



THE ROLE OF ENTREPRENEURSHIP IN PROMOTING SUSTAINABLE DEVELOPMENT: SELECTED EXPERIENCES WITH SPECIAL REFERENCE TO IRAQ FOR THE PERIOD 2004-2020

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| Article history: | Abstract: |
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| Received: 24 th February 2025 | Entrepreneurship is one of the most important contemporary topics due to its interconnected relationship with economic growth and sustainable development, especially in the projects of the organization, economic unity, and the adoption of small and medium enterprises. All international experiences confirm the growing positive impact of this field, especially in the local economic environments of most countries. These countries have mobilized their policies for an integrated system of entrepreneurship projects to contribute effectively within the general macroeconomic system of countries, by employing their potential to achieve tangible and effective tools, including reducing production costs, maximizing value-added returns, and preparing youth cadres and skilled workers to solve the country's problems of poverty, unemployment, and economic stagnation, and to stimulate economic production activity and the local market. The Iraqi economy needs entrepreneurship projects with the aim of formulating a comprehensive evaluation vision of the status of entrepreneurial projects and the extent of their impact on the structure of the Iraqi economy and achieving sustainable development. |
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INTRODUCTION

There is no doubt that the accelerating rates of change in the international business environment and its impact on the local business environment in each country, coupled with the intensification of competition between organizations and businesses, have made entrepreneurship a priority. This is because it is linked to achieving sustainable economic development. Entrepreneurship has become one of the options that economic entities resort to in order to adapt and adjust to the demands of competition and change. Entrepreneurship in business relates to the ability to create "something from nothing." It is the ability to innovate and initiate new businesses and innovations that differ from existing ones. This does not mean it is easy, but rather requires effort, time, and labor costs. To achieve this, a clear vision and sufficient flexibility are required, along with working as a team, and focusing on supporting development goals. This significant expansion and development in entrepreneurship competition has been aided by technological progress, advances in information and communications technology, economic knowledge, and the evolution of markets, as well as people's tastes and needs for various goods and services. Therefore, interest in entrepreneurship has grown due to its role in the country's economic growth at the macro level, the growth and expansion of organizations, and their access to financial and material resources. All of this can only be achieved by understanding the optimal Iraqi economic map for entrepreneurship applications, which offer solutions to the most important chronic problems of the Iraqi economy, such as poverty, unemployment, and others. Thus, entrepreneurship represents the ideal gateway to diversifying sources of national income, diversifying Iraq's economic and financial resources, and containing Iraq's young and productive energies, lifting it out of economic and livelihood despair.

Research Problem

The weak real contribution of entrepreneurship projects to the structure of the Iraqi economy and sustainable development, the limited interest in them, and their weak implementation in strategic plans.

Research Importance

It highlights the role of entrepreneurship and its relationship to sustainable development, taking into account selected international experiences, and the importance of entrepreneurship's contribution in Iraq to supporting the economy and stimulating development.



Research Hypothesis

Entrepreneurship projects have not received sufficient official attention in Iraq, especially since this field contributes to sustainable development and supports the development of non-oil economic sectors if it receives greater support and attention.

Research Objectives

- To provide a conceptual framework for entrepreneurship and its relationship to sustainable development.
- To identify the characteristics and role of entrepreneurial projects in development, and highlight the most important international experiences in this field.
- To address the most important obstacles facing entrepreneurship in Iraq and how to enhance its role in solving economic problems such as poverty, unemployment, and job creation.

THEORETICAL FRAMEWORK OF ENTREPRENEURSHIP AND SUSTAINABLE DEVELOPMENT.

1-The Concept of Entrepreneurship

The term "entrepreneurship" emerged 200 years ago or more, yet it remains somewhat shrouded in mystery. Numerous interpretations have emerged, as the initiator and entrepreneur occupy a position between suppliers and customers, or producers and customers. Every business is accompanied by risk in order to achieve profit and success. This means that they are unique activities designed to meet the needs of businesses and customers by discovering and exploiting opportunities with a proactive mindset and taking calculated risks to achieve profit. Entrepreneurship is "the primary act that emphasizes creativity, productivity, work, and economic growth." It also involves establishing a new project or developing an existing one by providing new sources and ideas, organizing work and resources, and developing a successful, income-generating project (Maysoun Ali Hussein, 2013). Entrepreneurship is an ancient, yet recurring phenomenon that relies on "creative and innovative" individuals in various businesses, which can be defined as "a group of businesses aimed at establishing a modern and scalable project in one of the various economic sectors."

The entrepreneurship process includes all related functions, activities, and actions. By recognizing the opportunity and creating organizations that capitalize on it, the entrepreneurial process can be applied to all organizations, regardless of size and type. In general, the concept of entrepreneurship includes "opportunity and risk," while the entrepreneurial process consists of (opportunity, risk, innovation that creates the opportunity, the entrepreneur who recognizes the opportunity, and the resources that capitalize on the opportunity, creating the new organization or developing the existing one) (Athar Abdul Hadi Muhammad, 2011). Entrepreneurial organizations represent entities that contribute significantly to economic and sustainable development. They have an effective contribution to the gross domestic product and national income by generating innovation, developing markets, and creating job opportunities through expanding local private sector investments. This is achieved through the introduction of advanced technology, which contributes to increased production of goods and services. This is in light of the increased entrepreneurial opportunities, which enable a new product or service to meet the overall demand for new products that are compatible with the requirements of the internet, communications, and knowledge economy (Ahmed Al-Shammari, 2018). There are a number of elements that illustrate the importance of entrepreneurship to the economy and sustainable development, as follows (Hana Abdul Razzaq Khalil, 2007):

