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# THE INFLUENCE OF LOCAL ENTREPRENEURSHIP ON SOCIAL DEVELOPMENT: A CASE STUDY OF SÃO TOMÉ AND PRÍNCIPE IN ACHIEVING THE SDGS

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#### **Abstract**

This study analyses the role of local entrepreneurship in social development in São Tomé and Príncipe, focusing on how entrepreneurs can contribute to the Sustainable Development Goals (SDGs). The research was based on field research, conducted through a structured questionnaire applied to 100 entrepreneurs, selected representatively based on the latest national census. The instrument included closed questions on the main social indicators of the SDGs, allowing comparisons between the entrepreneurial population and the general population. The questions were adapted to the local context, considering educational and linguistic limitations, and validated with São Tomé nationals. The results show that entrepreneurs drive progress in the SDGs, exceeding the population average in 15 of the 24 indicators analysed. The study highlights how entrepreneurial ecosystems can be better leveraged to promote sustainable development and social inclusion.

#### **Keywords**

Local Entrepreneurship, Economic Growth, Sustainable Development Goals (SDGs), Small Island Developing States (SIDS), International Studies.

#### Resumo

Este estudo analisa o papel do empreendedorismo local no desenvolvimento social em São Tomé e Príncipe, analisando como os empreendedores podem contribuir para os Objetivos de Desenvolvimento Sustentável (ODS). A pesquisa foi baseada em investigação de campo, realizada por meio de um questionário estruturado aplicado a 100 empreendedores, selecionados de forma representativa com base no último censo nacional. O instrumento incluiu perguntas fechadas sobre os principais indicadores sociais dos ODS, permitindo comparações entre a população empreendedora e a população no geral. As perguntas foram adaptadas ao contexto local, considerando as limitações educacionais e linguísticas, e validadas com cidadãos de São Tomé. Os resultados mostram que os empreendedores impulsionam o progresso nos ODS, excedendo a média da população em 15 dos 24 indicadores analisados. O estudo destaca como os ecossistemas empreendedores podem ser melhor aproveitados para promover o desenvolvimento sustentável e a inclusão social.

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#### Palavras-chave

Empreendedorismo local, Crescimento económico, Objetivos de Desenvolvimento Sustentável (ODS), Pequenos Estados Insulares em Desenvolvimento (PEID), Estudos Internacionais.

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#### Introduction

Local entrepreneurship is increasingly recognized for its role in addressing social and environmental challenges, particularly in developing countries. This study examines the impact of local entrepreneurship on environmental protection and achieving Sustainable Development Goals (SDGs) in São Tomé and Príncipe, a small island nation with a unique context. By analyzing the daily practices of local entrepreneurs, this research seeks to understand their influence on SDGs related to water, climate, marine life, and terrestrial life, and ultimately contribute to the broader understanding of how local initiatives can support international development goals.

#### Literature review

# The role of local entrepreneurship in social development

Entrepreneurship has traditionally been recognized as an economic growth and innovation catalyst. However, its pivotal role in driving social development is now gaining significant attention (<u>Urbano et al, 2019</u>). By utilizing local knowledge, networks, and resources, entrepreneurs enhance economic resilience, strengthen social infrastructure, and promote inclusive development (<u>Ribeiro-Soriano, 2017</u>). They create jobs, drive innovation, and empower communities, making entrepreneurship a vital tool for addressing social disparities and fostering societal progress (<u>Yani, A., & Ausat, A. M. A. 2024</u>).

Entrepreneurial activities often address the immediate socio-economic needs of local communities while creating opportunities for employment and innovation (<u>Toxirovna, 2024</u>). As previously noted by Audretsch and Keilbach (<u>2004</u>), local entrepreneurs act as change agents, generating economic dynamism that directly improves the quality of life in their communities. This is particularly impactful in rural and underserved areas, where entrepreneurial initiatives often bridge gaps in public services and infrastructure (<u>Henderson, 2002, Ajide, F. M. 2020, Robertson, et al 2020</u>).

Entrepreneurship also fosters a sense of ownership and empowerment, encouraging self-reliance within communities (<a href="Peredo-& Chrisman, 2006">Peredo & Chrisman, 2006</a>, <a href="Ademokun, F., & Ajayi, O. 2012">Ademokun, F., & Ajayi, O. 2012</a>. <a href="Amri, et al, 2024">Amri, et al, 2024</a>.). Small and medium-sized enterprises (SMEs), which are often the backbone of local entrepreneurship, play a critical role in skill development, enhancing

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human capital, and building community resilience (Morrison, et al, 2017, Bosma et al., 2020).

At the same time social entrepreneurship, a specialized form of local entrepreneurship, aims to tackle societal challenges such as inequality, unemployment, and limited access to essential services (<a href="Phillips et al, 2015">Phillips et al, 2015</a>, <a href="Phillips et al, 2015">Phan Tan, L. 2022</a>). With this, social entrepreneurs establish ventures that prioritize social value over profit, addressing systemic issues through innovative solutions (<a href="Mair and Marti 2006">Mair and Marti 2006</a>). For instance, initiatives focusing on marginalized groups, such as women (<a href="Assaf, A. 2024">Assaf, A. 2024</a>), youth (<a href="Ong, 2021">Ong, 2021</a>), and people with disabilities (<a href="Ortiz, 2021">Ortiz, 2021</a>), not only create economic opportunities but also promote social inclusion and cohesion (<a href="Sundin, 2011">Sundin, 2011</a>).

In the broader context of social development, social entrepreneurs often collaborate with local governments, NGOs, and community organizations to amplify their impact (Kovanen, 2021). Their work directly contributes to achieving societal goals, including the Sustainable Development Goals (SDGs), by addressing social inequities and fostering inclusive growth (UN, 2015).

Additionally, local entrepreneurship plays a vital role in preserving and promoting cultural heritage (Brinia, et al, 2024). Entrepreneurs leverage traditional knowledge and local resources to develop businesses that celebrate (Mars, 2022) and sustain cultural identities (Cohen & Winn, 2007). This is particularly relevant in regions with rich cultural histories, where entrepreneurship can serve as a bridge between modernization and heritage preservation (Lyon & Sepulveda, 2009).

