Part II: Agents of Change and Innovation
Chapter 1

SOCIAL ENTREPRENEURSHIP AND SUSTAINABLE DEVELOPMENT GOALS

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INTRODUCTION

In recent decades, the global development agenda has undergone a significant transformation, emphasizing inclusivity, sustainability, and innovation (Samala et al., 2024). The adoption of the United Nations Sustainable Development Goals (SDGs) in 2015 marked a pivotal shift towards a holistic vision of development, integrating social, economic, and environmental dimensions. These 17 interlinked goals aim to eradicate poverty, reduce inequalities, ensure access to education and healthcare, promote gender equality, and address climate change, among other global challenges.

Within this evolving framework, social entrepreneurship has emerged as a powerful vehicle for driving transformative change (Godwin & Crocker-Billingsley, 2024). Positioned at the intersection of business acumen and social impact, social entrepreneurs design and implement innovative solutions to complex societal problems, often in ways that complement or extend beyond the reach of traditional state and market mechanisms. In both developed and developing contexts, social enterprises reimagine service delivery, empower marginalized communities, and foster inclusive growth. As global priorities shift from growth-at-all-cost models to more equitable and sustainable paradigms, understanding the role of social entrepreneurship is becoming increasingly vital in achieving the SDGs. This background situates this chapter within contemporary debates on development, sustainability, and institutional innovation.

The primary aim of this chapter is to explore the convergence between social entrepreneurship and the Sustainable Development Goals (SDGs) and critically examine how social enterprises contribute to sustainable development in practice (Littlewood & Holt, 2018). While much has been written about both fields independently, there is a growing need to map the dynamic interplay between entrepreneurial innovation and the global development agenda. This chapter seeks to fill this gap by providing an integrated analysis of how social entrepreneurship supports, challenges, and potentially redefines traditional development pathways.

This chapter interrogates the institutional and grassroots dimensions of social entrepreneurship, illustrating its impact through case studies and thematic discussions (Binti Jaffri & Thamrin, 2025). It will also evaluate the enabling and constraining factors policy frameworks, financing mechanisms, and socio-cultural contexts that shape the ecosystem in which social enterprises

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operate. By highlighting both the opportunities and limitations of social entrepreneurship in advancing the SDGs, this chapter offers a nuanced interdisciplinary perspective that is relevant to academics, practitioners, policymakers, and students. Ultimately, this chapter advocates for a rethinking of development practices, suggesting that social entrepreneurship can serve as a bridge between innovation, equity, and sustainability in a rapidly changing world.

CONCEPTUAL CLARIFICATION

Social entrepreneurship refers to the process of recognizing and resourcefully pursuing opportunities to create social value (Kamran et al. 2022). Unlike traditional entrepreneurship, which primarily aims for profit maximization, social entrepreneurship combines the mission of addressing societal challenges with sustainable business practices to create social value. Social entrepreneurs seek innovative solutions to pressing issues, such as poverty, educational inequality, environmental degradation, and access to healthcare. The concept of social entrepreneurship is not novel. Its roots can be traced to historical figures such as Florence Nightingale, who reformed healthcare, and Vinoba Bhave, who launched the Bhoodan Movement in India (Malik, 2021). However, the term gained traction in the 1980s, particularly through the work of Bill Drayton, founder of Ashoka: Innovators for the Public. Organizations such as the Skoll and Schwab Foundations for Social Entrepreneurship have institutionalized this concept in the global discourse.

At its core, social entrepreneurship bridges the gap between civil society and market-based solutions, aiming to create a systemic social impact rather than one-time interventions (Douglas, 2015). It thrives in spaces where traditional public or private mechanisms have failed, offering a hybrid model that leverages business acumen for public benefit. The evolution of social entrepreneurship can be understood as a response to shifting paradigms in development, governance, and the global economy (Horn, 2013). Initially, development challenges were largely addressed through state mechanisms and philanthropic efforts. However, by the late 20th century, there was growing disillusionment with state inefficiency and the limitations of charities. This has created fertile ground for the rise of socially driven enterprise models.

