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The impact of Entrepreneurship, Islamic Entrepreneurship and Social Entrepreneurship on Economic Development: A Case Study from Khyber Pakhtunkhwa, Pakistan

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Abstract

The aim of this work is to discover the relationship between Islamic entrepreneurship and social entrepreneurship, and its impact on the economy in the context of Khyber Pakhtunkhwa, Pakistan. The essence of the study is descriptive in nature based on primary data. The results of this study show that Entrepreneurship, Islamic Entrepreneurship and Social Entrepreneurship significantly influence economic development of Khyber Pakhtunkhwa. Based on the findings, this paper has suggestions for the government, prospective and present entrepreneurs of Muslim nations that are presenting one-fourth of the world's total population. It is also hoped that this analysis will facilitate and motivate Islamic researchers to consider the issue in depth and ensure that they are more attentive to the creation of Islamic and social enterprises in light of the Quran and Sunnah. The results of this paper can be used as a manual to create social and Islamic entrepreneurship in Muslim nations for the improvement and development of the Economy. The research may have reasonable implications within the domain of sociologies, for example, finance, business management, political science, social science, law, Qur'anic science, and human resource management.

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Keywords:

Entrepreneurship, Islamic Entrepreneurship, Social Entrepreneurship, Economic Development, Khyber Pakhtunkhwa, Pakistan`

Introduction:

The many opinions and concerns around entrepreneurship led to the improvement in knowledge and research about the Islamic entrepreneurship. It is found that the problems that disrupt entrepreneurship activities are still not receiving the required attention. Islamic entrepreneurship still is a more genuine system that is based on Al-Quran and the Prophet's Sunnah (peace be upon him). Research, from the Islamic point of view on social entrepreneurship is still fresh and deficient. As a whole, we realize that Islam is a monotheistic belief that is comprehensive and ideal for all Muslims in all parts of their lives. According to Hassan and Hippler (2014), Islam stresses the importance on economic activities that fully adheres to the goals of society, and many of the restrictions placed on Muslim entrepreneurs are aimed at lessening the events that can harm society. Islam considers various business practices harmful for the societies and strongly prohibit such practices. Some of these practices include sale/purchase of alcohol and gambling.

The current financial disaster around the globe revealed many of the risks associated with the unhindered economic actions of Western economies. The contrast and consideration of different economic points of view and their corresponding results is mainly applicable as global economies change to achieve the proper balance between open economies that provide the autonomy to entrepreneurs to increase their utility with the necessary actions for well-being and stability of the society. The literature on the Islamic perspective has highlighted that Islam is a complete religion which encircle and influence all parts of life, including commercial actions, so it is essential to provide its followers with a parameter showing how to succeed in this world. From the Islamic viewpoint, one can achieve success only if he/she accepts the conditions and limitations set

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by Islam. Many Muslims do not have an Islamic tone or clear directions in practicing Islamic entrepreneurship (Hoque & Mamun 2014). Thus, religion should not be held liable at all for any fault in its follower's practices because it is the responsibility of the individual to equip themselves with proper knowledge on this matter.

The word Entrepreneur is borrowed from French writings in the 18th century A.D. In the field of economics, "the word entrepreneur is used for a person which has the capability to transform technologies or inventions into goods/services and create employment opportunities". The Entrepreneur is a major influential element that gives meaning to people seeking improved techniques by which a job should be possible, as well as experiencing economic advancement as a result. Entrepreneurs are the Business people with the best concentration to use the assets, reduce wastages of resources, and provide opportunities to the society in large. Entrepreneurs are pioneers, who are willing and able to pursue financial goals (Dees, 2001). The term "entrepreneurship refers to the creation or extraction of value". With this definition, entrepreneurship is regarded as change, normally involving risk beyond what is usually faced in establishing a business, which may contain additional values than merely economic ones. Entrepreneurship is not bound to the income-driven world of business. Although profit is critical to a sustainable partnership, it is generally not the true goal. This is why the social business was produced and updated during the last century. Reasonably, the social business hopes to benefit the groups who have capitalized all profits toward a social mission.

In light of current financial situation and scenarios, social entrepreneurship exercises are critical to lessening the social problem, particularly in developing nations, for example, Pakistan. Social entrepreneurship is a developing field for business research that is preferred by many entrepreneurs. The social business enterprise is one of the outputs of the economy that can help reduce poverty and be able to strengthen the economic position of the nations. To seek legal income is

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elementary obligation according to the Islamic beliefs, and to work in the business field in order to provide essential goods for the people. The importance of social entrepreneurship is growing rapidly in government sectors as well as in private enterprises and also in non-profitable organizations in recent years, and eagerness for social business is developing persistently. Social entrepreneurship has now become a widespread occurrence influencing the general public and society (Muin, Abdullah, Bahari, & Armin, 2015).

