## Measuring the impact of entrepreneurship on supporting competitiveness according to the economic environment and public policy of maghreb countries (The panel models 1990-2017)

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#### Abstract:

As the key moving for investment, employment, value creation and diversification, achieving the goals of the sustainable Millennium economic of countries and societies, so the entrepreneurial activity have received great interest on the part of many international organizations and researchers, about its role and obstacles to its success, according to the economic environment and public policy, Like the Maghreb countries (1990-2017) our experimental study of the panel models, the results are significant according to the fixed effects model, confirming the theoretical proposition so that the increase by 1% for the explained variables: for both entrepreneurship and the economic and political environment index, came to affect the achievement of competitiveness, respectively; -0.25%, 0.61% and 0.31%

**Keywords**: *Entrepreneurship, Competitiveness, Economic Environment, Governance, Panel models.* 

JEL Classification: M13, O30, Q50, H11, C23.

قياس أثر ريادة الأعمال على دعم التنافسية في حدود البيئة الاقتصادية والسياسة العامة لدول المغرب (نماذج بانل 1990–2017)

ملخص:

باعتبارها محرك رئيسي للاستثمار والتوظيف وخلق القيمة والتنويع، وتحقيق أهداف الألفية الاقتصادية المستدامة للدول والمجتمعات ، في ظل تأثير البيئة التنافسية المحلية والدولية والعولمة، لذلك حظي نشاط ريادة الأعمال باهتمام كبير على جزء من العديد من المنظمات والباحثين الدوليين، حول دورها ومعوقات نجاحها، وفق البيئة الاقتصادية والسياسة العامة أمام الاستغلال الفعال لمختلف الموارد الطبيعية والبشرية والمالية، مثل الفساد وسوء الإدارة، مثل المنطقة المغاربية (1990-2017) الخاضعة للدراسة التحريبية لنماذج اللورد عنوانت النتائج معنوية وفقًا لنموذج التأثيرات الثابتة، بحيث تكون الزيادة بنسبة 1 ٪ للمتغيرات المفسرة، وهي مؤشرات ريادة الأعمال والبيئة الاقتصادية والسياسية، تؤثر على معدل التنافسية بترتيب – 0.25٪ ، 0.61٪ ، 0.31٪.

> الكلمات المفتاحية : ريادة الأعمال، التنافسية، البيئة الاقتصادية، الحوكمة، نماذج البانل. تصنيف JEL : M13، O30، O30، H11، C23.

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### 1. Introduction :

The entrepreneurial dating back to cases of a variety of degree not confined to a single concept, determined by the general conceptual approaches (Verstraete & Favolle, 2005) And the number of researches concerned with the concept of She hired terms; enterprise, have facts different meanings refers to the investment. risk. creativity, innovation, opportunity target of competitiveness and the management of the uncertainty, it has developed a term On three stages; from the establishment or creation of organization, entrepreneurship; Where we find translation of founder given the importance of the study on the skill of the organization, and in the establishment of an institution, in the seventies of last century, and then the translation changed to the which given that the class has special preparations ;Such as determined by an engineer recent graduate or a young limited education start obtaining contract building, and pass their qualifications and abilities of creativity and the tendency of independence and have a willingness to risk calculated, when the Previous studies; Bygrave, W. D., & Hofer, C. W. (1991) Bygrave, W. D., & Hofer, C. W. (1991); VERSTRAETE, T. (2001); Stren, R. (2005); Knight, H. F. (1997), and the problematic of this study concerns measuring the impact of entrepreneurship on supporting competitiveness according to the economic environment and public policy, according the panel models of Maghreb countries 1990-2017?

### 2. Access To The Entrepreneurship and Competitiveness:

## **2.1 A Brief History About The Development Of The Theory And Concept Of Entrepreneurship:**

I used the word entrepreneur for the first time in a year (Monchrestien, vol1.1616) it meant the person who signed a contract with the public authorities in order to ensure the completion of a work or a different set of works .It was entrusted with the construction of public buildings tasks and completion of roads and others and then seemed to expand to become more inclusive in the eighteenth century to mean: the people who proceed in a work or simply is a person who is very active is the completion of many businesses .Then all of (Cantillon, 1755) and (Say, 1803) are among the first economists to provide a clear picture of the entrepreneur's overall function as a whole .Despite the numerous studies, the entrepreneur did not become a pivotal element in economic development, except with the appearance of research undertaken by the entrepreneurial theorist (Schumpeter J. A., 1935.vol1) Where the entrepreneur's job is to search for change and act in accordance with it and use it as an opportunity, "either (Knight, 1997) And (Drucker, 2017) They consider entrepreneurship to be essentially risk-taking. The behaviour of the entrepreneur is what reflects the type of ability he or she has to put his profession and financial position in reality and risk by applying his idea and putting it into practice, (Knight, 1997) categorize the reasons for not guaranteeing are of three types:

