

The economic and social role of the Small Enterprise Development Agency in Egypt in alleviating poverty

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Abstract

This study investigates the extent of the economic and social responsibility undertaken by the Small Enterprise Development Agency in Egypt and its effectiveness in alleviating poverty among its beneficiaries. Employing a descriptive research approach, the study utilized a social survey method with questionnaires administered to 128 beneficiaries and a comprehensive census of 40 agency officials in Cairo Governorate. The findings confirmed the validity of the hypotheses and revealed that demonstrates a high level of economic and social responsibility. Additionally, the agency significantly contributes to poverty alleviation among targeted populations by facilitating employment and supporting small enterprises.

Keywords: Economic and Social responsibility, small Enterprise, Poverty, small Enterprise Agency.

Introduction

During the late twentieth century, Egypt underwent significant structural shifts transitioning from a state-controlled economy to a liberal market-based system. This transition brought about economic liberalization, privatization of state-owned assets, and a withdrawal of the government from direct employment responsibilities. These shifts, although intended to stimulate growth, contributed to widespread social and economic challenges, particularly affecting youth employment and exacerbating poverty (Owad, 2015, p. 5).

In developing countries, poverty remains a major concern, with indicators showing increases in hunger, disease, and educational deprivation. While industrialized nations have successfully reduced poverty rates since the Industrial Revolution (World Bank, 2020), many developing economies still struggle with persistent economic disparities.

Numerous studies have emphasized the role of governments and institutions in poverty reduction. Campbell (2016)

Highlighted how public support programs can alleviate economic hardships, while Jung (2015) examined long-term poverty in the southern United States.

Baldin (2018) further analyzed the relationship between government quality and subjective poverty across European regions, emphasizing the role of public institutions in poverty perception.

In response to Egypt's socio-economic challenges, particularly unemployment and poverty among youth, the government established the Small Enterprise Development Agency (SEDA) through Prime Ministerial Decree No. 947 in 2017. SEDA replaced the Social Fund for Development and was tasked with supporting small enterprises as a strategic tool for poverty alleviation and local development (Abdul Shafi, 2012).

The small Enterprises Development Authority works to raise living standards and alleviate poverty by contributing to creating job opportunities to reduce the unemployment problem and working to raise the level of individual income to reduce poverty among groups of society.

Many studies have proven the effect of small Enterprise to eradicate poverty for example study of Opafunso (2014) assessed the impact of Ekiti state Government's intervention projects on poverty reduction in Nigeria. The study identified some intervention projects and identified the projects impacted on poverty alleviation of people. The study by Goal (2022) notes that in recent years, entrepreneurship has achieved significance as a driver of economic growth and poverty alleviation, and it is examining the ways in which these entities can better coordinate their effort and achieve their goals.

Therefore economic and social responsibility is a term derived from the responsibility of the state, and they are responsible for the members of their society and not only concerned with the productive side. They are responsible for society and the effects resulting from the economic and social changes that occurred in society.

The concept of economic and social responsibility extends beyond economic output to include societal well-being. Rooted in cultural philosophies such as Ubuntu—which emphasizes community interconnectedness (Matunhu, 2021, p. 85).

—this concept is now embraced globally as a pillar of sustainable development. The United Nations has declared the eradication of extreme poverty a core objective of the Sustainable Development Goals (SDGs) to be achieved by 2030 (Watkins, 2016, p. 5).

The study of Raimi (2015) aimed to examine the prospect of utilizing corporate social responsibility and entrepreneurship as antidotes for mitigating the incidences of poverty.

Another study by Kao (2016) targeting the serious poverty problem of the world, this study proposes a proactive strategy for enterprises to fulfill their corporate social responsibility.

The study of Medina (2020) found that there is growing demand by United Nations development agencies and governments for a higher engagement of firms in sustainable development goals, including that of eradicating poverty.

