



Effectiveness of Small and Micro Enterprises in Achieving Development

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Abstract

This research aimed to assess the level of satisfaction among respondents with small and micro enterprises in the study area, identify the degree to which these enterprises motivate their owners, determine the extent of their development, and evaluate their capacity to contribute to social development. It also sought to examine the relationships between selected independent variables and each of the following: satisfaction, motivation, development, and capacity for social development. The research was conducted on a sample of 378 owners of small and micro enterprises in Luxor Governorate. Data were collected through personal interviews using a structured questionnaire. Frequencies, percentages, arithmetic means, Chi-square tests, and Spearman's correlation coefficients were employed in the analysis. The main findings revealed that the levels of satisfaction, motivation, development, and perceived capacity of small and micro enterprises to achieve social development were all high. This indicates the effectiveness of these enterprises in improving the social dimensions of beneficiaries' lives. Results also showed significant relationships between several independent variables and each of the following: satisfaction, motivation, development, and perceived capacity of small and micro enterprises in achieving social development at the 0.05 and 0.01 levels of significance.

Keywords: Effectiveness; Small and Micro enterprises; Social Development.

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1. Introduction

Development is one of the most central issues that has drawn significant global attention, especially in developing countries. Interest in development increased after World War II due to profound transformations during that period, most notably the rise of national independence movements and the urgent need for newly independent societies to promote both economic and social development [1]. Developing countries around the world have experienced difficult economic and social conditions characterized by low national income, low per capita income, and widespread poverty and unemployment—conditions that give rise to numerous social and health problems [2]. Development has therefore become a goal pursued by both developing and advanced societies, aiming to secure a better life for their populations. Human beings are the core and ultimate objective of development; the progress of any society depends on its ability to invest in human potential and capabilities, enabling faster and more effective development and generating greater returns [3].

Development is thus an essential process that enables societies to move from a lower to a higher level through comprehensive transformations across economic, social,

cultural, and political dimensions. As such, development represents a fundamental turning point for every human society, ensuring stability and progress [4]. Development can be defined as a comprehensive investment process aimed at improving sectors and systems that directly affect local communities, such as education, public health, housing, and social care. The returns on these investments are then directed toward various economic activities within society [5]. The goal of development is to enhance individuals' living standards at both the local and national levels, drawing on the contributions of all fields and disciplines concerned with development. It is therefore considered a fundamental tool for national progress and citizens' welfare [6,7].

Development also seeks to fulfill the aspirations of community members by helping societies transition to more advanced stages, adapting to human needs and local socio-economic conditions [4]. In Egypt, development is a key societal concern, serving as an indicator of the nation's ability to secure a better future for its citizens. This requires strengthening the role of civil society organizations and NGOs in promoting comprehensive development and addressing poverty and unemployment [8]. The Egyptian

government has given considerable attention to achieving development across economic, social, political, and cultural sectors, emphasizing the integration of governmental, private sector, and civil society efforts [8]. Within the context of economic liberalization, the government has increasingly promoted small and micro enterprises as a mechanism for driving comprehensive community development due to their ability to create employment opportunities, increase production, and contribute to national income [9]. In recent years, the Egyptian society has witnessed major economic and technological transformations, including economic reform policies and efforts to strengthen small enterprises so they can effectively contribute to community development [10]. Contemporary studies have shown that small and micro enterprises significantly contribute to societal progress and national income, and are increasingly able to participate in regional and international markets. Despite these achievements, many obstacles still hinder their progress [11]. Small and micro enterprises represent a major economic pillar in many countries, particularly developing ones, due to their strong current and potential growth rates and their substantial influence on economic and social conditions [12]. These enterprises play a major role in improving productivity, generating income, and creating employment for low-skilled workers—thus serving as a key driver of economic development in local communities [13]. Given their contribution to expanding productive capacity and alleviating poverty and unemployment by absorbing surplus labor, attention to small and micro enterprises has become imperative [14].

Local communities are the most vulnerable to economic and social challenges—such as poverty and unemployment—and the inability to cope with the resulting crises. Luxor Governorate represents a clear example of these challenges, with a poverty rate of 55.3%, ranking third after Assiut and Sohag and an unemployment rate of 16.2% among males and females across educational levels [15]. Against this backdrop, small and micro enterprises are seen as one of the most effective mechanisms for driving social and economic development in Egypt. Despite their importance, uncertainty remains regarding their effectiveness in addressing local development needs. Hence arises the research problem: assessing the extent to which small and micro enterprises contribute to social development in Luxor Governorate.

This research seeks to answer the following questions:

1. What is the level of respondents' satisfaction with small and micro enterprises?
2. What is the level of motivation these enterprises provide to their owners?
3. What is the level of development achieved by these enterprises?
4. To what extent do these enterprises contribute to social development?
5. What is the relationship between selected independent variables and levels of satisfaction?
6. What is the relationship between selected variables and levels of motivation?
7. What is the relationship between these variables and levels of development?

8. What is the relationship between these variables and the perceived capacity of enterprises to achieve social development?

Research Objectives

The primary objective of this research is to examine the effectiveness of small and micro enterprises in achieving social development. This is accomplished through the following sub-objectives:

1. Determine the level of satisfaction among enterprise owners.
2. Assess the degree of motivation provided by small and micro enterprises.
3. Identify the extent of development achieved by these enterprises.
4. Evaluate their capacity to promote social development.
5. Examine the relationships between selected independent variables and satisfaction.
6. Examine relationships between variables and motivation.
7. Examine relationships between variables and enterprise development.
8. Examine relationships between variables and the capacity to achieve social development.