- •Taking the risk
- Confusion
- •No actual warranty or Knighting Uncertainty

## 2.2 Concepts about Entrepreneurship:

(Say, 1803) Considered From the first theorists of the concept of entrepreneurship which he sees as the creator who collects and organizes the means of production in order to create a new benefit, alongside (Schumpeter J. A., 1950) Entrepreneur 1950 as a person with the will and the ability to convert a new idea or new

invention to innovation and hence the presence of strong leadership "creative destruction" in the markets and industries diversified arise products and new models of work and therefore, the entrepreneur help and lead the industrial development and economic growth on the long term , according to both (Julien & Marchesnay, 1988) He is the one who is responsible for carrying a set of basic characteristics. He imagines the new and has great confidence in himself. He is enthusiastic and hard who loves to solve problems and loves management. He is the one who wrestles with routine and rejects difficulties and obstacles while creating important information .He pointed to an entrepreneur in a linguistic concept that mediates two things and has the ability to take a position between the supplier and the customer Likewise, the ability to take risks and work to transfer resources from a lower level to a higher productivity level. He knew (HARVEY, 1977) Entrepreneur as a person who can distinguish opportunities and profit them, while others can not afford it , that most of the definitions (Hisrich & Peters, 1991) You agree to define it as :

"A type of behaviour is the pursuit of innovation, organization and reorganization of economic and social mechanisms in order to exploit specific resources and situations, assume the risk and accept failure, it is a path that works to create something different and obtain value by allocating the time and work necessary, while bearing financial, psychological risks and social attendant, get p Li results in the form of financial satisfaction and personal, while (Gasse d'amours. 2000) & Thev considered entrepreneurship as: "The path of obtaining and managing human and material resources with the aim of creating, developing and instilling solutions that allow responding to the needs of individuals and groups, and in his research on modelling the phenomenon of entrepreneurship, (VERSTRAETE, 2001) he reached To the conclusion that the entrepreneurial phenomenon is a communication between a entrepreneur and an organization driven by him, and he distinguished it in three dimensions: epistemological, coordination and structural :

• The first dimension is the cognitive dimension, according to the researcher. It is the result of a contracting vision for the entrepreneur, and it is characterized by strategic thinking, vision, knowledge, experience, reaction, and perceptions...

• The second dimension is the coordination dimension resulting from the contracting act, which leads the entrepreneur to locate versus many dealers from different social classes, as it contributes to them in the organizational form .

• The latter dimension is the structural dimension that is concerned with contractual integration and around the) concrete) goal and subjective (intangible (purpose, the entrepreneur and project linkage in a close relationship, and it is proposed (Bygrave & Hofer, 1991) Changing trends and some key questions in the field of contracting (COSTER, 2003).

### 2.3 Evolution of Entrepreneurial Theory:

### 2.3.1 The Functional Approach of Economists :

For (Cantillon, 1755) and (Say, 1803) The entrepreneur is the person who takes the risk because he invests in his money, and specify (Cantillon, 1755) and (FILLON, 1997) Through that the entrepreneur buys raw materials at a certain price in order to transfer them and resell them at an uncertain price, then he is a person who knows to have an opportunity in the form of self-realization but in light of the existing risks .As for (Say, 1803) establish a difference between the entrepreneur and the capitalist and link the entrepreneur to the concept of innovation where it is seen as a factor of change, and we

find (Schumpeter J., 1928) In turn, he focused on the entrepreneurial strong dimension: "The essence of entrepreneurship is to capture and exploit opportunities in the field of institutions according to a model. (Shapero & Sokol, 1982)

## 2.3.2 The Behavioural Approach

(McClelland, 1961) Trying to understand the system of values and incentives for the entrepreneur ,and extracted two dimensions kev define the behaviour of the entrepreneur, the need for achievement and the need for the authority: first pay the individual to be responsible for solving its problems and as a result of persistence on the objectives of the problem even grow, while the second is the need for Salad less "Traffic on the will of clear to occupy a place controlled within study: the system, and pointed out that the people who have a strong need to accomplish compared to others who have incentives weak in this context, the characteristics in detail tasks characterized by risk are motivated, it is very heavy work that requires strength of mind great .And we find (Meyer & Ray, 1974) Returned to the stage of the special conditions for (McClelland, 1961) and isolated the "variable A"Corresponding to the establishment of institutions .So that " the variable A It is a complex set of movements and emotions that can be found about people who live in a steady and violent way personal interpersonal struggle to achieve the greatest amount of things in the least time .And in a study conducted a year 1992 Performed by researchers on the originator of institutions , he pointed out (Rasse & Denis, 1989) to key values in the field: The desire for interpretation and investigation ;the need for independence and freedom ;the tendency to contract and run.

