Matin d'Algérie, Transparency International : l'Algérie, un des pays le plus corrompus au monde consulté le 07 janvier 2016, URL : Le Matin d'Algérie, Transparency International : l'Algérie, un des pays le plus corrompus au monde.

- Mebtoul, Abderahmane, 2013, 20 novembre, *Le Matin d'Algérie*, le système bureaucratique algérien est-il un mal nécessaire? Sur

<http://www.lematindz.net/news/12929-le-systeme-bureaucratique-algerien-est-il-un-mal-necessaire.html>

- Mebtoul, Abderahmane, 2012, 22 octobre, *Algérie1.com*, Le gouvernement -- Abdelmalek Sellal peut-il vraiment s'attaquer à la bureaucratisation, fondement du pouvoir ? consulté le 14 avril 2014, URL: <https://www.algerie1.com/face-b/le-gouvernement-abdelmalek-sellal-peut-il-vraiment-s-attaquer-a-la-bureaucratisation-fondement-du-pouvoir>

- Mebtoul. Abderahmane, 2010, 16 janvier, *La Maghreb*, Lutte contre la mauvaise gestion et urgence de la rationalisation des choix budgétaires, sur <http://www.djazairess.com/fr/lemaghreb/23160>

- Merabtene, D., 2012, 25 avril, E-Algérie: la création de startups au point mort, N°TIC 65[En ligne], consulté le 15 janvier 2016, URL : <http://www.nticweb.com/dossiers/6631-e-algerie-la-creation-de-startups-au-point-mort.html>

-Messaoud, Farid. 2016, 22 juin, *Reporters*, IDE en Algérie : Les bons chiffres de la Cnuced, consulté le 17 janvier 2017,

-URL: <http://www.reporters.dz/index.php/thema/ide-en-algerie-les-bons-chiffres-de-la-cnuced>

-Ministère de l'Industrie et des Mines, Communication de monsieur Mebarek DGPM à L'occasion de la deuxième Edition du colloque du conseil scientifique de la COSOB « financement de la PME et la croissance »

- Mourad Arbani, 2012, 06 aout, *Algerie1*, ONS : La bureaucratie, le foncier et le financement entravent la création d'entreprise, consulté le 13 avril 2014, URL: <https://www.algerie1.com/index.php/economie/ons-la-bureaucratie-le-foncier-et-le-financemententravent-la-creation-dentreprise>

- Ould Khettab. D, 2015, La face cachée de l'Ansej : Échec, dettes et...suicides, consulté le 11/07/2016, URL : <http://www.algerie-focus.com/2015/04/ansej-2/>

- Oumehdhi. Z, 2016, 17 juillet, *Algérie Eco*, Suppression de la règle 51/49% dans le nouveau code de l'investissement, consulté le 14 mars 2015,

- URL : <http://www.algerie-eco.com/index.php/2016/07/17/suppression-de-regle-5149-nouveau-code-de-linvestissement/> (ONS).

-S.P, 2013, 25 décembre, *Maghreb Emergent et agence de presses service(APS)*, Bureaucratie et absence de culture entrepreneuriale entravent l'évolution des PME en Algérie.

-S.P. Algérie : Les investissements, consulté le 10/07/2016, URL : <https://www.tradesolutions.bnpparibas.com/fr/implanter/algerie/investir>

-S.P. Sondage de General Electric : la bureaucratie algérienne freine l'innovation, consulté le 10/07/2016, URL : <http://www.algerie-focus.com/2014/12/sondage-de-general-electric-la-bureaucratie-algerienne-freinerait-linnovation/>

-S.P. Quand la bureaucratie freine l'innovation en Algérie, 2014, consulté le 10/07/2016, URL : http://www.lexpressiondz.com/autres/de_quoi_jme_mele/206733-quand-la-bureaucratie-freine-linnovation-en-algerie.html

-S.P. Commission européenne pour la démocratie parle, 2012, droit (Commission de Venise), URL : www.venice.coe.int, et [Algerie1.com](http://www.algerie1.com) Par Contribution /

-S.P. Le système bancaire algérien est des plus archaïques de la région du Maghreb, 2012, consulté le 10/07/2016,

- URL : <http://diasporasaharaoui.blogspot.com/2012/06/le-systeme-bancaire-algerien-est-des.html>

-"Toupictionnaire" : le dictionnaire de politique consulté le 20/03/2014,

-URL :<http://www.toupie.org/Dictionnaire/Bureaucratie.htm>

-http://socio.univlyon2.fr/IMG/pdf_Marx_Durkheim_Weber_pour_SADL_CE consulté le 03/03/2014

-<http://www.acgrenoble.fr/disciplines/ses/>consulté le 18/03/2014