

The Environmental Dimension in the Strategies of Startups as a Tool for Activating the Green Economy

M'hamed Nadjib Chrafi ¹

¹ Djillali Bounaama University-Khemis Miliana, Algeria

E-mail: m.chrafi@univ-dbkm.dz

Abstract---Startups represent one of the main challenges that the Algerian government has set for itself in its efforts to reduce the country's dependence on the hydrocarbons sector. These emerging enterprises serve as a key driver in the transition from a traditional economy to a cleaner and more sustainable one, through innovations that focus on providing creative solutions addressing environmental damages or mitigating the negative impacts of economic activities on the environment. The ultimate goal is to protect the environment while promoting clean economic growth—an objective that major world economies are also striving to achieve. Within Algeria's broader efforts to align with global economic policies, the country is witnessing growing attention to environmental sustainability through the establishment of a legal and institutional framework designed to support startups in achieving a sustainable green economy.

Keywords---Startups, Environmental Dimension, Environment, Sustainable Development, Green Economy.

Introduction

Sustainable development has become an imperative dictated by economic, social, and environmental circumstances. Humanity's pursuit of comfort and material well-being has led to the irrational exploitation of natural resources, resulting in an ecological crisis that threatens the continuity of life on Earth. The first international conference on the environment, held in 1972 — the **Stockholm Conference** — affirmed the fundamental human right to live in a clean and healthy environment. Since then, numerous studies and international efforts have sought to reconcile economic development with environmental protection. Twenty years later, the **Rio de Janeiro Conference (1992)** reaffirmed the need to redirect both international and national environmental policies toward integrating environmental dimensions into economic and social development strategies.

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Amid these global transformations, it became necessary for **Algeria** to align with these developments by adopting a sustainable development policy that incorporates environmental considerations into its economic strategies within an appropriate legal and institutional framework. Among the key instruments Algeria now relies upon to achieve sustainable development are **startup enterprises**, given their crucial role in creating employment opportunities and promoting economic growth.

Algeria embraced the concept of startups following the remarkable success and evolution of such enterprises both globally and domestically. Startups have emerged as a leading concept in modern economics—particularly within the framework of clean and sustainable economies, or what is known as the **green economy**—owing to their active contribution in establishing a vital link between economic development and environmental protection, while promoting economic dynamism that respects the three dimensions of sustainable development: economic, social, and environmental.

Significance of the Study

The significance of this study lies in its exploration of how startups integrate **environmental considerations** into their strategic planning. Such integration not only enhances the sustainability of economic activity but also stimulates the development of **eco-friendly innovations and technologies**. Moreover, startups play a pivotal role in national economies as one of the most important sources of public revenue and growth.

Objectives of the Study

The main objective of this research is to clarify the concept of **startup enterprises** and to highlight their role in developing **clean innovations and technologies** through an environmental approach. This dimension grants startups the capacity to ensure continuous development and strengthens their contribution to the activation of a **sustainable green economy**. Accordingly, the study seeks to answer the following central question:

How do startups contribute to achieving a more sustainable green economy?

To address this question, the study adopts a **multi-methodological approach**, combining both analytical and descriptive methods. It examines the theoretical framework of the topic and analyzes relevant legal texts governing startups and environmental sustainability. Consequently, the paper will focus on integrating the environmental dimension into startup policies as a mechanism to promote the green economy, through the following structure:

- **Section One:** The Conceptual Framework of Startup Enterprises.
- **Section Two:** The Environmental Dimension as a Mechanism for Ensuring the Sustainability of Startups.

Section One: The Conceptual Framework of Startup Enterprises

Startup enterprises have attracted significant attention both internationally and domestically. Algeria is among the countries that have given great importance to this type of enterprise as part of its efforts to diversify the national economy and move away from dependence on hydrocarbons, particularly after the fluctuations in global oil prices, in pursuit of a balanced development policy.

Algeria has adopted this new concept—known as the *startup enterprise*—through a specific legislative and institutional framework designed to promote economic development. This section will therefore address:

- **The legal concept of startup enterprises (Subsection One), and**
- **The process of establishing a startup enterprise (Subsection Two).**

Subsection One: The Concept of Startup Enterprises

In its pursuit of sustainable development and economic growth, Algeria views startups as a new source of financing and innovation, particularly by enabling youth engagement in entrepreneurship. This subsection will thus discuss:

- The definition of startup enterprises (**Branch One**), and
- The process of establishing a startup (**Branch Two**).

Branch One: Definition of Startup Enterprises

Startup enterprises are considered one of the most important sources of national revenue enhancement. Given their crucial economic role, providing a clear and consistent definition for these entities has become a major priority. Despite the numerous studies and research works devoted to the subject, the definition of startups remains **relative**, varying from one sector to another and from one country to the next. Accordingly, this branch examines both **the doctrinal (theoretical) definition** and **the legal definition** of startup enterprises.

