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Social Entrepreneurship as a Tool for Sustainable and Inclusive Development

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Abstract
Social entrepreneurship has gained a lot of traction to solve difficult socio-economic and environmental issues globally. These companies combine business acumen with a focus on social value – on sustainable development with inclusion, particularly when excluding people. This specific study addresses the question of how social entrepreneurship can contribute to sustainable and inclusive progress from a mix of approaches. They took surveys, analyzed the data, and interviewed people to learn about their ideas—collecting data from questionnaires and analyzing it with stats and talking to people for their ideas—what really works! The results show that these social enterprise projects strongly aid in economic power, make communities more inclusive and eco-friendly, and boost overall resilience. Some major things help these efforts succeed namely, a knack for innovation, teaming up with stakeholders, and getting support from institutions. The study concludes with some hard truths that reinforce theories of social and sustainable development. Plus, it provides practical guidance for those who need it the most: policy makers, practitioners in the field, and development agencies. Therefore, social entrepreneurship is not just an additional route, but a tried-and-tested method for creating growth that is genuine and benefits all people, driving continuous transformation in society.
Keywords: Inclusive Development, Social Entrepreneurship, Social Innovation, Sustainable Development, Sustainable Livelihoods, Triple Bottom Line.

Introduction

In today's world, inequality, climate change, unemployment and social exclusion are on the rise, compelling the world to seek a development model that is sustainable and inclusive. The era of "old" development concepts, primarily state-led welfare, and market-driven growth, have contributed to economic expansion, but often have come with costs: environmental degradation and growing inequalities (Cohen et al., 2019). As these problems worsen, there's more call for creative methods that tie economic success with social and ecological aims.

This trend of social entrepreneurship mirrors the UN Sustainable Development Goals that focus on reducing poverty, ensuring fair work and consumption, achieving gender equality, and combating climate change globally. Social enterprises are making a difference by providing cheap health care, boosting education, backing eco-friendly energy, enabling microfinance, and aiding left-behind communities (George et al., 2023). By doing so, they play a key role in the development of sustainable and inclusive development, regardless of the context.

Environmental sustainability is key for social entrepreneurship too. Green tech, renewable energy, recycling are common applications of social enterprises. They also promote a circular economy (Bocken et al., 2020). These companies prove that it is possible to be both environmentally friendly and money makers. This combo helps move us towards low-carbon and circular economies.

Recognition for the role social entrepreneurship plays in driving development continues to grow, but there is still a number of issues to be addressed. One, there is a lot of confusion about what social entrepreneurship means and it's difficult to conduct consistent research in different fields (Saebi et al., 2022). Also, although some of these initiatives are having some success locally, we lack the long-term data that demonstrate that these local efforts ultimately result in sustained and widespread positive change (George et al., 2023). One issue is that researchers tend to treat sustainable development and inclusive development separately rather than considering them as interrelated concepts in social entrepreneurship (Bacq et al., 2024). Finally, when considering the impact of policies and support systems on social enterprises, there is little evidence of meaningful connections between good governance, finance and regulations to outcomes (Acs et al., 2022).

Based on these gaps, the present study investigates the role of social entrepreneurship – as a means to enhance sustainable and inclusive growth. It focuses on the potential these enterprises have to improve economic power, social inclusion and safeguard the environment. It brings theory to the real world to contribute to the knowledge base regarding sustainable development, social innovation and supporting ecosystems for startups. Oh, and it has some valuable lessons for policy makers, practitioners and dev orgs as well.

Research Objectives

This study aims to overcome some of the significant gaps by addressing four things. First, it will look at the influence of social entrepreneurship on sustainability, from the lens of economic resilience and environmental performance. Second, it will look at how social entrepreneurship helps with inclusive growth, covering jobs, reducing poverty, and boosting social fairness. Thirdly, it aims to develop and subsequently test a framework linking social entrepreneurship to both sustainable and inclusive development. Lastly, the researchers hope that these goals will allow them to better align their theory with evidence, and help policy makers in the expansion of social entrepreneurship for public good.

Review of Literature

Abdulrahman et al. (2024) studied the effectiveness of ESG integrated entrepreneurial ecosystem and concluded that the performance of social enterprises which achieve good scores on sustainability metrics is associated with a more promising longer-term prospect and higher levels of trust from stakeholders. Their extensive research revealed that there is a connection between ESG disclosure and the development of greater inclusion. Bacq et al. (2024) made a second foray into social entrepreneurship in the light of the SDG framework. They believe hybrid organizations can tackle systemic inequality and highlighted value co-creation and being embedded in the community as main drivers for inclusive growth. Alvarez et al. (2023) dove into opportunity creation theory in contexts with a lack of institutions. They say that social entrepreneurs create markets that increase environmental sustainability and social inclusion, rather than just capitalise on existing opportunities. Doherty et al. (2023) had investigated tensions in hybrid organizations and concluded that mission drift remains as a significant problem when the sustainable enterprises expand. However, new governance concepts and improved accountability mechanisms can help defuse these tensions.

