

The Role of Smart Legislative Policy in the Field of Entrepreneurship for Economic Development

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Abstract:

This study examines the role of smart legislation in creating a legal environment conducive to entrepreneurship, considered a fundamental prerequisite for achieving sustainable economic development. It begins with the intellectual philosophy of smart legislation as a shift from a static, rigid model to a dynamic, interactive one characterized by flexibility, proactivity, participation, and digitalization. The study then explores the reciprocal relationship between the legal environment and economic innovation at the levels of business formation, intellectual property, financing, taxation, and labor. On the practical side, the study highlights the tools available for engineering the business environment, such as one-stop shops, regulatory sandboxes, and tax incentives, along with their impact on economic growth indicators. The study concludes with case studies drawn from Algerian legislation, illustrating the gap between legal texts and their implementation, and puts forward recommendations aimed at strengthening the effectiveness of legislative policies in supporting entrepreneurship.

Keywords: Smart legislative policy; entrepreneurship; economic development; innovation; intellectual property; participatory finance; startups; Algerian legislation.

Introduction: One of the most notable trends in contemporary law is the emergence of smart legislation. This new conception of legal systems has enabled countries to adapt to changes in economic structures, which manifest themselves in diverse forms of entrepreneurship, now regarded as the driving force behind a country's economic and social development.³

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³ J-B. Auby, *La numérisation du droit et de l'action publique: la gouvernance par les données*, Bruylant, Brussels, 2020, p. 28.

Legislation today can no longer be understood as a rigid framework for regulating behavior and legal relationships. It is instead a dynamic tool that interacts with economic phenomena and challenges, and that creates an opportunity for economic actors to turn creative initiatives into reality.⁴

For these reasons, it is legitimate to examine the relationship between smart legislation and entrepreneurship. This is all the more true given that the development of responsive, flexible, modern, and simplifying legislation—while still respecting the requirements of legal certainty and predictability—is a precondition for the smooth functioning of contemporary economic systems.

With this in mind, the aim of the study is to provide appropriate answers, in line with the research question, by adopting a critical and analytical approach to business-law rules and policies. Within this framework, a functional (axiological) approach was used to assess legislation and analyze its effect in achieving its economic objectives within contemporary economies.

Given the lack of legislative initiative and practical implementation in Algeria, a comparative approach was adopted for certain aspects of this study.

In light of the foregoing, the question that arises is the following: to what extent does smart legislative policy contribute to shaping a legal environment favorable to entrepreneurship?

Given the importance of this question, the topic will be addressed in two sections: the first will focus on the conceptual foundations of smart legislative policy and its relationship to entrepreneurship (Section 1); the second will examine its practical mechanisms and its effects on development (Section 2).

Section One: Rational Legislative Reasoning: The Intellectual and Conceptual Foundations of a Smart Legislative Policy Favorable to Entrepreneurship

Legislative policy is the cornerstone of a nation's economic system. Legal rules are no longer seen merely as rigid regulatory frameworks limited to control and oversight, but as dynamic tools capable of directing investment and stimulating innovation. With this in mind, this study seeks to lay out the intellectual and conceptual foundations of a smart legislative policy by demonstrating the transformation of legal texts from a static to a dynamic model as they adapt to the demands of entrepreneurship, and by examining key procedural mechanisms such as digital simplification and regulatory flexibility.

Subsection One: From Static to Dynamic Legislation: The Nature of Smart Legislative Policy and Its Adaptive Features

In contemporary legal thought, the concept of “legislative policy” transcends its traditional definition, which was confined to the formal procedure for enacting laws. It now encompasses a broader perspective, concerned with the underlying philosophy of legal texts, their objectives, and their capacity to grasp the realities they govern. Within this context, the expression “smart legislative

⁴ See Executive Decree No. 20-254 of 2020 establishing the National Labelling Committee for “Start-ups,” “Innovative Projects,” and “Incubators,” JORA No. 55, 20 September 2020, p. 8; and Law No. 2019-486 of 22 May 2019 on the growth and transformation of businesses (Loi PACTE), JORF, No. 0119, 23 May 2019, text No. 2.

policy” emerges naturally, reflecting the evolution of legal thought in the face of the challenges posed by the digital era and the collaborative economy.⁵

Smart legislation is defined as the systematic approach adopted by legislators in drafting legal rules. It relies on foresight, predictive analysis, and the integration of economic and social data, aiming to produce legislation that is flexible and adaptable to future developments, as opposed to rigid legislation designed for permanence without revision.⁶ Smart legislation does not merely address existing problems; it anticipates potential difficulties and builds in a margin of flexibility that allows for adaptation without requiring frequent, radical amendments that could disorient investors and economic actors.