- Entrepreneurship is one of the key elements driving the Iraqi economy, increasing economic interconnectedness, improving the business environment, enhancing the financial situation, and creating new markets.
- Providing more job opportunities commensurate with the labor force, while developing private industries that provide goods and services, and encouraging the manufacturing of local materials into final products for both local consumption and export.
- Encouraging the use of modern technology in small industries to increase productivity, as well as using financial technology to develop banking services and improve sources of investment financing.
- The primary goal of the projects is to spread the idea of entrepreneurship and self-employment among young people and those capable of working. This goal is achieved through educational, practical, and awareness-raising axes, providing assistance to young people in establishing their businesses and bringing their projects to fruition.
- Business incubators of all kinds encourage the creation and development of new projects, the development of the local community, support for economic development, industrial and technical development, support for human resource development, create projects for youth, and work to provide solutions to economic problems.

2- Sustainable Development

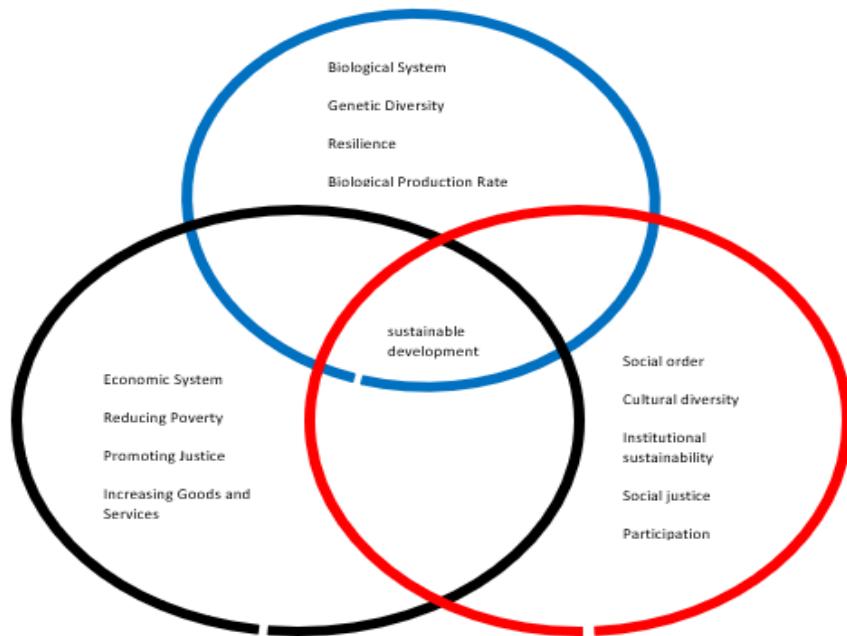
The Our Common Future report, prepared by the World Commission on Environment and Development (WCED), defined sustainable development as meeting the needs of the present generation without compromising the ability of future generations to meet their own needs. The definition includes two basic concepts:

- The basic needs of the poor.
- Limitations (constraints).



The formula established by the Our Common Future report, prepared by the OECD, for the human dimension, is to achieve equality and justice between present and future generations and ensure the interconnectedness of the areas of sustainable development (OECD). The third principle, adopted at the United Nations Conference on Environment and Development held in Rio in 1992, was defined as the "right to development," to meet the developmental and environmental needs of present and future generations on an equal footing. Sustainable development was defined as "a pattern of growth that allows future generations to live at a level not less than, but perhaps above, the present level and pattern of development" (Michel Tuador, 2006). Sustainable development has 17 goals. Here, it is necessary to focus on the necessary and priority goals to facilitate action and achieve the sustainable development goals. These goals should address or integrate in a balanced manner to encompass the three dimensions (economic, environmental, and social) of sustainable development and the interconnections between them. Therefore, the aforementioned goals should be consistent with and integrated into the United Nations development agenda after 2015, so that It contributes to achieving sustainable development. This is what was stated in the Millennium Declaration at the United Nations Summit held in 2000, attended by 147 heads of state and government. This was the culmination of international efforts to affirm the links between peace, security, and development, and to present a comprehensive vision for development and the path to progress. (Elliott, 2006) describes the necessary sustainable development goals.

Figure (1) show a set of sustainable development goals.



Source: compiled from Barbier (1987). Quoting the (Elliott,2006:13)

3-What is Sustainable Development and Its Relationship to Entrepreneurship

Interest in entrepreneurship in the modern economy emerged in the theory of economic development, proposed in 1911. This theory emphasized that entrepreneurs are the essence of economic development. They are the ones who create change within the economy by offering products and services, production methods, organizational forms, opening markets, and utilizing new sources of supply. Based on sustainable development, which takes into account the economic and social dimensions and adds an environmental dimension, entrepreneurs respond to environmental disturbances and uncertainty, attempting to establish a strong strategic position by identifying new opportunities, exploiting them by competitors to add value to customers, and directing activities to targeted development areas through government policies that encourage entrepreneurship in productive entrepreneurial activities that create job opportunities and provide essential goods to society, especially in deprived areas (Hussein Abdul Muttalib Al-Asraj, 2010). This can only be achieved through entrepreneurship within organizations by individuals or a group of institutions and companies within the framework of sustainable development that meets current needs without compromising the needs of future generations. This development is not limited to economic development, but It encompasses development in the economic, social, and environmental spheres. In research, the concept of sustainable development emerges as a fundamental pillar for the optimal use of entrepreneurial projects to raise society's standard of living and improve its economic and social well-being (Mai Marai Kamel, 2018). The relationship between entrepreneurship and sustainable development works to develop cities, communities, and businesses, which requires the use of natural resources to improve the living conditions of individuals in a way that does not tolerate waste or harm, as in the case of environmental



