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SOLIDIFYING DIGITAL POLICY FOR ENTREPRENEURSHIP AND SMALL-MEDIUM ENTERPRISES (SMES): TOWARDS POVERTY REDUCTION AND ECONOMIC GROWTH IN ATTAINING SDGS

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ABSTRACT

Poverty reduction and economic growth are core aspects of Sustainable Development Goals (SDGs) to achieve Vision 2030 in many countries. Undoubtedly, many countries in world over have been making tremendous efforts through policies to efficiently enhance entrepreneurship, small-scale enterprises (SMEs), poverty reduction for attaining economic growth. However, there is a less focus with the recent advocacy on the application of digital policies for smart industrialization in fostering entrepreneurship, small-medium enterprises (SMEs) for poverty reduction and economic growth in order to achieve Sustainable Development Goals (SDGs). This widens the gap towards achieving the Vision 2030 in various developing countries through the application of digital policies in fostering entrepreneurship and small-medium enterprises (SMEs). Hence, this has motivated the need to explore the existing digital policy frameworks by improving high rate of poverty and economic growth. Content analysis of secondary data as an integral were used for the analysis of this study. The results demonstrated that the digital policies through the applications of technologies have been instrumental in propelling entrepreneurship and small-medium enterprises (SMEs) among the citizens in achieving drastic reduction of poverty and consequently achieving economic growth as the core aspects of SDGs. However, it is noted that the stakeholders need to address the challenges of lack of legal framework on cybersecurity, inadequate technical institutions etc. as impediments to the overall effective and efficient implementation of digital policy framework in various countries. It is therefore suggested that the governments of various developing countries should solidify various mechanisms and strengthens different institutions through political commitment, social awareness and public enlightenment in achieving poverty reduction and economic growth through the activities of entrepreneurship and small-medium enterprises (SMEs) in developing nations.

KEYWORDS: Vision 2030, Sustainable Development Goals (Sdgs), Digital Policy, Entrepreneurship, Small-Medium Enterprises (Smes), Poverty Reduction And Economic Growth.

1. INTRODUCTION

Poverty and lack of economic growth are twin challenges majorly impeding sustainable development in most developing countries. Indeed, most of developed nations have been working tremendously in pursuing several key strategies to achieve Vision 2030 as an integral part of Sustainable Development Goals (SDGs). These strategies include implementing projects to make the United Nation's plan of Sustainable Development Goals (SDGs) agenda a success (Ahmed and Karim, 2022). In various sectors of the economy, efforts are being made to achieve long-term targets such as increasing various activities that can improve the lives or citizens and more importantly, high rate of poverty and unemployment rate are impediments for the maximization of economic growth (Banerjee and Jackson, 2017). The motivation for this study emanates the global clamour for promoting various activities that will help in actualizing Sustainable Development Goals (SDGs) in various countries including developing ones. It is not disagreeable to posit that advanced countries have been focusing on the concept of the blue economy as a mechanism for achieving sustainable development, particularly in relation to Sustainable Development Goals (SDGs) of which developing nations also need to derive lessons from especially through collaboration and partnerships on SDGs (Ahmed and Karim, 2022). In addition, various countries are addressing the need for increased productivity and national demand of pulses and oil crops, while also considering the potential impact of climate change on the supply of these food items. To enhance sustainable development, countries are addressing challenges such as poverty, rural to urban translocation, and skill shortages through regional and national planning and policies, it is paramount to stress on the digital economy policies in developing countries (Bukht and Heeks, 2018).

Digital economy can adequately improve entrepreneurship and small and medium enterprises (SMEs) in most developing countries. On one hand, entrepreneurship is an important aspect that can boost the economy in both developed and developing countries. Overwhelming studies have explored the significance of entrepreneurship in enhancing economic development specifically in developing (Desai, 2011, Doran, McCarthy and O'Connor, 2018). Similarly, on the other hand, small and medium enterprises (SMEs) are regarded as impetus for propelling economic development in many countries. This inferably means entrepreneurship and small and medium enterprises (SMEs) are important for income empowerment and poverty reduction in low-income economies (Adenutsi, 2009).

Moreso, countries have set a vision for the year 2041, aiming to transition from a middle-income country to a high-income country through the improvement on entreprepreurial activities and small and medium enterprises (SMEs). However, there are concerns about whether most developing countries can avoid the middle-income trap (MIT) and achieve this vision. According to the extant literature, most developing economies might not fall into an MIT at its current income level, but their real GDP per capita are relative to the USA would still be below the threshold for an upper-middle-income country in 2041 (Cusolito, Lederman and Peña, 2020).

Reiteratively, the power and energy sector in various countries have been undergoing a transition to achieve the targets set for Vision 2041. The sector aims to ensure energy sustainability and increase generation capacity to meet future demands. In addition, studies have also focused on the food security aspect of the vision, specifically the demand and supply of pulses and oil crops and it predicts a deficit in the supply of these crops in the future, which could be further threatened by climate change as a n integral part of achieving Vision 2030 (Mondal, 2019). Thus, there is a need to increase generation capacity in the power sector to meet the growing electricity demand in most developing countries as part of mechanism and effort to stimulate the economy for sustainable human and material resources (Hossain, 2023). The United Nations (UN)'s Sustainable Development Goals (SDGs) also play a role in shaping developing countries' vision for the future, with a timeline ranging from 2015 to 2030. However, many countries could not fulfill this and henceforth, re-strategize for vision 2041.

Furthermore, Sustainable Development Goals (SDGs) are being pursued to achieve prosperity and eradicate poverty by 2030. The Ministry of Social Welfare (MoSW) or humanitarian affairs in various developing countries are responsible for implementing social service programmes aligned with the SDGs, but challenges such as inadequate funds and limited coverage hinder their effectiveness. Local governments (LGs) also play a crucial role in SDG implementation at the local level, but they face weaknesses in terms of capacity, resources, and decentralization as part of effort for localization of SDGs (Sarkar, Okitasari, Ahsan and Al-Amin, 2022). Undoubtedly, mobilization of resources for SDGs are constrained which require revised funding allocations from internal and

external sources (Hossain, 2023).

Digital policy in various countries has evolved over time with a focus on achieving digital inclusion and addressing challenges in cybersecurity. The challenges of cybersecurity include the lack of legal frameworks, inefficient technical institutions, and the need for capacity building and cooperation mechanisms which is an impediment for the attainment of SDGs in developing countries (James, 2013).

Nonetheless, the National Information and Communications Technology Policy (NIP) has been a key legal framework for digital development in developing countries, but it has been criticized for its narrow focus on digitization and lack of comprehensive solutions for digital inclusion as part of digital industrialization in developing countries as literature contends (Singh, 2018). The rapid pace of digital change has led to government responses aimed at enhancing and regulating digital technologies, highlighting the need for structural and theoretical thinking in this area. The government in various levels has been playing a role in shaping digital policies, with a focus on policy objectives and decision-making based on actor preferences in order to reduce digital divide in most developing nations (Loo and Ngan, 2012). This is paramount because European countries have been successful in fostering their digital policies for improving digital economy and social index (Liu, 2022). Hence, most of the developing countries also need to do similar thing by considering their own peculiarities. Nonetheless, there is a gap in utilizing digital policy in fostering entrepreneurship and small medium enterprises (SMEs) as part of efforts in achieving sustainable developments goals. This paper therefore tries to bridge this gap by advocating for solidification of digital policy in enhancing entrepreneurship and small medium enterprises (SMEs) in developing countries.

2. LITERATURE REVIEW

The review of relevant studies is centrally focused on the factors or variables of this study namely: An Overview of Poverty and its reduction, Economic growth, Digital Policy, Entrepreneurship and Small-Scale Enterprises (SMEs):

2.1. An Overview of Poverty and Its Reduction

Poverty in developing countries is a complex issue that has been approached in various ways. Some argue that economic growth is the key to reducing poverty, while others emphasize the need for direct interventions targeting poverty itself (Alvarez and Barney, 2014). Universal approaches to poverty reduction have had limited success, and it is recommended that poverty be addressed at the local level using local indicators. To achieve sustainable development, developing countries should focus on meeting the basic needs of their inhabitants and ensuring a stable political and economic environment. Poverty manifests in various forms, including lack of food, shelter, safe drinking water, low literacy rates, high mortality rates, unemployment, and a feeling of vulnerability and entrepreneurship can reduce poverty as literature contends (Amorós and Cristi, 2011; Alvarez and Barney, 2014). Poverty reduction can be achieved through stimulating economic growth, implementing economic and institutional reforms, prioritizing the basic needs of the poor, promoting microfinance programmes, improving marketing systems, providing incentives to the private sector, and implementing targeted cash transfers (Aker, 2017). It should be emphasized that in order to drastically reduce poverty, there are various strategies such as initiating income support programme for citizens, establishing education and training programme, giving opportunities to citizens to access basic services, progressive taxation and different initiatives that would propel economic growth and job creation for the citizens. Figure 1 shows policies and poverty reduction strategies as highlighted in this study.