1	Entrepreneurship	In 2009, Kuratko, defined the term Entrepreneurship as “It is a vigorous method of idea, modification and conception; the enthusiasm to take risks; to express an actual endeavor team; the innovative expertise to organize desirable resources; the vital skill of constructing a compacted business idea, and lastly to identify the opportunity”
2	Islamic Entrepreneurship	The term “Islamic entrepreneurship” is defined by Chowdhury, in 2008; as “The method of initiating an enterprise for manufacturing goods or delivering services which are halal for achieving sensible profits”. Islamic concept of entrepreneurship does not embroil in those events which flop to guarantee social responsibilities, rights of the consumers, healthy business practices, and also ethical values”
3	Social Entrepreneurship	In 2009, Nicholls defines the term Social entrepreneurship as “The item for consumption of networks, individuals, and organizations, as well as that encounter conservative arrangements by addressing letdowns also recognizing new opportunities in the institutional activities that presently is the reason for insufficient donation or imbalanced circulation of social and environmental goods”

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4	Economic Perspective	According to Lucas, 1988; “The elementary means of land, raw materials, labor and capital or set of elements essential for entrepreneurial expansion”
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1.1.Relationship between Entrepreneurship, Social Entrepreneurship and Islamic Entrepreneurship

Research pertaining to the part of religion in entrepreneurship and mostly management is scarce. “Entrepreneurship from an Islamic perspective (EIP)” is founded on three interrelated pillars: the entrepreneurial, socio-economic/ethical, and religio-spiritual. Though entrepreneurial activities been investigated from economic, institutional, political, psychological, and social viewpoints, religion has been mostly ignored with a few exceptions (Dana 2010). A religious point of view on entrepreneurship is different, as it normally involves particular and thorough descriptions and principles. An all-inclusive method to entrepreneurship study which includes religion may therefore augment and improve current theory and practice of entrepreneurship.

having 1.6 billion believers making one-fourth of the global population, Islam is the second largest religion anticipated to raise to 2.3 billion or 26.4 % of the global population by 2030 (Pew Research Centre 2011). For majority of the Muslims, religion has a vital role in their life (Pew Research Centre 2012). In modern times, a number of symposiums such as the “World Islamic Economic Forum” or “The Global Islamic Economy Summit” focused on and hence elevated awareness of the connection of Islam and the economy. The marketplace of Muslim customers is growing and entrepreneurs are producing (new) products to fulfil the demands. Given these trends, a thinking about the relations between Islam and entrepreneurship becomes importantly relevant.

EIP is a combination of two independently contested notions: Islam and entrepreneurship. Islamic in its marginal core is the testimony of faith in the one God and that Muhammad (peace be upon him) is the last messenger of God. In an eminent Hadith narrated by Al-Bukhari “the prophet is questioned by the

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archangel Gabriel about Islam, Iman, and Ihsan and expounds that Islam is the verification that there is no God but Allah, that Muhammad is His prophet, to offer prayers, to give Zakat, to fast in Ramadan and to perform the hajj if capable to do so. Iman is the faith in Allah, His angels, His books, His messengers, the Day of Judgment, and heavenly fate. Ihsan is to worship Allah as if you are seeing Him, while not seeing Him, although He sees you". The characteristics of Islamic in EIP is related to this faith and obedience to God.

The notion of social entrepreneurship still has not been entirely understood as the numerous construal that originate from diverse viewpoints and people. However, earlier studies on social entrepreneurship, generally observed it from the Western viewpoint, which is a result of the dearth of religious affairs. In reality, the viewpoint of religion is seldom observed in the literature on social entrepreneurship in earlier studies. The concept of "Islamic social entrepreneurship" is quiet novel in social entrepreneurship and social enterprise theory and research. Entrepreneurship from an Islamic viewpoint thoroughly reflects on opinions and principles that are confirmed in the following two ways. Firstly, Islam emboldens entrepreneurial development and entrepreneurship as an essential fragment of its religion. Secondly, Muslims have a strong belief in Allah and consider themselves responsible for work to generate prosperity for the whole community where they are residing.

1.2. Aim and objectives of the study

This research attempts to figure out the relationship between Entrepreneurship, Social Entrepreneurship and Islamic Entrepreneurship and its impact on the Economy of Khyber Pakhtunkhwa.

The objectives of this research are:

- To figure out the relation amongst Entrepreneurship, Social Entrepreneurship and Islamic Entrepreneurship.

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- To study how Entrepreneurship, Social Entrepreneurship and Islamic Entrepreneurship impact the Economy of Khyber Pakhtunkhwa.