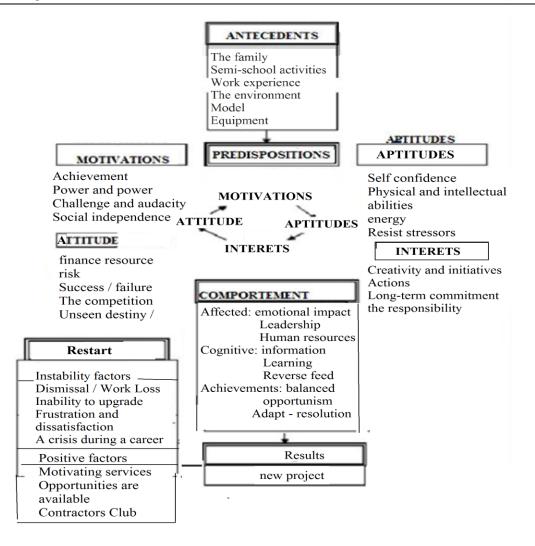
## 2.3.3 The Interim Approach To Management Scientists (Administration)

Assured us in an article published (What Is an Entrepreneur? Is the Wrong question) For (Gartner, 1989). Insufficient entrance features, and he suggested studying the work carried out by the entrepreneur and highlighted the establishment of the organization as a result of the multiplicity of conferences involved in the complex process, and thus "the research has become focused on what the entrepreneur is doing and not who is the entrepreneur," and suggested (Bygrave & Hofer, 1991) and (Churchill & BYGRAVE, 1989) Concept achieved (C) It is based on two conditions B And A:

A: The entrepreneurial event represents the creation of a new organization for exploitation.

B: Track Entrepreneurial contains all the functions: activities and opportunities and the creation of an organization and exploitation .

C :The entrepreneur is the person who seizes opportunities and who creates an organization to exploit it.



Source: (Sabourin & Gasse, 1989)

## Figure (1): Entrepreneurial culture ,Entrepreneurial spirit and stages of construction

(Shapero & Sokol, 1982) Confirms the contracting activity is subject to a temporal, phased path ,and the contracting event is influenced by circumstances and factors that produce successive stages.

It was confirmed by both the strong direct relationship between entrepreneurial personal attitudes and the possibilities around them, and the set of factors controlling this varies according to the model as follows on three levels, and there are four places in which this culture can be established which is the family, the school, the institution and the environment .The model outlines the concept of entrepreneurial culture (Sabourin & Gasse, 1989) and its stages are highlighted as follows:

- Advances Antecedents Personal factors, family environment and others that support the emergence of entrepreneurial tendencies and preparedness
- Preparations Predispositions the sum of the characteristics acquired from the stage of the preconceptions, namely, attitudes, psychological reactions, and behaviour orientation under certain conditions.

• Utilizing capabilities and capabilities in projects after influencing preparations and competitions as drivers for them.

a. Entrepreneurship And Competitiveness: (The Competitive Advantage):

Competitiveness is an important indicator to indicate the effectiveness of investment and entrepreneurship (global competitive index) and therefore its success, survival, continuity and raising the share and market value depend on the extent of the development of this indicator, and the concept of competitive advantage The Competitive Advantage It is an extension and development of the idea of comparative advantage in Ricardo's international trade (D. Ricardo) Presented in his work in 1817, according to which specialization and trade exchange between countries was attributed to the differences in levels of productivity, that is, the relative abundance of the factors of production inherited determines the nature of commercial dealings between countries based on the difference in their relative advantage; However, we are to we hardly find a definition of a unified and comprehensive concept due to the different angle seen them each researcher for the topic (partial or sectoral or college) and it is characterized by the competitive concept of modernity is not subject to the theory of economic public and his first appearance was during the period 1981-1987, (Which knew a great deficit in the trade balance of the United States of America (especially in its exchanges with Japan) and an increase in the size of foreign debt, and interest appeared again in the concept of competitiveness with the beginning of the nineties as a result of the new global economic order and the emergence of the phenomenon of globalization, as well as the general trend of application of market economies and the free market and liberalization International Trade.