Study problem:

In the light of the above, from the previous theoretical heritage and previous studies and the services of the small Enterprises Agency, we record the following:

- 1- The problem of unemployment has become the main challenge in all societies, especially after the economic transformation of the market.
- 2- After the state relinquished its responsibility for appointments, the alternative was to find agencies and organizations as a basic way to confront poverty through small enterprises.
- 3- One of the Agencies established by Egypt with the aim of helping young people to face the problem of poverty by creating projects as a economic and social responsibility for the agency.

And on this, the study problem was identified as (the economic and social responsibility of the small enterprise Development Agency and poverty reduction).

Theoretical frame work:

Planned change strategy:

It is based on designing a new service or redesigning an existing service (Overly and Dorothy, 2015, p. 587). Whereas, the small Enterprise Development Authority seeks to bring about the planned change, either by developing new services and projects or developing existing services by providing technical and material advice to the beneficiaries.

The study Goals:

1. Determine the level of economic and social responsibility of the Small Enterprise Development Agency.
2. Determine the level of poverty alleviation for the beneficiaries of the Small Enterprise Development Agency.
3. Reaching out to proposed mechanisms to activate the economic and social responsibility contributions of the Small Enterprise Development Agency in poverty alleviation.

The study Hypotheses:

- (1) The first hypothesis of the study: "It is expected that the level of economic and social responsibility of the Small Enterprise Development Authority will be high":

This hypothesis can be tested through the following dimensions:

1. Training and operation.
 2. Establishing projects.
 3. Entrepreneurship.
 4. Finance.
 5. Technical support.
 6. Marketing.
- (2) The second hypothesis of the study: "It is expected that the level of poverty alleviation for the beneficiaries of the Small Enterprise Development Authority will be high."
- (3) The third hypothesis of the study: "There is a positive statistically significant positive relationship between the economic and social responsibility of the Small Enterprise Development Agency and poverty alleviation."

Study concepts**Economic and Social responsibility**

It is defined as a self-regulating business model that helps a company be socially accountable to itself, its skate holders, and the public by practicing corporate economic and social responsibility (Fernando, 2020).

Operational Definition of economic and social responsibility in the study:

The commitment of the state, represented by the small Enterprises Authority to assist young people in their projects, as well as facing problems so that they are not exposed to poverty.

Poverty

It also defined as deprivation and non-fulfillment of human needs resulting from low income that does not meet the basic needs of the individual such as the lack of adequate food and the lack of civil rights and social activities (UNCHS, 2022, pp. 109-111).

- Operational Definition of poverty in the study:

The decline in the standard of living resulting from the lack of job opportunities, the failure of the project, or the obstacles facing the youth, so beneficiary agency helps to reduce the effects resulting from that.

Small enterprise :

It also defined as a small enterprise is one marked by alimited flow of finances and materials and limited number of employees (SBA, 2017).

Operational Definition of small enterprise in the study:

Small enterprise ranges from 50 thousand pounds and doesn't exceed one million pounds, which is a company that consists of one or more individuals and the number of workers in the projects does not exceed 50 workers.

Study Methodology:

The study is one of the descriptive studies, and it relies on the use of a social survey methodology with the sample available to the (128) individual beneficiaries of the Small Enterprise Development Authority in Cairo.

As well as the comprehensive social survey curriculum for officials who are (40) individual.

Study Tools:**The data collection tools are:**

- **A questionnaire form for the beneficiaries and officials on the contributions of the economic and social responsibility of the Small Enterprise Development Agency to poverty alleviation:**
 - The researcher designed a questionnaire form for the beneficiaries and officials by referring to the theoretical heritage, previous studies, and questionnaire forms related to the subject of the study.
 - The dimensions included in the questionnaire forms were determined, which were represented in four dimensions, and then the expressions for each dimension were defined and formulated, which reached (60) phrases.
 - The questionnaire questionnaires were based on the triple gradient, so that the response to each statement was (yes, to some extent, no) and each of these responses was given a weight (score): yes (three scores), to some extent (two degrees), no (one score)).
 - The researcher approved on logical honesty by reviewing the theoretical literature, then analyzing it in order to reach the different dimensions related to the study problem.
 - The researcher conducted the apparent validity of the tool after presenting it to (5) faculty members at the Faculty of Commerce,,

Helwan University. An agreement percentage of no less than (80%) was relied upon, and the form was finalized.

