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Social entrepreneurship as a catalyst for sustainable development: A study on community economic empowerment

Abstract

This study aims to analyze the contribution of social entrepreneurship to community economic welfare and sustainable development. Employing a qualitative approach with thematic analysis of literature and case studies in Indonesia, the research reveals that social entrepreneurship plays a significant role in addressing social issues such as poverty, unemployment, and limited access to basic services. Social enterprises not only generate economic value but also enhance social inclusion and environmental sustainability, aligning with the achievement of the Sustainable Development Goals (SDGs). However, the development of social entrepreneurship still faces various challenges, including limited access to funding, inadequate regulatory support, and insufficient managerial capacity among entrepreneurs. The theoretical implications highlight the need to integrate social entrepreneurship approaches into local economic development theories, while practical implications underscore the importance of collaborative policies involving government, the private sector, and civil society. The study recommends strengthening the social entrepreneurship ecosystem through incentives, capacity-building programs, and supportive regulations. These findings affirm that social entrepreneurship can serve as an effective strategy for empowering communities sustainably in the post-pandemic era and the Society 5.0 context.

Keywords: Social entrepreneurship, community empowerment, economic welfare, sustainable development, Sustainable Development Goals (SDGs), local economy

Abstrak

Penelitian ini bertujuan untuk menganalisis kontribusi kewirausahaan sosial terhadap kesejahteraan ekonomi masyarakat dan pembangunan berkelanjutan. Melalui pendekatan kualitatif dengan analisis tematik terhadap literatur dan studi kasus di Indonesia, penelitian ini menemukan bahwa kewirausahaan sosial berperan signifikan dalam mengatasi permasalahan sosial seperti kemiskinan, pengangguran, dan keterbatasan akses terhadap layanan dasar. Usaha sosial tidak hanya menciptakan nilai ekonomi, tetapi juga memperkuat inklusi sosial dan keberlanjutan lingkungan, sejalan dengan pencapaian Tujuan Pembangunan Berkelanjutan (SDGs). Namun, pengembangan kewirausahaan sosial masih menghadapi berbagai hambatan, termasuk keterbatasan pendanaan, regulasi yang belum mendukung, serta kurangnya kapasitas manajerial pelaku usaha. Implikasi teoretis menunjukkan perlunya integrasi pendekatan kewirausahaan sosial dalam teori pembangunan ekonomi lokal, sementara implikasi praktis menekankan pentingnya kebijakan kolaboratif antara pemerintah, sektor swasta, dan masyarakat sipil. Penelitian ini merekomendasikan penguatan ekosistem kewirausahaan sosial melalui insentif, pelatihan, dan regulasi yang mendukung. Temuan ini menegaskan bahwa kewirausahaan sosial dapat menjadi strategi efektif dalam memberdayakan masyarakat secara berkelanjutan di era pasca-pandemi dan masyarakat 5.0.

Kata Kunci: Kewirausahaan sosial, pemberdayaan masyarakat, kesejahteraan ekonomi, pembangunan berkelanjutan, tujuan pembangunan berkelanjutan (SDGs), ekonomi lokal

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1. Introduction

Indonesia's economy continues to face persistent structural challenges, including poverty, unemployment, and unequal access to education and economic resources. These three issues not only undermine social stability but also hinder the progress of sustainable development. Poverty remains a complex issue as it encompasses limited access to economic resources, education, and basic services. This condition prevents a significant portion of the population from meeting their fundamental needs, thus perpetuating a cycle of poverty that is difficult to break ([Darwis et al., 2021](#)). Regional disparities in development further exacerbate this problem, particularly in remote and underdeveloped areas. Moreover, limited access to capital and vocational training reduces the opportunities for communities to engage in productive economic activities. In this context, a new development paradigm is needed—one that not only prioritizes economic growth but also embraces inclusive social dimensions.

The unemployment rate in Indonesia also serves as a critical indicator of the population's economic condition. According to data from Statistics Indonesia ([BPS, 2023](#)), the Open Unemployment Rate (OUR) stood at 5.86% in August 2023, reflecting ongoing challenges in absorbing new labor market entrants. Despite a slight decline from the previous year, the number of unemployed individuals remains high, with over eight million people lacking permanent employment. This level of unemployment is directly correlated with poverty and social inequality, especially among youth and women ([Sofia, 2017](#)). One of the key underlying causes is the mismatch between the skills of the labor force and the demands of the job market, which exacerbates the gap between labor supply and demand. Under such conditions, it is imperative to develop alternative, inclusive, and participatory economic development strategies—ones that empower communities to create employment opportunities both independently and collectively through social entrepreneurship.