pollution. It also requires the preservation of the environment and natural resources. Herein lies the role of entrepreneurship in innovating new methods, rather than the usual (traditional) methods that cause depletion and pollution, to invest human energies and natural resources. The results will positively impact individuals, both now and in the future. For example, innovation can be used to invest in alternative energy sources, increase agricultural yields, and produce the goods and services needed by society, rather than draining hard currency. Thus, the relationship between entrepreneurship and sustainable development has implications for achieving and activating comprehensive development in the country (Samar Al-Amir Ghazi Abdul Hamid, 2019). To achieve interconnectedness and integration between entrepreneurship and sustainable development, the challenges that hinder this relationship must be overcome, including: financing constraints, internal financial constraints, external financial constraints, internal and external economic constraints, randomness in implementing entrepreneurial projects, excessive and wasteful expenditures in operating and investment, marketing constraints, and administrative and technical constraints.

ENTREPRENEURSHIP AND SUSTAINABLE DEVELOPMENT: SELECTED INTERNATIONAL EXPERIENCES

Entrepreneurship has benefits, but its projects are not without risks. This includes both public and private projects. The public sector may bear losses in projects, but private sector projects are more serious, as there are economic risks associated with starting a project, and the project may not generate sufficient revenue to cover the project and its expenses. This is not related to the nature of the economic system, as the risk of losing investment and project failure varies between countries. For example, in the United States, it was found that 24% of new businesses failed within the first two years, 51% failed within four years, and 63% failed within six years. Therefore, achieving a successful project is not an easy process and requires a review of capabilities and potential in order to develop alternative solutions (Maysoun Ali Hussein, 2013).

1- Entrepreneurship and the Algerian Experience with a Rentier Economy

Algeria's experience with a rentier economy is unique, as it may resemble Iraq's model of a rentier economy based on the vital oil sector in supporting development. Algeria's experience began by supporting projects under a regulatory and financial framework, establishing several bodies after 1994 to provide economic and technical assistance to business organizations, including the following (Athar Abdul Hadi Muhammad, 2011):

- Establishment of the National Agency for Youth Support and Employment in 1996.
- Establishment of the National Agency for Investment Development in 2001.
- Establishment of medium-sized enterprise workshops to receive and incubate new projects by providing various public services in 2003.
- Within the financial framework for project support and assistance in Algeria, loan guarantee funds were established (the Small and Medium-Sized Enterprise Loan Guarantee Fund in 2002, the Small and Medium-Sized Enterprise Investment Loan Guarantee Fund in 2004, and some funds contributing to serving entrepreneurs, such as the Export Support Fund, the National Fund for Agricultural Development, and the Stability Guarantee Fund for Small Enterprises). The medium-sized enterprises, the National Fund for Youth Employment Support, and the Scientific Research and Technological Development Fund.
- The results of these efforts have been reflected in sustainable development in Algeria, with the number of organizations reaching approximately 321,376, contributing (80% of GDP, 43% of added value, and 3% of job creation).

2-Entrepreneurship and the Saudi Experience

Many Saudi Arabian companies, representing the best Arab economic growth, have distinguished themselves with several features (Athar Abdul Hadi Muhammad, 2011):

- The average age of the entrepreneur who founded the company is 32 years old, and there are 8 women who founded private companies. 100% of them are college graduates, and half of them hold master's degrees.
- More than half of them founded more than one company, and 80% of them plan to launch other businesses.
- The greatest growth is in the high-tech industries, communications, construction, engineering, education, health, and management consulting.
- 45% of fast-growing companies within 5 years provide 15,000 job opportunities.

There are key challenges facing Saudi entrepreneurs, as follows (Nader Ajami, 2020):

- The challenge of the private sector (not doing enough), as more than 50% of business incubators in Saudi Arabia are affiliated in some way with the government. This indicates a state of dependency and the inertia of this sector in Saudi Arabia.



- The challenge of entrepreneurs' need for assistance and support, as most entrepreneurs operate with the mentality of an employee, not an entrepreneur. The former avoids high risks, fears failure, and works only for a monthly income, while the latter (the innovator and entrepreneurial mindset) takes risks to achieve high profits.
- There is no comprehensive coverage of the spread of entrepreneurship projects in the Kingdom. Beyond the dynamics of the market and the target population, the Saudi ecosystem consists of a few small incubators with few commonalities. Some business incubators are doing an excellent job of building a stronger presence nationwide, such as Badir, which operates in five cities and has a consistent and sustainable model for supporting startups. However, most business incubators are located only in their respective cities
- The ecosystems in Jeddah, Riyadh, and the Eastern Province operate very differently from each other, making them "isolated" from each other in many areas. This makes it more difficult for entrepreneurs to collaborate with each other or expand their businesses into the market nationwide. The Kingdom is a fertile ground for entrepreneurial projects, thanks to its thriving economy and opportunities in many fields. About 76.3% of the adult population in the Kingdom recognize good opportunities to start a business. The Kingdom ranked second among 49 countries included in a study conducted by the Global Entrepreneurship Monitor in 2019. The Kingdom is greatly interested in business incubators and accelerators, such as the King Abdulaziz City for Science and Technology, the King Salman Youth Center, the Makkah Technology Valley, the Prince Sultan bin Abdulaziz Fund for Women Development, and other incubators, which are considered one of the sectors of the business and knowledge system that support and assist ideas and projects and nurture creative ideas with an investment nature (Athar Abdul Hadi Muhammad, 2011).