- As the researcher did statistical validity of the tool for a sample of (10) items from the beneficiaries and the stability factor was (0.94), as well as a sample of (10) items from the officials and the stability factor was (0.88), which is an appropriate level for statistical stability.
- The level of economic and social responsibility of the Small Enterprise Development Agency can be determined, **as follows:**

Table No (1) Averages levels for the study dimensions

If value for the phrase or dimension ranges from 1 to 1.67	low level
If value for the phrase or dimension ranges from 1.68 to 2.34	Medium level
If value for the phrase or dimension ranges from 2.35 to 3	High level

Statistical Analysis Methods:

Data were collected from 12/6/2024 to 01/28/2025, then the data was processed through the computer using the program (SPSS.V. 24.0) Statistical Packages for Social Sciences, and the following statistical methods were applied: Frequencies and percentages, The arithmetic mean, standard deviation, range, the Spearman - Brown equation for half-segmentation and simple regression analysis, Pearson correlation coefficient, coefficient of determination, (T) test of two independent samples, and one-way analysis of variance.

Results of the field study:

The First Axis: Description of the Study Population:

(1) Description of the beneficiaries of the study population:

Table No (2) Description of the beneficiaries of the study population (N=128)

N	Quantitative variables	Mean	Std. D
1	Age	37	4
N	Gender	Frequency	Percent
1	Male	82	64.1
2	Female	46	35.9
	Total	128	100
N	Educational level	Frequency	Percent
1	Middle Certification	24	18.8
2	bachelors degree	70	54.7
3	Postgraduate diploma	14	10.9
4	Master	20	15.6
	Total	128	100

Table No (2) shows that:

- The average age of the beneficiaries is (37) years, and a standard deviation is (4) years.
- The largest percentage of beneficiaries is males (64.1%), while females (35.9%).
- The largest percentage of the beneficiaries have a university degree (54.7%), followed by an intermediate qualification (18.8%), then a master's degree (15.6%), and finally a postgraduate diploma (10.9%).

(2) Description of the officials responsible for the study population:

Table No (3) Description of the officials responsible for the study population (N=40)

N	Quantitative variables	Mean	Std. D
1	Age	49	5
2	Years of work experience	19	3
N	Gender	Frequency	Percent
1	Male	30	75
2	Female	10	25
Total		40	100
N	Qualification	Frequency	Percent
1	bachelors degree	26	65
2	Postgraduate diploma	6	15
3	Master	8	20
Total		40	100
N	Career	Frequency	Percent
1	Manager	2	5
2	Deputy Director	2	5
3	Loan Officer	6	15
4	Program and projects official	12	30
5	Marketing Officer	8	20
6	Administrative	10	25
Total		40	100

Table No (3) shows that:

- The average age of officials is (49) years, with a standard deviation (5) years approximately.
- The largest percentage of officials are males (75%), while females (25%).
- The largest percentage of officials have a university degree (65%), followed by a master's degree (20%), and finally a postgraduate diploma (15%).

- The largest percentage of officials have a program and projects official at a rate (30%), followed by an administrator (25%), and finally a director and deputy director at a rate (5%).

The Second Axis: Testing the Study Hypotheses:

- (1) **Test the first hypothesis of the study: "It is expected that the level of economic and social responsibility of the Small Enterprise Development Authority will be high":**

Table No (4) The level of economic and social responsibility of the Small Enterprise Development Agency as a whole

N	The Dimensions	Beneficiaries (N=128)			Officials (N=40)		
		Mean	Std. D	Arrange	Mean	Std. D	Arrange
1	Training and operation	2.61	0.49	2	2.68	0.3	6
2	Establishing projects	2.68	0.45	1	2.99	0.04	1
3	Entrepreneurship	2.46	0.48	5	2.84	0.22	2
4	Finance	2.58	0.48	4	2.81	0.22	3
5	Technical support	2.6	0.49	3	2.73	0.31	5
6	Marketing	2.38	0.45	6	2.81	0.31	4
All Variable		2.55	0.34	H - Level	2.81	0.15	H - Level