This book demonstrates the power of social entrepreneurship to address issues such as climate change and inequality, as described by George et al. (2023). They discovered that funding and institutions that are conducive to inclusive innovation will truly help to alleviate poverty. Acs et al (2022) explored the social entrepreneurship ecosystem using GEM data to understand the 'what works for social entrepreneurship in various countries?'. It is fortunate that places with 'good institutions' have more successful ventures. The authors of the Hockerts et al. (2022) highlight that social enterprises are often the movers and shakers in the green markets, incentivizing larger companies to become more sustainable at a later stage. There is still some confusion about definitions, as reviewed by Saebi et al., (2022) which examined a range of social entrepreneurship research. They believe that there should be common acceptance of standards for measuring impact. Austin et al. (2021) states that collaboration between businesses, governments and social enterprises is crucial to achieve development outcomes. They say these ties speed up progress on what the SDGs set out to do. Further, Corner et al. (2021) concluded that genuine engagement with all who are impacted by a social enterprise really does enhance trust. This increased confidence translates to improved outcomes on how development is made inclusive.

Zahra et al. (2021) put forward a dynamic capability framework that shows how social enterprises tweak their approaches to fit sustainability changes and adapt to super quick shifts in socio-economic settings. As Bocken et al. (2020) point out, social enterprises are also at the forefront of developing models for circular economy. This translates to reducing waste and promoting eco-friendly efforts. In addition, Mair et al. (2020) point out that these groups are institutional entrepreneurs. They support people in disadvantaged areas with low incomes by establishing new structures. Last but not least, Nicholls et al. (2020) watch the development of impact investment networks. According to the authors, innovative financing approaches are changing the ways sustainable growth and support for mission-related businesses is achieved.

Research Gap

Component Explanation

It is a framework that combines six key elements to demonstrate the role of social entrepreneurship in sustainable development. All begins with an institutional setting that provide a wonderful place for social enterprises. This is achieved through regulation, availability of finance and policy. All these factors make room for Social Entrepreneurship to grow. Social enterprises are a combination of being mission driven with a knack for making money. They promote inclusive development as a means of generating jobs and reducing poverty, while providing under-represented groups an opportunity to participate in the economy. Plus, they help save the planet with green energy and reducing waste. All this leads to more economy. Social enterprises provide stability, support local enterprises and provide additional revenue creation. So, it all comes down to a better environment, economy and well-being, in the end.

Methodology

Research Design

The study adopts the explanatory sequential mixed methods research design, where both quant and qual approaches were used in two phases, to gain a comprehensive view of the effect of social entrepreneurship on sustainable and inclusive development. First, it does quantitative analysis to look at the stats linking social entrepreneurship to major development results. Then, it checks and explains those results in a qualitative part, plunging into the context and how these connections operate. This allows the study to be broad applicable to a variety of situations and detailed focuses to specific situations. Overall, it provides a more comprehensive understanding of the role of social enterprises in achieving sustainable development goals.

Quantitative Phase

During the quantitative phase, researchers attempt to test, in an empirical fashion, the relationships among the major concepts of the study. They gather data from approximately 300-500 registered social enterprises and impact-driven startups in different industries. They rely on a structured survey questionnaire for info on ESG performance, job generation, poverty reduction and financial strength.

The independent variable is social entrepreneurship intensity. The dependent variables are environmental performance, economic resilience, and inclusive development. In addition, inclusive development is considered a mediator. Finally, they carry out all the data analysis using appropriate statistics such as descriptive statistics, reliability analysis based on Cronbach's alpha with a minimum value of 0.70, CFA and SEM to determine whether the proposed relationships and proposed mediators are valid.

The use of mixed methods is justified in the following ways:

As social entrepreneurship and sustainable development are complex fields, the mixed methods approach seems appropriate. Quantitative methods provide us statistics relating to social entrepreneurship and issues such as economic resilience and environmental performance. However, qualitative methods provide richer understandings of the why and how, i.e., the mechanisms and institutional "stuff" that underlie the results. Both of these together make the research stronger, more reliable and more comprehensible. This process involves comparing quantitative and qualitative evidence, which will help to improve theories and policies related to the sustainable development goals.