1. Doctrinal (Theoretical) Definition of Startup Enterprises

Although there are multiple definitions of startups, the most prominent ones can be summarized as follows:

- Linguistic and Dictionary Definitions** :According to the *Cambridge Dictionary*, a startup is defined as “a small business in its early stages,” or “a business activity or a set of activities that results in the creation of a new enterprise aimed at generating rapid revenue.”Etymologically, the term “startup” consists of two parts: “*Start*” meaning “beginning” or “initiation,” and “*Up*” meaning “moving upward or toward a higher position,” thus collectively referring to **the act of launching and striving toward growth**.
- Definitions by Scholars and Expert** : According to **Eric Ries**, a startup is “a human institution designed to create a new product or service under conditions of extreme uncertainty.” Similarly, **Steve Blank and Bob Dorf** define a startup as “a temporary organization designed to search for a repeatable and scalable business model.”
- Definition by Entrepreneurs** : The American entrepreneur **Peter Andreas Thiel** defines a startup as “the largest group of people you can convince of a plan to build a better future.”

By examining the definitions provided by scholars, experts, and entrepreneurs, it becomes evident that they all converge on a shared understanding of the startup as an **enterprise designed to transform reality and generate systemic change**, a characteristic that fundamentally distinguishes it from traditional business models.

Branch Two: Characteristics of Startup Enterprises

Startup enterprises possess a set of distinct characteristics and advantages that clearly differentiate them from traditional companies. The most prominent features include:

- Innovation**: A startup is built upon a novel idea or an innovative product designed to fill a specific gap or meet an unmet need in the market.
- Rapid Growth**: Unlike conventional firms, startups are inherently structured for fast expansion and accelerated development.
- Flexibility**: Startups exhibit a high capacity to adapt to market fluctuations and to respond quickly to emerging challenges. A notable example includes ride-hailing and delivery applications that constantly evolve to meet consumer demands.
- Risk-Taking**: Due to their innovative and experimental nature, startups are established in conditions of uncertainty. Their success is not guaranteed, which exposes them to significant risks and market challenges.
- Technology Utilization**: Startups typically rely on advanced and emerging technologies to provide new solutions or to enhance existing services efficiently.
- Financing Difficulties**: Access to financing constitutes one of the greatest challenges faced by startups. Funding sources often include venture capitalists, angel investors, or crowdfunding mechanisms, as these enterprises continuously require financial support for research, product development, and operational activities. The absence of formal or institutional funding channels can present a significant barrier to their growth.

7. **Gradual and Scalable Growth:** Startups emphasize achieving rapid economic progress by increasing production and improving quality without proportionally raising operational costs, thereby ensuring scalable and sustainable growth.

Subsection Two: Establishing a Startup Enterprise

The establishment of a startup enterprise requires careful planning, a deep understanding of the market, and the capacity to implement innovative ideas effectively while maintaining adaptability to economic conditions. This section examines three key aspects:

- **The steps for establishing a startup enterprise (Branch One);**
- **Funding structures for startups (Branch Two); and**
- **Institutions supporting startup creation (Branch Three).**

Branch One: Steps to Establish a Startup Enterprise

The process of creating a startup involves several essential steps, summarized as follows:

1. **Identifying the Idea and Conducting Market Research:** Selecting an innovative idea that meets a specific market demand or provides a solution to an existing problem.
2. **Developing a Business Plan:** Designing a comprehensive strategy that defines the revenue model, target customers, cost structure, and overall operational framework.
3. **Registering the Business and Obtaining Licenses:** Choosing the appropriate legal form of the enterprise—such as a sole proprietorship, limited liability company, or joint-stock company—and registering it with the relevant authorities to secure all necessary permits.
4. **Securing Financing:** Obtaining funding either through personal resources, external investors, bank loans, or business incubators that provide financial and logistical support.
5. **Building the Team:** Recruiting individuals with the necessary technical and managerial skills to achieve the startup's goals and to develop products or services aligned with market needs.
6. **Launching and Marketing the Startup:** Introducing the enterprise to the market by creating a strong brand identity—including a logo, mission statement, and marketing strategy—often through **digital marketing** tools such as social media, online advertising, and targeted promotional campaigns.
7. **Performance Monitoring and Continuous Improvement:** Implementing key performance indicators (KPIs), gathering customer feedback, and making the necessary adjustments to ensure long-term sustainability and market responsiveness.

Section Two: The Environmental Dimension as a Mechanism for Ensuring the Sustainability of Startup Enterprises

The environmental dimension of startups constitutes one of the essential pillars of these enterprises in their pursuit of clean and sustainable development. It reflects the growing concern of startups with green growth through their efforts to preserve the environment and to reduce harmful or polluting practices. As global awareness of environmental protection increases—especially in light of the severe consequences of pollution, including climate change, which has become a major international issue—the integration of environmental considerations into economic activity has gained unprecedented significance.