## 2.4.1 The Concept of Competitiveness and Advantage or Competitiveness:

(Zysman & Tyson, 1983) define the international competitiveness is the ability to produce goods and services that face the testing of international competition in a way in which the country's population enjoys a growing and sustainable standard of living while the competitiveness of the institution represents the extent of its ability to face competition, whether in the internal or external markets , and it is clear to us through the definition that there is competition at the level of International and other competitive at the enterprise level . However ,there is competitiveness on another level ,which is competition at the sector level, and therefore the concept of competitiveness differs according to the level of the regarding whether it is about an institution or a country.

At the country level :There is no specific definition of state competitiveness, and among those definitions presented to it are the following (Garelli & De Guertec, 1995)

Definition of the World Economic Forum :WEF It is the ability to provide the appropriate environment to achieve high and sustainable growth rates.

• The definition of the American Industrial Competitiveness Council : It is the country's ability to produce goods and services that meet the requirements of international markets and at the same time allow the development of real incomes , it is a way to achieve the welfare of the population

• Definition of the Organization for Economic Co-operation and Development (OECD R., 2006) : International competitiveness is the ability to generate income from relatively high factors of production .In addition to generating sustainable levels of employment for factors of production and at the same time being able to be exposed to international competition, the competitiveness of the country as a whole can also be defined : the country's ability to achieve a high and sustained rate of income level for its personnel

• Competitive advantage when (Porter, Détrie, & Miraillès, 1993) The competitive advantage arises as soon as the institution reaches to discover new methods that are more effective than those used by competitors where it will be possible to materialize this discovery in the field in other words, once a process of innovation in its broadest sense has been created in stages:

Pre-stage : need resources and possibilities of physical, financial, human and technical, because it creates a new competitive product ,a growth phase of rapid and is the longest stage.

Adoption stage : Here the focus is on competitiveness and its stability as it reaches its maximum while increasing competition intensity.

The imitation stage : the beginning of the decline in competitiveness, as a result of competitors imitating the advantage gained.

The necessary stage: the continued decline in competitiveness due to the superiority of competitors and their presence, and the development of creativity is the main support for raising the competitiveness again

2.4.2 The Five Forces Model Of Competition By (Porter, Détrie, & Miraillès, 1993):

Competition in any industry is the result of five forces of competition. Below is a brief explanation of these five forces for (Porter, Détrie, & Miraillès, 1993) for competitiveness:

First : Competition between producers within the industry (analysis of competitive positions)

Second: The threat of new entrants

Third :Threatening alternative products or services

Fourth: The negotiation power of suppliers

Fifth: The negotiating power of the partners

## 2.5 The Entrepreneurial And Competitive Business Activity Within The Economic, Political And Legal Environment:

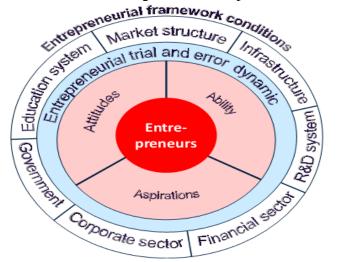
The study of the economic and political environment framing entrepreneurial activity towards targeting creativity and creating a competitive advantage leads to exposure to governmental work mechanisms, the effectiveness of economic and financial policy, political stability and the efficiency of systems and laws, material and human resources and the basic structures available to launch and develop activities and projects,

And addressing the economic and financial policy conditions controlling, we must study and discuss the government work or rationalization of the work of government or governance, and which is due to the installation of government, through the pain institutions and structures of the constituent, and linked to civil society, And development and welfare, where the government apparatus consists of three main types of institutions, respectively (Stren, La gouvernance dans le dévelopment urbain, 2005):

• Administrative politician : political and legal projects that are concerned with promoting the right of the state and freedoms to respect regulations and principles, and for citizens to access justice and security.

• The Economist :government economic projects, whose goal is to ensure effective work, the effectiveness of economic work, and the optimal management of economic resources.

• Civil Institution: The total of public sector social services and grassroots organizations that improve the quality of health and education of citizens, as well as their participation and interventions contributing to the development of development.