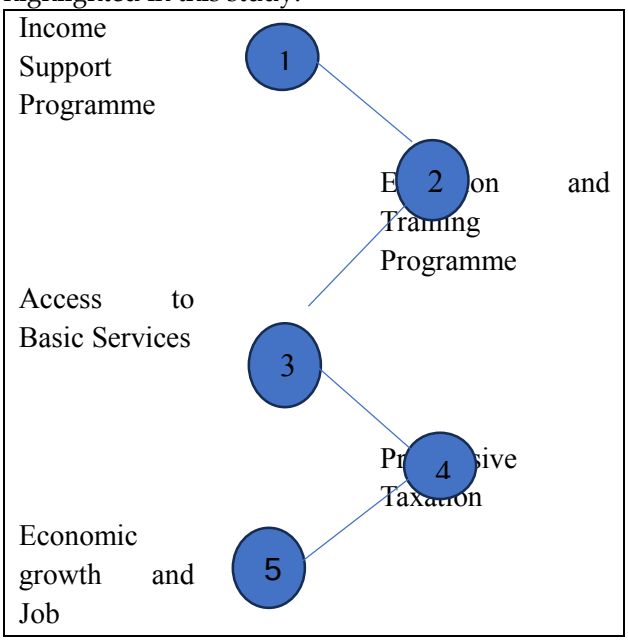

Figure 1: Policies and Poverty Reduction Strategies, Highlighting Key Interventions in Developing Economies.

The face of poverty in developing countries is primarily rural and young, with a significant

proportion being children which widens inequality in many developing countries (Fosu, 2017). Studies have identified education, urbanization, and smaller family sizes are associated with improved economic well-being which are regarded as strategies for poverty reduction in developing countries (Cobbinah, Black and Thwaites, 2013. Ayoo, 2022). The key challenges to achieving the Sustainable Development Goals (SDGs) for poverty reduction include the incompatibility between the SDGs and statistics, the disparity in statistical capacity across countries, the economic challenges faced by many nations, the pitfalls of economic growth such as economic disparity and climate change, and the need for mobilizing significant financial resources to accelerate the implementation of the SDGs (Nandi, Hossain, Roy and Ullah, 2023).

Poverty reduction strategies in developing countries involve various approaches. One approach is to stimulate economic growth and increase incomes for the poor, while also expanding employment opportunities. Another approach is to prioritize the basic needs of the poor in national development policies and implement targeted cash transfers to ensure that the benefits of poverty reduction initiatives reach those who are most vulnerable (Cobbinah, Black and Thwaites, 2013. Ayoo, 2022). The introduction of poverty reduction strategies (PRS) has aimed to make development aid more effective in reducing poverty by increasing the participation of civil society in the design and implementation of national development strategies. Evidence suggests that broad-based participation in PRS processes can increase checks and balances on the government and improve civil liberties (Chowdhury, Chowdhury, Chowdhury, Hossain, and Ahsan,2021). However, the effectiveness of PRS has been varied, particularly in countries with weak governance and aid management processes. In predominant Muslim countries, Zakah has been regarded as an instrument in transnational economy using a small business entrepreneurial framework (Hoque, Khan, Mohammad, 2015). Critics argue that current anti-poverty strategies have not overcome the constraints of past stabilization policies and have not learned from successful poverty reduction strategies in other countries (Belke and Wernet, 2015; Cobbinah, Black and Thwaites, 2013. Ayoo, 2022). Financial development (Donou-Adonsou and Sylwester, 2016; Zulher and Ratnasih, 2021); foreign aid (Mahembe and Odhiambo, 2017); microfinance (Addae-Korankye, 2012) good governance (Cagé, 2009); employment (Jütting and de Laiglesia, 2009) and among others are regarded as strategies for poverty reduction in developing countries. It should be reiterated that there are various measures for reducing poverty in the society. For instance, there is need to enhance public distribution system, speeding economic growth, rural economic growth, poverty alleviation, infrastructural development, non-farm employment, admittance to assets, human resource development. The culminative measures can improve the strategies for poverty reduction as shown in Figure 2.

Figure 2: Key Measures for Poverty Reduction, Focusing On Structural Interventions and Social Policies.

2.2. Economic Growth

Economic growth is crucial for developing countries as it helps them overcome underdevelopment and improve their position in the global arena. Literature identifies human capital as an important element for economic growth in developing countries (Hanushek, 2013). However, economic performance has been uneven across developing regions and countries, leading to poverty as a consequence of deteriorating or slow economic growth (Donou-Adonsou and Sylwester, 2016; Zulher and Ratnasih, 2021). Developing countries often face challenges due to insufficient financial resources for investment and efficient resource utilization. The determinants of economic growth in developing countries are being studied to assess their prospects for development and convergence with developed countries (Upreti, 2015). In order to improve the prospects for the most deprived and

highly indebted countries, significant real flows need to be channelled into investments through a combination of new external debt initiatives and growth-inducing domestic policies as literature contends (Zahonogo, 2016).

Factors that contribute to economic growth in developing countries include government spending, natural resource rents, rising labour force participation, and low inflation. Additionally, the effectiveness of state governance and the quality of public policy are important factors in determining the economic growth utilizing digital economy (Benčič, Kitsay, Karbekova and Giyazov, 2020). The accumulation of physical capital and technological advancement also drive economic growth in the short and long run. Institutions and human capital have a significant positive effect on economic growth, but their interactive effect can be negative in the presence of weak and dysfunctional institutions (Hossain, 2023). Investment in human development can impact economic growth negatively when institutions are weak. Therefore, policymakers should consider the critical role played by institutions and the initial stage of growth in developing effective education and health policies towards enhancing economic growth (Kalolo, 2019; Hossain, 2023).

The challenges to economic growth in developing countries include missing, incomplete, and dualistic markets, weak institutions, supply rigidities in agriculture, a dominant informal sector, fast population growth, chronic dependence on commodity exports, and volatile external finance (Ekanayake and Chatrna, 2010). Excessive government interventions, bureaucratic administration, rent-seeking distortions, and waste also hinder economic growth in these countries. Additionally, energy security challenges, such as policy, accessibility, infrastructure, economic difficulties, and environmental concerns, pose obstacles to sustainable development in developing countries, particularly in South Asia (Millner and Dietz, 2015). Factors influencing economic growth in developing countries include government spending and natural resource rents, which have a favorable impact, while rising labor force participation and inflation stifle economic growth (Hanushek, 2013; Zahonogo, 2016).

Sustaining economic growth in developing countries requires several factors. Increasing economic complexity and creating high value-added economic sectors can promote structural transformation and higher income generation through trade openness, foreign direct investment (FDI), and financial development have positive long-term associations with economic growth in both low-income and high-income countries respectively (Cagé, 2009; Hanushek, 2013; Zahonogo, 2016). Access to skilled labor and international trade are crucial for achieving sustainable economic development. Furthermore, the urgent necessity of a common framework addressing the principles of a green economy is highlighted, as it can contribute to sustainable development by addressing environmental, economic, and social issues (Zahonogo, 2016). Hence, international cooperation is essential for responding to interlinked crises and the climate emergency, which threaten economic growth and the achievement of sustainable development goals (Upreti, 2015; Zahonogo, 2016). Undoubtedly, the interconnectedness of triadic problem of limited resources and unlimited wants contributes to significantly to scarcity of goods and services. This problem has hindered the economic growth in many developing countries. It is thereby essential to note that in order to achieve economic growth, there is need to improve the adequate utilization of available resources as well as to reduce wants. In so doing, efficient allocation of resources; efficient productivity; promoting equity and job creation and full employment can meaningfully contribute to the attainment of economic growth in the country. The foregoing explanation can be better illustrated in in Figure 3.