Table No (4) shows that:

- The level of economic and social responsibility of the Small Enterprise Development Agency as a whole, as defined by the beneficiaries, is high, as the arithmetic average reached (2.55), and the indicators for that are according to the arithmetic average arrangement: the first order is the establishment of projects with an arithmetic average (2.68), followed by the second order training and employment with an arithmetic average (2.61), and finally The sixth ranking, Marketing, with a mean (2.38).
- The level of economic and social responsibility of the Small Enterprise Development Agency as a whole, as determined by the officials, is high, as the arithmetic average is (2.81), and the indicators for that are according to the arithmetic mean order: the first order is the establishment of projects with an arithmetic average (2.99), followed by the second order entrepreneurship with a mean (2.84), and finally The sixth ranking, training and employment, with a mean (2.68).
- Which makes us accept the first hypothesis of the study, which is that "the level of economic and social responsibility of the Small Enterprise Development Authority is expected to be high."
- The results of this table are agrees with the study (Campbell 2016 and Baldin 2018) which confirmed the supporting of the

government to reduce poverty by establishing the devices and providing the services.

- (2) **Test the second hypothesis of the study: "It is expected that the level of poverty alleviation for the beneficiaries of the Small Enterprise Development Authority will be high":**

Table No (5) The level of poverty alleviation for the beneficiaries of the Small Enterprise Development Agency as a whole

N	The Phrases	Beneficiaries (N=128)			Officials (N=40)		
		Mean	Std. D	Arrange	Mean	Std. D	Arrange
1	The agency contributes to providing new job opportunities for young people	2.61	0.55	4	2.8	0.41	2
2	The agency contributes to increasing the economic status of youth	2.63	0.55	3	2.75	0.44	3
3	The agency contributes to increasing the ability of young people to face their economic problems	2.66	0.57	1	2.75	0.44	3
4	The device contributes to improving household income	2.58	0.61	5	2.8	0.41	2
5	The device contributes to increasing the ability of young people to save part of their income	2.52	0.71	6	2.25	0.79	5
6	The device contributes to paying the youth's debts	2.33	0.74	8	1.6	0.88	7
7	The device contributes to increasing youth savings	2.34	0.74	7	1.8	0.89	6
8	The device contributes to providing suitable housing for young people	2.28	0.72	9	1.5	0.83	8
9	The device contributes to increasing the youth's sense of economic security	2.64	0.65	2	2.55	0.51	4
10	The agency contributes to raising the standard of living of young people from the proceeds of projects	2.64	0.65	2	3	0	1
All Variable		2.52	0.49	H - Level	2.38	0.37	H - Level

Table No (5) shows that:

- The level of poverty alleviation for the beneficiaries of the Small Enterprise Development Authority as a whole as determined by the beneficiaries is high, where the arithmetic average is (2.52), and the indicators for that are according to the

arrangement of the arithmetic average: the first order the agency contributes to increasing the ability of young people to face their economic problems with an average of (2.66), followed by The second order, the agency contributes to increasing the youth's sense of economic security, and the agency contributes to raising the standard of living of young people from the return of projects with an average (2.64), and finally in the ninth order, the agency contributes to providing suitable housing for young people with an average (2.28).

- The level of poverty alleviation for the beneficiaries of the Small Enterprise Development Authority as a whole as determined by the officials is high, with the arithmetic average (2.38), and the indicators for that according to the arithmetic average arrangement: the first order The agency contributes to raising the standard of living of young people from the return of projects with an average of (3), followed by The second order, the agency contributes to providing new job opportunities for young people, and the agency contributes to improving family income with an average of (2.8), and finally the arrangement the agency contributes to providing suitable housing for young people with an average of (1.5).
- Which makes us accept the second hypothesis of the study, which is that the level of poverty alleviation for the beneficiaries of the Small Enterprise Development Agency is expected to be high.
- The results of this table are agrees with the study of (Opafunso 2014 and Jung 2015) that goals to reduction the poverty by providing and increase the projects for young people.