Social entrepreneurship presents an innovative and transformative approach to addressing these socio-economic challenges. Unlike conventional entrepreneurial models that primarily focus on financial gain, social entrepreneurship integrates a social mission into its business model to generate sustainable positive impact ([Saebi et al., 2019](#); [Youssef et al., 2023](#)). This practice emphasizes community empowerment through the creation of social value, innovation, and the active participation of vulnerable groups. Rawhouser et al. ([2021](#)) highlight that social entrepreneurship contributes to local capacity building and poverty reduction through the creation of community-based employment. In developing countries like Indonesia, social entrepreneurship can serve as a bridge between grassroots initiatives and national development agendas while reducing dependency on external aid. Empowering communities through this approach strengthens social capital and enhances local economic resilience.

In recent years, social entrepreneurship has increasingly gained recognition as a systemic solution to socio-economic challenges, in line with the growing global awareness of the importance of inclusive development. Fekete et al. ([2022](#)) affirm that social entrepreneurship plays a vital role in advancing the 2030 Agenda for Sustainable Development, particularly in alleviating poverty, expanding access to decent work, and building resilient institutions. Further research by Yesmin et al ([2021](#)) underscores the potential of social entrepreneurship to address complex social issues through cross-sectoral collaborative approaches. This role has become even more critical in the post-COVID-19 era, where many segments of the informal economy have suffered severe

setbacks. Therefore, supporting the ecosystem of social entrepreneurship is a strategic move toward fostering a more equitable and resilient economy.

This article aims to comprehensively analyze the role of social entrepreneurship in enhancing community economic well-being. By examining various approaches, best practices, and challenges faced by social entrepreneurs in diverse contexts, this paper seeks to offer strategic insights to strengthen the sector's contribution to local economic development. The study also explores key success factors in social entrepreneurship, including policy support, access to finance, and capacity-building for human resources (Hassan et al., 2021; Kickul & Lyons, 2022). The findings are expected to serve as a reference for policymakers, academics, and social practitioners in designing effective strategies for community empowerment through social entrepreneurship in Indonesia.

2. Literature review

2.1 Social entrepreneurship

Social entrepreneurship represents an innovative approach that integrates a social mission with entrepreneurial principles to develop sustainable solutions to societal challenges, particularly poverty and unequal access to resources. In developing countries such as Indonesia, social entrepreneurship has been adopted as a community empowerment strategy to reduce dependence on external aid and promote economic self-reliance (Tenrinippi, 2019; Sulaeman et al., 2022; Hidayat et al., 2023). This model is not merely aimed at generating financial profit; rather, it seeks to create wide-ranging and lasting social impact.

Conceptually, social entrepreneurship is characterized by four core elements: (1) a strong social mission, (2) innovation in addressing social issues, (3) financial sustainability, and (4) the application of ethical business practices (Arthamevia, 2024). These elements distinguish it clearly from conventional commercial entrepreneurship. Hulgård, as cited in Sofia (2017), emphasizes that social entrepreneurship is rooted in collaboration between individuals and organizations to generate social value through economic activities. This view aligns with Cukier et al. (2011), who describe social entrepreneurs as change agents who apply business approaches to solve social problems in areas such as welfare, education, and healthcare.

On a global scale, Saebi et al. (2019) assert that social entrepreneurship has emerged as a response to the failure of markets and governments to adequately address complex social problems. The model has evolved in various forms, ranging from nonprofit organizations adopting business principles to fully operational social enterprises that remain committed to their core social missions.

2.2 Community-based economy

A community-based economy refers to the economic activities undertaken by local communities across the entire economic cycle—from production and distribution to consumption—in order to collectively improve their standard of living. Community economic empowerment aims to foster participatory and inclusive development, where community members are not merely passive beneficiaries but active agents of development (Murdani & Hadromi, 2019). Through this approach, communities are

expected to gain fair access to resources and develop local innovations to address economic challenges.

Community-driven economic development emphasizes the equitable distribution of development benefits. Khamimah (2021) asserts that effective economic policies must prioritize the empowerment of local actors to ensure that economic growth benefits are not concentrated in the hands of a few. In this context, social entrepreneurship plays a vital role in mobilizing local potential. Its participatory model enables communities to manage socially and locally oriented enterprises in a sustainable manner. Amid rising global economic uncertainties, the relevance of community-based economic models is increasingly evident. Fekete et al. (2022) emphasize that local economic development driven by social approaches not only strengthens the economic capacity of communities but also fosters social resilience in times of crisis, such as pandemics or natural disasters.