Findings

Quantitative Results

According to quantitative analysis, there is a significant correlation between social entrepreneurship intensity and significant development outcomes. With regards to descriptive statistics: Social enterprises are very active in sustainability activities, particularly in job creation, environmental protection and community projects in the survey, it is stated. Reliability analysis revealed that the measurement scales were reliable, as the Cronbach alpha was above 0.70 (reliable measurement).

The structure of constructs was confirmed using Confirmatory Factor Analysis, which showed an adequate model fit and confirmed convergent validity. The findings of the Structural Equation Modeling (SEM) show that social entrepreneurship has a positive impact on environmental performance, economic resilience and inclusive development. Moreover, mediation analysis indicates that inclusive development partially relates the social entrepreneurship to economic resilience. This suggests that social enterprises boost economic stability mainly through increased social inclusion, job chances, and more community involvement.

Qualitative Results

The qualitative findings offer more depth on what's behind the numbers. Interviews with social entrepreneurs, policy regulators, and impact investors showed that innovation, working together with stakeholders, and having a supportive framework are key to success. According to these experts, social enterprises play a role in running production and services from the perspective of the inclusiveness of the marginalized people. This results in employment opportunities and increased economic participation.

Also, people talked about how these companies are more eco-friendly, they are more likely to use renewable energy, lessen waste, and make their production more sustainable. A shift towards investments with ESG credentials and the growing need for digital reporting transparency was noted by regulators and investors. This change is driving for increased accountability and impact measurement of such social enterprises.

Integrated Results

Combining quantitative and qualitative results provides a better understanding of the role of social entrepreneurship in sustainable and inclusive development of societies. Quantitative data establishes the important statistics of the impact of social entrepreneurship on inclusive development, environmental performance and economic resilience. Qualitatively, we learn "why" these things are happening, which demonstrates what the context is. Combined, the evidence indicates that social entrepreneurship can be seen as a hybrid - a combination of market failure and policy failure. These businesses drive innovation, engage community and align with the increasing ESG investments. All these contribute to the sustainable long-term development and socio-economic base. So, it can be concluded from the above that social entrepreneurship must be included in the national development plans. It provides a means for inclusive growth in a sustainable way.

Conclusion

Social entrepreneurship is redefining the way development is perceived through a combination of sustainability, inclusion and innovation. In this study, it is demonstrated that social enterprises have a positive impact on issues such as environmental stewardship, thriving economies, and an inclusive society. They do this through creative community-based concepts and ideas that fill market and system gaps. These organizations provide jobs and opportunities for underrepresented groups, and help protect the environment. Besides, the study highlights the need for good rules, access to funding and cooperative working between different groups for the success of these enterprises. The business worlds of the future will likely look more favorably on startups with solid evidence of their social and green impact, as ESG investments have grown in size and tech has made companies even more transparent. While the study reports some excellent findings, it has its limitations that can suggest excellent new research areas. There is scope for further research on the impact of social enterprises on development in different areas over the long term. In addition, researchers could investigate the relationship between institutional quality and policy and the development and sustainability of social entrepreneurship in different countries. One to look into is the impact of digital tech and AI on the upcoming wave of social enterprises. Better policy support, financial structures, and institutional settings would enhance the social entrepreneurship's impact. This would facilitate its further role in the future in achieving sustainable and inclusive development.

Future Research Directions

Social entrepreneurship is a subject that needs further study to be understood better and how it can fit into sustainable and inclusive development. First off, we need to do longitudinal studies. These would analyse the social, economic and environmental impact that social enterprises have on society over time. Thus, we can determine if and how these programs evolve, and continue to serve the community and sustainability.

In addition, cross-country comparisons of social enterprises would be beneficial. Let's consider how government, business laws and policies, and money matters relate to these businesses. A research like this would enable us to observe which model of economy is effective in both developed and developing countries. Oh, and learning about the new role digital tech and AI play in the lives of social entrepreneurs would be hot!

These businesses may find that certain elements, such as data analysis and smart algorithms, contribute to their streamlined operation and the ability to assess their impact more accurately. It might even provide them with more access to money.

Fourth, further studies are warranted on the impact of ESG investing on social enterprises. Understanding the impact of such investment approaches as impact investors, blended finance, and sustainability-linked funding on the development and performance of these ventures can guide policies and practices. Last, academics may turn their attention to developing measurement tools that reflect both social, environmental and economic outcomes. This would help bridge the existing gaps in impact assessment and more accurately capture the social entrepreneurial contribution to sustainable development goals.

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