Source: (Acs, Laszlo, & Erkko, 2017) Figure (2): Entrepreneurial Index ,And the Economic And Political Environment Governing Entrepreneurship

The governance idea emerging in the theoretical and applied economic research, which represents a generation of recent economic reforms announced, and "governance is a complex concept and is quite clear, is complicated because it often interferes with the "government," and is not clear because its meaning is significant different) " (Stren, 2005) because the government is defined by "a set of foundations ,curricula and traditions that influence the exercise of power, decision-making and the way in which citizens meet their voices and aspirations " (Carrier, 1997) ,The various governance concepts developed by the World Bank, and the orientation centred in this is that good governance is a prerequisite for development market , which is one of the strong themes in the fight against poverty, and for the World Bank's concept of governance is a synonym for "Alter good development," has been linked to The problematic with structural adjustment programs based on the policy of offering solutions and developing economic techniques;

> The World Bank: "Governance is the way in which power is exercised in the general management of economic and social resources towards development events". (KAUFMANN & KRAAY, 2007) More specifically, it is clear and accurate that we say is "the sum of the curricula and foundations by which the authority becomes a practice within the state, and this certainly includes:

 $\succ$  The mechanisms, by which the government personality and persons are appointed, monitored and installed.

 $\succ$  Governmental capacity and capacity to develop effective formulas and deliver programs with impression.

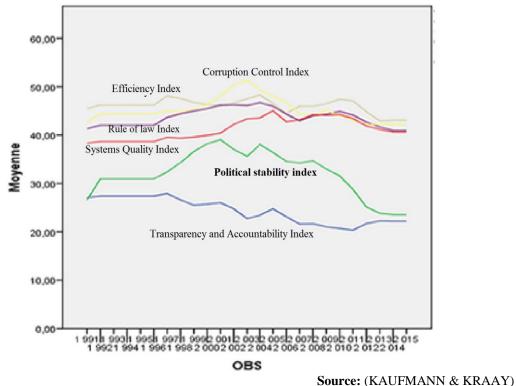
> Commitment and respect for the citizens and state bodies of project) political and legal) that economic and social dealings govern them" . (KAUFMANN, KRAAY, & ZOIDO-LO, Aggregating Governance Indicators, 1999)

 $\succ$  OECD and Organization for Economic Co-operation and Development (OECD & DAC) "Governance is the exercise of political power, as well as oversight, within the

framework of managing community resources for economic and social development goals"..

> United Nations Development Program (PNUD, 1995) The definition of good governance was based on seven basic characteristics: the existence of "political legitimacy and support, the existence of a functioning justice system, control of bureaucracy, freedom of information and expression, effective and efficient management of the public sector and in the end cooperation with civil social organizations".

**2.6 Evolution Of Measurement Indicators And Government Action Monitoring** (KAUFMANN & KRAAY, 2007) 4:



Figure(3): Evolution of indicators of political, economic and legal governance in the region of MENA -1990 / 2016

• Transparency and Accountability Index :Voice and accountability It studies the methodology by which citizens can contribute to the selection of government officials who deal with them and collaborators, and it includes freedom of expression and the press, and participation in decision-making .

• Political stability index :Political stability and violence The index examines measuring the possibility of veto government projects by following established work or coup d'état and chaos, which provides the degree of political maturity and government action.

• Efficiency Index for Governmental Authority :government effectiveness It assesses the quality of public service, i.e. research of the quality of bureaucracy, the efficiency of employees, the independence of public action from political peculiarities and sets government credibility, measuring and implementing effective policies and ensuring good public service. • Systems Quality Index :Regulatory quality it examines the criteria for controlling market variables, policies and strategies elected by political, legal and project bodies ,which relate to, for example, foreign trade, business development and the private sector.

• Rule of law Index : Justice and Respect for Rights Measure the degree of confidence among citizens in the applicable regulations on the rights and criminal act and tolerance, effective legal and judicial justice, and commitment to support the direction of contracts and transactions, in order to establish an appropriate environment of regulations and laws fair framing economic and social relations .

• Corruption Control Index :Control of corruption The concept as presented with us is to transfer the responsibility or public authority entrusted to the government person to private purposes and biased benefits despite the legal arsenal and deterrent systems, within the government agencies, and its relationship to the private sector.

## 2.7 Measurement Indicators Of Entrepreneurial Activity And Following Up The Specific Related Component Variables 5:

The following variables can be used: value added and production ,raw internal product, production or incomes ,number of institutions and projects, workforce ,free business ,research centres, invention patents ,capital formation ,government investment spending ,etc., or other indicators adopted by academic research institutions such as (MONITOR, 2017)