Some define it as: a legal and regulatory framework capable of adapting quickly to technological and economic developments, replacing rigid laws with flexible regulations grounded in periodic review and continuous assessment of legislative impact.⁷ This definition emphasizes legislation’s capacity to keep pace with the rapid rate of technological and economic transformation without becoming fixed in its texts. It replaces strict legal rules with flexible regulations based on continuous assessment of the impact of laws and periodic review of recent developments. This approach aims to prevent the regulatory lag that typically arises between scientific progress and legislative timelines. In doing so, the legislator ensures the law’s continued effectiveness and its capacity to address emerging problems without the need for complex, fundamental amendments.

It is also a set of legislative principles and guidelines aimed at fostering an environment of innovation and supporting emerging projects by reducing bureaucratic burdens and providing experimental regulatory environments. “Regulatory sandboxes” make it possible to test new technologies without imposing early legal restrictions.⁸ This concept seeks to leverage the legal framework to foster a favorable investment climate and stimulate emerging and innovative projects. To this end, it involves reducing administrative and bureaucratic burdens and establishing modern mechanisms such as “regulatory sandboxes.” Regulatory sandboxes are used to test technological solutions. These experimental environments allow innovators to operate under flexible, temporary regulatory oversight before final legal frameworks take effect. This protects promising projects in their early stages and prevents innovation from being stifled by overly rigid restrictions.

It is also understood as: the systematic use of tools to improve the quality of regulation—such as regulatory impact analysis, public consultation, and procedural simplification—in order to ensure that policy and social objectives are achieved at the lowest possible cost to the economy and society.⁹ This definition rests on improving the quality of the regulatory environment through a scientific methodology based on pre- and post-legislative impact-assessment tools. It favors the participation of all stakeholders through public consultation and the simplification of government procedures in

⁵ Op. cit., p. 45.

⁶ M. Mekki, “L’impact du numérique sur le droit des affaires et la politique législative,” *Revue des contrats*, No. 3, 2021, p. 112.

⁷ I. Ayres and J. Braithwaite, *Responsive Regulation: Transcending the Deregulation Debate*, Oxford University Press, New York, 1992, pp. 4–7.

⁸ M. El-Qasbi, “Les bacs à sable réglementaires (Regulatory Sandboxes) comme mécanisme d’encouragement de l’innovation dans les startups,” *Revue Droit et Sciences Juridiques*, vol. 8, No. 2, 2023, p. 112.

⁹ OECD, *Recommendation of the Council on Regulatory Policy and Governance*, OECD Publishing, Paris, 2012, p. 22.

order to guarantee clarity and transparency. This approach aims to achieve the state's development and social objectives at the lowest economic cost to individuals and institutions. Legislation thus becomes a tool for strengthening competitiveness and facilitating business practices internationally.

One school of legal thought defines this approach as the process of creating legal rules enriched by big data and artificial intelligence, relying on proactive risk analysis and the forecasting of future scenarios in order to ensure the durability of legislation and its resistance to obsolescence in the face of digital transformation.¹⁰ This approach is based on integrating artificial intelligence and big-data technologies into the process of creating and forecasting legal rules. It goes beyond merely resolving current problems to analyze data and anticipate future challenges and scenarios. This proactive risk analysis allows legislators to draft proactive laws characterized by durability and depth. As a result, legal texts become more resistant to rapid obsolescence in the face of accelerating digital transformation.