3- Entrepreneurship and the UAE Experience

The UAE Ministry of Economy launched the "Home of Entrepreneurship" portal to create a qualitative shift in the supportive environment for entrepreneurship, startups, and small and medium-sized enterprises (SMEs) in the UAE. This is achieved through a series of partnerships, the largest of their kind between the public and private sectors, including business incubators, local financing funds, chambers of commerce, and distinguished and leading private companies, both locally and globally. The UAE "Home of Entrepreneurship" initiative, which aims to transform entrepreneurship by 2031, represents a fundamental shift in the development of entrepreneurship and enhance its attractiveness to innovative companies and entrepreneurs from around the world. This initiative aims to establish diverse partnerships with leading local, regional, and international institutions and companies, providing new channels to empower entrepreneurs and develop SMEs in the country. This will enhance the UAE's position as the "home of entrepreneurship" in the world. The purpose of this model is to accelerate the transition to a knowledge-based economy, innovation, and technology in the UAE and achieve the Sustainable Development Goals (Abdullah bin Touq Al Marri, 2021). The United Arab Emirates ranks second globally in the percentage of entrepreneurs to the total population in the country, with their percentage of adults aged 18-60 reaching 8.2% in 2020, behind the United Kingdom with 8.4%. The UAE has succeeded in leading the region and the Arab world in entrepreneurship by implementing ambitious plans that enhance entrepreneurial activity, bringing the contribution of small and medium enterprises to 53% of the country's non-oil GDP. Furthermore, 98% of the total registered projects in the country are small and medium enterprises. Multiple factors have led the UAE to take the lead in entrepreneurship and become a destination for innovators in the region, the most prominent of which are as follows (Mahmoud Abdel Nasser, 2021):

- Partnership with foreign parties by allowing companies 100% owned by foreign parties to compete in specific sectors identified by the state and supported for success, and facilitating the task Providing investors with all necessary facilities, and offering long-term visas to entrepreneurs and investors.
- Attracting technology companies and supporting startups through investment-stimulating policies, providing financing, and facilitating SMEs' access to the necessary funding for operations and expansion, positioning the UAE as the region's leading provider of total financing for startups and SMEs.
- The UAE stands by young innovators, working to overcome obstacles facing their projects, and adopting a strategy to establish a generation that believes in the importance of change and innovation.
- The UAE's initiatives focus on empowering SMEs and startups to face challenges, ensuring the smooth running and continuity of their businesses, and enhancing their "competitive capabilities." The UAE employs scientific and technological research to support the development process, enabling entrepreneurs to acquire the skills needed to achieve economic and investment progress, and fostering innovation, creativity, and excellence, as part of its plan to build the economy of the future (the knowledge economy).
- The UAE promotes entrepreneurs' orientation toward high-yielding economic sectors and complex activities based on the digital transformation economy, modern technology applications, artificial intelligence, the Fourth Industrial Revolution, and advanced sciences. The UAE maintains easy licensing and flexible legislation by continuously developing its legislative and legal system to keep pace with rapid changes in the global economy.



- The UAE implements policy updates to enhance investor protection and confidence, promote full and free competition, protect financial rights, and ensure the sustainability of economic activity, making the UAE the best destination for establishing businesses worldwide.
- It is worth noting that entrepreneurship projects have achieved qualitative leaps in many economies of developed countries, especially in the field of combating poverty and unemployment. Therefore, rentier countries should recall these pioneering experiences and results to emulate them, draw inspiration from them, and open the way for their realization. An example of this is the United States of America, where entrepreneurial and small businesses constitute 99.0% of the total number of companies and provide 80% of new employment opportunities annually, with a contribution of 50% of the total gross domestic product and represent 97% of the exports of the United States of America. These businesses constitute 95% of the total innovations and 55% of other innovations consisting of 362 diverse industries (Mohsen Hassan, 2020).

THE ENTREPRENEURSHIP EXPERIENCE AND ITS POSSIBILITY IN THE IRAQI ECONOMY

1- The Reality of Entrepreneurship in Iraq

Entrepreneurship represents the gateway to achieving diversification in national income sources and financial resources in Iraq. It represents the ideal field for attracting unemployed young people seeking investment opportunities that generate independent income without the need for the government employment sector. Entrepreneurship is capable of generating positive economic activity in Iraq and is worthy of promoting non-oil economic sectors, especially since Iraq possesses all the elements for successful entrepreneurial projects, provided the appropriate environment is available. There is no harm in drawing on international experiences that are compatible with the nature of the Iraqi economy.

We note from Table (1) that the per capita share of national income fluctuated throughout the research period due to economic instability. In 2004, it reached \$9,750, and in 2020, it ended at a level very close to the beginning of the time series, which was \$9,400. It is approximately (800) dollars per month, but it does not take into account the rise in prices due to weak local production, the needs of local markets, and the increase in aggregate demand.