2. Materials and Methods

2.1. Research Methodology

2.1.1. Geographical Area

This research was conducted in Luxor Governorate in Upper Egypt, situated between Qena (north) and Aswan (south). The governorate includes seven administrative districts—four on the eastern bank and three on the western bank—with 55 villages and hamlets. Its population is 1,423,279, and its area is 29,596 km² (Micro, Small and Medium Enterprise Development Agency, 2025). Luxor is one of the governorates with the highest poverty and unemployment rates—55.3% and 16.2%, respectively [15].

2.1.2. Research Population and Sample

All administrative districts in Luxor were reviewed, after which the largest four in terms of the number of small and micro enterprises were selected: Luxor, Armant, Esna, and El-Tod. Two villages were selected from each district using the same criterion: Luxor & Karnak (Luxor district); Armant El-Wabourat & Armant El-Heet (Armant district); El-Deir & Esna (Esna district); El-Adsas Bahri & El-Tod (El-Tod district).

A full listing of enterprises in these villages revealed a total of 24,741 small and micro enterprises. Using Krejcie and Morgan's sample size formula, a sample of 378 enterprises was selected. The sample was proportionately allocated across the villages chosen (Table 1). Data for this research were collected between March and May 2025. data collected from owners of small and micro enterprises were coded, tabulated, and prepared for statistical analysis. Below is a presentation of the variables included in the questionnaire and the methods used to measure them.

Table (1): Distribution of the Research Population and Sample

District	Village	Number of Enterprises	%	Sample
Luxor	Luxor	6,680	27%	102
	Karnak	1,977	8%	30
Armant	Armant El-Wabourat	823	3.3%	12
	Armant El-Heet	2,125	8.6%	33
Esna	Esna	4,145	16.8%	64
	El-Deir	3,614	14.6%	55
El-Tod	El-Adsas Bahri	1,660	6.7%	25
	El-Tod	3,717	15%	57
Total	—	24,741	100%	378

Source: Micro, Small and Medium Enterprise Development Agency (2025)

(A) Independent Variables

The questionnaire included twelve independent variables. These variables and their measurement approaches are as follows:

1. Age

Measured by asking respondents about their age at the time of data collection. Raw age values ranged from 20 to 76 years. Respondents were classified into three age groups:

20–38 years, 39–57 years, and 58–76 years.

2. Household Size

Measured as the total number of individuals in a respondent’s family at the time of data collection. Values ranged from 1 to 12 members. Respondents were grouped into: small (1–4), medium (5–8), and large households (9–12).

3. Gender

Categorized into male and female. Codes assigned: male (2), female (1).

4. Marital Status

Measured by asking respondents to report their marital status. Four categories were used with assigned codes: single (1), married (2), divorced (3), widowed (4).

5. Educational Level

Measured through respondents’ reported education level. Categories and codes assigned: Illiterate (1), basic literacy (2), intermediate (3), above-intermediate (4), university and above (5).

6. Occupation

Measured by asking respondents about their main occupation at the time of data collection. Categories and codes: unemployed (1), government employee (2), private sector employee (3).

7. Type of Enterprise

Measured by asking respondents about the nature of their enterprise. Categories and codes: commercial (1), agricultural (2), industrial (3), service (4), other (5).

8. Enterprise Duration

Measured by asking respondents how long their enterprise had been operating. Categories and codes: less than 1 year (1), 1–3 years (2), 4–6 years (3), more than 6 years (4).

9. Number of Employees

Measured as the total number of workers in the enterprise. Categories and codes: individual (1), 2–5 workers (2), 6–10 workers (3), more than 10 workers (4).

10. Enterprise Management

Measured by identifying the person responsible for managing the enterprise. Categories and codes: self-managed (1), paid manager (2), one of the partners (3), others (4).

11. Source of Funding

Measured by asking respondents about the primary source of enterprise financing. Categories and codes: self-financed (1), bank loan (2), civil society organization (3), others (4).

12. Continuity of the Enterprise

Measured by asking whether respondents intended to continue their enterprise. Codes: yes (2), no (1).

(B) Dependent Variables

Social Development

Measured through 40 statements representing four indicators:

- Satisfaction (responses: satisfied, somewhat satisfied, dissatisfied)
- Motivation (high, medium, low)
- Development (always, sometimes, rarely)
- Capacity to Achieve Social Development (can, somewhat can, cannot)

2.2. Research Hypotheses

2.2.1. For Objective 5:

There is no relationship between the studied independent variables and respondents' level of satisfaction with small and micro enterprises.

2.2.2. For Objective 6:

There is no relationship between the studied independent variables and the level of motivation provided by small and micro enterprises.

2.2.3. For Objective 7:

There is no relationship between the studied independent variables and the level of development achieved through small and micro enterprises.

2.2.4. For Objective 8:

There is no relationship between the studied independent variables and the enterprises' capacity to achieve social development.

2.3. Operational Definitions

2.3.1. Small Enterprises

In this research, small enterprises refer to any establishment or individual venture operating in commercial, agricultural, service, or industrial activities and providing employment opportunities that help reduce unemployment and improve living standards.

2.3.2. Effectiveness

Effectiveness refers to the extent to which small and micro enterprises achieve their intended objectives. It is measured through four primary indicators: satisfaction, motivation, social improvement, and capacity to achieve social development.

2.4. Statistical Analysis Tools

Data were analyzed using frequencies, percentages, weighted means, Chi-square tests, and Spearman's correlation coefficients. The SPSS (Statistical Package for Social Sciences) was used to perform all analyses.

3. Results and Discussion

3.1. Description of the Research Sample

The results presented in Table 2 indicate the following: more than half of the respondents (52.8%) are aged between 20 and 38 years, and the majority of respondents (63%) are married. More than half of the respondents (54.8%) live in small households, while nearly 40.7% live in medium-sized households. The vast majority of respondents (79.4%) are male, and over one-third (38.9%) have a secondary education level. Most respondents (68.3%) are unemployed, and approximately half of the respondents (49.2%) are engaged in commercial projects.