The adaptive features of this policy manifest themselves in several ways. First, it is distinguished by regulatory flexibility, notably through the adoption of framework laws whose implementing details are delegated to lower-level regulations. This allows executive bodies to modify procedures quickly without having to wait for the conclusion of the lengthy legislative process. Second, it is proactive: the legislator relies on forward-looking studies and economic simulation models to anticipate the potential effects of a piece of legislation before its adoption, rather than reacting after imbalances have already appeared. Third, it is participatory: smart legislation incorporates the participation of economic actors, such as entrepreneurs and young companies, from the earliest stages of drafting, through consultation mechanisms and digital surveys, thereby ensuring that the text is relevant to actual needs.¹¹

The fourth feature is digitalization: a smart legislative policy harnesses artificial intelligence and big-data analysis to track the impact of existing legislation and measure its effectiveness against stated objectives, thereby enabling timely corrections. The fifth feature is international competitiveness: when drafting regulations governing the business environment, legislators take into account their country's ranking in global competitiveness indices and draw on effective solutions from comparative legislation in order to attract investment and stimulate innovation.¹²

In conclusion, the shift from static, rigid legislation to dynamic, interactive legislation is not merely an intellectual abstraction, but a necessity dictated by the very nature of the digital economy, characterized by its speed, flexibility, and the short life cycle of entrepreneurial ideas. A young company that needs a license or registration cannot afford to wait months because of outdated bureaucratic procedures. It is therefore imperative that legislators reexamine their legislative philosophy and make "legislative intelligence" a guiding principle at every stage of drafting, implementing, and evaluating laws, in order to meet the demands of contemporary entrepreneurship and create a favorable and stimulating legal environment.

¹⁰ H. Mahmoud, "La législation prospective et la gouvernance des données: la rédaction juridique à l'ère de l'intelligence artificielle," *Revue Al-Babith d'Études Juridiques*, No. 15, 2024, p. 89.

¹¹ S. Ranchordás, *Constitutional Law and Renewable, or Agile Regulation and Regulation by Experimentation*, 2014, p. 78.

¹² S. Ranchordás, *op. cit.*, p. 80.

Subsection Two: Entrepreneurship in the Mirror of Law: The Reciprocal Relationship Between the Legislative Environment and Economic Innovation

Entrepreneurship, with its spirit of initiative, innovation, and risk-taking, is one of the principal drivers of economic development in modern countries. However, the prosperity of this sector does not rest solely on the individual will of entrepreneurs; it is also closely tied to the adequacy of the legal framework. Law, as the framework governing economic relationships, can either catalyze entrepreneurial initiatives and foster their growth and prosperity, or act as an obstacle that holds them back and encourages entrepreneurs to relocate to more liberal and favorable legal environments.¹³

This reciprocal relationship between the legislative environment and entrepreneurship is evident at several levels. First, the law helps determine the legal structure of an entrepreneurial project and the simplicity or complexity of its formation procedures. This directly affects an individual's decision to take on entrepreneurial risk. The simpler, cheaper, and faster the formation procedures, the more likely individuals are to start their own businesses. Conversely, the slower, more complex, and more costly the procedures, the less inclined individuals are to embark on entrepreneurial ventures. In this respect, the Algerian legislature has sought to simplify business-formation procedures. The new investment law No. 22-18 of 24 July 2022 replaces the former, complex system and offers administrative facilitation and legal guarantees, notably through the creation of the Algerian Agency for Investment Promotion¹⁴ (AAPI), tax and customs incentives, and reduced processing times for applications. Law 22-09 introduced the simplified joint-stock company¹⁵ into the commercial code as a model specifically intended for start-ups. In addition, executive decree 20-254 established a national committee responsible for awarding the “start-up,” “innovative project,” and “business incubator” labels,¹⁶ through a unified digital platform. Despite this legislative momentum, academic studies indicate that Algeria is still far from fully implementing the regulatory texts relating to the start-up sector, owing to obstacles encountered in practice. The one-stop shop remains only partially operational, and entrepreneurs still have to navigate between different registries—the Commercial Registry Center (CNRC), tax authorities, and social-security authorities—despite the promise of a single window, in addition to having to obtain a “label.” The “Start-up” scheme itself is subject to evaluation by an inter-ministerial committee, which can lengthen rather than shorten processing times—contradicting the very philosophy of speed that smart legislation is supposed to embody.