Despite its potential, the impact of local entrepreneurship on social development faces significant challenges, such as limited access to capital (<u>Odeyeme</u>, et al, <u>2024</u>), inadequate infrastructure (<u>Ratten</u>, <u>V.</u>, <u>2023</u>), and unsupportive policy environments can hinder the growth and influence of local businesses (<u>Bruton et al.</u>, <u>2010</u>). Moreover, while entrepreneurship can promote inclusivity, uneven access to entrepreneurial opportunities may inadvertently reinforce social inequalities (<u>Welter et al.</u>, <u>2017</u>).

Empirical evidence underscores the connection between local entrepreneurship and social development (Buratti, N., Sillig, C., & Albanese, M., 2022). In developing regions, entrepreneurial ventures often drive economic diversification, reduce unemployment, and empower vulnerable populations (Naudé, 2010). For instance, microfinance initiatives in Africa and South Asia have enabled individuals, particularly women, to start small businesses, significantly improving household incomes and overall community wellbeing (Yunus, 2020). Case studies from Latin America further illustrate how community-based enterprises contribute to sustainable resource management and social equity (Peredo & McLean, 2006, Batista et al, 2022). These examples highlight the transformative potential of entrepreneurship in addressing both social and environmental challenges.

Key contributions of local entrepreneurship to social development include:

– Economic Empowerment and Job Creation: Entrepreneurship empowers marginalized communities by creating jobs, increasing income levels, and improving living standards. Small and medium-sized enterprises (SMEs) are often the primary drivers of economic activity in underserved areas, providing opportunities that uplift

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entire communities (<u>Kulmie et al, 2023</u>, <u>Adenutsi, 2023</u>, <u>Enaifoghe, & Vezi-Magigaba, 2023</u>).

- Social Inclusion and Equity: By breaking down systemic barriers to economic participation, entrepreneurship fosters inclusivity and equity. Initiatives led by women, youth, and minority groups often address societal issues such as education, health, and gender equality, while driving economic participation (Khan et al, 2023, Prasetyo et al, 2023, Williams, T. W. (2024).
- Innovation for Social Progress: Local entrepreneurs develop innovative solutions tailored to the specific needs of their communities. From affordable healthcare to renewable energy projects, entrepreneurial efforts drive technological and social innovation, directly contributing to broader societal goals (Kostakis and Tsagarakis, 2022, Si, et al., 2023, de Lucas Ancillo and Gavrila 2023).

Local entrepreneurship plays a crucial role in driving both economic and social development, by fostering innovation, creating job opportunities, and promoting social inclusion, local entrepreneurs help build resilient and empowered communities.

Entrepreneurship plays a crucial role in driving social development, particularly in regions facing economic and social challenges (Méndez-Picazo, et al 2021, Aljuwaiber, 2021, Anh, et al, 2022). By promoting like already refereed innovation, creating job opportunities, and addressing pressing societal needs, entrepreneurship becomes a key factor in achieving sustainable development, contributing to employment generation and livelihood enhancement, especially in underserved areas where small and medium-sized enterprises (SMEs) form the foundation of local economies (Rumasukun and Noch, 2023). Research has shown a strong correlation between entrepreneurial ventures, reduced poverty levels, and improved living standards (Si et al, 2021).

Beyond its economic impact, entrepreneurship fosters social inclusion and strengthens community resilience, by focusing on inclusivity, entrepreneurial ventures create opportunities for marginalized groups such as women, youth, minorities and cultural (Qu and Zollet, 2023). For instance, women-led enterprises are often associated with increased household incomes and greater investments in education and healthcare, while entrepreneurial activities help build networks that enhance trust and cooperation within communities (Okolie et al., 2022, Simba et al., 2023).

By addressing local systemic barriers and fostering supportive ecosystems, entrepreneurship can play a key role in achieving both local and global social development goals, ensuring sustainable and inclusive progress for future generations.

# **Entrepreneurship for the Social Dimension SDGs**

Focusing on the impacts of entrepreneurship on social development, which can be defined as a condition of progress, equity, and inclusion that enables individuals and communities to achieve their full potential, entrepreneurship has referred before garnered significant attention. This is due to the increasing emphasis on social impact businesses and

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practices that aim to address societal challenges, such as poverty, inequality, and access to education and healthcare, while fostering innovation and economic growth.

However, the understanding of how local entrepreneurial initiatives can address grand societal challenges, often framed through frameworks like the UN Sustainable Development Goals (SDGs), it's not clear, creating the opportunity of studying more the real impact of local entrepreneurs on solving local problems that are a world concern. Among the 17 SDGs identified (2015), the social dimension encompasses goals aimed at promoting equity, justice, and well-being, such as eradicating poverty, ensuring quality education, achieving gender equality, and reducing inequalities, and can be represented by:

- SDG 1 (No Poverty): Aims to eradicate poverty in all forms by 2030, focusing on income deprivation, access to basic services, and resilience to shocks. Key strategies include social protection systems, equitable resource access, and climate adaptation.
- SDG 2 (Zero Hunger): Seeks to end hunger and malnutrition while promoting sustainable agriculture. Targets include improving food access, doubling small-scale farmers' productivity, and enhancing agricultural resilience.
- SDG 3 (Good Health and Well-Being): Focuses on reducing preventable diseases, improving healthcare access, and addressing health disparities. Goals include lowering maternal and child mortality and combating epidemics.
- SDG 4 (Quality Education): Ensures inclusive, equitable education and lifelong learning opportunities. It targets eliminating education disparities and promoting global citizenship.
- SDG 5 (Gender Equality): Aims to empower women and girls by eliminating discrimination, violence, and harmful practices while ensuring equal opportunities in leadership, education, and healthcare.
- SDG 10 (Reduced Inequalities): Addresses economic and social inequalities within and among nations by promoting inclusion, equal opportunities, and fair resource distribution.