1.3. Significance of the study

The gap which will be filled by the result of this research will assist Entrepreneurs and Business Owners with understanding the Economic Growth caused by Islamic and Social Entrepreneurship. It will likewise assist them to comprehend the mindfulness with the Islamic and Social Entrepreneurship. With the assistance of this research Entrepreneurs can likewise comprehend that how to boost financial and economic development. Furthermore, the innovation of the study is that it will empower to have inside and out comprehension about variables that may influence the interest for Entrepreneurship in Pakistan.

2. Literature Review

Entrepreneurship is an important opportunity for individuals, administrations and people worldwide to boost economic growth. Governments, growth aid organizations and researchers globally are positive that entrepreneurship is vital for economic development, creation of employment opportunities and improvement of living standards of people (Ndofirepi, 2020). As a corporate entity, entrepreneurship centers on inventions, managing risks, knowledge, growth in assets, and administrative activities. The whole society including minorities, such as women and youth can benefit from entrepreneurial activities. Entrepreneurship has a specific focus on business improvement and developing public strategies. This is because entrepreneurship is driving the market inventions that are critical in the progressively composed business globally (Ratten, 2014).

“Entrepreneurial culture” has been emerging as a greatly notable notion in the management literature over the last few years. It has been defined as “the attitude, values, skills, and power of a group or individuals working in an institute or an organization to generate income” (Danish et. al., 2019).

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Business activities are considered entrepreneurial when an ingenious idea or innovation is transformed into reality that focuses on a profit-seeking performance and economic development. The common perception of entrepreneurship is to incorporate social and economic scaling up. There is growing burden on the formal environment of a country to explore different strategies for the improvement of entrepreneurship activities and governments are required to contribute resources to such activities. Entrepreneurship is the key for many organizations and individuals with innovative ideas and plans in order to contribute to social and economic development. These entrepreneurs, however, are faced with uncertainty and are willing to take numerous risks (Dana, Ratten & Tahiri, 2015). Ajzen, in 1991, claims that goals generally depend on impertinence in the direction of the act, social norms, and presumed control of behavior. The path-to-act focus redirects an individual's assessment of her/his own attractiveness for starting anew business.

According to Zarabozo (2007) trust in Allah (SWT) is the basis of all belief in Islam followed by all previous Islamic principles and practices. In addition, Alserhan in (2011) defines this term as; "Islam is visibly described in a Hadith reported by Abu Huraira; The prophet (peace be upon him) is interrogated by the Angel Gabriel about faith, Islam and Ihsan (excellence) and the believer of Allah, the Prophet replied; Trust is belief in Allah, His angels, (the) meeting with Him, His followers and believing in the Renaissance. Islam is "Worshiping Allah alone and no one else, performing impeccable prayers. Giving essential charity (Zakkah) and perceiving fasts during the holy days of Ramadan. Furthermore, Ihsan is Obeying Allah as if we saw it if we cannot achieve this point of devotion, then we must believe that He is watching us" (Sahih Bukhari, Book 2, Hadith Number 47). Islamic entrepreneurship is related to faith and obedience to Allah (SWT)".

Scholarships on entrepreneurship from an Islamic viewpoint are still scarce. Previous research studies on entrepreneurship focused mainly on economic, political, social, institutional, and

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psychological aspects while the religious perspective was mostly overlooked (Machmud & Hidayat, 2020). An inclusive approach towards research on entrepreneurship that integrates religion with entrepreneurship can accomplish and improve entrepreneurship in theory and practice. Entrepreneurs in the Islamic framework are led by Islamic beliefs in their exploration of the best method to help humanity. For them, the encouraging reasons are the pleasure of God and human well-being. The unique motivational and moral structure of Islamic entrepreneurship places great importance on public deliberations, and after that on individual benefits. It discovers the community or the public as the main shareholder of the outcome of any business action. Islamic businessmen take very good ownership of the planned economic model. In relation to the morals of Islamic entrepreneurship, the economy can increase, rise and initiate the invitation to great figures of companies that are now operating in the conventional and growing sectors of the economy. After that, he can promote himself to be in the same balance as the first sector so that he can successfully achieve his part of confirming sustainable growth with equity and social justice at the global and national level (Alam & Molla, 2013)

In 2014, Gümüşay clarified that, as a religion, Islam prompted every Muslim to be solid, dynamic and persevering, which are highlights of each and every entrepreneur. Islam gladdens achievement accomplished by the correct deployment of assets granted by Allah. Business and Entrepreneurship in Islam are normally grounded on some of these belief systems. Business and entrepreneurship is an important aspect of the religion. Every business activity is regarded as Ibadah or 'great deed'. Islam urges individuals to engage into business activities following the directions of Quran and Hadiths of The Holy Prophet for it will create opportunities for equal distribution of wealth and improve living standards of individuals.