2.3 Community empowerment

Community empowerment is a systematic process aimed at enhancing the capacities of individuals and communities to independently identify, manage, and resolve social and economic issues. This concept encompasses two main approaches: community development, which focuses on community-based growth, and community-based development, which emphasizes active community participation in planning and implementing development initiatives (Mardikanto & Soebianto, 2012). The empowerment process involves three critical dimensions: enabling (creating a supportive environment), empowering (strengthening community capacity), and protecting (safeguarding vulnerable groups).

Darwis et al. (2021) highlight that empowerment through social entrepreneurship is one of the most effective strategies for improving community well-being. This is because it integrates values of economic self-reliance with social solidarity. Successful empowerment programs are those that enable communities to optimally manage local resources and generate innovative solutions to their own challenges. According to Hassan et al. (2021), the success of community empowerment through social entrepreneurship greatly depends on public policy support, cross-sectoral collaboration, and contextually relevant entrepreneurial education. These factors create a conducive ecosystem for the growth of community-based social enterprises.

2.4 Poverty reduction

Poverty is a multidimensional condition that reflects the inability of individuals or groups to meet basic needs, both in terms of food and non-food essentials. Indonesia's Central Statistics Agency (BPS, 2023) defines poverty using a poverty line threshold, which determines the minimum income or consumption required for a decent standard of living. Kadji (2012) further argues that poverty is closely related to the low quality of human resources, including education, skills, and access to decent employment.

Efforts to reduce poverty must move beyond charitable approaches toward more transformative strategies. In this regard, social entrepreneurship offers an alternative model by creating community-based employment, enhancing individual capacities, and developing strong local economic networks (Rawhouser et al., 2021). By strengthening social capital and entrepreneurial initiatives, poor communities can become active agents

of change rather than mere beneficiaries. However, poverty reduction does not automatically equate to the reduction of inequality. Syawie (2011) contends that equitable development requires fair access to resources, education, and employment opportunities. Therefore, poverty alleviation policies based on local economic empowerment must be designed to be inclusive and sustainable.

2.5 Sustainable development

Sustainable development refers to a development process that meets the needs of the present without compromising the ability of future generations to meet their own needs. This concept emphasizes a balance between economic growth, environmental protection, and social well-being (Rahadian, 2016; Lichtenstein et al., 2021). According to Velepini et al. (2025), sustainability requires synergy between innovation and conservation, as well as adaptive capacity in response to environmental changes. In this context, social entrepreneurship serves as a crucial instrument for achieving sustainable development. By focusing on local and long-term solutions, social enterprises are able to simultaneously address ecological and social challenges. Kickul and Lyons (2022) argue that social entrepreneurship not only generates economic value but also fosters greater environmental awareness and social responsibility among business actors. At the global level, the 2030 Agenda for Sustainable Development Goals (SDGs) positions social entrepreneurship as a key contributor to achieving several development targets—particularly poverty eradication (SDG 1), decent work and economic growth (SDG 8), and responsible consumption and production (SDG 12). Therefore, integrating social entrepreneurship into sustainable development policy is imperative for national development strategies.

3. Research methods

This study employs a qualitative descriptive approach using a library research method to explore the role of social entrepreneurship in improving community economies. This approach is deemed appropriate as it allows for in-depth analysis of theoretical concepts and empirical findings from previous studies. Library research is commonly used in the field of social entrepreneurship due to its capacity to comprehensively illustrate socio-economic dynamics (Dacin et al., 2024; Islam et al., 2023).

The data sources for this study consist of secondary literature, including peer-reviewed journal articles, academic books, research reports, and policy documents obtained from reputable academic databases such as Google Scholar, Scopus, ScienceDirect, and national journal portals. The selection criteria include: (1) publications in peer-reviewed journals from 2018 to 2024; (2) direct relevance to the topics of social entrepreneurship and economic empowerment; and (3) a focus on developing countries or vulnerable communities. This systematic approach follows the recommendations of prior qualitative literature research studies (Sarkar & Searcy, 2022; Bischoff & Volkmann, 2023).

