



Entrepreneurship and its role in achieving sustainable development

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Abstract

This paper aims to contribute to clarifying the topic of entrepreneurship by exploring the emerging concept of entrepreneurship and its advantages and challenges. It also aims to identify the importance of modern technology in stimulating the climate of entrepreneurship and creativity, in addition to researching the relationship between entrepreneurship and achieving sustainable development goals. The study concluded that entrepreneurship is of great importance to governments and business organizations, by raising their operational efficiency, improving their organizational performance and enhancing their competitiveness and the study concluded that entrepreneurship has a major role on sustainable development by influencing the economic, social and environmental dimensions.

Keyword: Entrepreneurship, Social entrepreneurship, Sustainable development.

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1. INTRODUCTION

Since the United Nations introduced the concept of sustainable development, various countries have been working to implement it in ways that fit their unique economic characteristics and systems. While the core pillars of sustainable development are the same as defined by the UN, countries differ in how they put it into practice through their specific implementation processes, visions, and strategic plans tailored to their circumstances.

In today's context, entrepreneurship plays a vital role in attaining the vision of a developed nation and accomplishing sustainable development objectives. It serves as a crucial catalyst for fostering inclusive and enduring economic progress by promoting startups' active participation and attracting domestic and international investments.

1.1 Research Problematic:

The research problematic can be summarized as follows:

- a) To what extent can entrepreneurship contribute to achieving sustainable development?
- b) What are the requirements for the success of digital transformation and entrepreneurship in achieving excellence in entrepreneurship and sustainable development?
- c) Does entrepreneurship face problems and obstacles that hinder its pursuit?

1.2 Research Hypotheses:

- **The first hypothesis:** Entrepreneurship plays a prominent role in achieving sustainable development.
- **The second hypothesis:** The success of digital transformation and entrepreneurship requires increased attention and investment support.
- **The third hypothesis:** Entrepreneurship faces problems and obstacles, particularly in developing countries, that hinder its pursuit.

1.3 Research Importance:

The significance of the research is evident in the following points:

- a) Providing additional insights into the role of entrepreneurship in achieving sustainable development.
- b) The importance of the topic for Arab youth.

1.4 Research Objectives:

- a) Understanding the role of entrepreneurship in achieving sustainable development.
- b) Encouraging Arab youth to innovate their own projects and develop them, resulting in the creation of new jobs, diversification of national income sources, and the revitalization of the service sector.

1.5 Research Methodology:

In light of the research problematic and to achieve the research hypotheses, the researcher adopted the analytical methodology due to its suitability for the research topic. The researcher also relied on the inductive methodology by extracting the relationship and providing recommendations.

1.6 Research Plan:

To address the research problematic, the topic is approached through the following main sections:

- **The first section:** Sustainable development.
- **The second section:** Digital transformation and entrepreneurship.
- **The third section:** Digital entrepreneurship and its contribution to sustainable development.

2. Sustainable Development:

2.1 Sustainable Development Concept:

The "World Commission on Environment and Development," commonly known as the "Brundtland Commission," defined sustainable development in its report as follows: "Development that meets the needs of the present without compromising the ability of future generations to meet their own needs." The report highlighted the interdependence between the environment and development, where the environment is where we live, and development is what we do in seeking to improve our well-being. There is no dichotomy between the two.

The Algerian legislator defined sustainable development as "the reconciliation between socially and economically sustainable development and environmental protection." In other words, the environmental dimension within a development framework ensures meeting the needs of both present and future generations. Sustainable development is continuous development over time that aims to meet the needs of the current generation without limiting the ability of future generations to meet their own needs. It seeks to improve the quality of human life without compromising the environment. In its general sense, it is the rational use of natural resources where the use of resources does not exceed their natural renewal rates, especially in the case of non-renewable resources. As for renewable resources, their use should be expanded, along with efforts to promote their spread, to be used as substitutes for non-renewable resources in an attempt to preserve them for as long as possible. In both cases, resources should be used in ways and methods that do not

result in the production of waste in quantities that the environment cannot absorb, transform, and represent, as the future and security of populations in any region of the world are dependent on the health of the environment, they live in.