Table (1) Per capita share of national income in Iraq for the period (2004-2020) (US dollars)

| years | per capita share of national income |
|-------|-------------------------------------|
| 2004 | 9750 |
| 2005 | 9070 |
| 2006 | 10070 |
| 2007 | 10580 |
| 2008 | 12200 |
| 2009 | 12460 |
| 2010 | 12860 |
| 2011 | 13500 |
| 2012 | 15240 |
| 2013 | 15470 |
| 2014 | 13810 |
| 2015 | 9680 |
| 2016 | 9340 |
| 2017 | 10450 |
| 2018 | 10730 |
| 2019 | 11340 |
| 2020 | 9400 |

Source: World Bank, Economic Indicators for the period (2004-2020)

There is no doubt that rentier economies, including the Iraqi economy, need this type of pioneering model to improve development plans, ideas, and principles. The well-known intellectual foundation of rentier economies is their indolence and dependence on oil revenues, which thrive with rising global oil prices, without serious consideration of diversifying sources of income during crises when these crises impact prices, causing them to decline and impacting local revenues and the federal budget. Iraq witnessed a significant population increase during the research period, despite security and political instability, which led to an increase in the labor supply and limited job opportunities due to the lack of a sound business environment, the prevalence of administrative and financial corruption, and nepotism and factionalism in decision-making. Table (2) indicates that population growth in 2004 reached 2.58%, and in 2010 it reached 2.62%, compared to 2.88% in 2016 and 2.30% in 2020.



Table (2) Annual population growth in Iraq for the period (2004-2020) (%)

| years | population growth |
|-------|-------------------|
| 2004 | 2.58 |
| 2005 | 2.29 |
| 2006 | 1.93 |
| 2007 | 1.67 |
| 2008 | 1.69 |
| 2009 | 2.05 |
| 2010 | 2.62 |
| 2011 | 3.25 |
| 2012 | 3.72 |
| 2013 | 3.90 |
| 2014 | 3.71 |
| 2015 | 3.32 |
| 2016 | 2.88 |
| 2017 | 2.54 |
| 2018 | 2.32 |
| 2019 | 2.25 |
| 2020 | 2.30 |

Source: World Bank, Economic Indicators, various years.

Due to the weak link between productive activities, the lack of job opportunities, and the limited investment opportunities in the Iraqi economy, unemployment rates have risen, according to Table (3). In 2004, it reached 8.56%, in 2009 (0.14%), in 2015 (1.13%), and in 2019 (6.13%). Therefore, Iraq is in dire need of entrepreneurial projects to improve the structure of the local economy, support sustainable development, and maintain the institutional structure and macroeconomic indicators.

Table (3) Unemployment rate in Iraq for the period (2004-2019) (%)

| years | unemployment rate |
|-------|-------------------|
| 2004 | 8.56 |
| 2005 | 9.17 |
| 2006 | 5.17 |
| 2007 | 7.11 |
| 2008 | 3.15 |
| 2009 | 0.14 |
| 2010 | 0.12 |
| 2011 | 1.11 |
| 2012 | 9.11 |
| 2013 | 1.12 |
| 2014 | 6.10 |
| 2015 | 1.13 |
| 2016 | 8.10 |
| 2017 | 8.13 |
| 2018 | 5.13 |
| 2019 | 6.13 |
| 2020 | 15.11 |

Source: Iraqi Ministry of Planning/Central Organization for Statistics and Planning for the period (2004-2020)

Based on the numerical indicators of Iraq's international rankings in reports related to business and support for small, medium, and emerging enterprises, a number of facts and indicators emerge that require significant and extensive



work to develop in order to improve the living conditions of society, especially for young and working-age groups. This can be summarized as follows (Mohsen Hassan, 2020):

- According to the World Bank's 2020 report, Iraq ranks lowest in the Doing Business rankings compared to other surrounding countries in the Middle East and North Africa region. Iraq ranked 172nd globally, followed by Syria (176th), Libya (186th), and Yemen (187th). This negative ranking and indicator does not serve the country's entrepreneurial economy. Meanwhile, the United Arab Emirates ranks 16th and Saudi Arabia 62nd. These countries are among the most reformed and developed economies in terms of business activities.
- The public sector is dominating inefficient entrepreneurship due to corruption and inefficiency, while neglecting plans to promote the private sector, which is responsible for preparing the local environment for the emerging entrepreneurial economy to take off, form, diversify sources of national income, and support the federal budget by contributing to increasing the private sector's contribution to the gross domestic product. For example, despite the fact that private sector industrial establishments reached 80% of the total establishments in the period 2004-2008, compared to 14%-17% for the number of public sector establishments relative to the total, the largest percentage recorded for the private sector did not attract more than 10% of Iraqi workers, compared to 90% attracted by the public sector. As for the market value of sales of private sector establishments for the same period, it remained much lower than the value of sales of the public sector, as the former reached 20.5%, compared to 75.5% for the latter. This imbalanced situation still exists in the structure of the Iraqi economy, which means depriving the Iraqi economy of the advantages and contributions of contemporary and modern advanced entrepreneurial activities (Widad Musa Al-Tamimi, 2019).
- There is a continued state of neglect or disregard for advancing economic reforms, particularly entrepreneurial models. Iraq received a score of zero in the Doing Business Report (Doing Business 2020) regarding the number of reforms undertaken in the report's area of focus. Iraq did not target entrepreneurship with any development or reform plans during the period.
- The business environment in Iraq remains weak and fragile. According to the data, official efforts to establish and adopt a clear, scientific, and practical vision for the role of entrepreneurial projects in the national economy are still lacking. This is confirmed by the tangible reality and Iraq's late ranking in the Doing Business report issued by the World Bank. It is worth noting that there are legal regulations that prevent the creation of a suitable economic and field environment to accelerate the pace of economic contribution of entrepreneurial activities within the country's comprehensive economic structure. It is also worth noting that there is an impediment to empowering Iraqi women to choose and achieve economic independence, and the opportunities for women to obtain an entrepreneurial project are almost limited. Therefore, the Iraqi business sector lacks serious and in-depth steps towards establishing and owning business incubators, despite the availability of the components worthy of this formation, including research and scientific institutions, universities, economic consultants, and competent and capable human cadres.
- Despite the above, this does not mean that there are no future opportunities for activities and businesses in Iraq at all levels. A positive future should always be expected, as Iraq has been going through a comprehensive state of turmoil since 2003, the future features of which are still awaited. However, Iraq's ability throughout its history to seize opportunities, overcome hardships and crises, and transform them into opportunities for success and development is evident, as Iraq possesses a large number of public and private universities that include colleges of management and economics, and are suitable for employment and exploitation as future business incubators.
- There is a glimmer of hope for entrepreneurs and owners of small and medium enterprises, in obtaining loans through the initiatives of the Central Bank of Iraq, which exceeded 70 billion dinars from 2015 to 2018, and the business sectors benefited from them despite all the difficulties, as the percentage of these loans was (59%) for the commercial sector, 25% for services, (12%) for the industrial sector, and (4%) for the agricultural sector. This initiative was participated in by 33 government and private banks (Ithar Abdul Hadi and Saadoun Muhammad Salman, 2019).
- After endless conflicts in Iraq, there is an ambition for entrepreneurship to flourish in this country. In 2019, Iraq hosted its first nationwide hackathon. The goal was to bring together ambitious entrepreneurs and solve some of the country's pressing issues through innovation after years of instability. Projects ranged from developing solutions for plastic recycling, creating bicycle racks for university students to combat congestion, and developing a triple-decker waterfall for Erbil Citadel. Projects to enter the digital economy for software developers and technical leaders also arose. In 2015, the Central Bank announced a trillion-dinar (\$840 million) initiative to finance small and medium-sized enterprises at subsidized interest rates as a means of stimulating unemployed youth and creating jobs in the private sector (Arab Technology News Portal, 2019). 8- Entrepreneurial projects operating in Iraq witnessed a development after the abandonment of the socialist system and the transition to a market economy. The number of entrepreneurial projects increased from (17,691) projects in 2004 to (26,992) projects in 2020. It