Table 2: Numerical and Percentage Distribution of Respondents According to Their Personal, Social, and Economic Characteristics (N=378)

No.	Variable	Number	%	No.	Variable	Number	%
1	Age: 20–38	197	52.1%	7	Project Type: Commercial	186	49.2%
	39–57	152	40.2%		Agricultural	32	8.5%
	58–79	29	7.7%		Industrial	92	24.3%
2	Family Size: 1–4	207	54.8%		Service	44	11.6%
	5–8	154	40.7%		Other	24	6.4%
	9–12	17	4.5%	8	Project Duration: <1 year	21	5.6%
3	Gender: Male	300	79.4%		1–3 years	88	23.2%
	Female	78	20.6%		4–6 years	35	9.3%
4	Marital Status: Single	78	20.6%		>6 years	234	61.9%
	Married	276	73%	9	Number of Employees: Individual	204	54%
	Divorced	15	4%		2–5	140	37%
	Widowed	9	2.4%		6–10	26	6.9%
5	Education Level: Illiterate	34	9%		>10	8	2.1%
	Literate	51	13.5%	10	Project Management: Owner	290	76.7%
	Secondary	147	38.9%		Paid Manager	28	7.4%
	Post-secondary	43	11.4%		Partner	47	12.5%
	University or higher	103	27.2%		Other	13	3.4%
6	Occupation: Unemployed	258	68.3%	11	Funding Source: Self-funded	123	32.5%
	Government	40	10.3%		Bank Loan	60	15.9%
	Private sector	80	21.2%		Charitable Association	140	37%
					Other	55	14.6%
				12	Continuity: Yes	368	97.4%
					No	10	2.6%

Source: Survey Questionnaire

The results also show that more than half of the projects (61.9%) have been in operation for six years. The majority of project management (54%) is handled solely by the project owners. All project owners (100%) received funding, with more than one-third (37%) obtaining it from charitable associations. Additionally, the vast majority of respondents (97.4%) expressed their desire to continue their projects.

3.2. Respondents' Satisfaction with Micro and Small Enterprises in Achieving Social Development

To assess the level of respondents' satisfaction regarding the contribution of small and micro enterprises to social development, the weighted mean for each of the studied statements was calculated and ranked in descending order (Table 3). The highest-ranked statements were: "Small enterprises increase individuals' sense of social responsibility" and "Small enterprises enhance individuals' social responsibility toward their community", both with a weighted mean of 2.86. These were followed by the statement: "Small enterprises help address unemployment and alleviate poverty" with a weighted mean of 2.85. Near the bottom of the ranking, respondents indicated that "Small enterprises provide opportunities for recreational and social activities" with a weighted mean of 2.19. The lowest-ranked statement was: "Small and micro enterprises allow youth to achieve higher income compared to government jobs", with a weighted mean of 2.15. Respondents were then categorized into three groups based on their level of satisfaction with the role of small and micro enterprises in achieving social development (Table 4). The results show that more than half of the respondents (57.4%) reported a high level of satisfaction, while 38.9% reported a moderate level of satisfaction. Only 3.7% expressed a low level of satisfaction with the contribution of small and micro enterprises to social development.

3.3. Degree of Motivation Induced by Micro and Small Enterprises in Achieving Social Development

To assess the degree to which respondents are motivated by small and micro enterprises in contributing to social development, the weighted mean of each studied statement was calculated and ranked in descending order (Table 5). The highest-ranked statement was: "Small enterprises increase individuals' sense of social responsibility", with a weighted mean of 2.77, followed by the statement: "Small enterprises enhance individuals' social responsibility toward their community", with a weighted mean of 2.76. At the lower end of the ranking, respondents indicated that "Small enterprises improve relationships between community members and official institutions" with a weighted mean of 2.19, while the lowest-ranked statement was: "Small and micro enterprises provide opportunities for recreational and social activities", with a weighted mean of 2.16. Respondents were further classified into three categories according to their level of motivation toward small and micro enterprises in achieving social development (Table 6). The results reveal that more than three-fifths of the respondents (60.8%) demonstrated a high level of motivation

toward such enterprises, while 36% reported a moderate level of motivation. Only 3.2% showed a low level of motivation toward the role of small and micro enterprises in achieving social development.

3.4. Degree of Development Resulting from Small and Micro Enterprises in Achieving Social Development

To assess the degree of development experienced by respondents as a result of engaging in small and micro enterprises and their contribution to achieving social development, the weighted mean for each studied statement was calculated and ranked in descending order (Table 7). The highest-ranked statement was: "Small enterprises help eliminate the idle time associated with unemployment", with a weighted mean of 2.78, followed by: "Small enterprises enhance individuals' sense of social responsibility toward their community", with a weighted mean of 2.76. At the lower end of the ranking, the statement "Small enterprises provide opportunities for recreational and social activities" ranked second to last with a weighted mean of 2.16, while the lowest-ranked statement was: "Small and micro enterprises enable youth to achieve higher income compared to government jobs", with a weighted mean of 2.15. Respondents were subsequently categorized into three groups based on their level of development resulting from participation in small and micro enterprises in achieving social development (Table 8). The results indicate that more than two-thirds of the respondents (70.1%) reported a high level of development, while 27.8% exhibited a moderate level of development. Only 2.1% reported a low level of development resulting from their engagement in small and micro enterprises.