2.7.1 Global Entrepreneurship Monitor (GEM): Aspirations include projects, technical progress, GDP growth, and other macroeconomic variables .Institutional factors are reflected with theoretical links to entrepreneurship and are produced using data from the National Employment Service, and include TEA (total entrepreneur ial activity) index And that assesses percent of the population of working age whether about to start a business, which started one of the maximum period of three and a half years began GEM In 1999 as a joint venture between the College Babson)United States of America, (and College of Business Administration London Business School (UK) )United kingdom .(The aim was to consider the reasons why some countries are more "self-employed" than others 17 years old, GEM It is the richest source of information on this topic, and publishes a set of global and national reports and a "special topic" on an annual basis .The research data collection process consists GEM Two complementary tools - Adult Population Survey) APS) Sample at least 2000 and survey related to the national expert or national experts NES Sample 36 according to two main factors, the first on the unitary micro-level of behaviour and entrepreneurial willingness as persons, and the second on the national level and its economic impact and research (MONITOR, 2017):

> The entrepreneurial behaviour and attitudes of individual

> The national context and how that impacts entrepreneurship

General Observatory of Contracting -Adult Population Survey APS Sample Is At Least 2000 (Global Entrepreneurship Monitor - Individual Adult Survey Measures):

## • Attitudes And Perception Index

High status to successful entrepreneurship Entrepreneurship a good career choice Perceived opportunities Perceived capabilities Know startup Media attention Fear of failure rate Entrepreneurial intentions

## • Aspiration Index

Innovation

Growth expectations Early-stage entrepreneurial International orientation early stage

Activity Index
Improvement-Driven Opportunity
Necessity Driven
Informal investor's rate
Male TEA
Established business ownership rate
Total Early-stage entrepreneurial Activity TEA
Female TEA
Business ownership rate
Nascent entrepreneurship rate

General Observatory Of Contracting\_- Survey Of A Sample Of The Category Of National Experts (Global Entrepreneurship Monitor - National Expert Survey Measures) (MONITOR, 2017)

- physical and services infrastructure
- financing for s
- governmental support and policies
- cultural and social norms
- post-school entrepreneurial education transfer
- internal market openness
- R and D transfer
- commercial and professional infrastructure
- governmental programs
- taxes and bureaucracy
- basic-school entrepreneurial education and transfer

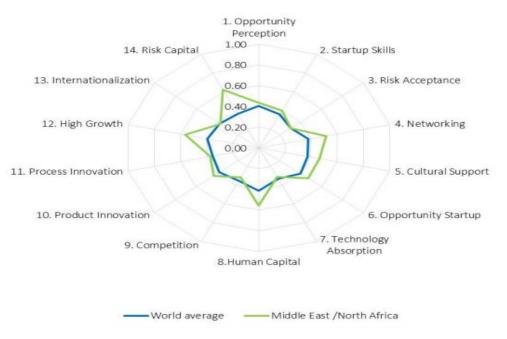
**2.7.2 The Global Entrepreneurship And Development Institute** (Acs, Laszlo, & Erkko, 2017):

Institute of entrepreneurship and Global Development GEDI It is a research organization that advances knowledge about the links between the entrepreneurial Index GEI Economic development and luxury ,the Institute's major contribution GEDI It is an indicator of the education initiative, which provides a measure of the quality and dynamics of ecosystems in entrepreneurship at the national, regional and local levels ,through the general index of contracting The Global entrepreneurship Index.

## Table (1): Components of the general contractual index the Global entrepreneurship Index

	PILLARS	
	Opportunity Perception	0.69
and the second s	Start-up Skills	0.35
Entrepreneurrial Attitudes	Risk Acceptance	0.26
ade tit	Networking	0.27
E	Cultural Support	0.36
	Entrepreneurial Attitudes	34.88
	Opportunity Startup	0.34
urial	Technology Absorption	0.29
prene	Human Capital	0.38
Entrepreneurial Abilities	Competition	0.24
	Entrepreneurial Abilities	29.51
	Product Innovation	0.26
s 19.	Process Innovation	0.12
tion.	High Growth	0.20
Entrepreneurial Aspirations	Internationalisation	0.23
84	Risk Capital	0.70
	Entrepreneurial Aspirations	26.98
	GEI	30.46

Source: (Acs, Laszlo, & Erkko, 2017)



Source: (Acs, Laszlo, & Erkko, 2017, p. Table 3.5 p49)