should be noted that there were years when some projects were suspended due to the political and security conditions experienced by the country (Haider Jalil Khalaf, 2021)

Table (4): Development of entrepreneurial projects and the number of employees in Iraq for the period (2004-2020)

| Years | Number of projects | Number of employees | Project growth rate | Employee growth rate |
|-------|--------------------|---------------------|---------------------|----------------------|
| 2004 | 17691 | 66006 | ----- | ----- |
| 2005 | 10164 | 37776 | 0.425 | 0.428 |
| 2006 | 11672 | 47454 | 0.148 | 0.256 |
| 2007 | 3463 | 54796 | 0.703 | 0.155 |
| 2008 | 6902 | 41724 | 0.993 | 0.239 |
| 2009 | 10340 | 28651 | 0.498 | 0.313 |
| 2010 | 11187 | 37821 | 0.082 | 0.320 |
| 2011 | 47440 | 147816 | 3.241 | 2.908 |
| 2012 | 43887 | 149567 | 0.075 | 0.012 |
| 2013 | 27920 | 87797 | 0.364 | 0.413 |
| 2014 | 21018 | 69083 | 0.247 | 0.213 |
| 2015 | 22572 | 68648 | 0.074 | 0.006 |
| 2016 | 26145 | 84369 | 0.158 | 0.229 |
| 2017 | 28038 | 96165 | 0.072 | 0.140 |
| 2018 | 25945 | 85999 | 0.075 | 0.106 |
| 2019 | 26992 | 91083 | 0.040 | 0.059 |
| 2020 | 26997 | 91086 | 0.043 | 0.060 |

Source: Prepared by the researcher based on data from the Central Statistical Agency at the Ministry of Planning for the years (2004-2020).

2- Challenges of promoting entrepreneurship in Iraq

Iraq shares with most developing countries the challenges of promoting entrepreneurship and establishing various types of projects. These challenges may vary from one country to another, from one sector to another, from one period to another, and across the project's lifecycle. They can be classified according to their sources into external problems beyond the control of the organization's owner, which are caused by external factors and changes, or internal problems such as administrative failure or shortcomings in the projects themselves. There is undoubtedly a relationship between the success of projects and the nature of political, security, and social stability. Projects cannot progress or develop without societal instability. These problems are summarized as follows (Maher Al Mahrouq, 2011):

- Difficulty in obtaining financing at the start of the project and difficulty in increasing capital during the development and expansion phases. The Iraqi economy lacks a developed and sustainable banking sector that supports the provision of loans to small and medium-sized enterprises. Furthermore, there are no laws to guarantee loans to productive enterprises and no laws to protect loans to youth and investors, as is the case in the Algerian experience. Furthermore, there is a lack of effective implementation of the Deposit Insurance Corporation, which was approved by the Iraqi Parliament in 2018. This corporation serves as a guarantor and facilitator for increasing the attraction of inputs, which range from approximately 77% of the public. All of this has contributed to the rise in the cost of invested capital and the cost of borrowing and financing.
- Due to changes in foreign exchange rates, private projects in Iraq face rising inflation rates, which impact the project's profitability and its ability to compete with imported goods and the policy of commodity dumping from neighboring countries. This is in addition to financing difficulties that require excessive guarantees.
- Government procedures, bureaucracy, and financial extortion of investors, particularly those related to procedures, regulations, and instructions governing entrepreneurial projects. There are no supporting laws, given the absence of a legal and legislative framework regulating entrepreneurial projects.
- High taxes and the lack of sufficient data on these projects make the problem two-sided, especially given the intense competition from imported products and those of large organizations operating in the same field. Furthermore, raw materials, which require currency to import, are scarce, representing an additional cost to local industry. This creates problems such as the inability to implement a clear and comprehensive marketing strategy due to high marketing costs, along with problems related to production quality, which impacts competitiveness.
- There are problems related to the owner and project management, including the weak capabilities of entrepreneurial project owners in financial, administrative, and technical marketing aspects, which weakens their financial position. Project owners are also unconvinced about the potential for training and skill development.