The notion of “social entrepreneurship” is omnipresent. All activities of human are social, and plenty of the interesting

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action—the action that humanity admires —is entrepreneurial, that is, it generates novel ideas and platforms for the society in large. In addition to being omnipresent, the importance of social entrepreneurship has risen tremendously in recent years. Recently media is paying more attention to it for the issues it resolves and the solutions it brings about (Richard, 2020). In certain, the arrangement of social business characterization is for the most part based on strategies in entrepreneurial condition. In 2011, Okpara and Halkias; characterizes it based on four standards, i.e. economic action, common society, social esteem, and advancement.

Research classifies “social entrepreneurs” as persons who initiate an enterprise to attain social goals, as mediators of social change or architects of generating social value. The current scholarship recognizes the urgency of social entrepreneurs to perform within diverse, frequently contradictory, logics (Agnieszka, 2020). The research on social entrepreneurship is progressively eyeing on how (social) entrepreneurs are balancing their twofold duties, and how they attempt to cope with the tensions that develop from mingling social and market institutional logics (Kannothra, Manning, & Haigh, 2018). According to Salarzehi, Armesh, and Nikbin (2010), “social entrepreneurship” is a steady activity, for example, generous movement, philanthropy, benevolence, and feeling of obligation for the troubles of the underprivileged and vulnerable territories of society. The requirement for “social entrepreneurship” in current society, as indicated today, is gridlock of consumerist framework which had significance on individual reasonability and scorning the needs, wants and necessities of defenseless social class and raises the hole between various classes in the society.

As reported by Gliedt and Parker in 2007, governments and profitable organizations have failed to clearly determine the social issues. Nowadays societies are faced with, more than ever before, multifaceted social issues and desires for more social enterprises and motivation. Social entrepreneurship

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comprises of innovative projects to improve the living standards of people who does not have financial stability. Likewise, the exhausting of social offices opportunity is stood up to the confinements. This grip of sympathetic business people act is grounded on the measures and esteem including points that trust in them, to modernize social wellbeing to satisfy the wants of the general public.

According to Salarzahi et al., (2010), the center of social entrepreneurship is a deliberately advanced type of kinship with a mixture of positive attitude. These types of entrepreneurs offer administrations to people who hope to obtain inner satisfaction. Social Entrepreneurship is a procedure in which the people and the social segments that work deliberately take into account the final objective of creating an incentive through the use of social resources and open spaces. In social orders, individuals meet and get along for mutual collaboration and participation, keeping in mind the ultimate goal of understanding social problems.

The Islamic social business enterprise is impressively another term within current social business and social enterprise hypothesis and research. Previous research on social enterprise may have been satisfied by the Western point of view (Al-Alak & Eletter, 2010). The expression “Islamic” here is received from a meticulous component of social endeavor research that logically has the standards of “Islam”, for instance Sharia and religion/religious norms. In the area of Islamic financial affairs, the business enterprise itself is an unmistakable part and has been mixed with business exercises and religion (Faizal, Ridhwan, & Kalsom, 2013). The essential idea of entrepreneurial enterprise in Islam remains a common relationship (organization and investment), altruism and positive attitude (Nurozi, 2011). His idea is based on the destinies of Islam about solidarity (tauhid), trust (khilafah) and worship (ibadah) to be updated for social equity and open intrigue (Al-Alak & Eletter, 2010).

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The idea of “Islamic social entrepreneurship” is related to generating equal opportunities for all segments of society and also ensuring equal distribution of wealth among members of all segments of society. Islamic social entrepreneurship is also required to address and manage social problems, such as poverty, unemployment, and gender discrimination. Therefore, Islamic social entrepreneurship should consider the problem of public facing homelessness as an uncompromising problem, particularly in some Muslim nations. According to Islamic convictions, an individual like the Khalifah of Allah has an obligation to achieve the success and convenience of the Earth (QS. Al-an “am: 165). They strive for individual additions or self-interest, as well as for the benefit of all with the goal of offering an ascent to common freedom in the group. Islam is not a religion that negates the human need to be successful and rich. Ultimately, Islam further complements its followers in dealing with its wealth, which must be monitored prudently as it has been based on the principles of Qur'an and Hadiths. Subsequently, each movement identified with success (thought processes for benefit) must be equally adjusted with value and incentive to others (social motive).