3.5. The Capacity of Small and Micro Enterprises to Achieve Social Development in Achieving Social Development

To assess the capacity of small and micro enterprises to achieve social development, the weighted mean of each studied item was calculated and ranked in descending order according to the weighted mean (Table 9). At the top, respondents indicated that small enterprises can establish many positive relationships within the village, with a weighted mean of 2.77. This is followed by the ability of these enterprises to help mitigate the social idle time caused by unemployment, with a weighted mean of 2.75. Near the bottom, respondents noted that small and micro enterprises provide opportunities for recreational and social activities (weighted mean 2.22), and at the very bottom, that such enterprises allow young people to achieve higher incomes compared to government jobs (weighted mean 2.16). Respondents were classified according to the level of capacity of small and micro enterprises to achieve social development into three categories (Table 10). The results showed that slightly less than three-quarters of respondents (74.9%) reported a high level of capacity of their enterprises to achieve social development, approximately one-quarter (23%) reported a medium level, and the remaining respondents (2.1%) reported a low level of capacity.

Table 3: Numerical and Percentage Distribution of Respondents According to Their Satisfaction with Micro and Small Enterprises in Achieving Social Development (Ranked by Weighted Mean)

No.	Statements	Satisfied	%	Somewhat Satisfied	%	Not Satisfied	%	Weighted Mean
1	Small enterprises increase your sense of social responsibility	332	87.8	42	11.1	4	1.1	2.86
2	Increase individuals' sense of social responsibility toward the community	330	87.3	46	12.2	2	0.5	2.86
3	Help address unemployment and alleviate poverty	327	86.5	48	12.7	3	0.8	2.85
4	Help eliminate idle time resulting from unemployment	326	86.2	51	13.5	1	0.3	2.85
5	Help youth achieve self-affirmation	323	85.4	52	13.8	3	0.8	2.84
6	Enable individuals to interact with others more effectively	318	84.1	60	15.9	–	–	2.84
7	Provide opportunities to build positive social relationships within the village	301	79.6	72	19.0	5	1.3	2.82
8	Help reduce negative social phenomena such as violence and crime	314	83.1	62	16.4	2	0.5	2.82
9	Strengthen national belonging and sense of attachment to the state	307	81.2	69	18.3	2	0.5	2.80
10	Enhance mutual trust among community members	309	81.3	64	16.9	5	1.3	2.80
11	Strengthen social relations among residents	303	80.2	71	18.8	4	1.1	2.79
12	Contribute substantially to meeting local demand for goods and services	301	79.6	72	19.0	5	1.3	2.78
13	Encourage youth to pursue self-employment	303	80.2	69	18.3	6	1.6	2.78
14	Increase willingness to cooperate with others	306	81.0	61	16.1	11	2.9	2.78
15	Improve individuals' self-confidence	302	79.9	70	18.5	6	1.6	2.78
16	Support and enhance development in local communities	297	78.9	78	20.6	3	0.8	2.77
17	Enhance individuals' social status within the community	292	77.2	80	21.2	6	1.6	2.75
18	Enable individuals to provide assistance and charitable support to those in need	283	74.9	95	25.1	–	–	2.74
19	Contribute to improving the social image of the area	288	76.2	84	22.2	6	1.6	2.74
20	Reduce school dropout by providing suitable job opportunities	286	75.7	88	23.3	4	1.1	2.74
21	Enhance national and social belonging	292	77.2	77	20.4	9	2.4	2.74
22	Promote social equity among community members	278	73.5	95	25.1	5	1.3	2.72
23	Reduce internal migration from rural to urban areas	284	75.1	81	21.4	13	3.4	2.71
24	Provide opportunities for social and cultural interaction	277	73.3	94	24.9	7	1.9	2.71
25	Reduce poverty and social exclusion	285	75.4	78	20.6	15	4.0	2.71
26	Increase individuals' sense of safety	274	72.5	93	24.6	11	2.9	2.69
27	Enhance cooperation and teamwork among residents	271	71.7	76	20.1	31	8.2	2.63
28	Encourage youth to stay within their communities	251	66.4	115	30.4	12	3.2	2.63
29	Reduce pressure on government employment	248	65.6	111	29.4	19	5.0	2.60
30	Help workers acquire skills enabling them to transition into better jobs	246	65.1	106	28.1	26	6.9	2.58
31	Empower socially marginalized groups (women and youth)	240	63.5	121	32.0	17	4.5	2.58
32	Provide a supportive environment for creativity and social innovation	248	65.6	105	27.8	25	6.6	2.58
33	Provide a suitable environment for innovation, particularly in the industrial sector	246	65.1	101	26.7	31	8.2	2.56
34	Enable individuals to improve household furniture and upgrade housing conditions	210	55.6	158	41.8	10	2.6	2.52
35	Support and enhance women's role in social activities	231	61.1	106	28.0	41	10.8	2.50
36	Encourage youth to engage in social and voluntary activities	215	56.9	107	28.3	56	14.8	2.42
37	Promote community participation culture	187	49.5	134	35.4	57	15.1	2.34
38	Improve relationships between community members and official institutions	189	50.0	116	30.7	73	19.3	2.30
39	Provide opportunities for recreational and social activities	152	40.2	146	38.6	80	21.2	2.19
40	Enable youth to achieve higher income compared to government jobs	167	44.2	101	26.7	110	29.1	2.15

Table 4: Distribution of Respondents by Level of Satisfaction

Level	Number	%
Low	14	3.7%
Medium	147	38.9%
High	217	57.4%

Interpretation: The majority of respondents reported high satisfaction with the contribution of micro and small enterprises to social development.