2.2 Sustainable Management of Natural Resources:

It refers to the proper use of natural resources, which is achieved by transforming them into high-value-added products through the intelligent use of technology and innovations that reduce resource consumption and enhance efficiency. It also involves preserving renewable resources such as solar energy, wind, and water, along with implementing integrated plans for sustainably managing resources and reducing waste and environmental pollution (Carol Chouchani Cherfane, 2020, 2020).

Sustainable development has three main dimensions that are considered its key pillars (Soleimani & Bayezid, 2015)

A- Economic Dimension of Sustainable Development:

This dimension revolves around the economically sustainable system capable of continuously producing goods and services while maintaining a manageable economic balance between the gross domestic product and public debt. This prevents social imbalances resulting from economic policies. The economic dimension of sustainable development can be summarized as follows:

- a. Achieving equity in the consumption of natural resources.
- b. Rationalizing and optimizing the consumption of natural resources.
- c. The necessity of advanced countries' contribution to addressing pollution.
- d. Limiting the depletion of resources in developing countries.
- e. The need to achieve sustainable development in poor countries.
- f. Working towards reducing wealth inequality and optimal allocation.

B- Social Dimension of Sustainable Development:

The process of sustainable development includes human development aimed at improving the level of healthcare and education and involving communities in making development decisions that affect their lives. It also emphasizes justice, fairness, and equality. There are two types of justice in this context: justice for future generations, whose interests must be taken into account, and justice for those currently living who do not have equal opportunities to access natural resources, services, and care and to improve educational opportunities. The development aims to assist informal economic, social, and healthcare sectors, especially for women.

The social dimension of sustainable development views humans as the essence and ultimate development goal. It focuses on social justice and poverty eradication, which requires fundamental changes in economic systems, particularly through grassroots self-governance and collaboration between different social and economic sectors.

It involves exercising economic democracy through a participatory consultative process that includes all sectors of society and contributes to social development which is a transformative process encompassing a wide range of projects to serve humanity, meet work-related needs, and raise cultural, health, intellectual, and spiritual standards. This development generally harnesses human energies to improve living standards and serve development goals (Hulam, 2013). (Hulam, 2013).

C- Environmental Dimension of Sustainable Development:

The environmental dimension of sustainable development focuses on respecting ecological limits, where each ecosystem has certain boundaries that should not be exceeded in terms of consumption and depletion. If these boundaries are surpassed, it leads to the deterioration of the ecosystem. Therefore, it is necessary to set limits on consumption, population growth, pollution, unsustainable production patterns, water depletion, deforestation, and soil erosion. Amidst all this, attention should be given to environmental conservation and protection (Bater & Wardam, 2003)

The following are specific aspects of this dimension:

- a) Soil conservation, reducing pesticide use, and preserving vegetation cover and fisheries.
- b) Conservation of natural resources.
- c) Preserving the Earth's richness in biodiversity.
- d) Combating the phenomenon of global warming.

2.3- Indicators of Sustainable Development:

These indicators are determined by the following elements (Boujhfa & Oudia, 2020):

- a) **Empowerment:** Expanding citizens' capabilities and choices by strengthening forms of participation and their levels through general elections for governing institutions, activating the role of political parties and ensuring their plurality and competition, and guaranteeing freedom of trade unions and the independence of civil society.
- b) **Collaboration:** Involves the concepts of belonging, inclusion, and integration as a primary source of individual self-fulfillment, where collaboration is a necessary social interaction.
- c) **Justice in distribution:** Includes opportunities and not just income, such as everyone's right to access education.

- d) **Sustainability**: Involves the ability to meet the needs of the current generation without negatively impacting the lives of future generations and their right to a decent life.
- e) **Personal security**: Includes the right to life free from threats, infectious diseases, repression, or displacement.

3. Entrepreneurship:

3.1 Entrepreneurship concept:

The term (Entrepreneurship) refers to the concept of developing and managing business projects for profit by taking risks and venturing into new ventures. In simple terms, entrepreneurship can be defined as the desire to start a new business. It is worth mentioning that entrepreneurship plays a vital role in the economic development of the global market. (team, 2020).