Developed from late measurements, the population of Muslims has reached to approximately 1.6 billion, corresponding to almost 23.4% of the worldwide population. The growth rate of Islamic nations in the vicinity of 2015 and 2019 is assessed to reach 5.4%, which exceeds the world normal by 1.8%. Entrepreneurship acts as a catalyst in improving the economic status of the Islamic nations and boost the economic conditions by creating more opportunities. (Dhaniarti, Putra & M. Ikhsan Setiawan 2015). Entrepreneurship is vital to the blossoming of a nation. Specialists approve that the commercial enterprise stands out among the most capable engines of financial development (Gedeon, 2014). This is due to entrepreneurs open a great number of innovative organizations that employ more people, thus lowering joblessness. Entrepreneurs, moreover, have a tendency to to be inventive in their professional operations. For example, they frequently use innovations that

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can improve the efficiency of the generation process, thereby increasing the “competitive advantage” of their countries. All in all, it could be stated that business learning is a basic factor in achieving inclusive development (Welsh & D.H.B, 2013). Muslim entrepreneurs are subject to the moral and soul of Islamic principles in the activity of their business exercises. They can complete their business in a legitimate, direct, and reasonable manner by avoiding all the prohibitions recommended in Islam. The all-encompassing attributes of Muslim entrepreneurs have been taught to manage power that are unique as sin, legitimacy, Hell and Paradise which becomes the trigger for human conduct in organizing business advancement. Therefore, every Muslim business person who is associated with entrepreneurial exercises, sees an open door and makes an association to seek it in view of Islamic standards should be known as Muslim entrepreneurs rather than simply known as Muslim business visionaries (P. Rameli, Ridhwan, & Kalsom 2013).

“Social entrepreneurs” are people with ingenious answers to societal and communal issues and problems. They are aspiring and relentless, handling significant social problems, and proposing new thoughts for large-scale change. “Social entrepreneurs” find what is wrong and take care of the problems and issues by altering the framework, spreading the agreement, and convincing entire social orders to move in various ways. Visionaries of social enterprises create new partnerships, new markets and better approaches to consider and continue together with poor groups to deliver critical services, for example, sustainable energy sources, clean water, advances in medical services, education and access to managements related to money. Social Entrepreneurs designs extremely moderate products and services (inclusive approach) that can be purchased by people living on a couple of dollars a day, and creates organizations that can spread them to poor groups. Numerous social entrepreneurs originate from the groups they serve. Some social entrepreneurs work with ladies and their particular financial needs (Austin, 2006). It has been observed

that in recent times, various associations - both administrative and non-legislative - and also charitable and non-charitable associations have progressively perceived the importance of social business (Lawrence, 2012).

The derived conceptual framework from the literature review is depicted in Fig. 1.

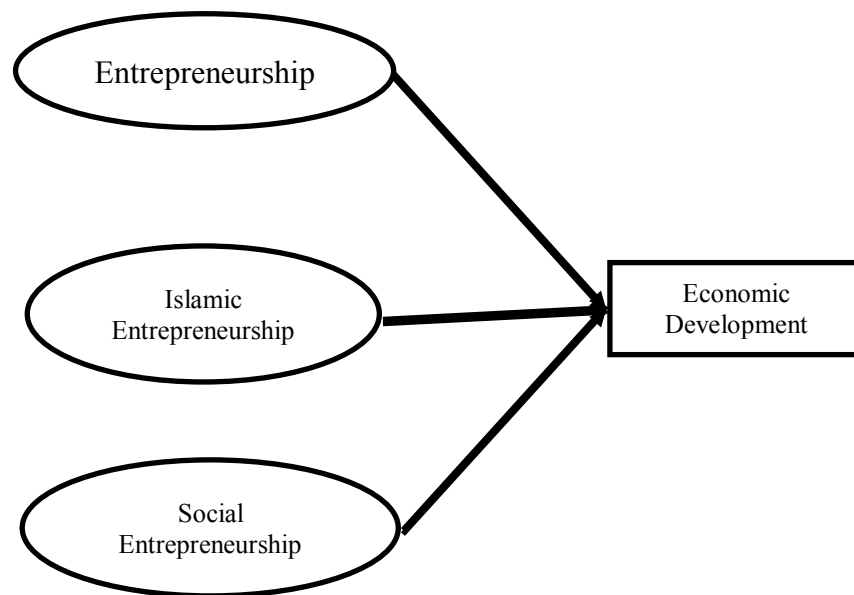


Figure 1: Conceptual Framework

3. Theoretical Framework and Hypotheses Development

Entrepreneurship and Economic Development

It is commonly observed that entrepreneurship role is vital to job creation, economic development and prosperity for any country. The relationship between entrepreneurship and economic development goes back to 1934 (Schumpeter, 1934). Since 1934 different countries are focusing their actions on

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nurturing the entrepreneurial activities to enhance economic development.

Economic development fundamentally means a practice of upward change that help improve the real per capita income of a country/region over a period of time. Entrepreneur performs a significant role in economic development of a country/region. Entrepreneurs function as the facilitators in the course of industrial development and economic development. It is the role of the entrepreneur who arranges and puts to use resources, technology and labour. In view of that, development does not happen suddenly as a natural consequence when economic situations in some logic are right. A catalyst is required and this needs entrepreneurial doings to a significant degree.