At a second level, law plays a crucial role in protecting the intellectual property attached to innovative ideas, which lie at the heart of entrepreneurial projects. The absence of effective protection for patents, trademarks, and industrial designs would discourage innovators from disclosing their ideas or investing in them commercially, for fear of being copied or having their ideas stolen by larger,

¹³ W. Hammadi and N. Benadida, “Les start-ups et la propriété intellectuelle: les mécanismes juridiques de protection de l'innovation dans la législation algérienne,” *Revue de droit du travail et de l'emploi*, vol. 11, No. 2, 2026, pp. 122–99.

¹⁴ Art. 18 of Law No. 22-18, cited above, and Executive Decree No. 298-22 of 8 September 2022 establishing the organization and operation of the Algerian Agency for Investment Promotion, JORA No. 60 of 18 September 2022.

¹⁵ Law No. 22-09 of 5 May 2022 amending and supplementing Ordinance No. 75-59 of 26 September 1975 on the Commercial Code.

¹⁶ The National Committee for the Awarding of “Start-up,” “Innovative Project,” and “Incubator” Labels is a key body within Algeria's legal framework for supporting start-ups. It was created by the above-mentioned Executive Decree No. 20-254.

better-equipped competitors.¹⁷ Consequently, establishing a comprehensive legal framework for the protection of intellectual property is a precondition for the continuous circulation of innovative ideas and their transformation into viable economic ventures. The legislature has established a dual legal and institutional framework: Ordinance No. 05-03 on copyright and related rights¹⁸ and the National Copyright Office¹⁹ (ONDA)—the sole body responsible for the collective management of copyright and related rights—alongside the patent²⁰ and trademark²¹ system, administered by the Algerian National Institute of Industrial Property²² (INAPI), the sole institution responsible for filing and registering industrial and commercial property rights. However, the scope of protection remains limited and rigid in the face of modern digital entrepreneurship models, since the idea behind an application cannot itself be protected; only its source code, as a software work, or its name, as a trademark, can be. Moreover, the requirements for obtaining a patent for an algorithm or an innovative technical solution remain very strict, and the procedure is lengthy. Added to this is the duplication of oversight bodies: ONDA and INAPI create confusion for novice entrepreneurs, and the lack of legal knowledge among most young entrepreneurs regarding the importance of early registration exposes their ideas to duplication before they are genuinely protected.

At a third level, the importance of legislation governing financing becomes apparent, particularly with regard to crowdfunding, venture capital, and angel investment. These mechanisms serve as a lifeline for many emerging projects that do not benefit from the traditional guarantees required to obtain conventional bank financing. Legislation that adapts to these new financing methods and establishes a clear legal framework—one that strikes a fair balance between protecting investors and facilitating entrepreneurs' access to alternative sources of financing—helps expand the number of viable, sustainable projects. The legislature has introduced new financing instruments, in particular equity-based financing, regulated by the Securities Regulatory and Supervisory Committee (COSOB) in accordance with Regulation No. 23-01, which specifies the conditions for the licensing, operation, and supervision of equity-investment advisers,²³ in addition to credit-guarantee funds²⁴ and seed funds²⁵ set up by the ministry responsible for small and medium-sized enterprises for the benefit of innovative projects. However, the legal framework for crowdfunding remains far behind the practice

¹⁷ C. Zolynski, *Régulation du numérique et légistique des plateformes algorithmiques*, doctoral thesis, Intellectual Property Law and Digital Law, University of Paris Panthéon-Sorbonne, France, 2020.

¹⁸ Ordinance No. 05-03 of 19 July 2003 on copyright and related rights, JORA No. 44 of 23 July 2003, p. 3.

¹⁹ Executive Decree No. 05-356 of 21 September 2005 on the statutes, organization, and operation of the National Copyright and Related Rights Office (ONDA), JORA, No. 65, 25 September 2005, p. 8.

²⁰ Ordinance No. 07-03 of 19 July 2003 on copyright and related rights, JORA No. 44 of 23 July 2003, p. 23.

²¹ Ordinance No. 07-03 of 19 July 2003 on copyright and related rights, JORA No. 44 of 23 July 2003, p. 23.

²² Executive Decree No. 98-68 of 21 February 1998 establishing and setting out the statutes of the Algerian National Institute of Industrial Property (INAPI), JORA, 1 March 1998, p. 16.