Figure (4): MENA'S position for the global average of the entrepreneurial index

GEI rank	Country	ATT	ABT	ASP	GEI
19	United Arab Emirates	49.9	59.4	67.0	58.8
21	Qatar	55.9	55.6	62.3	58.0
30	Saudi Arabia	56.3	40.6	44.6	47.2
34	Bahrain	45.5	45.0	43.6	44.7
37	Oman	45.4	40.3	45.2	43.6
39	Kuwait	44.9	37.6	44.9	42.5
42	Tunisia	32.7	45.2	43.7	40.5
56	Jordan	39.5	25.1	30.5	31.7
63	Lebanon	25.8	27.9	32.8	28.8
70	Morocco	23.9	20.0	33.1	25.7
73	Algeria	33.2	21.3	19.7	24.7
81	Egypt	16.0	19.9	32.3	22.7
85	Iran	21.3	25.4	19.6	22.1
104	Libya	11.9	26.5	19.3	19.2
	Middle East / North Africa	37.1	36.3	40.5	37.9

# Table (2): Status of countries MENA according to the global international entrepreneurial index GEI

Source: (Acs, Laszlo, & Erkko, 2017, p. Table 3.3 p48)

From noted that there are variables converges index measuring entrepreneurial general international between the global average among a group rate MENA Such as the international trend variable, opportunities, start-up skills, acceptance of risk technology and creativity .and variables outperforming MENA For global entrepreneurship, such as risk capital variable, networks, cultural support, start and opportunity human capital, product creation and growth, and other variables in which the rate decreases MENA Contracting on a global rate such as variable employment technology, competitiveness index.

## 2.8 APPLIED STUDY :

## 2.8.1 STANDARD STUDY MODEL:

We aim through this part of the applied study to determine the impact of the level of entrepreneurship on the competitive advantage of the economies of the Arab Maghreb countries during the period (1991-2018.(As the main determinants that control the achievement of countries 'competitiveness were used, as shown in the following equation:

(1)  $\ln(COM)_{it} = (\gamma_1)_i + \gamma_2 \ln(GEI)_{it} + \gamma_3 \ln(ECO)_{it} + \gamma_4 \ln(POL)_{it}$ 

So that:

(COM)<sub>it</sub> :Represents the international competitiveness index for each country i

(GEI)<sub>it</sub> :Represents the average of the total enterprise indicators for each country i

(POL)<sub>it</sub> :Represents the average government performance indicators for each country i

(ECO)<sub>it</sub> :Represents the average economic indicators for each country i

 $\xi_{it}$  :Error random.

# **2.8.2 Estimation Of The International Competitiveness Equation Through The Three Panel Models:**

			endent Variable	(COM) Dép	
model	Variable <u>model</u>	Coefficient	Sig		
	variable	coefficient	t-Statistic	Prob.	decision
	Ln GEI	0.167470	2.816110	0.0057	Sig
	Ln ECO	0.268436	3.152124	0.0020	Sig
Pooled	Ln POL	0.140106	2.484081	0.0144	Sig
Regrssion	С	-1.492225	-0.336713	0.7369	Non Sig
Model			0.262840		Sig
	F-statistic	.38117	.000000 :Prob) 14	(0	
	Ln GEI	-0.250870	-2.662889	0.0088	Sig
	Ln ECO	0.614634	3.729446	0.0003	Sig
Fixed effects	Ln POL	0.316476	5.153092	0.0000	Sig
model	С	-19.29427	-1.700197	0.0918	Non Sig
			0.535460		Sig
	F-statistic	.26599	.000000 :Prob) 19	(0	
	Ln GEI	-0.094630	-1.240493	0.2172	Non Sig
	Ln ECO	0.410304	3.496910	0.0007	Sig
Random effects	Ln POL	0.209061	3.817204	0.0002	Sig
model	С	-5.939005	-0.762625	0.4472	Non Sig
			0.225350		Sig
	F-statistic	.73322	.000001 :Prob) 11	(0	

### Table (3): Results of estimating the international competitiveness equation through the three Panel models

Source: Outputs Eviews 8

It is clear from the regression table that the results of the estimation through the three Panel models are significant, given that the significant value) sig (For the Fisher test is less than 0.05, therefore, statistical tests must be performed to determine the most appropriate model for the study.

## 2.8.3 Choose Between Model Fixed Effects And Model Random Effects:

Test used **Hausman test** as a first stage to choose between the two models, where the test results were as follows:

_	1 abi	e (4). Test results - 11a	usman test
	Prob Test.	Chi-Sq. Value	Hausman Test
		Statistic	
	0.0000	25.987498	Chi-Sq. Statistic Test

## Table (4): Test results -Hausman test

Source: Outputs Eviews 8

Through the table it is clear that the value of the test 25.987498 Is greater than the tabular value ,and the probability value is sig when is less than 0.05, so we will accept the alternative hypothesis, that is, the appropriate model for the study is the fixed effects model.