Based on the above discussion the following hypothesis is constructed

H1: There is a positive relationship between “Entrepreneurship and Economic Development”

Islamic entrepreneurship and economic development

“Islamic entrepreneurship” is a configuration of two separately contested thoughts: Islam and entrepreneurship. Islamic in its marginal core is believing that there is no god but Allah and that Muhammad (SAW) is the last messenger of Allah. “Islamic entrepreneurship” is not just a mere aggregation of Islam and entrepreneurship. It is built on three interlinked pillars. The first pillar, centered on the description of entrepreneurship, is the chase of opportunities and economic development. The second pillar is socio-economic or ethical. The third pillar is religio-spiritual and connects people to God with the definitive purpose of pleasing Allah.

Islam itself may be regarded an “entrepreneurial religion” (Kayed and Hassan 2010) in a sense that it facilitates and inspires entrepreneurial actions, that is, opportunity seeking, taking risks, creativity, and economic growth. Both the Quran and Sunnah highlight the pursuit of legitimate opportunities in this world. In verse 77 of chapter 28, it reads “But strive for the

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dwelling of the Hereafter in that which Allah has granted you, and not forget your lot of the world, and be sympathetic even as Allah has been merciful to you, and seek not corruption in the earth; for Allah loves not corrupters.” The prophet stated: “Work for your worldly life as if you were going to live forever, but work for the life to come as if you were going to die tomorrow” (considered a weak Hadith). A saying of the prophet narrated by Ahmad, effectively approving both entrepreneurial and viable activities, recommends: “Even when the day of judgement approaches, if anyone has a plant in hand, he should quickly plant it.”

Based on the above discussion, the following hypothesis is constructed

H2: There is a positive relationship between “Islamic Entrepreneurship and Economic Development”

Social Entrepreneurship and Economic Development

“Social entrepreneurship” is a developing field of research that studies business that is considerably motivated not only by economic motives but also by entrepreneurs’ societal and communal motives. It is one of the parts of the economy that can assist in the eradication of poverty and ultimately improve economic situation. To pursue legitimate income is mandatory according to the Islamic point of view and to produce essentials good for Muslims is considered a noble cause.

The idea of “social entrepreneurship” has been fast developing in both private and public sectors over the course of time, and its importance remains to grow. It has become a worldwide phenomenon that influences the society by using innovative methods and techniques to answer social issues. Based on the existing economic situations, social entrepreneurial activities are vital to lessen social issues particularly in less developed countries such as Pakistan. Numerous governments and private organizations must take on the idea of “social entrepreneurship” to assist entrepreneurs develop a variety of goods and services with low prices and high quality.

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The following hypothesis is constructed

H3: There is a positive relationship between “Social Entrepreneurship and Economic Development”

4. METHODOLOGY

4.1. VARIABLES

4.1.1. Dependent Variable (DV)

Economic Development is the DV of our study which result the satisfactory level with respect to Entrepreneurship, Islamic Entrepreneurship and Social Entrepreneurship.

4.1.2. Independent Variable

For this study we have picked three independent variables which are seen as an important aspect for Economic Development. These Variables are Entrepreneurship, Islamic Entrepreneurship and Social Entrepreneurship.

4.2. Population

As an Islamic country, the Entrepreneurs of Khyber Pakhtunkhwa, Pakistan were chosen as the target population for this research. ‘206’ entrepreneurs were requested to fill the questionnaire developed for this study.

4.3. Sampling

Sampling is the process for choosing correct people from Population who knows the importance and understands the research process and makes it easier and workable for us. Also, to add those characteristic to the whole population; the selected population for this study were 206 entrepreneurs from Khyber Pakhtunkhwa, Pakistan. The Entrepreneurs were requested to answer the constructed questionnaire; which consists of Demographic information, Islamic Entrepreneurship, Social Entrepreneurship and Economic Development.

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4.3.1. Sample Size

Sample size selected for this study was 206 Entrepreneurs from Khyber Pakhtunkhwa, Pakistan.

4.3.2. Response Rate

The percentage of Entrepreneurs who responded to our questionnaire was 69% that is 300 questionnaire were dispersed among Entrepreneurs out of which 206 were properly filled and returned to us, 61 were not filled and returned, and 33 were rejected because they were either not filled properly or were incomplete.

4.4 Data collection and instrumentation

Data collection source for this study is a “Self-Developed questionnaire” which was utilized to gather the data in simple random sampling. For this research we distributed the questionnaire to the chosen sample. The questionnaire comprised of five sections. First section was about the Demographic information including age, gender, and qualification. Second, third and fourth sections encompasses independent variables, i.e. Entrepreneurship, Islamic Entrepreneurship and Social Entrepreneurship whereas the fifth and last section of the questionnaire was about the Economic Development with respect to Entrepreneurship, Islamic Entrepreneurship and Social Entrepreneurship.