²³ Order of 4 September 2023 approving COSOB Regulation No. 23-01 of 12 April 2023 setting the conditions for the licensing, operation, and oversight of participatory-investment advisers, JORA, No. 68, 25 October 2023.

²⁴ Executive Decree No. 17-193 of 11 June 2017 reorganizing the statutes of the Credit Guarantee Fund for Small and Medium-Sized Enterprises, JORA, No. 36, 14 June 2017.

²⁵ Executive Decree No. 21-303 of 1 August 2021 setting the operating procedures for special-allocation account No. 302-150, entitled "Start-up Ecosystem Support and Development Fund," JORA, No. 60, 5 August 2021.

seen on foreign platforms, and its implementation on the ground does not meet entrepreneurs' need for rapid liquidity. Venture-capital financing likewise remains limited in size and scope compared with neighboring countries, owing to the reticence of traditional banks, which remain governed by the law on money and credit and by a logic of conventional tangible collateral ill-suited to the high-risk nature of entrepreneurial ventures and their lack of tangible assets in the early stages.

In this context, it is important to underline the role of tax law and labor law in shaping the business environment. Excessive tax pressure or rigid labor legislation can weigh heavily on start-ups in their early days, when they are most financially vulnerable. Hence the importance of adopting preferential legislative policies that grant young companies temporary tax advantages and flexibility in the regulation of labor relations, thereby easing their initial burdens and enabling them to survive and grow. Accordingly, the 2022 Finance Law,²⁶ under Article 117, together with Executive Decree 21-170, granted tax advantages to young companies holding the "start-up" label, with the relevant procedures set out in Instruction No. 1781 of the General Directorate of Taxes. However, these tax advantages are subject to a prior condition: obtaining a "start-up" label. This effectively excludes any project that does not satisfy the complex procedures of the national committee, which makes the incentives theoretically comprehensive but, in practice, limited to a narrow category. As for labor legislation²⁷ (Law 90-11), it remains governed by a rigid, traditional logic that has yet to introduce flexible mechanisms suited to the specific needs of emerging companies, such as legally regulated remote work or employee profit-sharing schemes (stock options)—for which the Algerian legal framework still lacks clear regulation, despite these being key tools for attracting talent to start-ups worldwide.

In conclusion, the relationship between entrepreneurship and law is not one-directional but dialectical and interactive, with each side nourishing the other. Law creates an environment conducive to innovation, while the evolution of entrepreneurial practices requires legislators to adapt by continually revising their texts. A smart legislative policy thus provides the ideal framework for governing this reciprocal relationship and directing it toward the achievement of comprehensive economic-development objectives.

Section Two: From Text to Impact: The Mechanisms of a Smart Legislative Policy and Their Implications for Economic Development

Effective legislative policy rests on generating a tangible, measurable impact on the course of economic development. Effective legislation goes beyond theoretical texts and translates into concrete economic results. It is therefore essential to link legislative policy to a system of quantitative and qualitative indicators that make it possible to assess its real impact on sustainable economic-growth indicators and to improve countries' rankings in international indices of ease of doing business and investment attractiveness.

Subsection One: Designing a Favorable Legal Environment: Tools for Simplifying and Encouraging Legislation in Support of Entrepreneurship

A smart legislative policy in the field of entrepreneurship cannot be reduced to a mere theoretical understanding of its underlying philosophy; rather, it requires translating that philosophy into

²⁶ Law No. 21-16 of 30 December 2021 on the 2022 Finance Law, JORA, No. 100, 30 December 2021.

²⁷ Law No. 90-11 of 21 April 1990 on labor relations, JORA, No. 17, 25 April 1990, p. 488.

practical, applicable mechanisms and tools that help create a favorable legal environment enabling emerging projects to develop from birth to maturity and full growth. These tools are numerous and varied depending on the nature of each legal system, but they all share a common objective: removing legal obstacles to entrepreneurial initiatives without compromising oversight mechanisms.²⁸

Among these tools, one of the most important is the so-called “one-stop shop,” an administrative and legal mechanism that allows an entrepreneur to complete all incorporation, licensing, and tax-registration procedures in a single location, rather than having to move between multiple offices. This streamlines the work of ministries and agencies, saving time and effort and reducing the risk of administrative corruption associated with the involvement of multiple bodies. This mechanism relies on the full digitalization of procedures, allowing entrepreneurs to register their company electronically within a few days—or even, in some advanced systems, within hours.²⁹