These SDGs are essential for fostering social development by addressing critical issues such as poverty, inequality, education, health, and gender equity. They aim to create inclusive societies where everyone has access to opportunities, resources, and services necessary for a dignified life. By prioritizing social justice, equality, and empowerment, these goals lay the foundation for resilient and cohesive communities, ensuring a fairer and more equitable future for generations to come.

# São Tomé and Príncipe context

The decision to focus on a case study led to the choice of field research, as it allows for the collection of specific data and a deeper understanding of the actual conditions on the ground. This approach then prompted a reflective process, during which various regional

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options were considered, ultimately leading to the selection of São Tomé and Príncipe for its alignment with the achievement of the SDGs.

The strategy for this research began by identifying the continent where such a study would have the most relevance. The primary criterion was the Human Development Index (HDI), a key indicator for measuring societal development (OWID, 2024). The aim was to target a region with significant development challenges, as this would increase the potential impact of the study's conclusions, given the pressing economic, social, and environmental issues (Ballew, et al. 2019).

Upon reviewing the HDI data, it was clear that Africa, with 28 of the 33 lowest-ranked countries in 2024 (OWID, 2024), faced the greatest difficulties. Given Africa's vast size of 30,370,000 square kilometers, the diversity of its cultures, societies, and geography is immense (Barros, 1991). This necessitated the search for a cultural group with similarities to the Portuguese language and customs, which would ease the field research process and provide richer, more intimate data collection.

This criterion led to the selection of the Portuguese-speaking African Countries (PALOP), which include Cape Verde, Guinea-Bissau, Angola, Mozambique, and São Tomé and Príncipe. After evaluating the geographical, political, economic, social, and environmental conditions of these five countries, it was clear that a smaller nation would facilitate more effective data collection and analysis. Consequently, Guinea-Bissau was excluded due to political instability, leaving Cape Verde and São Tomé and Príncipe as the main options. Analyzing UN reports on SDG performance for both countries revealed that São Tomé and Príncipe, with its smaller geographic size and three islands compared to Cape Verde's nine, was better suited for field research.

UN reports were chosen for this analysis because they offer a comprehensive, reliable, and regularly updated overview of efforts to address global challenges (UNSDCF, 2023). São Tomé and Príncipe, an island nation in the Gulf of Guinea off Central Africa's west coast, is made up of two main islands, São Tomé and Príncipe, located 140 kilometers apart and about 250 kilometers from Gabon (Atlas, 2011). With a population of approximately 204,454 (2018), São Tomé and Príncipe is the second least populous country in Africa and the smallest Portuguese-speaking country (CIA, 2023). Although classified as an underdeveloped country, it is expected to be reclassified as a middle-income nation by the UN by 2024 (UN, 2020).

#### **STP's Social Reality**

Despite some progress in certain socioeconomic indicators, São Tomé and Príncipe continue to face persistent social inequalities. Poverty remains widespread, with many families dependent on subsistence farming. While access to healthcare and education has improved, these services are still limited, especially in rural areas. The gap between urban and rural regions intensifies disparities, with services and opportunities concentrated in the capital, São Tomé (WBG, 2024).

The healthcare system grapples with challenges such as inadequate infrastructure, a shortage of medical professionals, and a reliance on external aid. Common health issues include malaria, respiratory infections, and malnutrition. Although life expectancy has

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risen due to healthcare improvements, progress is still slow (Uhatela, 2022). Education is a priority, with the government aiming for universal primary education. However, high dropout rates, a lack of resources, and limited access to higher education hinder the country's development prospects. Educational reform is necessary to address these challenges and equip the population with the skills needed for a modern economy (Luísa, 2022). Since gaining independence in 1975, São Tomé and Príncipe has evolved into a multi-party democracy, with regular elections indicating relative political stability compared to other African nations (Sanches, 2022). However, issues like corruption and inefficiencies in public administration continue to pose challenges. Civil society organizations play a crucial role in addressing social issues and advocating for greater transparency and accountability (Violante, 2022). Despite these challenges, São Tomé and Príncipe benefits from strong social cohesion, which is rooted in its shared cultural identity and tight-knit communities. This social unity provides a solid foundation for collective action to tackle developmental challenges and create a more inclusive society (Berthet, 2012).

Insularity is a key factor in the development of São Tomé and Príncipe. As a Small Island Developing State (SIDS), the country faces structural constraints such as a small domestic market, dependence on imports, vulnerability to external shocks and exposure to extreme weather events (UN, 2025). These structural conditions shape not only economic policy but also entrepreneurial practices, forcing local agents to adopt innovation and resilience strategies adapted to the island context. The public policy framework in São Tomé and Príncipe is strongly influenced by the 2020-2024 National Plan for Sustainable Development, coordinated by the Ministry of Planning, Finance and Blue Economy (PNDS, 2020). This document establishes economic diversification, promotion of the private sector and enhancement of the blue economy as strategic growth priorities. Among the areas identified are tourism, sustainable agriculture, fisheries, and renewable energy, which are considered drivers of innovation and employment.

In conclusion, the social landscape of São Tomé and Príncipe is marked by both resilience and vulnerability. Overcoming its developmental challenges will require targeted policies, international collaboration, and the empowerment of its people to fully unlock the nation's potential.

#### **Entrepreneurship in STP**

Entrepreneurship in São Tomé and Príncipe is predominantly informal and concentrated in subsistence activities such as agriculture, handicrafts and local commerce (UNDP, 2022). Studies show that around 80 per cent of businesses in the country are micro and small, often run by families. These companies face challenges related to limited access to credit, poor infrastructure and low levels of technical training (African Development Bank, 2021).