In the 1980s and the 1990s, global economic liberalization and the rise of neoliberal policies emphasized privatization, deregulation, and market-driven solutions (Oyedeji et al., 2019). While this wave opened new avenues for innovation, it also exacerbated inequalities and externalities. Social entrepreneurship has emerged as a corrective mechanism that infuses entrepreneurial strategies with mission-driven ethos. The Grameen Bank, founded by Muhammad Yunus in Bangladesh, is one of the most celebrated examples of how microcredit can empower the poor while remaining financially viable. By the 2000s, social entrepreneurship had become a global phenomenon. Academic programs, impact investing, and social innovation incubators have proliferated in recent years (Christopoulos et al., 2023). Governments and international institutions have begun to recognize the role of social enterprises in addressing the Sustainable Development Goals (SDGs). The UN's 2030 Agenda for Sustainable Development, launched in 2015, provides a clear framework for aligning social entrepreneurship with measurable global outcomes.

Today, social entrepreneurship encompasses diverse models, including nonprofits with earned income strategies, for-profit ventures with strong social missions, and hybrid forms (Samuel J, 2025). Technological advances, especially in digital platforms and fintech, have further expanded the scale and scope of their social impacts. This evolution marks a paradigmatic shift in development thinking that values resilience, adaptability, and community empowerment. To fully understand social entrepreneurship, it is essential to distinguish it from related concepts such as corporate social responsibility (CSR), non-profit management, and impact investing.

CSR refers to the voluntary actions undertaken by companies to operate in an economically, socially, and environmentally sustainable manner (Ahmad et al., 2018). While CSR may involve philanthropy or community initiatives, it is typically an ancillary function within profit-driven corporations. In contrast, social entrepreneurship integrates social goals into its core business model. The intent is not to "give back" to society as an afterthought but to create intrinsic value for it through enterprise.

Nonprofit management focuses on the efficient administration of organizations that do not seek profit but aim to fulfill social or charitable missions (Fischer & Mayer, 2022). Although social enterprises may use nonprofit structures, the key difference lies in their revenue model. Social entrepreneurs often seek to be financially self-sustaining through innovative market-based approaches, whereas nonprofits traditionally depend on donations and grants.

Impact investing is another related area in which investors fund organizations that generate measurable social or environmental impacts and financial returns (Le, 2025). Impact investing is a financing mechanism, whereas social entrepreneurship is an operational and strategic approach to addressing social issues.

Another distinction worth noting is between social innovation and entrepreneurship. Impact investing is another related area in which investors fund organizations that generate measurable social or environmental impacts and financial returns. By understanding these distinctions, one can appreciate the unique position of social entrepreneurship as both a philosophy and practical strategy that reconfigures how development goals are pursued and achieved.

THEORETICAL FOUNDATIONS

The concept of social entrepreneurship (SE) emerges at the intersection of economic rationality and social value creation. (Haugh et al., 2018) It draws upon multiple theoretical frameworks that explain both the motivation behind, and the mechanisms of, leveraging entrepreneurial tools to achieve sustainable development outcomes. One of the foundational theories underpinning social entrepreneurship is Schumpeterian innovation theory, which conceptualizes entrepreneurs as agents of “creative destruction.” (Pittz & Pittz, 2024) While Schumpeter originally focused on profit-driven innovation, social entrepreneurs disrupt existing systems not merely to extract economic value but to solve deep-rooted social or environmental problems. Their innovations may target underserved populations, marginalized groups, or neglected environmental needs, aligning closely with the Sustainable Development Goals (SDGs).

Stakeholder theory also provides a key pillar for the theoretical foundations of this study (Lange & Bundy, 2018). Unlike traditional firms that prioritize shareholder wealth, social enterprises recognize the value of all stakeholders, including beneficiaries, employees, local communities, and environmental entities. This inclusive view mirrors the multidimensional and participatory nature of the SDGs, especially those related to decent work (SDG 8), reduced inequalities (SDG 10), and partnerships for goals (SDG 17). Stakeholder theory also provides a key pillar in the theoretical foundation(Freeman et al., 2018). Social entrepreneurship inherently operates within this triadic balance, seeking to generate economic returns while simultaneously addressing the organization's social and environmental objectives. This directly aligns with the ethos of the SDGs, which are integrated and indivisible, linking poverty reduction, environmental protection, and inclusive growth together.