The analysis stage is conducted through content analysis, identifying recurring patterns and themes from the selected literature. This analysis focuses on four key aspects: (1) the role of social entrepreneurship in economic empowerment; (2) its impact on poverty alleviation; (3) its contributions to job creation and skills development; and (4)

the relationship between social entrepreneurship practices and local economic sustainability (Yunus et al., 2021; Chatterjee et al., 2022). Several studies emphasize that social entrepreneurship is not only oriented toward solving social issues but also toward building inclusive economic structures (Wang et al., 2023; Yesmin et al., 2021).

By applying this method, the study aims to make significant theoretical and practical contributions. Theoretically, it reinforces the understanding of the relationship between social entrepreneurship and community economy. Practically, the findings can serve as a reference for policymakers and social actors in designing more effective community-based economic development interventions.

4. Results and discussion

4.1 The contribution of social entrepreneurship to community economic well-being

Social entrepreneurship has emerged as a crucial approach to addressing socio-economic challenges, particularly in alleviating poverty and improving community welfare. Unlike traditional entrepreneurship, social entrepreneurship integrates a social mission with sustainable business models, thereby creating both social and economic value (Ahmad & Bajwa, 2023). This dual approach positions social entrepreneurship as a strategic tool to reduce inequality and broaden access to productive economic opportunities for marginalized groups.

In the context of local economic development, social entrepreneurship significantly contributes to job creation, household income enhancement, and the empowerment of vulnerable groups such as women, youth, and persons with disabilities. Setiawan et al. (2023) found that social entrepreneurship initiatives in Indonesia—particularly those supported by government interventions—have increased household economic well-being by creating inclusive economic opportunities and enhancing both technical and managerial skills. These findings are consistent with Majeed et al. (2024), who emphasize that social entrepreneurship facilitates socio-economic transformation by strengthening local capacities and improving community competitiveness in the face of global challenges.

Supportive policies also play a pivotal role in strengthening the social entrepreneurship ecosystem. The OECD (2023) highlights that an inclusive entrepreneurship policy framework—through financial facilitation, capacity building, and fiscal incentives—can empower underrepresented groups and support sustainable economic growth. In Indonesia, while several policies have shown promising outcomes, field implementation continues to face obstacles such as limited access to financing, inadequate supporting infrastructure, and regulatory ambiguities (Springer, 2024). In this regard, multi-stakeholder collaboration involving the public and private sectors is essential to broaden impact and ensure the sustainability of social entrepreneurship initiatives (Hakim et al., 2025).

Thus, social entrepreneurship provides multidimensional contributions to community economic well-being by simultaneously generating economic and social value. Through an inclusive and transformative market-based approach, social entrepreneurship acts as a catalyst for structural change toward a more equitable and

sustainable development paradigm ([Ahmad & Bajwa, 2023](#); [Setiawan et al., 2023](#); [OECD, 2023](#)).

4.2 Community empowerment through social entrepreneurship

Community empowerment is a fundamental element of social entrepreneurship, especially amid the limited reach of the state in addressing the needs of all population segments. This approach enables communities not only to be beneficiaries but also to become agents of social and economic change ([Jiang et al., 2023](#)). According to Wang and Chen ([2022](#)), empowerment within the framework of social entrepreneurship creates opportunities for individuals to actively utilize resources, enhance their capacities, and collectively overcome social problems in a sustainable manner.

In practice, empowerment is realized by creating an enabling environment for the development of local potential. Darwis et al. ([2021](#)) argue that fostering such an environment is a critical initial step in optimizing community potential, particularly through relevant education and training. This aligns with Dees ([2018](#)), who posits that developing adaptive and technical skills is essential for empowering individuals to navigate rapidly evolving socio-economic landscapes.

Access to technology, production facilities, training, and financial support are crucial factors in strengthening community capacity ([Muhammad & Hanafi, 2023](#)). Naranjo-Valencia et al. ([2020](#)) further assert that leveraging technology in community-based empowerment can significantly accelerate innovation and expand economic opportunities, especially at the local level.

Moreover, community empowerment through social entrepreneurship must consider social inclusion. Vulnerable groups—such as women, persons with disabilities, and minorities—often face structural barriers in accessing economic opportunities. In this context, social entrepreneurship can serve as a mechanism to address inequality and expand the participation of these groups in economic development ([Mair & Marti, 2020](#); [Goldstein et al., 2022](#)). By combining individual and community empowerment within a cohesive social entrepreneurship ecosystem, this approach enables inclusive social transformation. Social entrepreneurship not only facilitates the autonomous and sustainable management of local resources but also enhances long-term community economic self-reliance ([Yunus et al., 2021](#); [Santos, 2022](#)).