Despite the limitations, there is growing interest in social entrepreneurship, with initiatives focused on areas such as sustainable tourism, environmental conservation and renewable energies (Cardoso et al., 2016). Tourism is one of the most important sectors of the São Tomé economy, contributing around 11% of GDP and directly employing

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thousands of people (<u>UNSDCF</u>, <u>2023</u>). The potential of ecotourism, community-based tourism and the promotion of local culture has attracted both foreign investment and local entrepreneurial initiatives. Entrepreneurs in areas such as sustainable accommodation, eco-guiding and traditional cuisine demonstrate the sector's capacity to generate economic value while contributing to environmental preservation and social inclusion. These areas have the potential to stimulate the economy and at the same time address issues of environmental and social sustainability. Entrepreneurs in São Tomé and Príncipe face several obstacles, including:

- Access to finance: Local banks have a low capacity to provide affordable credit, which limits business expansion (World Bank Group, 2020).
- Education and Training: The lack of specific training programmes in entrepreneurial skills prevents local entrepreneurs from becoming professionals (<u>UNESCO</u>, 2024).
- Limited infrastructure: Infrastructure problems, such as access to reliable electricity and transport, make it difficult for businesses to operate efficiently (<u>UNDP</u>, 2022).
- Despite the challenges, São Tomé and Príncipe presents significant opportunities for entrepreneurship:
- Sustainable Tourism: Unique biodiversity and ecotourism potential have attracted foreign investors and local entrepreneurs (<u>Brito, 2020</u>, World Tourism Organization, 2022).
- Agriculture and Agroindustry: Agricultural modernisation projects, including organic cocoa production, show potential for adding value to local production chains (<u>FAO</u>, 2020).
- Digital Entrepreneurship: With increased access to the internet, there are emerging opportunities for startups in areas such as e-commerce and digital service provision (<u>Pontes</u>, 2022).

Programmes led by international organisations such as the UNDP and the African Development Bank have fostered entrepreneurship in São Tomé and Príncipe. These initiatives aim to improve access to finance, empower entrepreneurs and develop resilient value chains. In addition, the local government is working to promote policies that incentivise the private sector and attract foreign investment (UNDP, 2022).

International cooperation plays a structural role in São Tomé's entrepreneurial ecosystem. The United Nations Cooperation Framework for Sustainable Development in São Tomé and Príncipe 2023–2027 (UNSDCF, 2023) sets priorities around green growth, social inclusion and climate resilience. Programmes from the African Development Bank, the European Union and Portuguese cooperation have fostered access to finance, training and infrastructure.

Entrepreneurship in São Tomé and Príncipe faces considerable challenges, but has enormous potential to boost socio-economic development. Building a stronger entrepreneurial ecosystem requires integrated efforts in training, access to finance and improving infrastructure. Fostering entrepreneurship in strategic areas, such as

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sustainable tourism and agro-industry, can promote the country's economic growth and sustainability, in line with the Sustainable Development Goals (SDGs).

#### Field Research - Methods

# **SDG** indicators

The question, "What is the influence of Local Development due to Entrepreneurship in achieving the SDGs?" serves as the basis for analysis. To answer it, understanding how the United Nations assesses progress toward the Sustainable Development Goals (SDGs) is essential. The UN uses a structured approach with over 230 global indicators approved by the UN Statistical Commission to measure progress across all 17 SDGs. These indicators are disaggregated by factors such as gender, age, location, and economic status to ensure inclusivity. Progress is summarized in reports like the Global Sustainable Development Report (GSDR) and the annual SDG Progress Report, which highlight advancements, gaps, and priority areas. Member states also present Voluntary National Reviews (VNRs) during the High-Level Political Forum (HLPF), outlining national progress and challenges.

Data for these reports is collected through partnerships with organizations such as the OECD, World Bank, IMF, and UN agencies like UNICEF and UNESCO. Countries adapt global indicators to local contexts, with national statistics agencies playing a key role. The UN has also embraced technologies like big data and satellite imagery to improve data collection in challenging regions. A public database provides detailed statistics for follow-ups at global, regional, and national levels. Tools like the SDG Index and Dashboards visually rank countries' performances using a "traffic light" system, while SDG Trend Panels track whether countries are on track to meet goals by 2030 based on historical growth rates. The HLPF serves as the main platform for reviewing SDG progress, fostering discussions on challenges, best practices, and shared experiences.

Image 1. SDG indicator panels SDG indicator panels





Significant Challenges Stagnating



Challenges Remain Moderately Improving



SDG Achieved On track or Maintaining



Information Unavaiable Information Unavaiable

Source: UN SDG Progress Report, 2024

# **Review of indicators**

The UN's comprehensive system for tracking SDG progress faces significant challenges, particularly in the context of entrepreneurship and its impact on achieving the SDGs. Despite the robust global indicators, reports, partnerships, and innovative monitoring technologies employed by the UN, there are notable data gaps that hinder comprehensive comparative analyses.

In São Tomé and Príncipe, which ranks 118th out of 167 countries with an overall SDG score of 63, the situation is particularly challenging. The country faces major risks and stagnant progress in several social SDGs, including SDG 1 (No Poverty), SDG 2 (Zero

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Hunger), SDG 3 (Good Health and Well-being), SDG 4 (Quality Education), SDG 5 (Gender Equality), and SDG 10 (Reduced Inequalities).

The lack of specific data on entrepreneurs presents a significant obstacle in understanding their role in environmental protection and broader SDG achievement. To address this gap, a focused approach on collecting data from entrepreneurs—defined as individuals or groups running operational businesses as their primary income source—has been proposed.

This methodology aims to enable a comparative analysis between entrepreneurs and the general population, providing insights into how local entrepreneurship influences environmental protection and contributes to SDG achievement in São Tomé and Príncipe.

Image 2. Indicator dashboards of São Tomé's People SDG 1, 2, 3, 4 and 5 in 2024













Source - UN SDG Progress Report 2024

The methodology was grounded in the Sustainable Development Report 2024 (UN, 2024) and focused on identifying two indicators for each SDG with the poorest performance across two dimensions. This selection of the two weakest indicators aligns with the research objective of analyzing solutions to global challenges. By targeting the indicators with the worst outcomes, any improvement will be more apparent. In contrast, using indicators with average or positive results would limit meaningful comparisons.