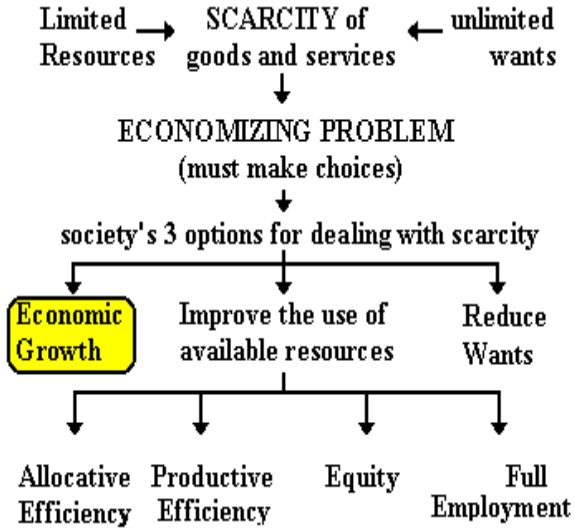

Figure 3: Key Determinants of Economic Growth In Developing Countries, Highlighting Institutional, Fiscal, And Labor Market Factors.

2.3. *Digital Policy*

The digital policy in various countries aims to transform the economy into a digital economy. Undoubtedly, digital policy is seen as a big push for

digitalization and has been prioritized by industry leaders in order to boost the economy (. The digital presence has played a significant role in the business development which enabled business entities to sustain well and develop their businesses into electronic platform-centric leadership as an integral motive of providing public services using digital technology (Aker, 2017). In some growing economies for instance, in 2021, Bangladesh advocated for Digital Bangladesh Vision as a strategy for transformation of economy (Dahlman, Mealy and Wermelinger, 2016). Similarly, literature contends that female entrepreneurs have also benefited from the digital marketplace, using platforms like Facebook, WhatsApp etc. to sell their products and grow their businesses (Lazović and Duričković, 2014). It is paramount to address the problem of digital divide among men and women specifically with an emphasis on the participation of women in entrepreneurship which can greatly enhance the economic development and social well-being of the society (Antonio and Tuffley, 2014). However, the effectiveness of the National Information and Communications Technology Policy (NIP) in achieving digital inclusion and addressing the digital divide is questionable. Hence, the policy needs to be more consistent, relevant, and skill-based to ensure digital inclusion by positively shaping information and communication technology (ICT) in various developing countries as literature contends (Hanafizadeh, Khosravi and Badie, 2019).

Digital policy aims to achieve the application of technologies and more specifically by utilizing Information and Communication Technology (ICT) in boosting the economic activities (Hanafizadeh, Khosravi and Badie, 2019). In spite of several challenges in many developing economies, the governments have been trying to implement ICT-based governance (e-governance) to improve service delivery to citizens, but there are challenges such as infrastructure limitations, internet connectivity issues, and a shortage of skilled manpower (James, 2021). Additionally, there are structural, organizational, and behavioural barriers to the implementation of e-governance, such as a dearth of IT physical infrastructure, unstable internet connection, shortage of skilled manpower, and technology fear of public employees. Entrepreneurship and small and medium enterprise (SMEs) are instrumental in propelling the economies and the adoption of digital technology can maximize the productivity in various countries as literature posits (Desai, 2011; Doran, McCarthy and O'Connor, 2018; Cusolito, Lederman and Peña, 2020). Nonetheless, cybercrimes are a growing concern, and there is a need for comprehensive policies to protect the entrepreneurs and owners of small and medium enterprise (SMEs) in promoting business activities that will contribute to overall economic activities (Brixiova, 2013; Calá, Arauzo Carod, and Manjón Antolín, 2015). It is not doubtful to say that the governments of some developing nations have enacted laws to address cybercrimes, but they must specifically target online fraudulent activities that will hinder the progress of business activities. The use of digital technologies and data sources can enhance official statistics, but there is a need for capacity building, data governance frameworks, and technology investment in order to address the challenges of scarcity of digital skills in most developing countries as literature contends (James, 2021). The rapid digitalization has led to privacy challenges, and there is a need for stronger data privacy legislation. The relevance of ICT policy in implementing Industry 4.0 in developing nations is emphasized, highlighting the need for an ICT policy that focuses on smart industrialization and trade liberalization in boosting economic growth as literature posits (Manni, and Afzal, 2012).

Nonetheless, the key challenges for digital policy include a lack of technology and infrastructure, a digital gap, a shortage of trained teachers and educators, a lack of high-quality e-learning resources, and a shortage of qualified instructors and resources. However, there are also significant opportunities for digital policy. For example, e-learning has the potential to close the digital gap, expand educational opportunities, raise academic standards, and empower women by promoting business activities and propelling the economic growth and reducing poverty through entrepreneurial training in order to achieve sustainable development as literature posits (Belke and Wernet, 2015; Frese, Gielnik and Mensmann, 2016). The use of digital technologies and data sources for official statistics can improve their quality, timeliness, and relevance, and investing in capacity building, data governance frameworks, and technology and infrastructure can promote the development of official statistics through adequate regulation of the Internet in developing countries (Topornin, Pyatkina and Bokov, 2021). The digitization of government and society through technological revolution provides unique opportunities for developing nations to become champions of digitization and make a digital economy as a core aspect of sustainable development goals (SDGs) as literature posits (Lazović and Duričković, 2014; Topornin, Pyatkina and Bokov,

2021). It is essential to note that digital sovereignty should be enhanced through different means by providing trade rules, data protection, cybersecurity, defense fund, government/public procurement, industrial competition and research and innovation policy, export controls, investment screening mechanisms. Figure 4 illustrates various components of digital sovereignty.

Figure 4: Components of Digital Sovereignty, Emphasizing the Role of Governance, Cybersecurity, and Digital Infrastructure In Smes.

2.4. Entrepreneurship

Government policies and regulations, university education, and entrepreneurial mindset and social encouragement are important factors in promoting entrepreneurship in developing countries. The governments, along with various development partners, are focusing on the development of entrepreneurship (Topornin, Pyatkina and Bokov, 2021). However, there are still areas that need improvement in order to create a conducive environment for entrepreneurship. These areas include access to finance, education and training, and supportive and insightful policies (Vu and Hartley, 2018; Walwyn and Cloete, 2020). Additionally, social and cultural obstacles, family obligations, administrative environment and policies, and religious and inheritance laws discourage the growth of women entrepreneurship. It is crucial to address these factors and create a supportive ecosystem that encourages and empowers entrepreneurs, particularly women, in order to ensure economic growth and development in developing countries (Ratten, 2014).

The key policies implemented to encourage entrepreneurship include government policies and regulations, university education focusing on human capital, and the promotion of an entrepreneurial mindset and social encouragement. The government and various development partners are paying considerable attention to the development of budding entrepreneurship (Doran, McCarthy and O'Connor, 2018). The findings suggest that the people in various developing countries want to embrace entrepreneurship, but their main concerns are access to finance, education, and training (Doran, McCarthy and O'Connor, 2018). The government policies in various countries are to encourage the development of entrepreneurship both at the community and in educational levels which can bring about job creation and empowerment which can consequently contributes to poverty reduction (Adenutsi, 2009). Additionally, a social business fund has been introduced as a financial instrument to assist micro-entrepreneurs, which has shown a significant impact on entrepreneurs' incomes (Banerjee and Jackson, 2017). It is noted that along with funds, entrepreneurial training and support services should be provided, and appropriate policy initiatives should be taken by government and non-government organizations.

Government policy on entrepreneurship has a significant impact on the development of the developing economies. It plays a crucial role in promoting entrepreneurship growth and development, creating jobs, reducing poverty, and maintaining demand-supply equilibrium. The initiatives taken by the government, such as grants, subsidies, tax breaks, and regulatory benefits, encourage new firm formation and strengthen the innovation ecosystem (Desai, 2011; Brixiova, 2013). However, the effectiveness of government policy depends on various factors, including the type of entrepreneurship (formal or informal) and the income level of the low-income households. Formal entrepreneurship is influenced by factors like ease of starting a business and high-quality governance, while informal entrepreneurship is influenced by self-employment rates in low-income countries and female labour force participation in high-income countries (Hossain, 2018). Therefore, policymakers need to consider these factors and choose appropriate policies tailored to the specific type of

entrepreneurship to enhance income level of low less-privileged people.