Algeria, however, does not have a single one-stop shop but rather a similar legal framework: the electronic portal dedicated to business creation. This portal covers registration procedures, fund transfers, the receipt of electronic documents, and the assignment of a unique identification number. Algeria also has a one-stop shop for investment, whose scope extends beyond mere business creation—a concept that has been part of Algerian legislation for several years. This one-stop shop brings together representatives from the commercial registry, tax authorities, customs, urban planning, labor, and other bodies in order to simplify procedures relating to investment projects. On 26 July 2026, the new structure of the one-stop shop of the Algerian Agency for Investment Promotion was put into service, enabling investors to carry out procedures relating to business formation, registration in the commercial registry, the issuance of documents, and the tax aspects of their investment projects.

By way of comparison, France has a clearer and more unified model than Algeria in this area. Law No. 2019-486 of 22 May 2019, known as the PACTE Law,³⁰ established a single electronic portal for business formalities—that is, a one-stop shop for filing documents relating to business creation, modification, and cessation of activity. Decree³¹ No. 2021-300 of 18 March 2021 subsequently specified how this system operates: a single entity receives a single file and then forwards the information and documents to the various relevant administrations and bodies. This mechanism relies on the full digitalization of procedures, allowing entrepreneurs to register their company electronically within a few days—or even, in some advanced systems, within hours.

Another essential tool is the adoption of so-called “regulatory laboratories” or “sandboxes,”³² organized experimentation that makes it possible to carry out innovative entrepreneurial projects, particularly in emerging technical and financial fields such as technology, the financial sector, and

²⁸ C. Albagli and G. Hénault (eds.), *La création d'entreprise en Afrique*, Vanves, EDICEF-AUPELF, coll., 1996, p. 40.

²⁹ A. Amzal, “Un guichet unique pour soutenir l'entrepreneuriat,” *L'Expression*, “Nationale” section, Algiers, 4 January 2026, available at: www.lexpression.dz/nationale/un-guichet-unique-pour-soutenir-l-entrepreneuriat-401499, accessed 23 August 2026.

³⁰ Art. 1 of Law No. 2019-486 of 22 May 2019 on the growth and transformation of businesses (Loi PACTE), cited above.

³¹ Art. 23 of Decree No. 2021-300 of 18 March 2021 implementing Article 1 of Law No. 2019-486 of 22 May 2019 on the growth and transformation of businesses (Loi PACTE), JORF No. 0069, 21 March 2021, text No. 11.

³² K. Berrah and M. Bouchtara, *Digitalisation financière: processus, cas d'Algeria FinLab*, Master's thesis, École Nationale Supérieure de Management, Koléa, 2021, p. 12.

digital currencies. These sandboxes allow companies to test their products and services within a controlled regulatory environment for a set period, free from the strict legislation applied to traditional sectors, so that the legislator can monitor the real impact of these innovations before making a final decision on how to regulate or prohibit them. Algeria has moved toward adopting regulatory-sandbox mechanisms through the Algeria FinLab project, launched by COSOB.³³

However, this project, in its current form, does not constitute a fully-fledged regulatory sandbox allowing companies to test their innovations within an exceptional, dedicated regulatory environment.

By contrast, the United Kingdom has the Financial Conduct Authority's regulatory sandbox model (the FCA regulatory sandbox), one of the oldest and best-known, which allows innovative products and services to be tested with real consumers under FCA supervision.³⁴

Tax-incentive legislative policies also constitute an important pillar of this legal framework, granting young companies tax exemptions or reductions during their early years and linking certain incentives to criteria such as innovation, employment, or exports, which steer entrepreneurs' behavior toward the desired development objectives.³⁵

Furthermore, regulation governs business incubators and accelerators, providing them with a legal framework that clearly defines their relationship with emerging projects and guarantees the rights of all parties, thereby encouraging the private sector to invest in this type of non-financial support—no less important than direct financing. Legally, the incubator has been recognized and granted legal status under Decree No. 20-254, followed by the introduction of tax advantages under Decree No. 21-170 and its amendments.³⁶

At the institutional level, national support structures have been created, notably Algeria Venture as a public accelerator. In practice, a network of university and private incubators has been established and expanded across various provinces, offering incubation, training, mentoring, and connections to investors and markets.