The following indicators were selected for the four environmentally focused SDGs:

Table 1. Dashboards of São Tomé's SDG 1, 2, 3, 4, 5 and 10 in 2024

SDG	Indicator	Value	Year	Rating	Trend
SDG 1 - No	Poverty headcount ratio at \$2.15/day (2017 PPP, %)	16.8	2024		•
Poverty	Poverty headcount ratio at \$3.65/day (2017 PPP, %)	43.8	2024		
SDG 2 - Zero	Prevalence of undernourishment (%)	13.1	2021		<b>/</b>
hunger	Sustainable Nitrogen Management Index (best 0–1.41 worst)	1	2018		•
SDG 3 – Good health and	Traffic deaths (per 100,000 population)	11.7	2021		<b>1</b>
well-being	Universal health coverage (UHC) index of service coverage	59	2021		<b>/</b>
SDG 4 – Quality	Participation rate in pre-primary organized learning (% children aged 4 to 6)	54.5	2015		
education	Lower secondary completion rate (%)	98.2	2022		
	Demand for family planning satisfied by modern methods (% of females aged 15 to 49)	78.8	2022		
SDG 5 - Gender equality	Ratio of female-to-male mean years of education received (%)	53.6	2023		
	Ratio of female-to-male labor force participation rate (%)	54.2	2022		
SDG 10 - Reduced	Gini coefficient	40.7	2017		
Inequality	Palma ratio	2	2017		

Source - Data organized by the Author based on data from UN SDG Progress Report 2024

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In this table, it should be noted that the indicator 'Traffic deaths (per 100,000 population)', which in the 2024 report appears with a rating of 'Moderately Improving' and a trend of 'On track or Maintaining', was initially chosen because in the 2023 report it had values for the 'Major Challenges' rating with a trend of 'Decreasing', having values of 27.9 in 2019 data, making it one of the worst indicators of SDG 3 in STP, a situation that has seen an extremely positive evolution, changing to the current values. This improvement was only made public after the field investigation, which meant that the indicator could not be changed, so we are keeping the same indicator, which can be analysed.

# **Research Methodology and Analysis**

Based on the identified indicators and the absence of national data on entrepreneurs in São Tomé, it was determined that documentary analysis would not be feasible, necessitating field research to gather the required data for comparison. Various data collection methods were considered, including direct observation, interviews, questionnaires and surveys, focus groups, participant diaries, and ethnographic approaches.

Given the constraints of a 15-day timeframe for fieldwork and the need for nationally representative data, the use of a questionnaire was deemed the most suitable approach. This method not only facilitated efficient data collection but also allowed for brief direct observations of working conditions.

To ensure an equitable and representative analysis, a sample size of 100 respondents was established, enabling robust future analyses. The distribution of entrepreneurs to be surveyed was determined based on population data from the most recent census (2017).

**Table 2.** Coverage plan for sectoral and regional diversity in the purposive sample for a population of n=100

District	Population of São Tomé by District	Entrepreneurs to be interviewed (n=100)
Água Grande	75974	38
Mé-Zochi	49852	25
Cantagalo	19006	10
Caué	7132	4
Lembá	15891	8
Lobata	21569	11
Pagué	8277	4
TOTAL	197700	100

Source - Data organised by the Author based on data from STP census 2017







The questionnaire was structured into four sections (annexes) to provide a comprehensive understanding of the reality:

- 1. Description of the Respondent: Collected individual data regarding personal and family contexts to enable generic comparisons between groups.
- 2. Description of the Business: Gathered information about the entrepreneur's organization to facilitate comparative analysis between different businesses.
- 3. Closed-Answer Questions on the SDGs: Used limited-response options to quantitatively measure trends and assess progress on the selected SDGs.
- 4. Open-Ended Questions on the SDGs: Allowed unlimited responses to qualitatively capture respondents' opinions and perspectives on the SDGs.

For the closed-response section, adjustments were made following consultations with São Tomense nationals to accommodate the country's low education levels. The questions were adapted for clarity and simplicity, with each entrepreneur required to answer two questions for each SDG indicator:

- Whether the current situation could be categorized as "Yes," "No," or "More or less."
- Whether the situation since becoming an entrepreneur had "improved significantly,"
   "improved slightly," "remained the same," or "worsened."

Responses were compiled and assigned values, allowing an average value to be calculated for each indicator. These averages, divided as necessary, corresponded to the predefined indicators established by the UN. The resulting values formed the basis for subsequent analyses.

**Table 3.** Question values per answer of the survey

	Answer I	Value
	Yes	3
Question I	More or Less	2
	No	0
	Answer II	Value
	Answer II Significantly improved	Value 4
Question II	3 33 3 3 3 3	
Question II	Significantly improved	4

Source - Data organized by the Author based on data from UN SDG Progress Report 2024







These values were selected to enable a consistent and well-founded basis for analysis. By calculating averages, the results could be categorized into the following response groups for further interpretation.

**Table 4.** Answers values per answer of the survey

	Value	0	0,1 - 0,99	1 - 1,99	2 - 2,99	3
Results Answers I	Icone					
	Meaning	Information Unavaiable	Major Challenges	Significant Challenges	Challenges Remain	SDG Achieved

	Value	0	0,1 -1	1,1 - 2	2,1 - 3	3,1 - 4
Results Answers II	lcone		•		<u>~</u>	
	Meaning	Information Unavaiable	Decreasing	Stagnating	Moderately Improving	On track or Maintaining

Source - Data organised by the Author based on data from UN SDG Progress Report 2024

The two questions for each indicator had to be adjusted to preserve the objective of the indicator and at the same time align with local reality, vocabulary and level of knowledge. This change was necessary to ensure that entrepreneurs understood the question being analysed and that the questionnaire could continue uninterrupted. Some of the questions were changed in order to preserve the original meaning of the question, even if they were referred to in alternative ways. With this adaptation, it should be noted that in the first two questions it was necessary to convert from dollars to dobras, the national currency of STP. In the case of SDG indicator 5, the two questions 'Ratio of average years of schooling received between women and men (%)' and 'Ratio of labour force participation rate between women and men (%)', due to their similar placement of the question, mainly changed the theme to 'Should men and women have the same opportunities at school and at work?', thus managing to assess together these which had the same results in the UN report. After a first adaptation, the questionnaire was also presented to the São Tomenses to validate the perceptibility and suitability of the questions, which after a final revision resulted in the version used.