Digital entrepreneurship in Bangladesh faces several challenges and opportunities. The challenges include a lack of technology and infrastructure, a digital gap, a shortage of trained teachers and educators, and social barriers faced by female entrepreneurs (Moudud Ul-Huq, 2013; Foisal, Sagar and Khanam, 2015). The socio-economic impact and adaptation challenges faced by many developing countries due to COVID-19 and lockdown include severe effects on the education sector, agriculture sector, remittance sector, various industries, private job sectors, and marginalized communities. Additionally, the COVID-19 pandemic has exacerbated these challenges, with issues such as a lack of internet connectivity and digital gadgets hindering e-learning programs. Factors affecting entrepreneurship development in the online retailing business include confidence, risk tolerance, need for independence, market economic trends, and attitude towards entrepreneurial behaviour (Islam, Khan, Obaidullah and Alam, 2011). However, there are also significant opportunities for digital entrepreneurship in most developing countries (Chowdhury, 2017). The technological revolution provides unique opportunities for the country to develop and become a champion of digitization. E-learning can close the digital gap, expand educational opportunities, and raise academic standards. Furthermore, the digital marketplace offers benefits for women entrepreneurs, such as gaining self-sufficiency, financial independence, and improving the economic development and social well-being of the community. To fully leverage these opportunities, investment in technology, infrastructure, and capacity building is crucial for exploring the opportunities from entrepreneurial activities (Ullah, 2020).

Entrepreneurs in developing countries face various challenges. Rural women entrepreneurs face social and cultural barriers, financial challenges, and skill-related challenges in maintaining their family entrepreneurship. The utilization of management functions is crucial for entrepreneurship success, and entrepreneurs should learn and utilize these functions to protect themselves from business failure (Moudud Ul-Huq, 2013; Foisal, Sagar and Khanam, 2015). Female entrepreneurs in various countries encounter challenges such as lack of financing, gender discrimination, lack of managerial skills, fear of failure, lack of training, lack of information, and work-family conflict. These challenges can be overcome through initiatives such as providing financial support, promoting gender equality, offering training and education, and creating a supportive entrepreneurial ecosystem. It should be emphasized that there are multi-dimensional factors that significantly contributes to entrepreneurship and such factors are: socio-economic environment and culture, economic policies, economic characteristic, firm policies, foreign sector can meaningfully influence investment and can consequently foster economic growth various countries. Figure 5 shows multidimensional factors of entrepreneurship as highlighted in this study.

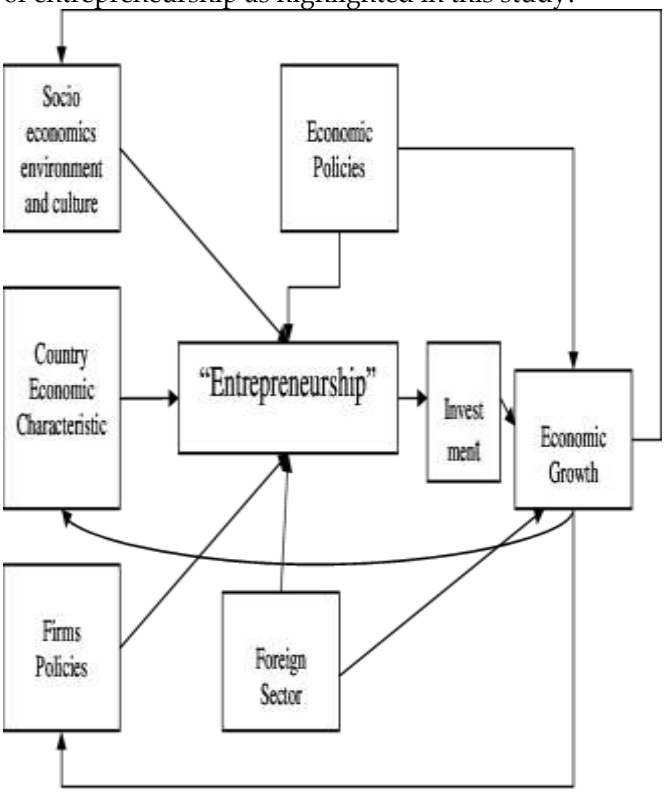

Figure 5: Multidimensional factors influencing entrepreneurship, including cultural, economic, and policy-related barriers.

2.5. Small And Medium Enterprises (Smes)

Small and medium enterprises (SMEs) play a significant role in developed and developing economy, contributing to the country's gross domestic product (GDP). The COVID-19 pandemic has further impacted SMEs, with many experiencing complete shutdowns, reduced demand for goods, increased production costs, and decreased profits (Al Busaidi, Bhuiyan, and Zulkifli, 2019). To address these challenges and support the growth of SMEs, policymakers should consider incorporating e-commerce, implementing more favorable government policies, facilitating bank loans, and establishing new training institutions. Additionally, the use of fintech, particularly mobile financial

services (MFS), has shown positive impacts on SMEs' recovery from COVID-induced losses, but there is a need for more incentives and supportive policies to encourage SMEs to adopt digital finance and online platforms (Al Busaidi, Bhuiyan, and Zulkifli, 2019).

Small and medium enterprises (SMEs) have been found to contribute to poverty reduction. Studies conducted in developing countries such as Nigeria have shown that financing SMEs through commercial credit and microcredit can have a positive impact on poverty reduction (Maksimov, Wang and Luo, 2017). SMEs create jobs, improve the standard of living, and increase income levels, all of which contribute to poverty reduction (Maksimov, Wang and Luo, 2017). Additionally, SMEs play a role in reducing the unemployment rate, as their development leads to a decrease in unemployment. To effectively address poverty, it is reiterated that microfinance institutions offer loans and overdrafts to SMEs without stringent collateral requirements (Turyakira, 2018). Furthermore, government policies that support locally produced goods and services, especially from SMEs, can help improve their activities and reduce poverty and SMEs have the potential to be instrumental in poverty reduction efforts (Maksimov, Wang and Luo, 2017).

Small and medium enterprises (SMEs) have a positive impact on economic growth. They contribute to employment generation and poverty reduction, leading to overall economic development. Favorable tax policies play a crucial role in influencing SMEs' investment decisions and business growth, which in turn contribute to economic growth. Additionally, government support for SMEs, such as credit distribution, can also have a positive relationship with economic growth in the long term specifically in an emerging and developing economy (Ndiaye, Razak, Nagayev and Ng, 2018). Factors such as size, age, internationalization, network, innovation, public institutions, and capital structure influence SMEs' financial performance and their ability to contribute to economic growth through the adoption of cloud computing in fostering SMEs (Yeboah-Boateng and Essandoh, 2014; Khayer, Jahan, Hossain and Hossain, 2021). Further research is needed to explore the relationship between SMEs and economic growth in more depth. It should be reiterated that small and medium enterprises (SMEs) have the potential to contribute significantly to sustainable development goals (SDGs). They can play a key role in achieving sustained and inclusive economic growth, job creation, and innovation in developing countries. It is not doubtful to posit that innovation plays an important role in driving small and medium enterprises (SMEs) towards job creation and foster income per capital. The policy and support of the government play paramount roles in fostering SMEs whereby consumption of different products would generate revenues and improve profits. Undoubtedly, the rate of SMEs creation would depend on the effort put in place to foster knowledge of product/industry which would significantly contribute to the product and process of innovation and give competitive advantage in revenue generation or earning. The interconnectedness of factors in fostering SMEs as elaborated are highlighted in Figure 6.

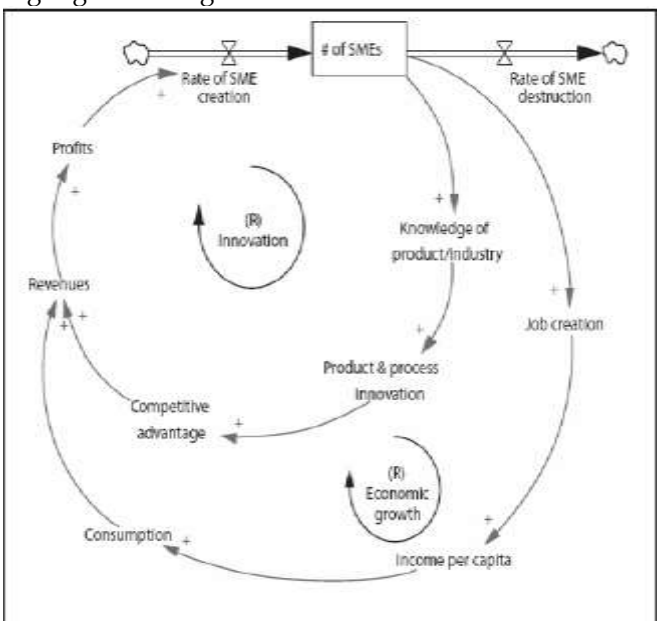

Figure 6: Factors Driving The Growth And Sustainability Of Smes, With A Focus On Innovation, Financing, And Market Access.