Table 5: Numerical and Percentage Distribution of Respondents According to Their Motivation Toward Small and Micro Enterprises in Achieving Social Development, (Ranked by Weighted Mean)

No.	Statements	High	%	Moderate	%	Low	%	Weighted Mean
1	Small enterprises increase your sense of social responsibility	297	78.6	76	20.1	5	1.3	2.77
2	Increase individuals' sense of social responsibility toward the community	299	79.1	71	18.8	8	2.1	2.76
3	Contribute to achieving social equity among community members	247	65.3	115	30.4	16	4.2	2.76
4	Reduce negative social phenomena such as violence and crime	290	67.7	82	21.7	6	1.6	2.75
5	Strengthen individuals' national belonging and attachment to the state	280	74.1	95	25.1	3	0.8	2.73
6	Contribute substantially to meeting local demand for goods and services	271	71.7	103	27.2	4	1.1	2.70
7	Help eliminate idle time resulting from unemployment	275	72.8	94	24.9	9	2.4	2.70
8	Help youth achieve self-affirmation	273	72.2	99	26.2	6	1.6	2.70
9	Provide opportunities to build positive social relationships within the village	281	74.3	84	22.1	13	3.4	2.70
10	Enable individuals to interact effectively with others	272	72.0	100	26.5	6	1.6	2.70
11	Enhance mutual trust among members of the community	274	72.2	97	25.7	7	1.9	2.70
12	Motivate youth to engage in self-employment	271	71.7	99	26.2	8	2.1	2.69
13	Help address unemployment and alleviate poverty	261	69.0	111	29.4	6	1.6	2.67
14	Increase willingness to cooperate with others	264	69.8	107	28.3	7	1.9	2.67
15	Enhance individuals' social status within the community	255	67.5	119	31.5	4	1.1	2.66
16	Strengthen social relations among residents	254	67.2	117	31.0	7	1.9	2.65
17	Support and promote development in local communities	255	67.5	107	28.3	15	4.0	2.64
18	Enable individuals to provide charitable support to those in need	251	66.4	114	30.2	13	3.4	2.62
19	Reduce internal migration from rural to urban areas	253	66.9	106	28.0	19	5.0	2.61
20	Provide opportunities for social and cultural interaction	247	65.3	122	32.3	9	2.4	2.61
21	Enhance national and social belonging	260	68.8	88	23.3	30	7.9	2.60
22	Improve the social image of the area	249	65.9	104	27.5	25	6.6	2.59
23	Reduce poverty and social exclusion	254	67.2	95	25.1	29	7.7	2.59
24	Increase individuals' sense of safety	237	62.7	114	30.2	27	7.1	2.55
25	Empower socially marginalized groups (such as women and youth)	223	59.0	139	36.8	16	4.2	2.54
26	Provide a supportive environment for creativity and social innovation	229	60.6	127	33.6	22	5.8	2.54
27	Reduce pressure on government employment	230	60.8	122	32.3	26	6.9	2.53
28	Enhance cooperation and teamwork among residents	241	63.8	99	26.2	38	10.1	2.53
29	Provide a suitable environment for innovation, especially in the industrial sector	230	60.8	116	30.7	32	8.5	2.52
30	Enable individuals to improve household furniture and upgrade housing conditions	207	54.8	154	40.7	17	4.5	2.50
31	Encourage youth to remain in their local communities	222	58.7	134	35.4	22	5.8	2.50
32	Help workers acquire skills that enable them to transition to better jobs	212	56.1	136	36.0	30	7.9	2.48
33	Support and enhance women's participation in social activities	207	54.8	129	34.1	42	11.1	2.43
34	Reduce school dropout rates by providing suitable employment opportunities	254	67.2	108	28.6	16	4.2	2.43
35	Motivate youth to engage in social and voluntary participation	215	56.9	108	28.6	55	14.6	2.42
36	Improve individuals' level of self-confidence	246	65.1	113	29.9	19	5.0	2.42
37	Promote a culture of community participation	155	41.5	166	43.9	57	15.1	2.25
38	Enable youth to achieve higher income compared to government jobs	170	45.0	111	29.4	97	25.7	2.19
39	Improve relationships between community members and official institutions	155	41.5	140	37.0	83	22.0	2.19
40	Provide opportunities for recreational and social activities	143	37.8	156	41.3	79	20.9	2.16

Table 6: Distribution of Respondents by Motivation Level

Level	Number	%
Low	12	3.2%
Medium	136	36%
High	230	60.8%

Interpretation: More than three-fifths of respondents reported high motivation resulting from participation in micro and small enterprises.

Table 7: Frequency and Percentage Distribution of Respondents According to the Degree of Development Resulting from Small and Micro Enterprises in Achieving Social Development, (Ranked by Weighted Mean)