It is essential not to underestimate the importance of bankruptcy and restructuring legislation in this context, since fear of failure is one of the main psychological and legal factors that deter individuals from embarking on an entrepreneurial venture. Smart legislation distinguishes between bankruptcy resulting from bad faith or gross negligence and bankruptcy that is a natural consequence of market risk; in the latter case, it offers an opportunity for restructuring or a “fresh start” free of legal stigma.³⁷

Social interaction is a constant companion to entrepreneurs throughout their professional lives. Although Algeria has put in place a system for the creation, financing, incubation, and certification of start-ups, it has not established a specific mechanism for managing their failures or financial

³³ Ibid.

³⁴ C. Brummer, *Fintech: Law in the Digital Age*, Cambridge University Press, Cambridge, 2019, pp. 145–148.

³⁵ E. Emmanuella and S. Biachini, *Politique publique et entrepreneuriat: incitations fiscales et développement des start-ups*, Éditions La Découverte, Paris, 2020, pp. 88–92.

³⁶ Ibid.

³⁷ J-Ph. Bénard, *Droit de la faillite et rebond des entrepreneurs: traitement juridique de l'échec et de la restructuration des start-ups*, LexisNexis, Paris, 2021, pp. 45–50.

difficulties. As a result, when a start-up ceases payments, it remains subject to the general rules on bankruptcy and judicial settlement set out in the Commercial Code, notably Article 215 and the articles that follow it.³⁸ Algerian legislative policy has thus focused more heavily on the early stages of a company's life, in contrast to certain foreign models. Unlike the United States, for example, Algeria, despite having established a system for the creation, financing, incubation, and certification of start-ups, has not established a specific mechanism for managing their failures or financial difficulties; a start-up in default therefore remains subject to the general rules on bankruptcy and judicial settlement under the Commercial Code. This contrasts with certain foreign models, such as those of the United States and France, which have adopted a more comprehensive approach, with mechanisms better suited to the nature of small, innovative companies facing financial difficulties. The Small Business Reorganization Act of 2019 in the United States introduced a simplified restructuring system for small businesses (Subchapter V of Chapter 11), allowing them to restructure their debts and continue operating instead of being liquidated.³⁹

In France, the legislature has favored a preventive approach focused on preventing business failures, through measures such as the ad hoc mandate and conciliation proceedings, alongside judicial recovery and restructuring procedures, in order to preserve the viability of companies that can still be saved.⁴⁰

In conclusion, these tools together form an integrated system for engineering a favorable legal environment—one that not only removes obstacles but goes further, creating positive incentives that stimulate initiative and innovation. This reflects the very essence of a smart legislative policy as an effective, motivating tool, rather than a merely rigid regulatory framework.

Subsection Two: Measuring the Impact on Development: Manifestations of Smart Legislative Policy in Sustainable Economic-Growth Indicators

Effective legislative policy does not derive its true value solely from the soundness of its theoretical structure or the diversity of its practical tools, but above all from its capacity to generate a concrete, measurable impact on economic development. Indeed, legislation that fails to translate into tangible results remains merely theoretical, however brilliant it may be. This is why it is crucial to link legislative policy to practical considerations, relying on a system of quantitative and qualitative indicators that make it possible to assess its real impact on the business and entrepreneurial environment and on the national economy as a whole.⁴¹

The first evident effect of this policy is the improvement of countries' rankings in international indicators relating to ease of doing business and the attractiveness of the business environment. Such rankings have become a key criterion for investors, whether foreign or domestic, in their decision-making. A country's progress in these areas is not merely symbolic; it is a genuine sign of an improved

³⁸ Art. 215 of the Commercial Code.

³⁹ Ibid.

⁴⁰ E. Mastrallet, *Le rebond de l'entrepreneur et la restructuration des start-ups en difficulté*, LGDJ, Paris, 2020, pp. 110–114.