Test the third hypothesis of the study: "There is a direct, statistically significant, positive relationship between the economic and social responsibility of the Small Enterprise Development Agency and poverty alleviation":

Table No (6) Simple regression analysis of the relationship between the Small Enterprise Development Agency's economic and social responsibility and poverty alleviation (N=128)

Independent variable	Regression coefficient B	T-Test	F-Test	R	R ²
Dimensions of economic and social responsibility as a whole	0.912	6.452**	41.627**	0.634**	0.402

** significant at (0.01)

* significant at (0.05)

Table No (6) shows that:

Simple regression analysis of the relationship between the economic and social responsibility of the Small Enterprise Development Agency and poverty alleviation as defined by the beneficiaries:

- The value of the correlation coefficient between the independent variable “economic and social responsibility of the Small Enterprise Development Agency as a whole” and the dependent variable “Poverty Reduction as a whole” (0.634), which is a statistically significant level (0.01), and indicates the existence of a direct correlation between the two variables.
- The result of (F) test (F = 41.624, Sig = 0.000) indicates the significance of the regression model, and the value of the coefficient of determination was (0.402), meaning that the economic and social responsibility of the Small Enterprise Development Organization as a whole explains (40.2%) of the changes in poverty alleviation as a whole..
- The value of the regression coefficient was (0.912), which indicates the existence of a direct relationship between the independent variable and the dependent variable, and the result of T-test (T = 6.452, Sig = 0.000) indicates that the effect of the independent variable on the dependent variable is a significant and statistically significant effect when Significant level (0.01).
- Which makes us accept the third hypothesis of the study, which is that "there is a positive, statistically significant relationship between the economic and social responsibility of the Small Enterprise Development Agency and poverty alleviation."
- The results of this table agrees with study of (Kao 2016 and Medina 2020) which revolves around the economic and social

responsibility of the government to eradicate poverty through small enterprises.

- (3) **The Fourth Axis: proposals for activating the contributions of the economic and social responsibility of the Small Enterprise Development Agency in poverty alleviation:**

Table No (7) the level of difficulties facing the small enterprise economic and social responsibility contributions to poverty alleviation

N	The Phrases	Beneficiaries (N=128)			Officials (N=40)		
		Mean	Std. D	Arrange	Mean	Std. D	Arrange
1	Difficulty in obtaining adequate financing for small projects	1.69	0.66	6	1.05	0.22	8
2	Decrease in the value of funding allocated to small projects	1.77	0.83	1	1.05	0.22	8
3	The relatively high interest rates on loans directed to small enterprises	1.69	0.71	7	1.1	0.31	7
4	Weak ability of the beneficiaries to conduct a feasibility study for projects in a scientific way	1.72	0.79	5	1.6	0.68	5
5	Lack of experience required for young people to operate and manage small enterprises	1.59	0.77	10	1.95	0.6	1
6	The weak ability of young people to market their products	1.64	0.78	9	1.95	0.6	1
7	Weak cooperation between the various authorities for licensing small projects	1.66	0.88	8	1.7	0.57	2
8	The lack of media programs that contribute to the development of youth thinking towards self-employment	1.77	0.85	2	1.65	0.59	3
9	The weak role of business incubators in helping small business owners	1.73	0.82	3	1.65	0.67	4
10	Weak technical support provided to defaulting small business owners	1.72	0.77	4	1.35	0.49	6
All Variable		1.7	0.64	M - Level	1.51	0.27	L - Level

Table No (7) shows that:

- The level of difficulties facing the economic and social responsibility contributions of the Small Enterprise Development Agency in poverty alleviation as defined by the beneficiaries is average, where the arithmetic mean is (1.7), and the indicators of that are according to the arithmetic average

arrangement: The first order is the decrease in the value of the funding allocated to small projects with an average of (1.77), and with a deviation Standard (0.83), followed by the second order, the lack of media programs that contribute to the development of youth thinking towards self-employment, with an average (1.77), a standard deviation (0.85), and finally, the tenth rank, the weakness of the experience required for young people to operate and manage small enterprises with an average of (1.59).