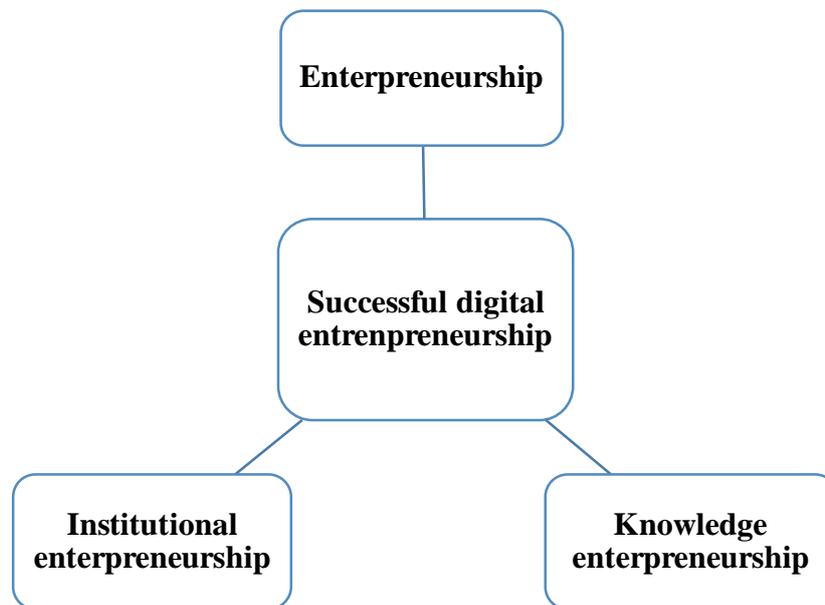
An entrepreneur or businessman is a person who establishes a new business project on their own and bears all the risks and consequences of this work. They are seen as innovative, creative, and a source of fresh ideas, products, and modern services. They play an important role in any economy by using the necessary skills to anticipate market needs and provide good and innovative ideas. (Hayes, 2020).

3.2 Social Entrepreneurship concept:

This concept means that a positive individual interacts with the problems of their society, understands them accurately, and is aware of their available resources and capabilities. They then initiate an innovative idea to solve one of these social problems, which soon turns into a social movement or an institutional form through which the idea is implemented and succeeds in solving the social issue. This idea can be transferred and generalized to meet the needs of other communities. Social entrepreneurship does not necessarily require large capital or major commercial companies but requires a clear vision and high motivation, (amel & sawar, 2021).

3.3 Components of successful entrepreneurship:

Figure 1: Components of entrepreneurship



Source: (Shehata, 2020)

A successful digital entrepreneurship consists of:

- a- Knowledge-based entrepreneurship
- b- Institutional entrepreneurship

3.4 Elements of entrepreneurship

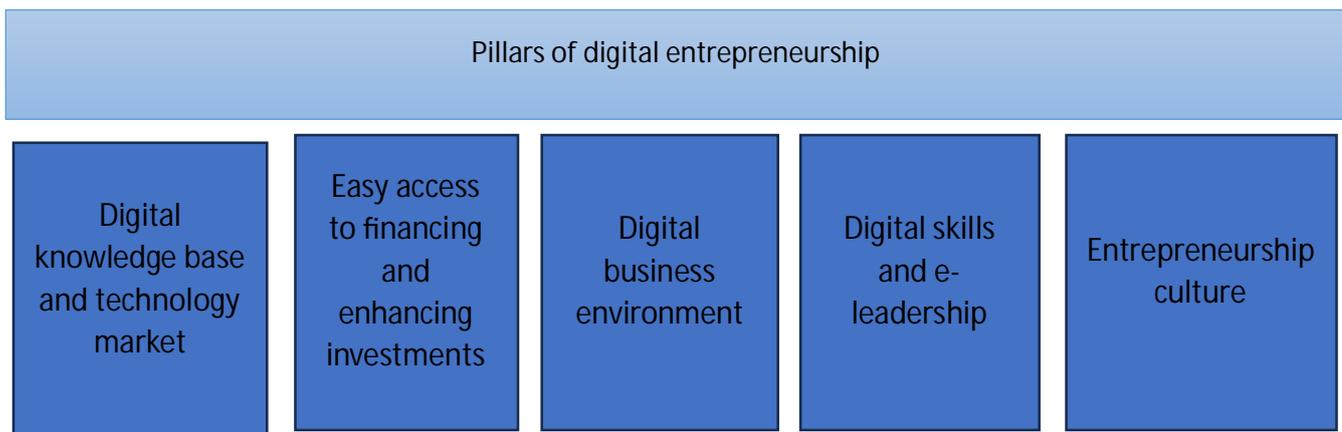
There are key and necessary elements for entrepreneurship, most notably: (Suhaib Al-Juwaifel, 2023)