Institutional theory also informs the practice of social entrepreneurship by shedding light on how norms, rules, and legitimacy shape entrepreneurial actions(Agrawal & Hockerts, 2013). Social entrepreneurs often operate in institutional voids, contexts in which markets, formal regulations, or public services fail to address collective needs. In such spaces, social entrepreneurs build new institutions or adapt informal norms to scale their impact, contributing to governance-related SDGs, such as Goal 16 (peace, justice, and strong institutions). Resource-based and effectuation theories are particularly relevant to the operational dimension(Pérez Sigüenza et al., 2022). The former emphasizes leveraging unique capabilities and social capital for competitive advantage, while the latter, developed by Sarasvathy, focuses on how entrepreneurs operate under conditions of uncertainty by utilizing the available resources. Social entrepreneurs, often resource-constrained, creatively combine local knowledge, community participation, and limited financial capital to design scalable and frugal innovations that support goals such as SDG 1 (No Poverty), SDG 3 (Good Health), and SDG 6 (Clean Water and Sanitation).

In summary, social entrepreneurship draws on a rich blend of theories from economics, business ethics, and sociology. These theoretical strands collectively reinforce the idea that sustainable development is not only a matter of resource allocation but also of rethinking value creation, leadership and institutional design. Although the theoretical landscape supporting social entrepreneurship is robust, it is not without tension (Mitzinneck and Besharov, 2018). Some critiques emerge from critical development theory and postcolonial studies, which question whether social entrepreneurship, often driven by Western models, reproduces the narratives of neoliberal development. According to this view, social entrepreneurs may inadvertently displace state responsibilities and create depoliticized solutions to deeply rooted, structural problems.

From a Marxian perspective, social entrepreneurship may be viewed as a palliative measure that fails to address the root causes of inequality and capitalist exploitation (Mao et al., 2025). While social enterprises may alleviate poverty or promote inclusion, they rarely challenge structural imbalances in power and wealth distribution. In this sense, they may be viewed as co-opted agents within a global capitalist system that offers "solutions" without structural change. In contrast, perspectives from capabilities theory (Amartya Sen and Martha Nussbaum) provide a normative complement, emphasizing the enhancement of individual freedom and agency (Bari 2020). Social enterprises that build local capacities and empower communities align well with this view, reinforcing a human-centric approach to the SDGs.

Similarly, systems thinking offers a complementary perspective that emphasizes the interconnectedness of social, economic and ecological subsystems. Social entrepreneurs who adopt a systemic lens move beyond isolated interventions toward ecosystem-based change, such as circular economy models, community-led health systems, and regenerative agriculture, contributing to the SDGs holistically. Thus, while critiques prompt important reflections on power, justice, and the political economy, complementary frameworks such as capabilities and systems theory help to expand the ethical and practical horizons of social entrepreneurship within the SDG framework.

For this chapter, a hybrid theoretical lens combining stakeholder theory, the Triple Bottom Line (TBL), and institutional theory is most suitable for analyzing the interplay between social entrepreneurship and the Sustainable Development Goals (Silva et al., 2024). Stakeholder theory is critical because it highlights the participatory and inclusive nature of social enterprises, aligning well with the SDGs' emphasis on "leaving no one behind." It allows for an analytical framework that evaluates not only outputs but also the ethical and governance dimensions of enterprise practices. The Triple Bottom Line approach offers an operational scaffold for measuring impact across economic, social, and environmental spheres, mirroring the integrated nature of the 17 SDGs (Liute & De Giacomo, 2021). This framework enables the assessment of how social entrepreneurs balance the trade-offs between profitability, inclusivity, and sustainability in real-world contexts.

Institutional theory is essential for understanding how social entrepreneurs navigate, reshape, and fill institutional voids (Atogenzoya & Kumodzie-Dussey, 2020). Many SDGs hinge on systemic changes in governance (Goal 16), education systems (Goal 4), and gender norms (Goal 5). Social enterprises often act as institutional innovators, developing new models of service delivery or resource mobilization when state or market mechanisms fail to do so. Moreover, this hybrid lens supports a nuanced analysis that moves beyond binary categories (for-profit vs. non-profit, economic vs. social) and captures the complexity of value creation in development contexts (Cotterlaz-Rannard & Ferrary, 2024). This enables us to explore how mission-driven entrepreneurship can act as a catalyst for localized and scalable solutions aligned with global goals. Ultimately, this integrated theoretical approach offers both normative clarity and analytical depth, which are essential for evaluating the transformative potential of social entrepreneurship within the broader agenda of sustainable development.