- The level of difficulties facing the economic and social responsibility contributions of the Small Enterprise Development Agency in poverty alleviation, as determined by officials, is low, as the mean is (1.51), and the indicators of this are according to the arrangement of the arithmetic mean: the first order is the weakness of the experience needed for young people to operate and manage small enterprises, and the weak ability of young people to Marketing their products with an arithmetic average (1.95), followed by the second order, the weak cooperation between the different agencies for licensing small projects with a mean of (1.7), and finally the eighth ranking, the difficulty of obtaining appropriate financing for small projects, and the low value of the funding allocated to small projects with an average of (1.05).

Table No (8) the level of proposals for activating the contributions of the economic and social responsibility of the Small Enterprise Development Agency to alleviate poverty

N	The Phrases	Beneficiaries (N=128)			Officials (N=40)		
		Mean	Std. D	Arrange	Mean	Std. D	Arrange
1	Simplify procedures for obtaining appropriate financing for small projects	2.58	0.71	5	2.35	0.88	6
2	Increase the value of funding allocated to small projects	2.64	0.6	1	2.35	0.93	7
3	Reducing interest rates on loans directed to small businesses	2.56	0.56	7	2.55	0.83	5
4	Developing the skills of the beneficiaries to conduct a feasibility study for projects in a scientific way	2.47	0.73	9	2.65	0.75	4
5	Increase the expertise needed for	2.44	0.73	10	2.85	0.37	2

N	The Phrases	Beneficiaries (N=128)			Officials (N=40)		
		Mean	Std. D	Arrange	Mean	Std. D	Arrange
	young people to operate and manage small enterprises						
6	Developing young people's ability to market their products	2.58	0.64	4	2.85	0.37	2
7	Increasing cooperation between the various authorities for licensing small projects	2.61	0.66	2	2.8	0.41	3
8	Paying attention to media programs that contribute to the development of youth thinking towards self-employment	2.58	0.61	3	2.8	0.41	3
9	Developing the role of business incubators in helping small business owners	2.47	0.56	8	2.9	0.31	1
10	Paying attention to the technical support provided to defaulting small business owners	2.56	0.53	6	2.9	0.31	1
All Variable		2.55	0.4	H - Level	2.7	0.35	H - Level

Table No (8) shows that:

- The level of proposals to activate the contributions of the economic and social responsibility of the Small Enterprise Development Agency to poverty alleviation as determined by the beneficiaries is high, where the arithmetic average is (2.55), and the indicators of that are according to the arrangement of the arithmetic average: The first order is to increase the value of the funding allocated to small projects with an average of (2.64), followed by the second is the increase in cooperation between the various authorities to license small projects with a mathematical average (2.61), and finally the tenth arrangement is to increase the expertise required for young people to operate and manage small enterprises with an average of (2.44).
- The level of proposals to activate the contributions of the economic and social responsibility of the Small Enterprise Development Agency in poverty alleviation as determined by the officials is high, as the arithmetic mean is (2.7), and the indicators of this according to the arrangement of the arithmetic mean: the first order The development of the role of business incubators in helping the owners of small enterprises, and the interest in the technical support provided For defaulted owners

of small enterprises with a mean of (2.9), followed by the second order to increase the expertise needed for young people to operate and manage small enterprises, to develop the ability of young people to market their products with an average of (2.85), and finally in the seventh order to increase the value of funding allocated to small projects with an average of (2.35).

Discussion:

The current study aimed to achieve a set of goals and identified a set of hypothesis that measure the achievement of these goals. The hypotheses were verified through the field study on the officials of the small Enterprise Development Authority in Cairo as a comprehensive inventory, as well as an appropriate sample of the beneficiaries that could be reached.