No.	Statements	Always	%	Sometimes	%	Rarely	%	Weighted Mean
1	Small enterprises help eliminate the idle time associated with unemployment	302	79.9	72	19.0	4	1.1	2.78
2	Increase individuals' sense of social responsibility toward their community	299	79.1	70	18.5	9	2.4	2.76
3	Contribute to reducing negative social phenomena (e.g., violence and crime)	279	73.8	99	26.2	–	–	2.73
4	Small enterprises enable the formation of strong social relationships within the village	280	74.1	91	24.1	7	1.9	2.72
5	Help enhance mutual trust among community members	276	73.0	99	26.2	3	0.8	2.72
6	Contribute to solving unemployment and alleviating poverty	274	72.5	99	26.2	5	1.3	2.71
7	Help youth achieve self-affirmation	267	70.6	109	28.8	2	0.5	2.70
8	Small enterprises increase your sense of social responsibility	277	73.3	91	24.1	10	2.6	2.70
9	Strengthen individuals' national belonging and attachment to the state	272	72.0	98	25.9	8	2.1	2.69
10	Motivate youth to engage in self-employment	264	69.8	106	28.0	8	2.1	2.67
11	Small enterprises support and enhance development in local communities	250	66.1	125	33.1	2	0.5	2.66
12	Enable you to improve home furniture and upgrade the dwelling	215	56.9	143	37.8	20	5.3	2.66
13	Significantly contribute to meeting local demand for goods and services	251	66.4	122	32.3	5	1.3	2.65
14	Strengthen social relations among community members	256	67.7	115	30.4	7	1.9	2.65
15	Enable individuals to provide charity to those in need	258	68.3	108	28.6	12	3.2	2.65
16	Enable individuals to interact more effectively with others	252	66.7	121	32.0	5	1.3	2.65
17	Increase your willingness to cooperate with others	251	66.4	120	31.7	7	1.9	2.64
18	Enhance individuals' social status within the community	251	66.4	119	31.5	8	2.1	2.64
19	Improve the social image of the area	251	66.4	118	31.2	9	2.4	2.64
20	Help reduce internal migration from rural to urban areas	252	66.7	113	29.9	13	3.4	2.63
21	Reduce school dropout rates by providing suitable job opportunities	250	66.1	118	31.2	10	2.6	2.63
22	Enhance national and social belonging	257	68.0	98	25.9	23	6.1	2.61
23	Reduce poverty and social exclusion	238	63.0	131	34.7	9	2.4	2.60
24	Improve individuals' self-confidence	228	60.3	135	35.7	15	4.0	2.56
25	Contribute to achieving social equity among community members	226	59.8	136	36.0	16	4.2	2.55
26	Small enterprises enhance your sense of safety	226	59.8	128	33.9	24	6.3	2.53
27	Encourage youth to remain in their local communities	224	59.3	134	35.4	20	5.3	2.53
28	Provide a supportive environment for creativity and social innovation	220	58.2	136	36.0	22	5.8	2.52
29	Enhance cooperation and teamwork among residents	233	61.6	109	28.8	36	9.5	2.52
30	Provide opportunities for social and cultural interaction	210	55.6	151	39.9	17	4.5	2.51
31	Help reduce pressure on government employment	223	59.0	120	31.7	35	9.3	2.49
32	Create an enabling environment for innovation, especially in the industrial sector	219	57.9	125	33.1	34	9.0	2.48
33	Help workers acquire skills that enable them to transition to better jobs	209	55.3	143	37.8	26	6.9	2.48
34	Support the empowerment of socially marginalized groups (women and youth)	197	52.1	155	41.0	26	6.9	2.45
35	Motivate youth to engage in social and voluntary participation	205	54.2	121	32.0	52	13.8	2.40
36	Support and enhance women's participation in social activities	187	49.5	146	38.6	45	11.9	2.37
37	Promote a culture of community participation	163	43.1	160	42.3	55	14.6	2.28
38	Improve relationships between community members and official institutions	141	37.3	162	42.9	75	19.8	2.17
39	Provide opportunities for recreational and social activities	138	36.5	164	43.4	76	20.1	2.16
40	Small enterprises enable youth to achieve higher incomes compared to government jobs	159	42.1	119	31.5	100	26.5	2.15

Table 8: Distribution of Respondents by Level of Development Resulting from Projects

Level	Number	%
Low	8	2.1%
Medium	105	27.8%
High	265	70.1%

Interpretation: Engagement in micro and small enterprises significantly contributes to social development, particularly in addressing unemployment, enhancing social responsibility, and strengthening community cohesion.

Table 9: Numerical and Relative Distribution of Respondents According to the Capacity of Small and Micro Enterprises to Achieve Social Development (Ranked by Weighted Mean)

No.	Statements	Able	%	Somewhat Able	%	Not Able	%	Weighted Mean
1	Small enterprises enable the formation of strong social relationships within the village	297	78.6	76	20.1	5	1.3	2.77
2	Small enterprises help eliminate the idle time associated with unemployment	291	77.0	80	21.2	7	1.9	2.75
3	Small enterprises support and enhance development in local communities	285	75.4	83	22.0	9	2.4	2.73
4	Small enterprises increase your sense of social responsibility	276	73.0	100	26.5	2	0.5	2.72
5	Enhance individuals' social responsibility toward their community	278	73.5	95	25.1	5	1.3	2.72
6	Contribute to reducing negative social phenomena such as violence and crime	280	74.1	87	23.0	11	2.9	2.71
7	Strengthen individuals' sense of national belonging and attachment to the state	275	72.8	96	25.4	7	1.9	2.70
8	Help youth achieve self-affirmation	294	69.8	111	29.4	3	0.8	2.69
9	Contribute to achieving social equity among community members	262	69.3	108	28.6	8	2.1	2.67
10	Improve the social image of the area	257	68.0	111	29.4	10	2.6	2.65
11	Small enterprises motivate youth to engage in self-employment	259	68.5	105	27.8	14	3.7	2.64
12	Enable individuals to provide charity to those in need	255	67.5	113	29.9	10	2.6	2.64
13	Reduce school dropout rates by providing suitable job opportunities	250	66.1	121	32.0	7	1.9	2.64
14	Help address unemployment and alleviate poverty	251	66.4	116	30.7	11	2.9	2.63
15	Contribute substantially to meeting local demand for goods and services	248	65.6	122	32.3	8	2.1	2.63
16	Increase your willingness to cooperate with others	251	66.4	117	31.0	10	2.6	2.63
17	Small enterprises increase individuals' sense of safety	250	66.1	115	30.4	13	3.4	2.62
18	Enhance individuals' social status within the community	251	66.4	112	29.6	15	4.0	2.62
19	Help enhance mutual trust among community members	252	66.7	112	29.6	14	3.7	2.62
20	Enable individuals to interact effectively with others	243	64.3	125	33.1	10	2.6	2.61
21	Help reduce rural-to-urban internal migration	242	64.0	120	31.7	16	4.2	2.59
22	Strengthen social relations among community members	245	64.8	106	28.0	27	7.1	2.57
23	Reduce poverty and social exclusion	233	61.6	129	34.1	16	4.2	2.57
24	Encourage youth to remain in their local communities	231	61.1	129	34.1	18	4.8	2.56
25	Improve individuals' self-confidence	228	60.3	135	35.7	15	4.0	2.56
26	Empower socially marginalized groups (women and youth)	226	59.8	135	35.7	17	4.5	2.55
27	Provide an enabling environment for innovation, especially in the industrial sector	235	62.2	113	29.9	30	7.9	2.54
28	Provide a supportive environment for creativity and social innovation	230	60.8	123	32.5	25	6.6	2.54
29	Help reduce pressure on government employment	230	60.8	120	31.7	28	7.4	2.53
30	Provide opportunities for social and cultural interaction	213	56.3	155	41.0	10	2.6	2.53
31	Enhance national and social belonging	237	62.7	108	28.6	33	8.7	2.53
32	Help workers acquire skills needed to transition to better jobs	206	54.5	154	40.7	18	4.8	2.49
33	Strengthen cooperation and teamwork among residents	222	58.7	121	32.0	35	9.3	2.49
34	Motivate youth to engage in social and voluntary participation	223	59.0	114	30.2	41	10.8	2.48
35	Enable individuals to improve home furniture and upgrade the dwelling	198	52.4	161	42.6	19	5.0	2.47
36	Support and enhance women's participation in social activities	201	53.2	142	37.6	35	9.3	2.43
37	Promote a culture of community participation	187	49.5	140	37.0	51	13.5	2.35
38	Improve relationships between community members and official institutions	192	50.8	123	32.5	63	16.7	2.34
39	Provide opportunities for recreational and social activities	161	42.6	140	37.0	77	20.4	2.22
40	Small enterprises enable youth to achieve higher income compared to government jobs	150	39.7	140	37.0	88	23.3	2.16