DEBATES, GAPS, AND THEORETICAL CHALLENGES

Despite the optimistic discourse surrounding social entrepreneurship (SE) as a vehicle for achieving the Sustainable Development Goals (SDGs), several controversies and tensions persist (Khalila et al., 2024). One of the most pressing concerns is the dual-mission dilemma of balancing social impact and financial sustainability. While SDGs advocate for inclusive development, many social enterprises struggle to avoid mission drift as they seek market-based solutions and invest capital. The tension between profit-oriented logic and social missions creates ambiguity in prioritization, particularly when scaling operations or competing in the market. Another debate surrounds the measurement of its impact (Liu et al., 2016). Although SE is often hailed as being more agile and grassroots-driven than traditional development actors, its contribution to SDG targets is difficult to quantify. Metrics vary widely, and there is no standardized framework to evaluate the long-term impact or differentiate between outputs (e.g., number of beneficiaries) and systemic outcomes (e.g., structural poverty alleviation) of these programs. This raises questions about accountability, transparency, and whether SE is genuinely transformative or merely palliative in nature.

Another area of contention lies in the geopolitical and sociocultural contexts (Gøtzsche-Astrup & Gøtzsche-Astrup, 2022;). Social entrepreneurship often assumes a universal model of innovation, sometimes rooted in Western and liberal economic ideas. This can lead to tensions in local contexts where traditional knowledge, Indigenous practices, or collectivist community norms diverge from entrepreneurial frameworks that privilege individual agency and market logic. Critics argue that in attempting to universalize the model, SE risks reproducing neocolonial dynamics under the guise of development. From a critical standpoint, social entrepreneurship has been critiqued as a neoliberal extension of the development domain in which the responsibility for public welfare is increasingly outsourced to private actors (Zhang et al., 2023). Scholars argue that the celebration of entrepreneurial individuals as "changemakers" obscures the role of the state and diverts attention from the structural causes of inequality, such as unjust trade systems, tax havens, or extractive corporate practices. From this perspective, SE becomes a band-aid solution, offering localized fixes without addressing the global systems that perpetuate underdevelopment and inequality in the Global South. Another critique focuses on the fetishization of innovation (Smolka et al. 2024). The discourse surrounding the SE often valorizes novelty and disruption, marginalizing traditional, slow, or nontechnological approaches that may be more sustainable or culturally appropriate. The push for scalability and replicability often driven by donor or investor interests may lead to the homogenization of models, sidelining local context and participatory governance.

Additionally, feminist and postcolonial scholars have pointed out the invisible labor and unequal power dynamics embedded in many social enterprises (Toxtli et al., 2021). For example, women are often cast as both subjects and agents of development, celebrated for their resilience, yet burdened with disproportionate responsibility. In this framing, empowerment is reduced to microfinance or skill training, while deeper structural barriers such as gendered access to land, credit, and political participation remain unchallenged. Similarly, marginalized communities may be engaged as beneficiaries or consumers but rarely as co-creators or decision-makers.

These critiques emphasize the need to re-politicize development discourse and interrogate who defines the problem, benefits from it, and is held accountable (Johnson, 2021). Without this critical lens, SE risks being co-opted into the machinery of depoliticized and market-friendly development. Although the literature on social entrepreneurship and sustainable development has grown considerably, several important gaps remain. First, there is insufficient theoretical evidence regarding the relationship between SE and the SDGs. Most studies treat SE as an unproblematic contributor to development goals without investigating whether or how SE initiatives align with the complex and interdependent nature of the SDGs. There is a need for more nuanced frameworks that explore the synergies, trade-offs, and unintended consequences of social entrepreneurial interventions across several Sustainable Development Goals (SDG) domains.

Second, much of the existing research is dominated by case studies from the Global North or urban settings in the Global South, often focusing on high-profile success stories (R.B. B. Ahmad et al., 2018). This creates a skewed representation of field and sideline experiences in rural, conflict-affected and Indigenous communities. Comparative studies across regions, sectors, and sociopolitical contexts are limited, making it difficult to generalize the findings or develop a robust theory of context-sensitive social entrepreneurship. Another critical gap is the lack of longitudinal impact studies (Hernández-Pérez et al., 2024; this special issue). Many evaluations are short-term and focus on outputs rather than systemic or intergenerational changes. Without longitudinal data, it is difficult to assess whether social enterprises contribute to durable transformation or merely provide temporary relief. This is particularly relevant when assessing their alignment with the SDGs, which are long-term, global targets.