- a) **Innovation:** This refers to the ability of entrepreneurs to be innovative and creative in various ways. They must understand the market requirements for a specific product or service, distinguishing them from others. Innovation is one of the most important elements of entrepreneurship.
- b) **Risk-taking:** Entrepreneurs need to understand and manage the risks associated with their projects. They should be prepared for potential consequences such as dissatisfied customers, competition with favorable pricing, or government policies. They must address these obstacles quickly and effectively.
- c) **Decision-making:** Entrepreneurs need to think carefully about every decision, as they often face risks and need to learn from their previous mistakes. They should focus on quality decisions rather than rushing into quick decisions. Good decision-making requires experience, intuition, intelligence, awareness of the business environment, good listening skills, and the ability to respond when necessary.

- d) **Organization:** Is a key factor in successful entrepreneurship. Without proper organization, everything becomes chaotic and unmanageable, leading to more losses, dissatisfied customers, and employee stress. It is necessary to have a fair organizational structure within the company, defining who is responsible for specific tasks and how they will be executed.
- e) **Vision:** Successful entrepreneurs have a vision they have been passionate about since childhood and are determined to achieve. They possess the enthusiasm and vision necessary for growth because they can only succeed with vision and determination. However, many young entrepreneurs have visions that never turn into ideas. One of the key factors for success is recognizing that many entrepreneurs fail, but the main thing is the difficulty of the attempt. If an idea fails in one attempt, it might be the right idea for the future. Entrepreneurs should be willing to make bold decisions, as that sets them apart and strengthens them.

3.5 Pillars of entrepreneurship

Figure 2: Pillars of entrepreneurship



Source: (Shehata, 2020)

The figure above demonstrates that successful digital entrepreneurship should be based on several pillars, including (Shehata, 2020):

- Entrepreneurial Culture:** Individuals should possess the culture, skills, and qualities of an entrepreneur.
- Digital Skills and E-Leadership:** Entrepreneurs should have extensive technological knowledge.
- Digital business entrepreneurship**
- Easy Access to Funding and Investment Promotion:** Establishing a permanent source of funding.
- Digital Knowledge Base and Technology Market:** Availability of extensive market databases and statistics.

4. Entrepreneurship and its Contribution to Sustainable Development:

The foundation of sustainable development lies in the development of cities and communities through business activities that primarily aim to meet the goals and needs of society while using available resources without disrupting the needs of future generations.

The core of sustainable development is the preservation of the environment and avoiding waste or harm, such as environmental pollution or depletion of scarce resources. Areas and aspects that sustainable development focuses on include economic growth, social development, environmental preservation, and economic resources.

Hence, the role of entrepreneurship comes into play as a key tool for sustainable development. Developing entrepreneurship plays a significant role in achieving and stimulating sustainable development. It has become essential for entrepreneurs to achieve sustainable growth and secure a future for entrepreneurship that preserves the environment in entrepreneurial projects.

One of the crucial factors to work on to achieve sustainability is possessing systematic knowledge and investing efficiently and effectively, leading to economic development in the current developmental stage we are experiencing today.