3.METHODOLOGY

3.1. Research Design

This study adopts Content Analysis (CA) as a core component of its qualitative research design. Content analysis was employed to systematically review, interpret, and synthesize existing literature relevant to the study's thematic areas. The approach aligns with the methodological recommendations of Kraus, Breier, and Dasí-Rodríguez (2020), who emphasized the analytical depth CA provides in examining complex research phenomena.

3.2. Data Sources And Collection

The study relies exclusively on secondary data obtained from reputable academic databases and institutional repositories. Specifically, the Web of Science (WoS), MPI, and university library databases were utilized to retrieve peer-reviewed scholarly

works, books, and reports pertinent to the study's objectives.

A systematic and exhaustive search strategy was adopted to ensure comprehensive coverage of relevant literature. Following Kraus et al. (2022), the search incorporated free-text synonyms, Boolean operators, and field codes within single-line search structures. These techniques enhanced the precision and completeness of the search results. The use of synonyms and keyword variations helped capture a wide range of studies related to the core themes, as similarly demonstrated in prior works (Klimanov & Tretyak, 2019; Khan Shah, Yu & Tanveer, 2022).

3.3. Search Strategy And Screening Process

To ensure methodological rigor, the study followed a multi-stage search and screening process. Initially, all retrieved records were screened based on title, abstract, and keyword relevance. Subsequently, full-text assessments were conducted to confirm the alignment of each source with the study's thematic scope namely, digital policy, small and medium enterprises (SMEs), poverty reduction, and economic growth.

The search and selection process culminated in 78 scholarly articles that met the inclusion criteria and formed the basis of the analysis. These studies collectively provided theoretical, conceptual, and empirical insights into the interrelationships among the identified themes, thereby facilitating a comprehensive understanding of how digital policy and SME development contribute to sustainable economic growth.

3.4. Inclusion And Exclusion Criteria

To ensure the relevance, credibility, and quality of the reviewed literature, specific inclusion and exclusion criteria were applied as follows:

Inclusion Criteria

- Publications from 2010 to 2023, reflecting contemporary developments and trends.
- Peer-reviewed journal articles, books, and institutional reports from reputable academic sources.
- Literature that explicitly examines the nexus between digital policies, entrepreneurship, SMEs, and economic growth in the context of developing countries.

3.5. Exclusion Criteria

- Studies focusing on developed economies or unrelated regional contexts.
- Sources lacking methodological rigor, such as opinion essays, editorials, or unverified reports.

3.6. Analytical Framework

The selected literature was analyzed using an interpretive content analysis framework, emphasizing thematic categorization, pattern identification, and synthesis of findings. This process facilitated a coherent understanding of the dynamic relationships among the key variables. The approach is consistent with methodologies employed in systematic literature reviews in the fields of small business and entrepreneurship (Kraus, Mahto & Walsh, 2023).

This methodological design integrates a systematic and rigorous content analysis process grounded in qualitative inquiry. Through the synthesis of 78 high-quality academic sources, the study elucidates the complex interconnections among digital policy, SME development, poverty alleviation, and economic growth ultimately contributing to the discourse on sustainable development in developing economies.

4. RESULTS AND DISCUSSION OF FINDINGS

This part presents findings and discussion of findings from cursory literature relating the utilization or application of digital policy in enhancing underlining dimensions of entrepreneurship, small and medium enterprises (SMEs), poverty reduction and economic growth in order to achieve sustainable development goals (SDGs). Each of these is elaborated in the subsequent paragraphs.

4.1. Digital Policy Versus Entrepreneurship

Digital policy and entrepreneurship in developing countries are key factors in achieving the vision of sustainable development. This is in agreement with a number of studies that asserted that the governments have implemented various ICT policies, such as the National ICT Policy, National Telecom Policy, and National Digital Commerce Policy, to promote digitalization and boost the ICT sector for enhancing entrepreneurship, job creation and empowerment (Adenutsi, 2009; Aker, 2017; Al Busaidi, Bhuiyan and Zulkifli, 2019). However, there are challenges in the implementation of these policies, including a lack of coordination among government ministries and agencies. Despite substantial progress, some developing countries still lags behind in digitalization compared to other developing countries. This is why overwhelming studies have elucidated that it is important to bridge

the digital divide and promote widespread digital transformation, strong policies and incentive mechanisms are needed to reduce digital inequality across regions, ethnicities, and income groups through entrepreneurship (Amorós and Cristi, 2011; Antonio and Tuffley, 2014). Additionally, the integration of ICTs with smart industrialization, as emphasized in the ICT policy, can accelerate the implementation of Industry 4.0 in developing countries (Aker, 2017; Bukht and Heeks, 2018). The effective utilization of existing facilities and the formulation of comprehensive ICT policies are crucial for achieving digital goals and fostering entrepreneurship (Brixiova, 2013).

Digital entrepreneurship can benefit from several best practices. For instance, the participation of women in the digital marketplace has been significant, with female entrepreneurs contributing to the economy (Alvarez and Barney, 2014.). Similarly, the integration of several digital projects has potential in developing entrepreneurship among rural youths through the use of ICT and Internet, services, and stakeholder involvement have been acknowledged in the cursory literature (Calá, Arauzo Carod, and Manjón Antolín, 2015; Cusolito, Lederman, and Peña, 2020). Additionally, the governments' initiatives in promoting a digital technology have been assessed from both supply and demand perspectives and the adoption of digital-technology can maximize production and fostering the gross domestic product through digital economy (Dahlman, Mealy and Wermelinger, 2016). These best practices highlight the importance of supporting women's digital access, providing quality internet and equipment, offering a range of services, and engaging relevant stakeholders to foster entrepreneurship in the digital landscape. Nonetheless, digital entrepreneurship faces several challenges and opportunities. The challenges include a lack of technology and infrastructure, a digital gap, a shortage of trained teachers and educators, and social barriers faced by female entrepreneurs (Loo and Ngan, 2012).

Additionally, the COVID-19 pandemic has exacerbated these challenges, with issues such as a lack of internet connectivity and digital gadgets hindering e-learning programs. However, there are also significant opportunities for digital entrepreneurship in developing countries (Doran, McCarthy and O'Connor, 2018; Hanafizadeh, Khosravi and Badie, 2019; Zaman, 2023). The technological revolution provides unique opportunities for the developing countries to develop and become champions of digitization through the application of digital policy in developed and developing countries (Doran, J., McCarthy and O'Connor, 2018; Liu, 2022). E-learning and cloud computing can close the digital gap, expand educational opportunities, and raise academic standards. Furthermore, the digital marketplace offers benefits for women entrepreneurs, such as gaining self-sufficiency, financial independence, and improving the economic development and social well-being of the society. Studies have affirmed that fully leverage these opportunities, investment in technology, infrastructure, and capacity building is crucial (Antonio and Tuffley, 2014). There are various structural factors for achieving digital entrepreneurship which are sub-divided into government rules or regulations and electronic readiness level to adopt digital technology in enhancing entrepreneurship. Pertaining government rules or regulations, it can be asserted that there are sub-components which are support, cognitional and policy-making components while there are two sub-elements under electronic readiness level which are infrastructure of ICT and ICT applications. Giving prime attentions to the aforementioned aspects would be considered as structural factors in achieving digital entrepreneurship. Figure 7 shows structural factors for digital entrepreneurship.