4.3 The role of social entrepreneurship in poverty reduction

One of the most tangible contributions of social entrepreneurship lies in its ability to reduce poverty through the creation of inclusive economic opportunities. Firdaus ([2014](#)) argues that social entrepreneurship serves as a transformative tool for addressing structural poverty through innovative and sustainable means. This approach provides access to capital and training for marginalized groups—such as smallholder farmers, fishermen, and informal workers—who are often excluded from conventional financial systems. The fair trade model is one of the most effective social entrepreneurship practices for improving the income of small-scale producers. Bansal et al. ([2020](#)) and Chauhan et al. ([2021](#)) emphasize that the application of fair trade principles enhances the bargaining power of small producers in global markets, creating more equitable and stable income streams, which in turn contribute to poverty alleviation.

Ismail and Kadir (2022) demonstrated that social enterprises focused on empowering women in the creative industries significantly improved household welfare and helped narrow economic gender gaps. Meanwhile, ecosystem-based approaches that emphasize supportive networks—including mentoring, training, and market access—are essential to ensure the long-term sustainability of such initiatives (Yunus et al., 2021; Santos et al., 2021). Digital technologies also show considerable promise in expanding the reach and impact of social entrepreneurship. Rajput and Gupta (2023) noted that the use of digital platforms in marketing social enterprise products allows for broader market access and increased income for marginalized groups. These technological solutions not only improve efficiency but also foster the digital integration of underserved communities. In summary, social entrepreneurship plays a strategic role in reducing poverty by promoting people-centered business innovations and economic justice. The creation of economic opportunities, access to capital, training programs, and the adoption of fair trade principles form the foundation of its transformative impact.

4.4 Challenges and barriers to the development of social entrepreneurship

Despite its significant potential, the development of social entrepreneurship faces several persistent challenges. A major obstacle is the limited access to financing. Aiken and George (2022) observed that many social entrepreneurs struggle to secure funding due to the lack of financial instruments tailored to the needs and characteristics of social enterprises.

Investor perceptions also pose a barrier. Conventional investors often perceive social enterprises as less financially viable than profit-driven businesses (Kacperczyk, 2021). This challenge is exacerbated by the absence of a specific legal framework for social enterprises in Indonesia. As highlighted by Louise Patricia Esmeralda (Hukumonline, 2020), the legal recognition of social enterprises remains unclear, contributing to institutional uncertainty and operational limitations.

In addition to financing issues, limited managerial capacity represents another critical constraint. Miller et al. (2020) emphasized that many social entrepreneurs come from non-business backgrounds and often lack essential skills in financial management, marketing, and operations. Therefore, capacity-building programs such as training and mentoring are vital to support the professionalization of social enterprises (Mair & Marti, 2022). From a regulatory perspective, the lack of differentiated treatment for social enterprises compared to traditional businesses imposes unnecessary administrative burdens on organizations with a social mission (Agarwal & Thakur, 2021). This structural disparity can diminish both the motivation and capacity of social entrepreneurs over time.

In conclusion, although social entrepreneurship has shown significant impact, its advancement requires systemic support, including affirmative policies, adaptive financing schemes, managerial capacity development, and clear legal recognition that reflects the dual nature of these enterprises.

5. Conclusion

Based on the results and discussion above, it can be concluded that social entrepreneurship plays a highly significant role in supporting sustainable development.

Social entrepreneurship directly contributes to the achievement of several Sustainable Development Goals (SDGs), particularly in terms of poverty alleviation, improving the quality of education, promoting gender equality, and enhancing environmental stewardship. Social enterprises that focus on community empowerment, market access, and skills training for marginalized groups—including women and persons with disabilities—help to strengthen social and economic resilience and promote greater inclusivity in local economic development.

However, despite the substantial potential of social entrepreneurship, several major challenges persist, particularly concerning limited access to funding, inadequate regulatory support, and low public awareness of its benefits. Limited financing remains a critical barrier to scaling the impact of social enterprises, as many depend on grants or microfinance institutions, which are often limited in scope and reach. Furthermore, the absence of a distinct regulatory framework that recognizes social enterprises as separate from conventional commercial businesses continues to hinder their growth.

To fully harness the potential of social entrepreneurship in advancing sustainable development, there is a pressing need for more inclusive and supportive policy frameworks, enhanced public awareness, and the development of a robust social entrepreneurship ecosystem. This ecosystem should be built through strong collaboration among government, the private sector, and civil society. With the right support mechanisms in place, social entrepreneurship can become a powerful instrument to address complex social and environmental challenges and drive lasting, transformative change within communities.