Table 10: Numerical and Relative Distribution of Respondents According to the Level of Capacity of Small and Micro Enterprises to Achieve Social Development

Level	Frequency	Percentage
Low	8	2.1%
Medium	87	23%
High	283	74.9%

3.6. The Relationship Between the Studied Independent Variables and Respondents’ Satisfaction with Small and Micro Enterprises in Achieving Social Development

To determine the relationship between the studied independent variables and respondents’ satisfaction with small and micro enterprises in achieving social development, the following statistical hypothesis was formulated: There is no relationship between the studied independent variables—age, number of family members, educational level, type of project, project duration, gender, marital status, occupation, number of employees, project management, funding source, and willingness to continue the project—and respondents’ satisfaction with small and micro enterprises. To test the validity of this hypothesis, Spearman’s correlation and the Chi-square test were used. The results were as follows:

(A) Spearman’s Test Results

Table 11 shows that there is no significant correlation between the following independent variables and respondents’ satisfaction: age (0.095), family size (0.049), educational level (0.049), type of project (0.029), and project duration (0.013).

(B) Chi-square Test Results

Table 12 indicates that:

- There is a significant relationship at the 0.01 level between gender and willingness to continue the project, and respondents’ satisfaction.
- There is a significant relationship at the 0.05 level between project management and respondents’ satisfaction.
- No significant relationship exists between marital status, occupation, number of employees, and funding source with respondents’ satisfaction, where the Chi-square values were 11.418, 4.181, 11.435, and 5.126, respectively, all below the critical values.

Thus, the null hypothesis can be rejected for the significant variables—gender, willingness to continue the project, and project management—but not for the remaining

variables. Accordingly, the research hypothesis is accepted for the significant variables.

3.7. The Relationship Between the Studied Independent Variables and Respondents’ Motivation Toward Small and Micro Enterprises

To determine the relationship between the studied independent variables and respondents’ motivation toward small and micro enterprises, the following hypothesis was formulated: There is no relationship between the studied independent variables—age, number of family members, educational level, type of project, project duration, gender, marital status, occupation, number of employees, project management, funding source, and willingness to continue the project—and respondents’ motivation toward small and micro enterprises. Spearman’s correlation and the Chi-square test were applied, with the following results:

(A) Spearman’s Test Results

Table 13 shows a significant positive correlation at the 0.01 level between educational level and respondents’ motivation (0.139). No significant correlation was found for age (0.027), family size (0.048), type of project (0.022), or project duration (0.078).

(B) Chi-square Test Results

Table 14 shows that:

- Occupation has a significant relationship with respondents’ motivation at the 0.05 level.
- No significant relationships were found between gender, marital status, number of employees, project management, funding source, or willingness to continue the project, where the Chi-square values were 3.045, 5.038, 8.656, 8.356, 7.662, and 3.688, respectively, all below the critical values.

Thus, the null hypothesis is rejected for the significant variables—educational level and occupation—but not for the remaining variables. Accordingly, the research hypothesis is accepted for the significant variables.

Table 11: Spearman’s Test Results

No.	Independent Variable	Spearman’s Value
1	Age	0.095
2	Family size	0.049
3	Educational level	0.049
4	Type of project	0.029
5	Project duration	0.013

Table 12: Chi-square Test Results

No.	Independent Variable	d.f	χ^2
1	Gender	2	11.848 **
2	Marital status	6	11.418
3	Occupation	4	4.181
4	Number of employees	6	11.435
5	Project management	6	14.871 *
6	Funding source	6	5.126
7	Willingness to continue the project	2	14.871 **

Table 13: Spearman’s Test Results for Motivation

No.	Independent Variable	Spearman’s Value
1	Age	0.027
2	Family size	0.048
3	Educational level	0.139 **
4	Type of project	0.022
5	Project duration	0.078