To enable comparison between the two dashboards, an analysis system was developed to assess progress based on rating and trend levels. This system evaluates 12 parameters, reflecting the evolution of levels within the available options. The evolution can be categorized as negative, neutral, positive, or not applicable. For positive and negative progress, the difference may involve three parameters or an improvement of 1, 2, or 3 levels.







**Table 5.** Questions adapted based on the dashboards of São Tomé's SDG 1, 2, 3, 4 and 5 in 2024

		UN,	2024
SDG	Indicator	Rating	Trend
SDG 1 - No	Do you earn more, same, or less then 46 dobras/day?		
Poverty	Do you earn more, same, or less then 70 dobras/day?		
SDG 2 - Zero	How many meals do you eat a day?		<b>\</b>
hunger	Do you know if the products you consume are sustainable?		•
SDG 3 – Good health and well-	Have you ever had a driving accident?		
being	Do you have access to health services?		<del> </del>
SDG 4 – Quality	Do you have carers at any pre-schools?		
education	How literate are you?		
SDG 5 – Gender	Have you done any family planning?		
equality	Should men and women have the same opportunities in school and labor?		
SDG 10 - Reduced	Do you feel there are equal opportunities?		
Inequality	Do you feel there is equal access?		

Source - Data organised by the Author based on data from UN SDG Progress Report 2024

Table 6. Analyse system to compare the evolution according to rating and trend levels

	Value			-	=	+	++	+++	N/A
Comparisor	Meaning	Negative difference of 3 levels	Negative difference of 2 levels	Negative difference of 1 level	Keep it the same	Positive difference of 1 level	Positive difference of 2 levels	Positive difference of 3 levels	No comparison possible

Source Data organised by the Author based on data from UN SDG Progress Report 2024

# Validity of the results

The validity of the results may be affected by the specific focus on entrepreneurs as a distinct population group, which may not fully align with broader population-level indicators. Additionally, differences between the original indicator criteria and those adapted for this study could limit the comparability of the datasets.

Nevertheless, these findings provide valuable insights into the entrepreneurial ecosystem and its dynamics. They offer a detailed profile of entrepreneurs, emphasizing their unique challenges and contributions. While the results may not be entirely generalizable to the broader population, they highlight the significant role of entrepreneurship in addressing societal challenges and advancing development objectives. This perspective enriches discussions on the potential of entrepreneurship as a driver of social progress, particularly in the context of the Sustainable Development Goals (SDGs).



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#### **Results and Discussion**

Table 7. Comparison of Dashboards of São Tomé's SDG 1, 2, 3, 4 and 5 results

			2024	Su	rvey	Comp	arison
SDG	Indicator	Rating	Trend	Rating	Trend	Rating	Trend
SDG 1	Do you earn more, same, or less then 46 dobras/day?		•		1	+++	++
3501	Do you earn more, same, or less then 70 dobras/day?		•		<b>—</b>	+++	+
SDG 2	How many meals do you eat a day?		<b>A</b>		<b>—</b>	=	=
3502	Do you know if the products you consume are sustainable?		•		<b>A</b>	+++	++
SDG 3	Have you ever had a driving accident?		1		<b>—</b>		-
3503	Do you have access to health services?		<b>7</b>		<b>A</b>	+++	=
SDG 4	Do you have carers at any pre-schools?				<b>—</b>	+++	N/A
350 4	How literate are you?				1	+++	N/A
SDG 5	Have you done any family planning?		•		1	+++	++
3503	Should men and women have the same opportunities in school and labor?		•		1	++	++
SDG 10	Do you feel there are equal opportunities?				<b>/</b>	++	N/A
350 10	Do you feel there is equal access?				<b>—</b>	+	N/A

Source - Data organised by the Author based on data from UN SDG Progress Report 2024 and field research survey results

# SDG 1 - No Poverty

Comparing the evolution of ODS 1, it is possible to see that the two indicators, associated with the amount received in terms of remuneration \$2.15 or \$3.65/day, had a similar rating and trend, being Major Challenges in the case of the rating and Stagnating in the case of the trend, showing that this remains a major challenge with no great prospect of positive development for the general population. These values are quite different from those achieved by the entrepreneurial population, which obtained SDG Achieved for both indicators, with regard to the trend of development, the difference being that for remuneration of \$2.15, the value obtained was 'On track or Maintaining' and for \$3.65 'Moderately Improving'. These figures allow us to make a comparison and show that in terms of rating there was a difference of 3 levels, thus obtaining the most positive evolution possible, and in terms of trending, for the first indicator the evolution maintained the evolution of 3 levels, while the second indicator had 2 levels. This evolution allows us to understand that, on average, entrepreneurs receive the amount indicated by the UN as an indicator for getting out of the poverty line. This evolution allows us to understand that, on average, entrepreneurs receive the amount indicated by the UN as an indicator for getting out of the poverty line. This result, when compared to the population, can lead us to conclude that because they are responsible for their own income and profits, they are able to earn more than when they are employed and even more so when they are unemployed. These figures also allow us to reflect that if there were more incentives for entrepreneurship, more entrepreneurs might emerge, which could increase the amounts received from the general population. Despite these positive indicators, the drop in the trending from the first to the second indicator indicates

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that there is a drop in the amounts received between wage brackets, revealing that although it is positive, it does not obtain the amounts necessary to end poverty, and may

indicate that although it is positive, the guarantees of this value being stable are not secure.