6. Theoretical and practical implications

This study provides significant contributions to the theoretical advancement of social entrepreneurship and sustainable development. Theoretically, it reaffirms that social entrepreneurship is not solely concerned with generating economic profit but is equally oriented toward solving social and environmental issues, aligning with the broader objectives of the Sustainable Development Goals (SDGs). This research enriches the understanding of how social entrepreneurship relates to poverty reduction, community empowerment, and environmental sustainability by identifying both enabling and inhibiting factors that influence its development.

Specifically, this study introduces the perspective that social entrepreneurship serves as a tool for social empowerment by fostering social and economic resilience within communities. It promotes the integration of social justice principles into market systems and empowers marginalized populations. Moreover, the study emphasizes the importance of supportive regulatory frameworks and inclusive, flexible financing systems to enable social enterprises to thrive. These findings lay the groundwork for future research into mechanisms and policies that can bolster the growth of social entrepreneurship while challenging conventional, profit-centric views of entrepreneurship.

Practically, the findings of this research offer several relevant implications for social entrepreneurs, policymakers, and financial institutions engaged in the social sector. Given the identified funding challenges, financial institutions should develop more flexible and inclusive products and services tailored to the needs of social enterprises—such as creating more accessible funding mechanisms or offering microfinance-based schemes that support growth. These institutions must also recognize that social

entrepreneurship is not solely measured by financial returns but also by the social impact it creates.

For policymakers, the findings underscore the need to formulate more supportive regulations, including the establishment of fiscal incentive schemes and more appropriate regulatory frameworks for socially and environmentally focused enterprises. For example, adaptive tax regulations and streamlined administrative procedures could facilitate the operational growth of social entrepreneurs and encourage innovation in the sector.

Lastly, for social entrepreneurs themselves, the findings highlight the importance of strengthening managerial capacities and improving the efficiency of resource management—including financial, marketing, and operational capabilities. By engaging marginalized groups in the production and distribution processes, social enterprises not only create economic opportunities but also generate substantial social impact. This approach can serve as a model for other social ventures striving to achieve broader, systemic change.

7. Limitations and directions for future research

Although this study provides valuable insights into the contributions of social entrepreneurship to poverty alleviation, community empowerment, and sustainable development, it has several limitations that must be acknowledged. First, the sample used in this study is limited to case studies in Indonesia, which may restrict the generalizability of the findings to other countries or regions. Differences in social, economic, and cultural conditions across nations may influence how social entrepreneurship is received and evolves, making the results more relevant to the Indonesian context. Second, the research predominantly employed a qualitative approach, which, while offering in-depth understanding, does not provide a broad and objective depiction of the impact of social entrepreneurship. The use of quantitative methods with larger and more representative datasets could yield more comprehensive results and generalizable conclusions. Third, although the study highlights the positive effects of social entrepreneurship on community welfare, it does not systematically and rigorously assess long-term impacts, particularly regarding social and environmental outcomes. Standardized and precise measurement tools are needed to better evaluate these impacts. Fourth, while this study identifies several barriers to the development of social entrepreneurship, it does not fully explore other possible impediments—such as psychological or cultural constraints—that may also influence its progress.

In light of these limitations, several avenues for future research are recommended. First, cross-country comparative studies can offer deeper insights into the factors that influence social entrepreneurship across diverse social and economic contexts. Comparing developing countries could help identify both common and divergent challenges and success factors faced by social entrepreneurs worldwide. Second, future research should focus on developing more effective and standardized models for measuring the social and environmental impacts of social entrepreneurship. Quantitative approaches such as cost-benefit analysis or impact evaluation frameworks can be employed to assess long-term success. Third, research on alternative funding models that support social entrepreneurship—such as social crowdfunding, social impact bonds, or impact investing—is essential. These innovative financial mechanisms may provide more flexible and sustainable capital for social enterprises. Fourth, deeper investigation into

other inhibiting factors, such as cultural, psychological, or social barriers, is necessary to gain a more holistic understanding of the challenges faced by social entrepreneurs (Bacq et al., 2021; Alvord et al., 2020). Lastly, longitudinal studies that evaluate the long-term impacts of social entrepreneurship on communities and sustainable development would be particularly valuable. Such research could provide clearer insights into how social entrepreneurship accelerates social, economic, and environmental change, and offer guidance for improving the effectiveness of future social entrepreneurship policies and programs.

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