So we find the first goal Determine the level of economic and social responsibility of the small Enterprise Development Agency, the hypothesis that measures is the first hypothesis and it is expected that the level of economic and social responsibility of the small Enterprise Development Authority will be high, the hypothesis was proven correct, as the arithmetic average of the agency's liability level reached an appropriate level (refer to table No. 4) as it became clear that the agency had appropriate roles in training, operation, financing and marketing. These results are consistent with study of each of (Campbell 2016 and Baldin 2018).

The second objective has been identified the determine the level of poverty alleviation for the beneficiaries of the small Enterprise Development Agency and Tested it through the second hypothesis and it is expected that the level of poverty alleviation for the beneficiaries of the small Enterprise Development Authority will be high, the hypothesis has been proven correct through field study and statistical transaction (refer to table No. 5) where the arithmetic average of the poverty alleviation level for the beneficiaries of the agency was an appropriate level, whether from the opinions of the beneficiaries or officials, as the agency provides new job opportunities for young people and poverty alleviation, and the study agrees with (Opafunso 2014 and Jung 2015).

And the third goal has been identified in identify the difficulties facing the economic and social responsibility contributions of the small Enterprise Development Agency in poverty alleviation and it is tested through the third hypothesis of the study "there is a positive statistically significant positive, relationship between the economic and social responsibility of the small Enterprise Development Agency and poverty

alleviation and the third hypothesis was accepted (refer to table No. 6), as it was statistically proven through the correlation and this is agree with the study of (Kao 2016, Madina 2020 and Rami 2015).

These results are consistent with the theoretical orientation of the study, as it becomes clear to us that the Small Enterprises Authority has played its role with the beneficiaries in facing the problem of poverty, and it also agrees with the appropriate strategy, which is the planned change, as it becomes clear that the agency sought to bring about change and confront the problem of poverty as an expression of the organ's economic and social responsibility towards the beneficiaries.

The Economic and Social Responsibility of the Small Enterprise Development Agency in Egypt and Other Countries

Small and medium-sized enterprises (SMEs) represent a vital component of modern economies due to their significant contributions to employment generation, poverty reduction, and economic diversification. In both developed and developing countries, SMEs are increasingly recognized not only for their economic importance but also for their role in enhancing social equity and fostering inclusive growth. Accordingly, many national development agencies have adopted comprehensive strategies to support SMEs through financial, technical, and regulatory mechanisms. This study investigates the economic and social responsibilities of small enterprise development agencies in three countries—Egypt, Malaysia, and Japan—highlighting their respective policy approaches, institutional roles, and development outcomes. The comparative analysis aims to identify best practices and explore how these agencies contribute to sustainable development through the dual lens of economic performance and social impact.

1. Small Enterprise Development in Egypt: Economic and Social Responsibilities

1.1 Economic Responsibilities

1.1.1 Enhancing Economic Growth

SMEs in Egypt are instrumental in driving economic expansion, contributing significantly to the national gross domestic product (GDP)...

1.1.2 Job Creation

One of the agency's primary objectives is to mitigate unemployment—especially among youth and women—by supporting the establishment and growth of labor-intensive small enterprises...

1.1.3 Regional Development

In alignment with spatial equity objectives, SMEDA promotes the establishment of SMEs in economically marginalized and rural areas...

1.1.4 Export Promotion

The agency actively supports export-oriented small enterprises, particularly in non-petroleum sectors...

1.2 Social Responsibilities

1.2.1 Poverty Reduction

By improving access to finance and offering technical assistance to micro and small enterprises, SMEDA contributes to income generation for low-income families...

1.2.2 Women's Economic Empowerment

Recognizing the pivotal role of women in economic development, the agency has established targeted programs to support women-led enterprises...

1.2.3 Community Development

Through the localization of production and service delivery, SMEs supported by SMEDA contribute directly to community development...

1.2.4 Improving Quality of Life

Beyond employment generation, SMEs also improve citizens' quality of life by expanding access to goods and services...