This section examines the effectiveness of incorporating environmental dimensions into the strategies of startups through two main subsections:

- **The importance of environmental integration in startups (Subsection One), and**
- **Startups under environmental considerations (Subsection Two).**

Subsection One: The Importance of Integrating Environmental Dimensions in Startups

Given the growing global interest in startups, it has become essential for these enterprises to adopt strategies that promote sustainable development. In the context of the environmental crises facing the world today, environmental preservation is no longer merely a moral or cultural choice; it has become a **strategic necessity** for the continuity of development. Startups thus face both a challenge and an

opportunity—to achieve positive outcomes by adopting sustainable and environmentally conscious policies. This subsection analyzes this dynamic through two approaches: **impact assessment (Branch One)** and **risk assessment (Branch Two)**.

Branch One: Environmental Impact Assessment

The inclusion of the environmental dimension within startups extends from the international legal framework governing environmental protection. Impact assessment of development projects reflects the **preventive principle** emphasized by the *Rio de Janeiro Conference (1992)*, which called for preventing harm before it occurs and required economic entities to prepare detailed studies of the potential negative impacts of their activities on the environment.

1. Application of Environmental Impact Studies The environmental impact study represents an analytical and evaluative tool designed to identify and estimate the potential adverse effects—both direct and indirect—of an economic project on the environment. It encompasses economic, social, and ecological aspects to minimize negative outcomes and promote clean development. In Algeria, the environmental impact study is governed by **Law No. 03-10 on Environmental Protection and Sustainable Development**, which defines the scope and content of such studies, particularly in **Articles 15 and 16**.

2. Objectives of Environmental Impact Assessment Environmental impact assessment aims to:

- Identify both direct and indirect environmental effects;
- Provide policymakers with a prospective vision of project outcomes;
- Achieve a balance between development and environmental protection, thereby embodying the principles of sustainable development;
- Ensure compliance with national and international environmental legislation and encourage its effective implementation.

Branch Two: Risk Assessment

Risk assessment is a preventive process aimed at identifying and evaluating the potential hazards that may affect an enterprise or project, while determining the necessary measures to mitigate such risks. It is particularly vital in sectors involving technical or hazardous activities such as energy, hydrocarbons, and chemical industries.

The Algerian legislator addressed this concept in **Article 21 of Law No. 03-10**, emphasizing the necessity of conducting a risk study **prior to the issuance of operating licenses** by the competent authorities.

Subsection Two: Startups under Environmental Considerations

With the rising importance of environmental sustainability in the global economy, adherence to environmental considerations has become indispensable to maintaining clean, responsible, and competitive economic activity. Startups must therefore integrate the environmental dimension into their business models in order to compete effectively and contribute to sustainable development. This subsection examines two key approaches: **clean production (Branch One)** and **green marketing (Branch Two)**.

Branch One: Clean Production

Clean production represents a preventive strategy aimed at protecting the environment by **reducing pollution at its source** and improving production efficiency rather than addressing pollution after it occurs—an approach that often incurs higher costs. The objective of clean production is to strengthen the competitiveness of enterprises through the adoption of cleaner technologies and procedures that minimize waste and emissions, thereby achieving green development at lower costs. Examples include the increasing reliance on **renewable energy sources** in manufacturing and industrial operations.

Branch Two: Green Marketing

Green marketing refers to the process adopted by enterprises in various economic sectors to promote their products or services while balancing consumer needs with environmental protection requirements. It emphasizes the ecological benefits of products, whether in their production methods, raw materials, or packaging processes.

1. Characteristics of Green Marketing

- A strategy that integrates environmental protection, consumer welfare, and profitability into a comprehensive and sustainable policy.
- A marketing approach grounded in sustainability and the optimal use of natural resources.
- A motivational framework encouraging enterprises to adopt environmentally responsible practices.

2. Objectives of Green Marketing: The objectives of green marketing revolve around reconciling economic profitability with environmental preservation, through:

- Meeting the needs of environmentally conscious consumers;
- Promoting clean and green development;
- Encouraging sustainable consumption behavior;
- Balancing market demands with ecological protection imperatives.

Conclusion

This study sought to explore the concept of **startup enterprises** and their role in advancing a **sustainable green economy** by integrating environmental considerations into their developmental strategies. The success and sustainability of these enterprises depend largely on strengthening their legal and institutional frameworks through **implementing regulations** that clarify their operational mechanisms. Moreover, fostering investment in this sector—while addressing the challenges that may hinder startup success—remains crucial to ensuring their continuity and contribution to sustainable growth.

Findings

1. Startup enterprises constitute one of Algeria's key instruments for achieving economic development by promoting and supporting innovation-driven entrepreneurship. However, their effectiveness still requires a simplified legal framework supported by flexible mechanisms to ensure real-world impact.
2. Startups face multiple challenges that hinder their success and long-term sustainability.
3. They represent a **cornerstone for building a sustainable green economy**.
4. There is a pressing need to integrate startups into Algeria's national economic strategies and governmental development objectives.

Recommendations

1. Adopt practical measures to support and incentivize startup enterprises.
2. Simplify administrative procedures and transactions related to startup creation and operation.
3. Diversify funding sources and mechanisms to facilitate the financial sustainability of startups.

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