### 2.8.4 Choose Between Model Fixed Effects And Pooled Model Regression:

As a second stage, we will choose between the fixed effects models and the regression regression model using the endocrine variables **Dammy** to ascertain the hypothesis that there is heterogeneity between countries.

Table (5): Test of the significance of the coefficients of endocrine variables "test Wald Test

	LOU	
Test Statistic	Value	Probability
F-statistic	17.16563	0.0000
Chi-square	68.66253	0.0000

Source: Outputs Eviews 8

Since the value of each of F And it is greater than the moral table values, and the probability value (sig) Is less than 0.05 ,we accept the alternative hypothesis that is, the coefficients of the deaf variables( Dummy) It differs significantly from zero and hence the most suitable model for study is the fixed effects model.

## **2.8.5 Estimate The Final Form Of The Study:**

Based on the fixed effects model chosen for the study, the estimation equation and the total labour demand function are as follows:

## (2) In COM = -19.29 - 0.25\* Ln GEI + 0.61\* Ln ECO + 0.31\* Ln POL

### 2.8.6 Achieved Results And Conclusions :

The standard study concluded the following results:

There is a statistically significant negative effect for the average total indicators entrepreneurial on international competitiveness in the countries of the Maghreb .As he reached his coefficient - 0.25 which indicates that the increase of 1% in the enterprise index will lead to a decrease in the level of the international competitiveness index for these countries by 0.25%. This is what confirms that the enterprise index did not reach the required level in order to increase the efficiency of the performance of business organizations and thus contribute increasing its competitiveness ,which to will ultimately be reflected in the competitiveness of the economies of these countries in general ,which are characterized by a low competitiveness index due to the weak level of entrepreneurship. In practice, not announced rates, despite the declared support and approved policies, as evidence of their ineffectiveness and reaching the required level.

The negative impact explains the nature of the relationship subject to the problem of research. The case study between the strength of the competitiveness index and the effectiveness of the entrepreneurial index, and the extent of the impact of the business environment represented in the public policies of government agencies, remains weak and inverse despite declared rates, adopted policies, and support, but it needs more and reference to it and to the decisions taken.

There is a positive effect of the variable of the economic indicator on international competitiveness ,as the increase of 1% in this economic indicator will lead to raising the

level of international competitiveness by 0.61% .This is consistent with the theoretical relationship between improving economic indicators and their positive impact on the international competitiveness index.

There is a positive effect of the government performance variable on the level of competitiveness of the Arab Maghreb countries ,as a 1% increase in the average government performance indicators will lead to an improvement in the international competitiveness index by 0.31%. This confirms the positive role that government policies and measures taken in these countries play in providing the necessary environment to support the performance of business organizations and thus develop a level of competitiveness.

It has reached a selection (coefficient 0.5354) in the model chosen random effects, indicating that the variables used to explain what accounted for %53.54 of the change in the level of international competitiveness.

## 3 Conclusion:

The problematic economic development and sustainable social need to governance rational to face corruption, administrative, and system of laws related to public policies, economic and financial mainly, to the activity of business organizations and entrepreneurial, supporting its investment and employment and value creation, and the achievement of the millennium goals of development of economic and SOCIAL sustainable consciousness, in front of diversification and the environment of local coverage international competitiveness and globalization, and market and of the local countries MENAF or example the Middle East and North Africa, which competitiveness is characterized by low index as a result of the low level of entrepreneurship and entrepreneurial practical reality, despite the declared support of policies adopted, as evidence of their ineffectiveness and reached the required level the relationship is not n influence the negative explains the nature of replaces the problematic research case study between the strength indicator competitiveness The effectiveness of the entrepreneurial index, and the extent of the impact of the business environment represented in the public policies of government agencies, remains weak and completely opposite despite the announced rates, adopted policies and support, but it needs more reference and support for it and for the decisions taken.

The obstacles to its success, development and continuity in light of the economic environment, public policy, controlling factors and obstacles in front of the exploitation of natural resources, human, and financial resources with high efficiency and the decline in the efficiency and effectiveness of the legal system, which shows that corruption has a negative and adverse impact totally facing the positivity of government action the bodies of project, legal and political, through employment is not practical for social networks, groups and public functions, and extends its negative impact on both the economic and social development, as well as investment and labour, and corruption in this way it connected directly macro level to promote good governance and support the effectiveness of the political, constitutional and legal provisions, It is one of the criteria for indicating the effectiveness of these bodies, but the impact of corruption is not hidden on civil society and the market, and in parallel with that comes investment in upgrading human and social capabilities and natural resources; economic, financial, social, human and intellectual capital.

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