Moreover, failure has been explored only to a limited extent in the social entrepreneurship literature (Addae and Ellenwood, 2021). The dominant narrative emphasizes success and resilience, often ignoring the realities of burnout, organizational collapse, unintended harm and co-option. A more critical examination of both strategic and ethical failures offers valuable insights into the limitations and risks of relying on SE for sustainable development. Finally, there is a need for greater integration of interdisciplinary perspectives, including those from political science, anthropology and critical development studies (Aronoff & Kubik, 2022). Current research often emerges from management or economics disciplines, emphasizing efficiency, innovation, and scale. Broader lenses are needed to capture the sociocultural, ecological, and political complexities of embedding social entrepreneurship in sustainable development pathways.

APPLICATION OR ILLUSTRATION

SELCO India, a pioneering social enterprise founded in 1995 by Harish Hande, offers a compelling illustration of how social entrepreneurship can be aligned with the Sustainable Development Goals (SDGs) (Susilowati et al., 2024). Operating primarily in underserved rural areas of India, SELCO provides decentralized solar energy solutions to low-income households, schools, and microenterprises. The model goes beyond merely supplying technology; it integrates customized solar services with microfinancing, capacity building, and user-centric innovation. One powerful example is SELCO's work with itinerant street vendors and rural women entrepreneurs (Barthelmes, 2018). These individuals often lack access to grid-based electricity, which limits their productivity and income. SELCO has developed portable solar-powered lighting systems and collaborated with local financial institutions to provide affordable loans for their purchase. This initiative contributes directly to SDG 7 (Affordable and Clean Energy) while also advancing SDG 1 (No Poverty), SDG 5 (Gender Equality), and SDG 8 (Decent Work and Economic Growth).

The organization's strategy emphasizes inclusive design, local partnerships, and systemic changes. Rather than treating the poor as passive beneficiaries, SELCO enables them to be active co-creators and users of sustainable energy solutions (Nelson et al., 2018). Its long-term impact lies not only in electrification but also in empowering marginalized communities and creating resilient livelihood. By successfully blending profit sustainability with social impact, SELCO illustrates how social entrepreneurship can be a transformative vehicle for achieving multiple SDGs, both holistically and contextually.

The SELCO case underscores broader theoretical debates regarding the intersection of entrepreneurship, innovation and development (Professor, 2024). Social entrepreneurship, particularly in the Global South, embodies what scholars call a "hybrid institutional logic" a blending of market mechanisms with social value creation. This hybridity challenges the conventional dichotomy between for-profit and nonprofit models, revealing a more fluid spectrum of organizational forms capable of addressing systemic inequalities. From a development theory perspective, SELCO's model resonates with Amartya Sen's capability approach, which emphasizes enhancing the real freedoms that individuals enjoy (Garcés Velástegui, 2020). By providing solar lighting to enable nighttime study or allowing women to extend their working hours, SELCO expands the substantive choices available to marginalized communities. This also speaks to the bottom-up innovation literature that privileges local knowledge, user engagement, and distributed agencies over technocratic solutions.

Moreover, SELCO's success suggests a shift from traditional aid-dependent development models to more sustainable, enterprise-led approaches rooted in systems thinking (Zulu & Ndlozi, 2022). The enterprise does not simply fill a market gap; it reconfigures existing structures technological, financial, and institutional to create a more inclusive ecosystem. This reconfiguration is vital in the context of SDGs, which require integrated, multisectoral, and context-specific strategies (Blau 2017). Social entrepreneurs like SELCO operate at the interstices of the public, private, and civil society sectors, acting as boundary spanners who mobilize diverse resources to achieve collective goals. In summary, the SELCO example highlights how social entrepreneurship serves as both a practice and a paradigm, offering actionable insights for rethinking development inclusively, innovatively, and impact-drivenly.

CONTRIBUTION AND INNOVATION

The intersection of social entrepreneurship and the Sustainable Development Goals (SDGs) provides a transformative lens for reimagining pathways to inclusive and equitable development (Susilowati et al., 2024). Traditional development paradigms often treat economic growth, social welfare, and environmental sustainability as distinct policy arenas, resulting in fragmented outcomes. However, social entrepreneurship offers an integrative framework that combines economic innovation with social value creation and directly engages systemic problems at the grassroots level. A key insight emerging from recent practices is the shift from aid-based to empowerment-based models (Buscemi, 2023). Social entrepreneurs do not merely provide services; they co-create solutions with marginalized communities, fostering local agencies, resilience, and a sense of ownership. This participatory model aligns with SDG targets such as gender equality (SDG 5), decent work (SDG 8), and reduced inequalities (SDG 10) by addressing the root causes of exclusion rather than its symptoms.