Innovation is also a critical aspect that many countries encourage, as it increases support for young people to develop innovative ideas and patterns (Awad, 2020)

4.1- The Role of Entrepreneurship in Economic Development:

Entrepreneurship is defined as creating a new venture based on a creative, innovative, and unique idea, taking the risk of implementing it by dedicating the necessary time and effort to ensure the project's success. The results achieved from exploiting entrepreneurial opportunities contribute distinctively to economic development. Therefore, entrepreneurship contributes to the following aspects (Dayf, Qahiri, & Dayf, 2020):

- a) Redistribution of wealth and preventing its concentration in the hands of a few.
- b) Providing employment opportunities and establishing new economic activities while promoting an entrepreneurial culture among individuals.
- c) Independence in work and increased profit realization.
- d) Serving as an input in the decision-making process regarding the use of available resources, launching innovative new products or goods.
- e) Representing an opportunity for excellence, accomplishment, and contributing to serving society.
- f) Self-employment, income growth, and support for economic growth, leading to a reduction in brain drain.

- g) Entrepreneurship serves as an important strategy for achieving rapid growth and gaining a competitive advantage by adapting flexibly and effectively to all changes.
- h) Elimination of bureaucracy and routine, relying on creativity and innovation, in addition to discovering all available opportunities in the work environment and making the most of them (Dayf, Qahiri, & Dayf, 2020).

4.2- The Role of Entrepreneurship in Social Development:

The importance and efficiency of social capital are found in interpersonal connections, collaboration, and confidence in attaining defined objectives. It consists of social networks, civil sharing networks, and common habits that have an impact on societal productivity and hold value that affects individual or group productivity. Consequently, the potential to transform social capital into material capital emerges, serving as a measure of the success of democracy and political participation.

Short-term: Tangible changes in the society's economy (job creation, output generation, or increased savings) (Amer, 2020).

Medium-term: The value of social entrepreneurship manifests as a potential model that works towards the well-being and improvement of society. The success of social entrepreneurship is measured by its ability to increase productivity and developmental projects.

Long-term: The most significant contribution of social entrepreneurship occurs in the long term and is measured by its ability to create and invest in social capital.

4.3- The Role of Entrepreneurship in Environmental Development:

The linear state of the environment necessitated the emergence of green entrepreneurship, which is a relatively recent phenomenon, resulting in limited research on the subject. Prior research focused on making the activities of large companies more sustainable, however in less than a decade, the focus shifted to the connection between entrepreneurship and sustainability, with research and activities centered around green entrepreneurship gaining more prominence.

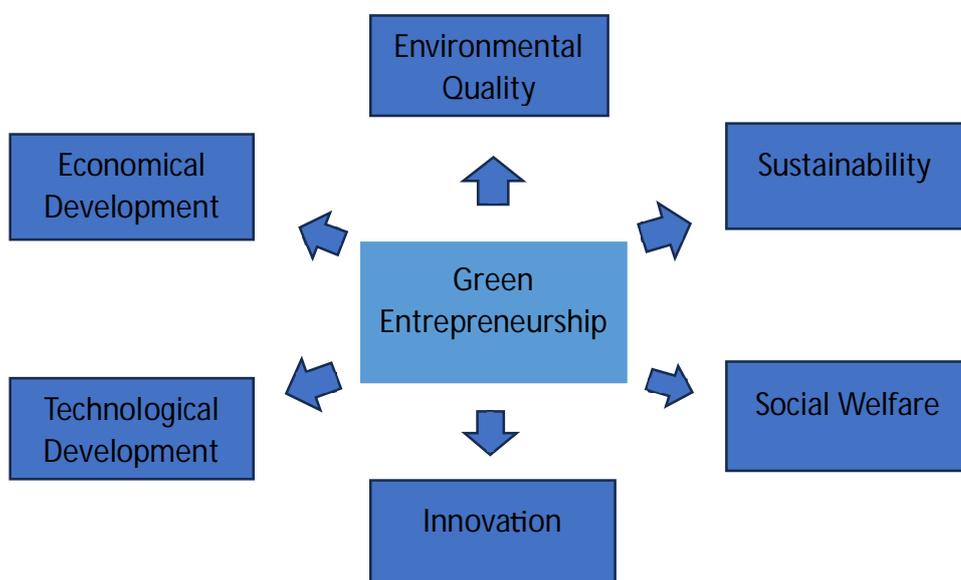
Countries have taken proactive environmental measures in the following ways (Najib, 2021) :