sized enterprises (SMEs) are the lifeblood of most economies in both developing and developed countries. For example, these enterprises provide two-thirds of new jobs in the United States and represent no less than 44% of total US economic activity. These enterprises are important to the Iraqi economy, but they face significant challenges, including marketing and customer access, competition with foreign products, and the dumping policy pursued by neighboring countries (Mohamed Fox, 2020).

3-International Experiences in Entrepreneurship and the Possibility of Application in the Iraqi Economy

There is no doubt that researching countries' experiences in entrepreneurship has a direct impact on improving the business environment in Iraq and leveraging these experiences to maximize the role of entrepreneurship in sustainable development. In a knowledge economy, several fundamental pillars must be adhered to, including improving the investment climate, maintaining a stable macroeconomic environment, and focusing on mechanisms to support innovation to address the challenges of the knowledge economy. This can be achieved by promoting a culture of innovation, funding research and development, encouraging and supporting scientific and educational infrastructure, and enhancing its economic role. Regional and international cooperation is imperative in a knowledge economy (Mansour Al-Zein, 2010).

To achieve this, we present a set of proposals for developing entrepreneurship in Iraq:

- Creating a stable political, economic, and security environment, along with laws that support the business environment in Iraq, an environment that supports private investment and the establishment of private companies, and attempts to support them through a banking sector with effective laws, such as the Loan Guarantee Law and the implementation of the Deposit Guarantee Law.
- Overcoming obstacles related to overlapping powers, bureaucracy, and the lack of coordination between the stakeholders managing the implementation process, and narrowing the knowledge gap, both quantitatively and qualitatively, with the experiences of selected countries in research. This requires more investments that benefit from scientific research and educational reform.
- Initiating a national program for institutional development aimed at increasing the efficiency, capacity, and capabilities of research institutions and strengthening ties with private sector institutions and local and international research and academic institutions, to create an environment that encourages the use of the knowledge economy, encourages the exchange of information and expertise with international experiences, and facilitates collaborative innovation activities.
- The wealth of resources and energies can be used to launch potential entrepreneurial projects to create new projects that are sustainable from an economic and productive perspective. The first is the agricultural sector, which supports 30% of the rural population, employs approximately 20% of the workforce, and provides raw materials for Iraqi industries. This requires providing attention to entrepreneurship and entrepreneurs, unleashing their creativity, and providing the necessary opportunities for all members of the public and private agricultural sectors to develop their practical and administrative capabilities (Tijara Program for Economic Development in the Governorates Document, 2020).
- The Iraqi industrial sector is prepared and ready to embark on and adopt new projects to meet the total demand for goods and services and confront commodity dumping, provided that the scope of industrial projects is expanded vertically and horizontally with the improvement of the political and security situation and addressing the repercussions of commercial and commodity dumping with a package of legal, legislative, administrative and tax measures through entrepreneurial opportunities and serious and strong business incubators needed by young people and entrepreneurs. Iraqi crafts and professions are transformed into introductions to modern industries through pioneering innovation capable of returning small projects to their true place in the continuity of positive change and development of means of production. Iraq is one of the youngest countries in the world, as 50% of its population is under the age of 19, and the other third is between 25-29 years old. By the year 2040, the number of Iraqi youth is expected to reach 17.6 million people (i.e. 27.1% of the population). The human development sector is one of the most important vital sectors in Iraq in terms of its ability to absorb entrepreneurial projects with a positive return in the contribution of entrepreneurial activities to reducing the unemployment problem, which is estimated at 34.6% (57.7% for females, 30.8% for males) (World Bank Report, 2020).
- Opening the door to entrepreneurial projects in the technical and technological field, which works to develop the service sector and facilitate the transfer and localization of modern and advanced technology, given Iraq's urgent need to develop infrastructure based on entrepreneurial concepts aimed at introducing new technical and technological formulas, mechanisms, and programs that can be applied within the entrepreneurial economy system. This can only be achieved by empowering official bodies to develop more effective and professional administrative and financial governance applications in terms of electronic operation and management.