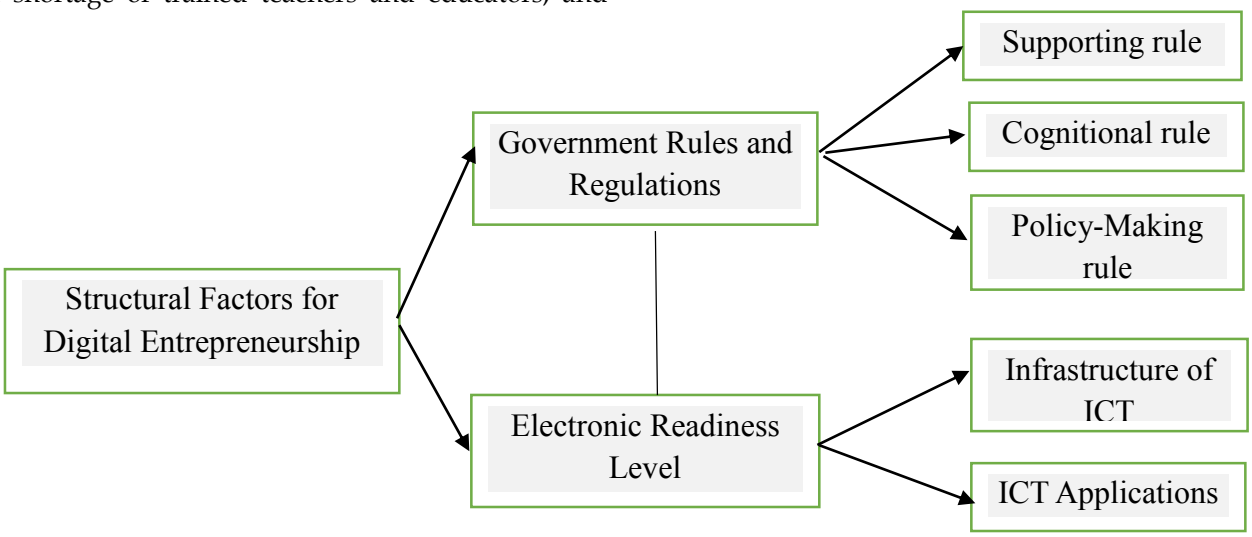

Figure 7: Structural Factors For Fostering Digital Entrepreneurship, Emphasizing Infrastructure, Policy Frameworks, And Educational Readiness.

Digital policy can be used to reduce poverty in developing countries by leveraging information and communication technology (ICT) to empower the poor and improve their access to information and services (Maksimov, Wang and Luo, 2017). Nonetheless, the governments of various countries have recognized the importance of ICT and they have launched different initiatives such as the Union Information and Service Centre (UISC) to provide digital services to the poor (Maksimov, Wang and Luo, 2017). Additionally, the introduction of mobile banking in many countries has shown promising results in reducing poverty, with increased remittances, improved rural consumption, and a decrease in extreme poverty (Aker, 2017; Banerjee and Jackson, 2017). Furthermore, the digital technology aims to transform the economy into a digital economy, which can contribute to poverty reduction by creating opportunities for digital employment and economic growth (Amorós and Cristi, 2011). By implementing effective digital policies, such as universal social protection and progressive tax systems, developing countries can address inequality and create a more equitable society. The cursory literature analyses the role of norms implementing equal opportunity and social solidarity principles in mitigating discrimination against the poor and other studies have highlighted the important role of education in reducing poverty and enhancing entrepreneurship for economic growth (Brixiova, 2013). More importantly, literature assesses the impact of SDGs on poverty alleviation among rural women and youth through engagement in small and medium enterprises (SMEs).

To ensure the sustainability of SMEs, it is important to model their development processes and use indicators to monitor their progress as literature contends (Ahmad, Ramayah, Halim, and Rahman, 2017). Several studies have shown that SMEs are important drivers of economic growth and development worldwide (Ardic, Mylenko and Saltane, 2011; Banwo, Du, and Onokala, 2017). It is noteworthy to assert that, SMEs have a positive and significant impact on economic growth, strengthening marketing practice and highlighting the need for more investments in this sector by adopting ICT for its effectiveness and efficiency in most developing countries (Ogundele, Akingbade, Saka, Elegunde and Aliu, 2013). Policymakers and lead firms should recognize the potential of SMEs and adopt a differentiated approach in their interactions, considering them as important resources in multi-stakeholder initiatives for achieving SDGs as literature contends (Banwo, Du, and Onokala, 2017; Al Busaidi, Bhuiyan and Zulkifli, 2019). Hence, the future of entrepreneurship needs to strengthen SMEs specifically by integrating digital technology for their efficiencies (Ratten, 2014; Soluk, Kammerlander and Darwin, 2021).

4.2. Digital Policy Versus Small And Medium Enterprises (Smes)

Digital policy plays a significant role in the growth and development of small and medium enterprises (SMEs) in most developing countries (Tahi and Tambunan, 2011). The use of financial technology (fintech) products, such as mobile money and mobile or online banking, has been found to have a statistically significant impact on SME growth in various countries in reducing poverty as literature affirms (Maksimov, Wang and Luo, 2017). Additionally, the digitalization of microfinance has been identified as a promising avenue to make finance more affordable for small businesses in rural areas. However, SMEs also face challenges in accessing finance, including high interest rates, lengthy loan processing times, and complex security requirements. The government and financial institutions have taken policy measures to mitigate the impact of the COVID-19 pandemic on SMEs, including providing support and easing lockdown restrictions (Zaman, 2023). Undoubtedly, digital policies and initiatives are crucial for improving access to finance and promoting the growth of SMEs (Turyakira, 2018). The government can support the growth of small and medium enterprises (SMEs) in the digital age by implementing several measures. For instance, they can reduce the tax rate on importing SME raw materials and inventories and exporting SME products, as suggested by literature (Ogundele, Akingbade, Saka, Elegunde, and Aliu, 2013; Ahmad, Ramayah, Halim and Rahman, 2017). In so doing, this would help SMEs manage their finances and reduce costs. By encouraging more merchants to use these fintech products, the government can facilitate easier access to financial services for SMEs. Additionally, the government can provide guidelines to enhance the credit flow in the SME sector. This would address the issue of low accessibility to institutional credit faced by SMEs and by implementing these measures, the government can create a supportive environment for SMEs to thrive in the digital age as literature posits (Ardic, Mylenko and Saltane, 2011; Banwo, Du and Onokala,

2017; Khayer, Jahan, Hossain and Hossain, 2021). The impact of small and medium enterprises (SMEs) in contributing to gross domestic product (GDP) and overall economy of various countries cannot be underestimated. Nonetheless, literature posits that Covid-19 seriously hindered the prospect of SMEs and there is need for recovery mechanism (Amuda, 2020). Reiteratively, recent study clamoured for the expansion of digital entrepreneurship and innovation as part of strategies for achieving economic growth and development (Amuda and Alabdulrahman, 2023). Moreso, entrepreneurship is stressed as a crucial element to be addressed through policy in driving future economy towards achieving SDGs (Muhammad, Haider, Ikram, 2021). Additionally, the study by Fayez and Mamdouh (2024) posited that digital transformation is important for achieving sustainable development goals (SDGs) as part of effort to achieving future economic prosperity.

Moreso, the integration of digital technology would positively make impact on small and medium enterprises (SMEs) by fostering performance through efficient and effective competitiveness and bring about intangible benefits as well as innovative business operations. In addition, the application of digital technology on SMEs can bring about significant growth especially in the aspect of growth, strategy, sales increase and it would bring easy access to financial services. In so doing, digital technology would also result to organization expansion, improve supply chain, enhance international communication and customer-base connectivity. Onwards, the application of digital technology would boost the potential of new products and services, product quality and customer interaction. Similarly, digital technology would bring about cost efficiency by reducing communication and information search costs to reach customers and suppliers. Figure 8 shows digital technology impact on small and medium enterprises (SMEs).

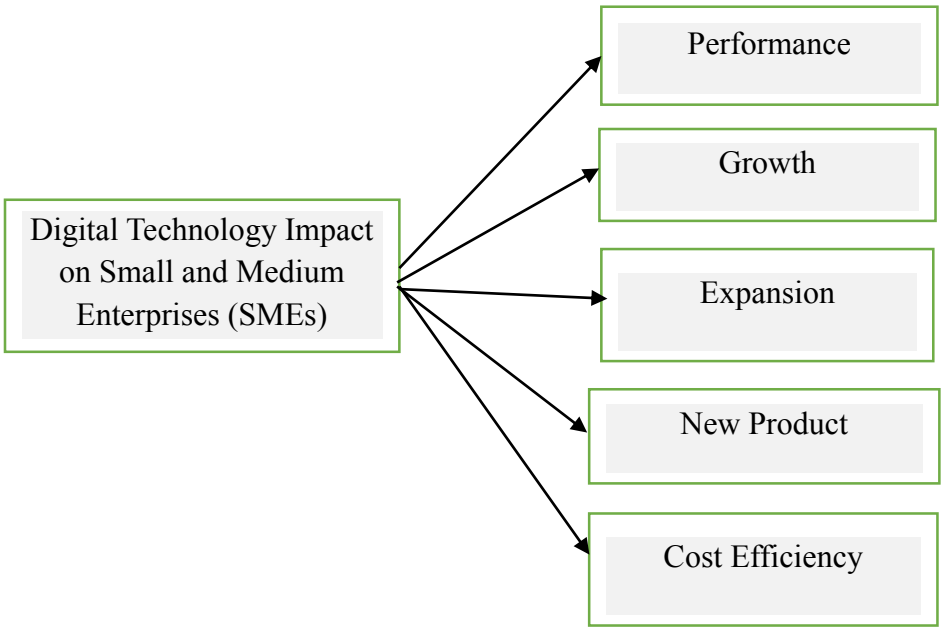

Figure 8: The Impact Of Digital Technologies On Smes, Focusing On Operational Efficiency, Market Expansion, And Cost Reduction.