- Companies, banks, and government entities issued over \$1.1 trillion in sustainable debts. The investment in climate technology companies has increased significantly.
- These strong evaluations, along with investors' fear of missing out on opportunities and the need to secure a share of this substantial funding, have provided an opportunity to widely encourage green innovation.

- For example, the recent period between 2020-2021 has been dynamic for the global electricity sector. Despite a decrease in energy demand due to the COVID-19 pandemic, global electricity generation declined by 20% throughout 2020. Electricity generated from coal, gas, and nuclear sources all declined on an annual basis, while renewable energy sources achieved success, being the only source that recorded growth in electricity generation during the past year. Renewable energy has made significant gains in the electricity sector.
- However, this success is not accompanied by the same rate of growth in the transportation and heating sectors, which together account for 80% of global energy consumption. These are areas and opportunities for emerging green companies to enter and invest.
- The European Union is at the forefront of countries that have set ambitious green goals, providing good opportunities for green entrepreneurs to work and progress.

In summary, the role of entrepreneurship can be summarized as follows:

Figure 3: Summary of the role of entrepreneurship in several areas



Source: (Najib, 2021)

4.4- The most important challenges and obstacles to entrepreneurship

The first step towards developing an entrepreneurship environment in Egypt is to identify the most critical challenges it faces so that 2016 is an opportunity to work on overcoming and removing these obstacles to achieve our success goals. Some of these challenges are:

- a) Lack of funding: The level of investment in startups in Egypt is still relatively low, as talented entrepreneurs face significant difficulties in attracting attention and securing the necessary funding for their projects. Additionally, the market size is relatively small, which poses a challenge for startups operating in the region.
- b) Lack of collaboration: Collaboration among startups, as well as small and medium-sized enterprises, is also a challenge. Cooperation can provide the necessary platform for overcoming various obstacles. Through collaboration, marketing problems can be solved, access to larger markets can be achieved, and more effective mechanisms for accessing information can be established, which is a crucial element for entrepreneurship.
- c) The need for a review of legislative systems and financing methods for small and medium-sized projects: Dealing with regulations and bureaucracy wastes the energy and time of entrepreneurs and hinders their progress. It also increases the reluctance of investors to support new projects, in addition to discouraging entrepreneurial initiatives. (Dayf, Qahiri, & Dayf, 2020).

5. Conclusion:

This study attempted to shed light on the relationship between digital entrepreneurship and sustainable development. Countries worldwide are required to develop entrepreneurship and leverage its benefits through investment. Entrepreneurship has become essential due to its significance and human capital. Investing in information and communication technology infrastructure, including networks, devices, software, applications, and trained human expertise, is crucial for development rather than optimal operation and industry. Therefore, focusing on digital transformation and entrepreneurship is the practical path to achieving economic development and sustainable development goals and dimensions.

5.1 Results:

Based on the above, the research findings and suggestions can be presented through the following points:

- Entrepreneurship contributes to achieving sustainable development by realizing its economic, social, and environmental dimensions.
- Entrepreneurship faces problems and obstacles that hinder its adoption, especially in developing countries.
- Reconsidering entrepreneurship strategies and legislation to make them more effective.

- Encouraging the use of entrepreneurship and supporting its investments is necessary to help these countries compete in the market, reduce costs, and develop clean technologies.

5.2. Recommendations:

- Work on developing the field of entrepreneurship and using it through modern and green technologies.
- Countries and institutions should prioritize entrepreneurship by increasing its proportion of funding.
- Support and integrate entrepreneurship in education and scientific research, establish a specialized entrepreneurship database, encourage collaboration and scientific exchange with advanced countries in this field, and benefit from their experiences through holding seminars and regular meetings to exchange expertise in this field.

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