- Paying attention to the Iraqi marshes, with their inclusion on the World Heritage List. The need to launch many new entrepreneurial projects in the fields of agriculture, tourism, and handicrafts is highlighted, given the presence of 12,000 historical, archaeological, cultural, and religious sites, in addition to the picturesque nature in northern and western Iraq.
- Entrepreneurial projects at this stage need to start launching their projects and developing their country's economy. They need to solve the financing problem and the lack of trust of financial and banking institutions that lend to investors, while finding solutions for credit guarantees for entrepreneurs, while solving all administrative, legal and legislative complexities facing the desire to establish and launch small and medium enterprises and facilitating the procedures for starting a commercial activity. A positive example of this is the experiences of Saudi Arabia, the Emirates and Algeria (the experiences selected in the research), in establishing a single window system that combined several procedures before and after registration, in addition to empowering women to work in trade and private entrepreneurial projects, accelerating the pace of documentation and enforcement regarding commercial contracts through the legal and legislative institution, and establishing a specialized commercial court that adopts standards and controls to save contracts and allows electronic services for summoning, in addition to quickly adjudicating commercial dispute cases through intensive court sessions, while enhancing business owners' access to "credit" through several measures, including the expanded conclusion of secured transactions and debt protection under credit risk transfer tools under laws that protect everyone, the investor and the lender (insolvency law), and improving the positivity of banking dealings with entrepreneurs (financing problems and Excessive Credit Guarantees),
- Study selected experiences in the research and address the most important challenges facing entrepreneurship in Iraq. We develop plans for how to confront them as follows:
 - The first challenge is having experience operating and starting a project (management skills, communication skills and customer knowledge, persuasion skills, project establishment skills, recruitment skills and capacity building skills, knowledge of accounting principles and costing, analysis skills, and feasibility study skills).
 - The second challenge is how to establish a project.
 - The third challenge is the challenge of expanding the business.
 - The fourth challenge is entrepreneurship development programs.
 - The fifth challenge is access to information.
 - The sixth challenge is access to financial services. Financial services provided by financing institutions and banks are very limited and limited, as in traditional banks, they charge high interest rates, which hinders entrepreneurs and delays the growth of their entrepreneurial projects.
 - The seventh challenge is the concentration of economic activities.
 - The eighth challenge is commercial relations.
 - The tenth challenge is the legal environment. It is a major mistake for entrepreneurial projects to adhere to ordinary laws that subject entrepreneurs to the same lengthy procedures, such as business registration procedures, labor laws, property rights, and others.

In conclusion, entrepreneurship opportunities in the Iraqi economy are rich and diverse, provided they are provided with sufficient official support from official government agencies and institutions. It is important to draw on pioneering international experiences relevant to the Iraqi economy in the field of entrepreneurial reform and support for young people aspiring to engage in contemporary economic, financial, and investment experiences. This aligns with the research hypothesis: "Entrepreneurship projects have not received sufficient attention at the official level by successive Iraqi governments, while this field has the potential to generate sustainable development by revitalizing non-oil economic sectors.

CONCLUSIONS

- Entrepreneurial projects in Iraq remain small and timid in their objectives, capabilities, and level of support provided. There is a gap between Iraq and selected experiences in the field of financial and business activities and the entrepreneurial environment. The reasons are numerous (weak funding, the dominance of the public sector, the neglect of women's entrepreneurship, the failure to leverage surrounding expertise, and the freezing of plans and strategies within the Iraqi government's priorities).
- The positive impact of entrepreneurial projects on society and the economy is undeniable, as they are effective in contributing to stability, increased growth and profitability, and achieving success at the local level. The socioeconomic role they play contributes to the development, progress, and stability of the country.



- There is a correlation between entrepreneurship, growth, competitive advantage, and sustainable development, as entrepreneurship employs entrepreneurial strategies and management with an entrepreneurial behavior that challenges bureaucracy and encourages creativity.
- The selected international experiences in entrepreneurship are compatible and harmonious with the Iraqi economy, given its rentier nature, and with Iraq's need for economic reform and diversification of sources of income. They also accommodate all professional and economic types and segments, and are of utmost importance in the agricultural, food security, and industrial sectors.
- Entrepreneurial projects are not without risks, despite the multiplicity and diversity of entrepreneurial forms. This requires requirements to strengthen the innovative capacity of business organizations by increasing entrepreneurial initiatives that offer new, risk-resistant products and services.

RECOMMENDATIONS

- Facilitate government procedures for establishing entrepreneurial projects and reduce the financing guarantees required by government and private banks. Engage universities, research centers, and consulting centers in establishing departments and centers to support entrepreneurial projects in Iraq. Create a special body for entrepreneurship and business accelerators to remove obstacles to entrepreneurial projects and benefit from the expertise of entrepreneurs abroad.
- Move away from rigid formal systems and bureaucracy in work and provide appropriate flexibility based on the nature of the work, contributing to the development and achievement of outstanding performance. This can only be achieved through the leadership of entrepreneurs in Iraqi organizations and executive leadership. Accelerate the establishment of more private and government business incubators across all Iraqi governorates and revitalize existing incubators, while being careful not to transform these incubators into mere formal entities without real work or output.
- A comprehensive review of entrepreneurship programs in the country, utilizing quantitative methods and scientific programs to exploit resources and opportunities, particularly in the private sector, while addressing the weaknesses and challenges facing entrepreneurship in Iraqi organizations.
- Establishing a responsibility accountability index for business organizations in the public sector, highlighting the need to measure the level of performance in these organizations to determine the extent of excellence, creativity, and innovation. This requires an effort to change the status quo through continuous evaluation of entrepreneurial leaders on boards of directors and executive leadership, in accordance with the dimensions of the strategic direction that serves business organizations.
- Publishing data and information specific to each organization to assess its progress and development in entrepreneurship, while benefiting from rapid developments and technological progress, and leveraging foreign companies that have begun to partner with the private sector and provide high-quality, high-tech services at a lower cost.
- Strengthening the role of universities and research institutions in entrepreneurial efforts based on the knowledge economy, an advanced research and development base, and an environment to encourage innovation, support technological development, and continuous improvement. This includes providing administrative, technical, and advisory support programs through courses, seminars, scientific conferences, and evaluation studies of investment opportunities and project feasibility.
- Providing financial, administrative and organizational support and soft loans to encourage the adoption of new, feasible and economically viable ideas and transform them into productive projects, with the importance of exchanging ideas and experiences, especially with Algeria, Saudi Arabia and the Emirates, as they are oil-based rentier economies.

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