# **SDG 2 - Zero Hunger**

In the second SDG, related to combating hunger, the indicators in the UN report show values for the indicator related to nutrition associated with the question 'How many meals do you eat a day? ' with a rating of 'Significant Challenges' and a trend of 'Moderately Improving', while for the indicator associated with the efficiency of production and consumption of products to avoid inefficiency and waste, with the adapted question 'Do you know if the products you consume are sustainable?', it had a rating of 'Major Challenges' and a trend of 'Decreasing', proving to be a growing problem in São Tomé and Principe. These figures, when compared with those of the entrepreneurial population, obtained the same results in the first question, i.e. 'Significant Challenges' for the rating and 'Moderately Improving' for the trending, with a neutral evolution, while in the second indicator of this SDG, the figures were SDG Achieved for the Rating and 'Moderately Improving' for the trending, representing a positive evolution. This evolution, seen in detail, was neutral for both indicators of the first indicator, but saw an evolution of 3 levels in the rating and 2 levels in the second indicator. This evolution can be interpreted as the fact that, in terms of food, there is not a great deal of variation between the target populations, possibly due to the reality of food in STP, which represents a great difficulty to overcome, but in terms of the quality of the products consumed, we can see that being an entrepreneur means that there is greater concern and the possibility of buying more sustainable products.

# SDG 3 - Good health and well-being

With regard to SDG 3, the indicators for the general population are data associated with the rate of motor vehicle accidents with the question 'Have you ever had a driving accident?' and with the question of access to health care with the question 'Do you have access to health services?' The UN report's figures for the driving question were 'Challenges Remain' but with a trend of 'On track or Maintaining', while for access to health care they were 'Major Challenges' with a trend of 'Moderately Improving'. As for the values for entrepreneurs, for the rating of driving accidents they showed 'Major Challenges' and a trend of 'Moderately Improving', while for access to healthcare they showed 'SDG Achieved' and 'Moderately Improving'. These results, when comparing the values for the general population with the entrepreneurial population, show a negative evolution of 2 levels for the rating and 1 level for the trending, showing that the entrepreneurial population not only has more accidents than the general population, but also a more negative tendency not to contribute to solving this problem. Part of these figures can be explained by the greater need for transport, especially on an individual level, to keep businesses running, whether it's dealing with their own supplies and resources or travelling to sales, and with this need the number of journeys increases and with it the likelihood of accidents. As for the indicator relating to access to health care,

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comparing the ratings of the report with that of the investigation, it improved by 3 levels, and in the trend it maintained the same level. This positive evolution in the rating and neutral evolution in the trend can be explained by the entrepreneurial population's greater access to and ability to use health services, which, linked to the SDG1 indicator in which it is perceived that they have better financial conditions, may make it easier for them to use health services.

# **SDG 4 - Quality education**

For SDG 4 - Quality Education, both the indicators marked 'Do you have carers at any pre-schools?' and 'How literate are you?' show 'Major Challenges' in the 2024 report in terms of rating and 'Information Unavaiable' for the trend. When questioned, the entrepreneurial population obtained 'SDG Achieved' ratings for both indicators and 'On track or Maintaining' ratings for the trend. For the first indicator of this SDG (carers at any pre-school), they obtained 'Moderately Improving' and for 'How literate are you?' they obtained 'On track or Maintaining'. These values, when compared to the target group, had a positive evolution of 3 levels for both indicators in the rating question and as the trend did not have determined values, an inconclusive analysis was obtained, however, given that for both indicators the trend presented represents the path of progress and/or resolution of the SDG, it can be said that these are satisfactory and positive values when compared to the other more negative trend options. This evolution shows greater access to education services by the entrepreneurial population and their families, sometimes benefiting the communities themselves and wider family circles.

#### **SDG 5 - Gender equality**

With initial values for the two SDG Gender Equality indicators of 'Major Challenges' in the case of 'Have you done any family planning?' and 'Significant Challenges' in the case of 'Should men and women have the same opportunities in school and labour?' and a trend of 'Stagnating' for both indicators, this SDG generally presents a delayed and challenging outlook for resolving the current challenges. With regard to the entrepreneurial population, the rating and trend values were the same for each indicator, with 'SDG Achieved' and 'On track or Maintaining' representing full fulfilment of this goal. These results allow us to compare the general population with the entrepreneurial population and show that the entrepreneurial population has a difference of 3 levels on a positive scale in terms of the rating of the indicator 'Have you done any family planning?' and for the remaining 3 indicators a positive evolution of 2 levels. These results show that the entrepreneurial population, for reasons possibly linked to their knowledge of the importance of business planning, also end up planning their family life, resulting in a more constructive structure and development of their families, rather than simply a lack of planning, thereby achieving decisive results for all other spheres of personal life. In terms of women's access to the same educational and work opportunities, entrepreneurs show an openness and concern for gender equality, seeking a society that is equal despite gender. Both indicators together are differentiated tools, but with extremely positive indicators through the lens of the entrepreneurial community.

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# SDG 10 - Reduced Inequality

Analysing the initial indicators for the general population of São Tomé and Princípe, we found two indicators, 'Do you feel there are equal opportunities?' and 'Do you feel there is equal access?' with equal values both in terms of rating (Major Challenges) and trending (Information Unavaiable), which does not allow for comparison in this second parameter. On the entrepreneurs' side, we can see that in the first indicator the result was "Challenges Remain" with a trending of "Moderately Improving", representing an evolution of two positive levels in the rating, while in the second indicator the evolution was one positive level, moving to "Significant Challenges". Although this progress is lower when compared to other SDG indicators, it is still a positive comparison when analysing the entrepreneurial population, because although their values are still a reality and a population that has challenges well represented in their day-to-day lives, they end up being a target group that has more opportunities and seeks to ensure that their workers also have fair and comparable opportunities and access. This evolution can be related, as contextualised above, to the level of broad knowledge of the difficulties faced by the community, customers and suppliers and the search for solutions to their reality based on other realities. However, the distance between the indicators and the fulfilment of the objectives also makes it difficult to resolve these challenges, which in many ways go beyond the physical aspect and also include the political aspect of rights.