4.5. Scale used

Scale is an essential instrument used to degree the response of an individual. In order to get the suitable outcomes it is necessary to choice a right scale to calculate the responses, for this purpose “Five Point Likert Scale” was used with the declared ratings of i.e. 1-Strongly disagree, 2 Disagree, 3- Neutral, 4-Agree, and 5- Strongly agree.

5. Results and findings

5.1. Reliability analysis

Table 1: Reliability Statistics	
Cronbach's Alpha	N of Items
.913	46

“Reliability analysis” is essential in determining the reliability of the data gathered. In this research, “Cronbach’s Alpha (α)” were used to achieve the desired objectives. Table (1) represents the results of Cronbach's Alpha (α) method. It is obvious that the Cronbach's Alpha is more than 70%. When the Cronbach's Alpha of the collected data is more than 70 percent, it indicates that it’s a reliable data. These results encourage us to do more analysis required to achieve the desired objectives.

5.2. Demographic analysis

The result of demographic profile of Entrepreneurs in Khyber Pakhtunkhwa is presented in the table (2) which contains the details about Gender, Age, and academic qualifications of entrepreneurs. Majority of the Entrepreneurs who participated in this study were males and the ratios of females were actually very mediocre as compared to male entrepreneurs.

The age of entrepreneurs presented in table (2) shows that majority of entrepreneurs were in the age group of 30 - 35 years with a percentage of 36.6. Falling in the age group of 25 - 30 years were 31.5% which is the second large population of Entrepreneurs in Khyber Pakhtunkhwa. 17.4 percent of the Entrepreneurs were in Less than 25 and the ratio of above 35 was only 14.5%.

After age overview of entrepreneurs table (2) also includes the qualification detail of Entrepreneurs in Khyber Pakhtunkhwa. It shows us that most of the Entrepreneurs are highly qualified;

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52.4 percent are graduates or equivalent and 48.6 percent are Masters.

Table 2: Demographic Analysis				
Gender				
	Frequency	Percent	Valid Percent	Cumulative Percent
Male	160	78.6	78.6	78.6
Female	46	22.4	22.4	100.0
Total	206	100.0	100.0	
Age				
	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 25 years	36	17.4	17.4	17.4
25-30 years	65	31.5	31.5	48.9
30-35 years	75	36.6	36.6	85.5
Above 35 years	30	14.5	14.5	100.0
Total	206	100.0	100.0	
Qualification				

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	Frequency	Percent	Valid Percent	Cumulative Percent
Bachelor Level or equivalent	108	52.4	52.4	52.4
Master Level or equivalent	98	48.6	48.6	100.0
Total	206	100.0	100.0	

5.3. Correlation analysis

“The correlation analysis” shown in table (3) exhibits the interrelationship between the IVs and DV. In addition, it also highlights the intensity of the correlation between the independent and dependent variables. Table (3) demonstrates that entrepreneurship correlation with economic development is $-.528^{**}$ with .000 level of significance. As per the correlation assumptions, correlation is considered to be significant, if p value is less than .001. But, if the “Pearson’s correlation value” is above .04 then it is regarded as a decent and acceptable range. The “Pearson’s correlation value” point out the vigor of the relationship which is $.528^{**}$ in this case with $p < .001$ which shows the results of this study are statistically significant i.e. there exist a strong relationship between entrepreneurship and economic development. The Islamic entrepreneurship correlation with economic development is $.613^{**}$ with $p < .001$ which is also statistically significant i.e. there exist a strong relationship between Islamic Entrepreneurship and economic development. Social entrepreneurship correlation with

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economic development is .562** with $p < .001$ which is also statistically significant i.e. there exist a strong relationship between social entrepreneurship and economic development.

Table 3: Correlations					
		Entrepreneurs hip	IE	SE	ED
Entrepreneurs hip	Pearson Correlati on	1	.659* *	.284* *	.528* *
	Sig. (2- tailed)		.000	.000	.000
	N	206	206	206	206
IE	Pearson Correlati on	.659**	1	.565* *	.613* *
	Sig. (2- tailed)	.000		.000	.000
	N	206	206	206	206

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SE	Pearson Correlation	.284**	.565*	1	.562*
	Sig. (2-tailed)	.000	.000		.000
	N	206	206	206	206
ED	Pearson Correlation	.528**	.613*	.562*	1
	Sig. (2-tailed)	.000	.000	.000	
	N	206	206	206	206
**. Correlation is significant at the 0.01 level (2-tailed).					