Table 14: Chi-square Test Results for Motivation

No.	Independent Variable	df	χ^2
1	Gender	2	3.045
2	Marital status	6	5.038
3	Occupation	4	12.028 *
4	Number of employees	6	8.656
5	Project management	6	8.356
6	Funding source	6	7.662
7	Willingness to continue the project	2	3.688

3.8. The Relationship Between Respondents’ Independent Variables and the Development Level of Small and Micro Enterprises

To determine the relationship between the studied independent variables and the development level of small and micro enterprises in local community development, the following statistical hypothesis was formulated: There is no relationship between the studied independent variables—age, number of family members, educational level, type of project, project duration, gender, marital status, occupation, number of employees, project management, funding source, and willingness to continue the project—and the development level of small and micro enterprises. Spearman’s correlation and the Chi-square test were applied, and the results were as follows:

(A) Spearman’s Test Results

Table 15 shows:

- A significant inverse correlation at the 0.05 level between educational level and the development level of small and micro enterprises (Spearman’s rho = -0.133).
- No significant correlation was found for age (0.045), family size (0.046), type of project (0.049), or project duration (0.066).

(B) Chi-square Test Results

Table 16 shows:

- A significant relationship at the 0.01 level between the number of employees and the development level of small and micro enterprises.
- Significant relationships at the 0.05 level were found for gender and occupation with the development level of small and micro enterprises.
- No significant relationships were observed for marital status, project management, funding source, or willingness to continue the project, with Chi-square values of 5.643, 8.053, 1.557, and 4.236, respectively, all below the critical values.

Thus, the null hypothesis is rejected for the significant variables—occupation, number of employees, gender, and educational level—while it is retained for the remaining non-significant variables. Accordingly, the research hypothesis is accepted for the significant variables.

3.9. The Relationship Between Respondents’ Independent Variables and the Capacity of Small and Micro Enterprises to Develop the Local Community

To determine the relationship between the studied independent variables and the capacity of small and micro enterprises to achieve social development, the following statistical hypothesis was formulated: There is no relationship between the studied independent variables—age, number of family members, educational level, type of project, project duration, gender, marital status, occupation, number of employees, project management, funding source, and willingness to continue the project—and the capacity of small and micro enterprises to achieve social development.

Spearman’s correlation and the Chi-square test were applied, and the results were as follows:

(A) Spearman’s Test Results

Table 17 shows:

- A significant positive correlation at the 0.01 level between project duration and the capacity of small and micro enterprises to achieve social development (Spearman’s rho = 0.123).
- A significant inverse correlation at the 0.01 level between educational level and the capacity of small and micro enterprises (Spearman’s rho = -0.122).
- No significant correlation was found for age (0.098), family size (0.070), or type of project (0.011).

(B) Chi-square Test Results

Table 18 shows:

- A significant relationship at the 0.01 level between project management and the capacity of small and micro enterprises to achieve social development.
- Significant relationships at the 0.05 level were found for gender and occupation.
- No significant relationships were observed for marital status, number of employees, funding source, or willingness to continue the project, with Chi-square values of 5.704, 8.885, 7.260, and 2.431, respectively, all below the critical values.

Thus, the null hypothesis is rejected for the significant variables—gender, occupation, project management, educational level, and project duration—while it is retained for the remaining non-significant variables. Accordingly, the research hypothesis is accepted for the significant variables.

Table 15: Spearman’s Test Results Between Respondents’ Independent Variables and the Development Level of Small and Micro Enterprises

No.	Independent Variable	Spearman’s rho
1	Age	0.045
2	Family size	0.046
3	Educational level	-0.133 *
4	Type of project	0.049
5	Project duration	0.066

Table 16: Chi-square Test Results Between Respondents' Independent Variables and the Development Level of Small and Micro Enterprises

No.	Independent Variable	df	χ^2
1	Gender	2	7.210 *
2	Marital status	6	5.643
3	Occupation	4	9.701 *
4	Number of employees	6	19.405 **
5	Project management	6	8.053
6	Funding source	6	1.557
7	Willingness to continue the project	2	4.236

Table 17: Spearman's Test Results Between Respondents' Independent Variables and the Capacity of Small and Micro Enterprises to Develop the Local Community

No.	Independent Variable	Spearman's rho
1	Age	0.098
2	Family size	0.070
3	Educational level	-0.122 **
4	Type of project	0.011
5	Project duration	0.123 **

Table 18: Chi-square Test Results Between Respondents' Independent Variables and the Capacity of Small and Micro Enterprises to Develop the Local Community

No.	Independent Variable	df	χ^2
1	Gender	2	6.066 *
2	Marital status	6	5.704
3	Occupation	4	10.248 *
4	Number of employees	6	8.885
5	Project management	6	16.937 **
6	Funding source	6	7.260
7	Willingness to continue the project	2	2.431

4. Conclusions

Based on the study results, the following recommendations are proposed:

1. Strengthen governmental support for small and micro enterprises by facilitating financing procedures, simplifying administrative processes, and providing fiscal and legislative incentives to encourage various segments of society, especially youth, to engage in production and service sectors.
2. Implement training and capacity-building programs for employees and owners of small and micro enterprises to enhance productivity, develop managerial and technical skills, and improve the quality of products and services.

3. Establish community-based business incubators for youth and women. Given the role of small enterprises in empowerment and reducing internal migration—and the weak ability to generate higher income—it is recommended to create local incubators offering technical support, product development, marketing guidance, and access to markets for youth and women entrepreneurs.
4. Launch a local community participation initiative to enhance social engagement. In light of the low impact recorded for improving relations with formal institutions and promoting community participation, it is recommended to implement a community initiative that organizes local events, strengthens

cooperation with local authorities, and encourages social innovation activities led by enterprise owners.

5. Conduct further research and studies to evaluate the social and economic impact of small and micro enterprises, aiming to develop government policies and programs based on actual empirical findings.

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