4.3. Digital Policy And Poverty Reduction

Digital policy has the potential to contribute to poverty reduction by leveraging information and communication technology (ICT) (Cusolito, Lederman and Peña, 2020). The governments of various developing countries have recognized the importance of ICT and has initiated efforts to digitize government services. The private sectors have also been involved in digitization, which can help improve the socio-economic conditions of the poor. Additionally, mobile banking has been introduced to rural households and migrants in developing countries, resulting in increased remittances, reduced poverty, and improved consumption as literature contends (Banwo, Du and Onokala, 2017; Khayer, Jahan, Hossain and Hossain, 2021). The key features of the digital policy in most developing countries include the vision to transform the economy into a digital economy. The policy aims to capitalize on the ICT revolution and achieve development through digitalization. It emphasizes

the integration of innovative and emerging digital technologies to enhance productivity and efficiency in multiple industrial sectors entrepreneurship opportunities in alleviate poverty (Alvarez and Barney, 2014). The policy also recognizes the importance of ICT in triggering Industry 4.0 and highlights the need for smart industrialization through the incorporation of ICTs. Additionally, the policy focuses on the development of digital infrastructure and the use of ICTs for e-governance, e-commerce, and e-banking. However, concerns have been raised regarding issues of digital surveillance and media censorship under the state-led investment in digital infrastructure.

Poverty is a significant issue that the Sustainable Development Goals (SDGs) aim to address through the application of digital policy and ICT through which poverty can be drastically reduced or alleviated (Chowdhury, Chowdhury, Chowdhury, Hossain and Ahsan, 2021). The SDGs recognize poverty as a global problem that needs to be eradicated in all its forms and the SDGs provide a comprehensive framework for achieving sustainable and equitable development, with a focus on poverty reduction using the instrumentality of Zakah (Hoque, Khan and Mohammad, 2015). The goals emphasize the importance of eradicating poverty, improving access to basic needs such as healthcare, education, and clean water, and promoting economic empowerment. Achieving the SDGs requires collaboration and partnership among governments, businesses, civil society, and individuals (Ahmed and Karim, 2022). The success of poverty alleviation programmes depends on understanding the specific challenges and opportunities faced by local communities. Literature contends that study the poverty status of small-scale fisheries communities and emphasize the need for comprehensive efforts to reduce poverty (Fosu, 2017). Studies have emphasized that eradicating extreme poverty is the foundation for financial inclusion and sustainable development (Cobbinah, Black and Thwaites, 2013; Ayoo, 2022). Few other studies provide insights into the relationship between SDGs and poverty reduction, highlighting the importance of addressing poverty through integrated and targeted approaches in achieving SDGs (Zulher and Ratnasih, 2021).

Investments in infrastructure, education, healthcare, and other essential services are crucial for achieving the SDGs, particularly in developing countries. Overall, the SDGs provide a shared vision and roadmap for addressing poverty and promoting sustainable development worldwide. The Sustainable Development Goals (SDGs) provide a framework to help reduce poverty. The SDGs aim to eradicate poverty and ensure the well-being of humanity (Belke and Wernet, 2015). They address the economic challenges of many nations, including the problem of poverty. The SDGs set targets for member countries to end poverty, safeguard the environment, ensure peace, and promote equality and inclusiveness. The multidimensional poverty index (MPI) is used to measure poverty levels and vulnerability (Donou-Adonsou and Sylwester, 2016). The SDGs emphasize the importance of education, health, and living standards in reducing poverty. The impact of SDGs on poverty alleviation has been studied, and it has been found that empowerment schemes and soft credit loans have a positive and significant relationship with poverty reduction (Belke and Wernet, 2015).

Research on poverty reduction has increased in the 21st century, with a focus on inequality, growth, environmental protection, and international cooperation. To effectively reduce poverty, it is important to integrate disciplines and pay attention to the contribution of marginal disciplines in poverty reduction research as literature contends (Fosu, 2017; Ayoo, 2022). However, some countries are still lagging behind in digitalization compared to other developing countries, and factors such as poverty, inequality, and low digital literacy hinder widespread digital transformation in developing countries (Rana, Rekha and Islam, 2022). To achieve the vision 2030, effective utilization of existing facilities and strong policies to reduce the digital divide are essential. Indeed, digital policy and ICT have the potential to contribute to poverty reduction in developing countries, but literature advocates that challenges need to be addressed through the integration and effective implementation of digital policies for social transformation (Mujeri, 2022).

4.4. Digital Policy And Economic Growth

Digital policy plays a crucial role in the economic growth and the government's digital initiative aims to leverage technology to drive development and contribute to economic growth. Technological innovation and human capital are identified as a key factor that positively impacts economic development in developing countries (Hanushek, 2013). By embracing digital technologies, such as universal social protection policies and an effective tax system, most countries can reduce poverty and inequality, create a more equitable society, and spur economic growth. The study also emphasizes the need for effective economic institutions, proper policy incentives, and sound macroeconomic policies to

support digital transformation and enhance economic development (Upreti, 2015). Therefore, digital policy measures, along with technological innovation and supportive economic policies, can contribute to the economic growth of developing countries. Economic growth has been modest, with a growth rate of just over four percent annually in the last two decades just as in the case of Bangladesh. However, this growth has not been sufficient to bridge the gap in living standards between Bangladesh and other developing countries in Asia (Paul, 2022).

Similarly, trade also contributes to economic growth and digital technology can also propel the growth of economy in African countries (Zahonogo, 2016). Most of the developing countries have faced challenges such as poverty, illiteracy, and a large unskilled population. The main sources of income in most developing countries in Asia and Africa are agriculture, remittances among others while there have been efforts to reduce poverty and improve education, progress has been slow (Belke and Wernet, 2015). The countries have also faced issues such as inflation, government debt, and supply constraints. Despite these challenges, most developing countries have shown resilience and has accumulated comfortable levels of foreign exchange reserves. Moving forward, political stability and structural reforms will be crucial for sustained and inclusive economic growth (Cagé, 2009; Hanushek, 2013; Upreti, 2015).

However, the COVID-19 pandemic has posed challenges to the many countries' economic growth, particularly in sectors like the ready-made garments industry and remittance sector respectively in achieving sustainable development goals in 2030 (Rahman, 2021; Zaman, 2023). Despite these challenges, some developing countries have shown solid progress in terms of socio-economic development and they are striving to become a middle-income nation by 2030 (Rahman, 2021). The economic growth has been fuelled by several sectors, but there is a need to ensure sustainable growth and address issues such as workplace safety and the availability of internal employment opportunities (Suominen, 2017). Also, the SDGs have played a crucial role in shaping development paradigm and driving economic growth in most developing countries (Fosu, 2017).

It is essential to reiterate the need for harmonization between digital policy and economic growth. In so doing, there are cybersecurity challenges and barriers which might hinder economic growth through the application of digital technology. It is therefore necessary to emphatically stress on the review of existing policies, programmes and initiatives that would bring about economic growth. Similarly, the government should put various resources and support in place for the growth of SMEs. Similarly, the roles of government agencies and stakeholders are important for the success of SMEs. Effective and practical solutions are necessary for addressing the challenges facing SMEs in order to contribute to economic growth. Figure 9 illustrates harmonization between digital policy and economic growth.

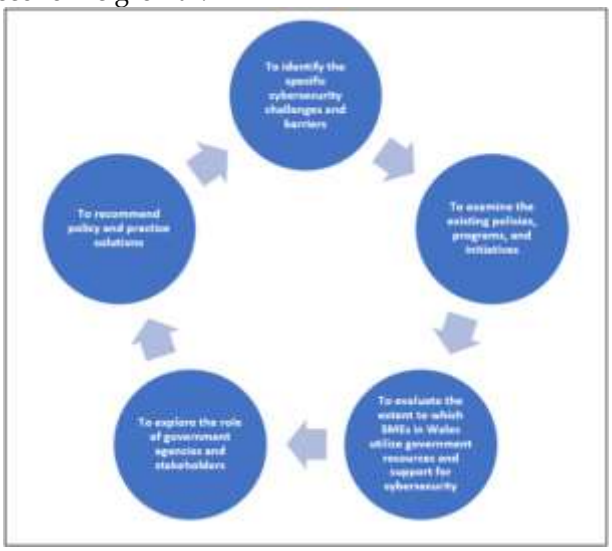

Figure 9: Harmonization Between Digital Policy And Economic Growth, Highlighting The Role Of Technological Adoption In Driving Sustainable Development.