1.3 Institutional Instruments and Strategic Initiatives

To realize its economic and social objectives, SMEDA employs a range of integrated mechanisms, including...

2. Small Enterprise Development in Malaysia: Economic and Social Responsibilities

2.1 Economic Responsibilities

2.1.1 Supporting SME Expansion

MSDA provides comprehensive financial and technical support to SMEs, facilitating their growth and integration into value chains...

2.1.2 Employment Generation

By encouraging the creation and expansion of small businesses, the agency directly contributes to job creation...

2.1.3 Fostering Innovation and Entrepreneurship

Malaysia's SME strategy places strong emphasis on nurturing innovation through entrepreneurship...

2.1.4 Enhancing Competitiveness

To position Malaysian SMEs competitively in both regional and global markets, the agency promotes digital transformation...

2.2 Social Responsibilities

2.2.1 Poverty Alleviation

MSDA targets low-income segments by supporting income-generating activities through micro-enterprise development...

2.2.2 Promoting Equal Opportunity

A hallmark of Malaysia's SME development policy is its commitment to inclusivity...

2.2.3 Local Community Empowerment

Through the promotion of community-based enterprises and rural entrepreneurship, MSDA strengthens local economies...

2.2.4 Advancing Sustainable Development

Environmental sustainability is a core component of SME support in Malaysia...

2.3 Institutional Approaches and Policy Instruments

To operationalize its mandate, MSDA employs a diverse range of strategies...

3. Small Enterprise Development in Japan: Economic and Social Responsibilities

3.1 Economic Responsibilities

3.1.1 Employment Generation

SMEs in Japan account for a significant portion of total employment, particularly in manufacturing, retail, and services...

3.1.2 Economic Growth Stimulation

By fostering a dynamic ecosystem of small enterprises, Japan enhances its GDP through innovation-driven production...

3.1.3 Investment Promotion

The agency supports private investment in SMEs through targeted incentives, credit guarantees, and startup support mechanisms...

3.2 Social Responsibilities

3.2.1 Poverty Reduction and Income Stabilization

SMEs contribute to poverty alleviation by providing accessible income-generating opportunities...

3.2.2 Local Community Revitalization

The agency supports small businesses that serve local markets and utilize local resources...

3.2.3 Fostering Social Innovation

Japanese SMEs play a prominent role in developing innovative solutions to social issues...

3.3 Institutional Mechanisms and Strategic Policies

Japan's small business support strategy is highly structured and guided by a long-term vision...

4. Comparative Analysis: Economic and Social Roles of SME Development Agencies in Egypt, Malaysia, and Japan

4.1 Economic Role Comparison

Employment Creation: All three countries prioritize job creation as a key objective of SME support...

Support for Economic Growth: The agencies in all countries consider SMEs essential for GDP growth and structural transformation...

Investment and Competitiveness: Japan and Malaysia provide structured incentives to attract private investment...

4.2 Social Role Comparison

Poverty Alleviation and Income Generation: In all three cases, SME development agencies are instrumental in reducing poverty...

Empowerment and Inclusion: Malaysia and Egypt actively promote social inclusion by supporting women, youth, and marginalized communities...

Local Development and Sustainability: All three countries view SMEs as vehicles for local development...

5. Conclusion and Policy Recommendations

The comparative analysis underscores the multifaceted role of SME development agencies in advancing both economic and social goals...

Policy Recommendations:

1. For Egypt: Strengthen innovation capacity within SMEs by investing in technology hubs and expanding partnerships...
2. For Malaysia: Enhance long-term sustainability by deepening environmental standards for SMEs...
3. For Japan: Expand the internationalization of SMEs through stronger export facilitation tools...

Recommendations:

The current study recommends:

- 1- Simplify procedures for obtaining appropriate financing for small projects.
- 2- Paying attention to media programs that contribute to the development of youth thinking towards self-employment.
- 3- Developing the role of business incubators in helping small business owners.
- 4- Increase the expertise needed for young people to operate and manage small enterprises.

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