# Influence of local entrepreneurs in solving global social problems

By cross-referencing the indicators of the six SDGs analyzed in relation to social development, it becomes possible to comprehensively assess the influence of local entrepreneurs in addressing local problems with global significance and priority. From this analysis, it is evident that 10 out of the 12 rating indicators reveal that the entrepreneurial population performs more positively compared to the general population. In terms of trends, five of the 12 indicators show positive progress, while four are marked as "N/A" due to the lack of comparable data from the general population report. When evaluating the 24 indicators used, 15 exhibit more positive outcomes, three remain unchanged, four are inconclusive, and only two reflect more negative results. Among the 15 positive indicators, seven demonstrate an improvement of three positive levels, six show an improvement of two levels, and one reflects an improvement of one level. This pattern strongly suggests that, on average, the entrepreneurial population enjoys a higher and continuously improving quality of life compared to the general population, with the critical differentiating factor being their entrepreneurial engagement and professional activities.

This analysis highlights that entrepreneurs not only experience a better quality of life in social terms than the general population but also actively contribute to broader social development objectives. When juxtaposed with the factors identified in the literature review, these findings underscore the transformative role of entrepreneurship in empowering marginalized communities. By creating jobs, increasing income levels (SDG 1), and improving living standards (SDGs 2, 3, and 4), entrepreneurs begin by uplifting themselves and their immediate circles. Through breaking down systemic barriers to economic participation, entrepreneurship fosters inclusivity and equity (SDGs 5 and 10),

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enabling these individuals to act as local agents of change. They develop and implement innovative solutions tailored to their communities' unique needs, driving social and economic progress.

This case study of São Tomé and Príncipe (STP) serves as a compelling example of how the entrepreneurial population effectively mitigates personal and community challenges. Their efforts directly reduce broader community and national issues, bringing these challenges closer to resolution. From a global perspective, this dynamic positions local entrepreneurs as critical contributors to addressing problems of worldwide concern. Their capacity to drive localized, scalable solutions highlights the potential for entrepreneurship to serve as an integral part of the global strategy to resolve pressing social and developmental issues.

# **Recommendations and Future Research**

This study's findings highlight local entrepreneurship's significant role in addressing social challenges and advancing Sustainable Development Goals (SDGs) in São Tomé and Príncipe. Based on the results, several recommendations can be made to amplify the positive impact of entrepreneurship on social development:

- Strengthen Entrepreneurial Ecosystems: Governments and international organizations could and should create policies and frameworks that facilitate access to financial resources, training, and technical support for entrepreneurs. Targeted efforts to develop infrastructure and reduce bureaucratic barriers can further empower local entrepreneurs.
- Promote Inclusive Entrepreneurship: Initiatives should focus on engaging marginalized groups such as women, youth, and rural populations. Tailored programs can provide these groups with the skills and resources needed to start and sustain businesses, reducing inequalities and fostering social inclusion.
- Enhance Education and Training: Integrating entrepreneurial education into formal curricula at various educational levels and offering community-based training programs can build a culture of innovation and problem-solving, directly addressing SDG 4.
- Encourage Sustainable Practices: Policies and incentives that promote sustainable entrepreneurship, such as green technologies and eco-friendly practices, should be prioritized to address pressing environmental and social issues.
- Leverage Digital Transformation: Expanding access to digital tools and technologies can enable entrepreneurs to scale their businesses, access new markets, and foster innovation, particularly in underserved areas.

Future research could explore the influence of entrepreneurship on social development in similar developing island nations, enabling cross-contextual analysis and the identification of best practices. Additionally, studies focusing on specific sectors, such as agriculture, tourism, and renewable energy, could provide deeper insights into how these industries drive sustainable development in local contexts. Longitudinal research tracking

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the long-term impact of entrepreneurship on social and economic outcomes would offer valuable data for shaping policies and interventions. The integration of technologies like big data, machine learning, and geographic information systems (GIS) could further enhance the understanding of entrepreneurial impacts at both micro and macro levels. Moreover, future studies should examine the intersectionality of gender, ethnicity, and socioeconomic status to develop more nuanced strategies for fostering inclusive entrepreneurship.

By addressing these recommendations and pursuing the suggested research directions, stakeholders can better harness the transformative potential of entrepreneurship to create more equitable and sustainable societies.

#### **Conclusion**

This study underscores the pivotal role of local entrepreneurship in advancing social development, particularly in the context of São Tomé and Príncipe (STP). By analyzing the interplay between entrepreneurship and six Sustainable Development Goals (SDGs) focused on social progress, the findings demonstrate that entrepreneurial activity can serve as a catalyst for addressing systemic challenges, empowering marginalized communities, and fostering inclusive growth.

The comparison between the entrepreneurial and general populations reveals that entrepreneurs, through their professional engagements, tend to achieve better outcomes in social indicators related to poverty reduction, health, education, gender equality, and inequality. Notably, they exhibit higher levels of income, improved access to education and healthcare, and greater commitment to gender equity and sustainable practices. These outcomes are indicative of the transformative potential of entrepreneurship in bridging gaps in socio-economic development and driving progress toward the SDGs.

Beyond the immediate benefits to entrepreneurs themselves, the broader impact of entrepreneurship extends to community and national levels. Entrepreneurs in STP have proven to be key agents in addressing local challenges, such as unemployment, limited access to services, and social inequities. By leveraging their innovative capacities and local knowledge, they contribute to solving problems of global concern within their localized contexts.

The findings of this research offer valuable insights for policymakers, practitioners, and scholars. They reinforce the importance of fostering entrepreneurial ecosystems that prioritize inclusivity, sustainability, and innovation. Moreover, the case study of STP serves as a microcosm for understanding the global relevance of local entrepreneurship in achieving sustainable development.

With this, entrepreneurship emerges not only as a driver of economic growth but also as a transformative force for social progress. By empowering individuals and communities, fostering equity, and addressing systemic challenges, local entrepreneurs hold the potential to create more resilient, inclusive, and sustainable societies. This research underscores the need for continued investment in entrepreneurship as a means of advancing the SDGs, providing a roadmap for leveraging local solutions to address global challenges.

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