4.5. Digital Policy And Sustainable Development Goals (Sdgs)

Sustainable Development Goals (SDGs) have been adopted by various countries to improve entrepreneurship, small and medium enterprises (SMEs) as well as to eradicate poverty and promote economic prosperity. More importantly, the Sustainable Development Goals (SDGs) aim to end poverty in all its forms everywhere. These goals recognize the multidimensional nature of poverty and the need for integrated approaches to address it (Paul, 2022). Several studies have examined the link between poverty and various factors such as equal opportunity, social solidarity, education, and food security. However, there are challenges in implementing the SDGs and reducing poverty in the country. Social service programmes, though linked to the SDGs, are not appropriately designed to align with the goals. Implementation of digital policy can play a significant role in achieving SDGs whereby local governments (LGs) can play a critical role in

implementing the SDGs at the local level, but they face challenges such as a lack of capacity, resources, and funding as literature contends (Zaman, 2023). Sustainable resource management is also challenging in many developing countries due to a large population living below the poverty line, but digital technology could be considered as a mechanism for sustainable resource management which needs to be improved for the betterment of living conditions of the citizens (Rahman, 2021).

Sustainable Development Goals (SDGs) have a significant impact on economic growth. SDG-01, which focuses on reducing poverty, has a negative impact on economic growth. SDG-03, related to good health and well-being, and SDG-04, focused on quality education, have a positive impact on economic growth. SDG-08, emphasizing economic growth and jobs, is correlated with economic growth in Asian countries (Rahman, 2021). SDG-08 also highlights the importance of inclusive and sustainable economies, productive employment, and decent work for all. Achieving SDG target 8.1, which aims for real GDP per capita growth, is challenging as observed growth rates have been relatively low (Rahman, 2021). Education and training, gender equity, greenhouse gas emissions, and decent employment are positively related to GDP growth, while poverty, hunger, and health have a negative relationship. Investing in education and training can promote economic growth and achieve multiple SDGs (Mondal, 2019).

The Sustainable Development Goals (SDGs) have been a focus for developed and developing countries' economic growth. The developing countries have made progress in achieving the SDGs, with initiatives such as overseas employment contributing to socio-economic development and the attainment of the goals. Remittances from overseas employees have played a significant role in stabilizing economic growth and sustaining foreign reserves in some developing countries (Sarkar, Okitasari, Ahsan, and Al-Amin, 2022).

In addition, social protection programmes, such as cash and food transfer programmes, have been effective in reducing poverty in the short term, but their long-term impact varies and the integration of digital technology can provide efficiency and effectiveness in enhancing social protection programmes as literature contends (Nandi, Hossain, Roy, and Ullah, 2023). Developing countries have made progress in achieving the SDGs, but faces significant challenges in reaching the goals. The SDGs are being used to reduce poverty in developed nations through various strategies and programmes such as sustainable resource management (Hossain, 2023). For instance, Social Welfare (SW) in various countries is implementing social service programmes that are relevant to achieving the SDGs, such as eradicating poverty and promoting economic prosperity (Zaman, 2023). However, these programmes face challenges like inadequate funds and limited coverage. Additionally, microfinance institutions (MFIs) use repayment strategies that can have damaging consequences on borrowers, leading to persistent poverty in local levels in most developing countries (Walwyn and Cloete, 2020). Hence, it is essential to advocate for strengthening the capacity of LGs and involving key local stakeholders, the implementation of the SDGs can be accelerated at the local level (Sarkar, Okitasari, Ahsan, and Al-Amin, 2022).

Moreover, the best practices for using the Sustainable Development Goals (SDGs) to reduce poverty involve integrating development and environmental considerations, setting comprehensive goals and associated targets, and maximizing synergies while managing trade-offs in implementation. The SDGs provide a framework for addressing poverty eradication and environmental sustainability together, recognizing the interconnectedness of these goals (Ayoo, 2022). By developing integrated targets related to food, energy, water, and ecosystem services, the SDGs can effectively address poverty and environmental challenges as literature contends (Belke and Wernet, 2015). The SDGs also include a specific climate goal (SDG 13) to address the urgent threat of climate change, which is crucial for achieving all the SDGs. By incorporating these principles and goals into policy and decision-making processes, the SDGs can contribute to poverty reduction and sustainable development. Figure 10 demonstrates conceptual framework of this study which can be further empirically investigated by the future study.

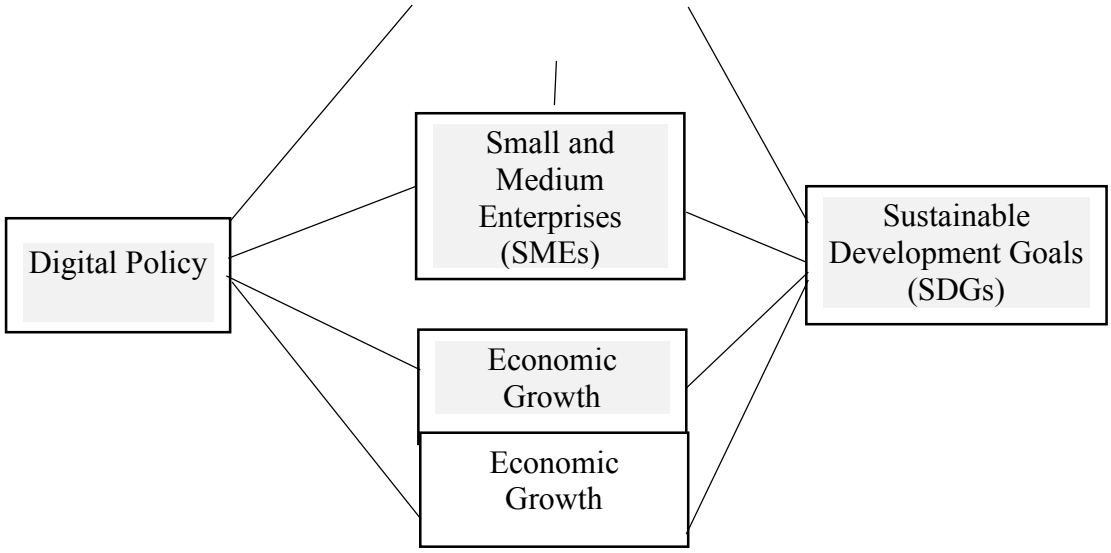

Figure 10: Conceptual Framework Illustrating The Interrelationship Between Digital Policy, Entrepreneurship, Smes, And Economic Growth In Achieving Sustainable Development Goals (Sdgs) (Adapted From: Aker, 2017; Maksimov, Wang And Luo, 2017; Al Busaidi, Bhuiyan And Zulkifli, 2019; Cusolito, Lederman And Peña, 2020; Khayer, Jahan, Hossain And Hossain, 2021; Rahman, 2021; Paul, 2022; Sarkar, Okitasari, Ahsan, And Al-Amin, 2022; Nandi, Hossain, Roy, And Ullah, 2023; Zaman, 2023)

5. CONCLUSION AND SUGGESTIONS

The findings of this study underscore the critical role of robust digital policy frameworks in enhancing entrepreneurship and small-medium enterprises (SMEs) as a pathway to achieving economic growth and poverty reduction in developing countries. Based on these findings, the following recommendations are proposed:

5.1. Recommendation:

1. Governments in developing countries should prioritize the establishment of comprehensive digital infrastructure, ensuring that it is accessible to SMEs and entrepreneurs across all sectors.
2. Digital literacy programs should be expanded to include marginalized communities, particularly women and rural entrepreneurs, to bridge the digital divide and foster inclusive economic growth.
3. Collaborative efforts between public and private sectors should be enhanced to provide the necessary financial support, such as microfinance and digital financial services, to foster SME growth and sustainability.
4. Policymakers should focus on creating legal and regulatory frameworks that address cybersecurity risks and promote trust in digital platforms, which are essential for the secure functioning of digital economies.

These strategies are critical for addressing the challenges and opportunities associated with digital transformation in developing economies, ultimately contributing to the realization of the Sustainable Development Goals (SDGs).

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