5.4. Regression analysis

Table (4) represents R value which is .697 showing prediction quality of dependent variable. Here R=.697 which is a decent prediction level. “R Square value”, depicted in second column is .485 showing the fraction of variance in the dependent variable produced by the independent variables. The “adjusted R Square value” is .478. This clarifies 47 percent variation is produced by the independent variable. The adjusted R Square value is .478 which also falls in decent acceptable range.

Table 4: Model Summary ^b										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.697 ^a	.485	.478	5.81730	.485	63.498	3	202	.000	1.353
a. Predictors: (Constant), SE, Entrepreneurship, IE										
b. Dependent Variable: ED										

The ANOVA table (5) clarifies the statistical importance and suitability of the data into the regression model. In table (5) $F(3,202) = 63.49$ and $p < .005$ which demonstrate that data is robust and fits very well in regression model. It also demonstrates that the “independent variables” are authentic and statistically significant predictors of the “dependent variable” i.e. economic development is significantly predicted by entrepreneurship, Islamic entrepreneurship and social entrepreneurship.

Table 5: ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	6446.468	3	2148.823	63.498	.000 ^b
Residual	6835.867	202	33.841		
Total	13282.335	205			

a. Dependent Variable: ED

b. Predictors: (Constant), SE, Entrepreneurship, IE

6. Discussion

The Coefficients table (6) demonstrates the intensity of how independent variables and dependent variable are related to each other. In table (6) entrepreneurship “Beta value” is .242 with proportionate *t* value 4.046 and significance of $p < .05$ is statistically significant. It means that Economic Development will increase by 0.242 units or 24.2% if there is one unit or 1% increase in Entrepreneurship. Similarly Islamic Entrepreneurship “Beta value” is .396 with proportionate *t* value 2.964 and significance value $p < .05$ is statistically significant which means that Economic Development will increase by .396 units or 39.6% if there is one unit or 1% increase in Islamic Entrepreneurship. Similarly unstandardized “B” for Social Entrepreneurship is .478 units or 47.8% with corresponding *t* value 5.688 which means that one unit or 1% increase in Social Entrepreneurship will increase .478 units or 47.8% in Economic Development. “P” value is less than 0.05 or 5% ($P < 0.05$) so model is regarded to be reliable. The results point out that there exist a significant positive relationship between Economic Development and all three independent variables, Entrepreneurship, Islamic Entrepreneurship and Social

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Entrepreneurship. Consequently hypotheses “H1, H2, H3” are supported.

Table 6- Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
	(Constant)	16.960	2.911		5.827	.000	11.221	22.700
1	Entrepreneurs hip	.242	.060	.274	4.046	.000	.124	.359
	IE	.396	.134	.234	2.964	.003	.133	.659
	SE	.478	.084	.352	5.688	.000	.312	.644
a. Dependent Variable: ED								

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Conclusion

We conclude that there are certain limitations in earlier scholarships on “social entrepreneurship” mainly from the Islamic viewpoint that follow recommendations from al-Qur’an, al-Hadith, and al-Maqasid as-Shari’ah. Also, in the field of Islamic social entrepreneurship investigation and analyses are still limited. Such dearth presents a number of challenges to scholars and students in understanding and using the concept of “Islamic social entrepreneurship”. We conclude that Islamic social entrepreneurship is to be grounded on the principal sources that is Al-Qur’an and al-Hadith. Placing “Al-Maqasid As-Sharia” into definite practices is essential so to attain Al-Falah (strive for to seek the blessings of Allah S.W.T. in this World and Hereafter). This research works as supplementary reading material in the assortment of studies and research concentrating on the Islamic viewpoint. We assume that this work contributes to the body of knowledge and help in understanding the “Islamic social entrepreneurship” notion and hence increases awareness among scholars to construct and develop models of social entrepreneurship constructed on basic values endorsed by Islam.

The role of “entrepreneurship, Islamic entrepreneurship, and social entrepreneurship” in economic development” is thought to become more and more significant as the World endures to globalize and encourage novel and innovative ideas and activities. Although Islam as a religion is usually debated in the media worldwide, there happens to be little awareness in the published literature on entrepreneurship (especially Islamic entrepreneurship) about how the Islamic concept influences business development. This research work contributes to the field of entrepreneurship especially in the framework of religious entrepreneurship by arguing why a knowledge of and awareness of “Islamic entrepreneurship” is vital. This shows that this research work will benefit scholars interested in the field of entrepreneurship and help them understand entrepreneurship from a different viewpoint.

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The results of the study reveal a positive relationship between the variables so it is clear that increase in entrepreneurship, Islamic entrepreneurship, and social entrepreneurship will play an important role in economic development of Khyber Pakhtunkhwa. Government should make policies and arrange training which focuses on entrepreneurship, Islamic entrepreneurship, and social entrepreneurship for the betterment of the economy.

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