⁴¹ Ch-A. Morand, *L'évaluation législative en question*, Presses Universitaires de France, Paris, 2017, pp. 65–70.

economic environment. Legislative measures also have a positive impact on domestic and foreign investment flows.⁴²

The second effect lies in the increase in the number of formal start-up registrations and the reduction in the level of activity within the informal economy. This stems mainly from the simplification of legal procedures and the easing of tax constraints, which encourage many projects operating outside the formal system to integrate into it, thereby broadening the tax base.

The tax system also provides the state with more accurate economic data on which future policies can be based, while facilitating the realization of these projects. Such projects thus benefit from legal protection and gain access to formal financial markets.⁴³

The third impact concerns job-creation rates. As comparative studies show, small, medium-sized, and young companies (start-ups) are among those that generate the most jobs, particularly compared with large projects, during their early stages, when they require the most labor.⁴⁴

The labor sector must therefore adapt to this rapid growth. Consequently, stimulating this sector through thoughtful legislative policy will have a direct effect on employment rates and will help reduce unemployment, particularly among young people, who are more inclined toward self-employment and personal initiative.⁴⁵

In addition, a fourth effect is seen in the promotion of economic diversification and the reduction of dependence on traditional rentier sectors. Entrepreneurship is often associated with emerging fields such as the digital economy, financial technology, and creative industries. These sectors help build a more resilient economy, better able to withstand external shocks, unlike economies that rely on a single source of revenue.⁴⁶

In conclusion, it should be emphasized that assessing the impact of a smart legislative policy should not be limited to analyzing the texts themselves; rather, it requires the adoption of periodic assessment mechanisms based on precise quantitative indicators. This allows the legislator to adjust the legislative course as needed in light of economic data, thereby embodying the very essence of “intelligence” in this policy. This approach is characterized by its capacity to learn and continually adapt based on concrete results observed on the ground, in order to achieve comprehensive, sustainable economic development.

Conclusion

In conclusion, the analysis shows that, within today’s economic system, a smart legislative policy is no longer merely an option but an imperative necessity dictated by the very nature of the knowledge economy, which is inherently tied to speed, innovation, and calculated risk-taking. The study has

⁴² S. Djankov, *The Regulation of Business: Growth and Economic Performance*, Oxford University Press, Oxford, 2021, p. 112.

⁴³ Ibid.

⁴⁴ D. Audretsch and M. Keilbach, *Entrepreneurship and Economic Growth: Innovation and Policy*, Edward Elgar Publishing, Cheltenham, 2020, p. 88.

⁴⁵ Ibid.

⁴⁶ P. Artus and M-P. Virard, *Croissance zéro: comment éviter le chaos économique et financier?*, Éditions Eyrolles, Paris, 2022, pp. 75–80.

shown that this policy rests on renewed intellectual foundations, moving beyond the notion of static legislation to embrace a dynamic, interactive approach. It has also highlighted the reciprocal, dialectical relationship between the legal environment and entrepreneurship, in which each element reinforces the other. Finally, the study has shown that implementing this philosophy through concrete mechanisms—such as one-stop shops, regulatory sandboxes, and tax incentives—can have a tangible impact on development. This impact is reflected in improved international indicators, an increase in formal projects, job creation, and the diversification of the national economy.

The following recommendations may therefore be put forward:

- It is necessary to create specialized national bodies responsible for periodically and continuously reviewing the impact of legislation.
- Consultation mechanisms with economic actors should be strengthened before the adoption of any legislation affecting the business environment. It is also essential to draw on successful comparative experiences in this field, so as to ensure that national legislative policy keeps pace with the rapid transformations taking place in the world of entrepreneurship and the digital economy.
- It is essential to promote and develop flexible experimental environments for start-ups across various key sectors. This will allow them to test their technological and innovative solutions under flexible regulatory supervision before these solutions are generalized into law.
- Intellectual-property legislation should be revised to align it with advances in artificial intelligence and modern technologies, with the aim of preserving the rights of innovative companies and protecting the intangible assets of entrepreneurial projects.
- The digitalization of government services for investors and young companies should be accelerated. This will help reduce bureaucracy and minimize the costs and time required to set up and operate a business.
- It is important to support the legal frameworks governing venture-capital financing and crowdfunding. This support should be accompanied by the introduction of additional tax incentives and exemptions for investors who fund modern entrepreneurial projects directly.

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