Another significant contribution is the blending of ethical capitalism and community-centric design (Sparviero 2021). Social enterprises challenge the binary distinction between profit and purpose. They redefine success metrics to include social impact, environmental regeneration, and cultural inclusion, thereby pushing for multidimensional impact-measurement frameworks that extend beyond GDP or financial returns. This reflects a necessary evolution in global development thinking, wherein local innovations and frugal ingenuity from the Global South are seen as central to sustainable futures, rather than peripheral. This new perspective urges policymakers, educators, and international agencies to recognize social entrepreneurs as key actors in achieving the SDGs not just as service providers, but also as systemic changers, institutional innovators, and ethical disruptors who are reshaping development from the ground up (Van Tuyll Van Serooskereken Rakotomalala et al. 2025). By integrating the analysis of social entrepreneurship and the SDGs, this chapter proposes a hybrid development model that is bottom-up in approach, pluralistic in values, and systemic in scope. Social entrepreneurship should not be viewed as a peripheral supplement to traditional development policy but as a core mechanism for advancing the 2030 agenda.

This proposition is based on three interlinked pillars.

1. Ecosystemic Support: To scale and sustain their impact, social entrepreneurs must establish enabling ecosystems involving impact investors, supportive legal frameworks, academic institutions, and cross-sector partnerships (Shier & Handy, 2015). Public-private-community collaboration is essential for unlocking innovation and amplifying reach, particularly in regions with institutional voids.
2. Impact Integration into Policy Frameworks: National and global policies should formally integrate social enterprise models into development strategies (Bidet et al., 2018). This includes recognizing legal forms (e.g., benefit corporations and community interest companies), offering fiscal incentives, and incorporating social enterprise metrics into national SDG reports.
3. Epistemic Pluralism in Development Thinking: Social entrepreneurship draws on diverse knowledge systems, including local traditions, indigenous practices, feminist ethics, environmental stewardship, and digital innovation (Jacoba, 2025). Therefore, the development discourse must shift from top-down expertise to co-produced knowledge, enabling context-sensitive solutions and ethical experimentation.

This synthesis contributes a novel proposition: that social entrepreneurship represents not only an organizational form but also a developmental ethos a way of reimagining how problems are defined, solutions are designed, and impact is valued (Gotea 2024). As such, it is uniquely positioned to navigate complexity, foster resilience, and democratize development in a world that is increasingly characterized by uncertainty, inequality, and ecological limits. By embedding social entrepreneurship into the core of development frameworks, we can move toward a future in which sustainability is not a policy add-on but a lived reality driven by innovation, inclusion, and justice.

IMPLICATIONS AND FUTURE DIRECTIONS

The intersection of social entrepreneurship and the Sustainable Development Goals (SDGs) offers significant theoretical implications for development studies, innovation theory and institutional analysis. Traditional economic theories have long considered profit maximization as the primary motivation for entrepreneurial activity (Susilowati et al., 2024). However, social entrepreneurship challenges this paradigm by emphasizing the importance of social value creation and financial sustainability. This shift necessitates the reconceptualization of entrepreneurship through hybrid organizational models that blend market mechanisms with social missions. From a development theory perspective, the role of non-state actors in achieving global goals introduces a more decentralized and pluralistic understanding of development (Sangbana, 2017). Social enterprises are not merely supplemental agents of state and market institutions; rather, they are transformative actors who reshape governance and accountability frameworks from the ground up. Their engagement with localized problems and bottom-up innovation aligns with post-development and participatory approaches, indicating the need to broaden theoretical frameworks beyond linear, top-down development models.

Furthermore, integrating social entrepreneurship into the SDG discourse deepens our understanding of resilience, systemic change and inclusive growth (Calderini et al., 2023). It also raises new questions regarding the metrics, legitimacy, and ethics of impact, encouraging interdisciplinary dialogue across sociology, political science, and economics. Despite the growing interest, the field of social entrepreneurship related to the SDGs remains under-theorized and empirically fragmented. Future research should address these issues. First, longitudinal studies are needed to track the long-term impact of social enterprises on specific SDG targets, particularly in the context of institutional fragility and political volatility. Most current research focuses on short-term outputs rather than sustained outcomes.

Second, comparative case studies across geographies and sectors can illuminate how cultural, regulatory, and socioeconomic conditions influence the scalability and replicability of social entrepreneurial models (Sigrist et al., 2016). Questions regarding the transferability of social innovation practices from the Global North to the Global South or vice versa remain largely unexamined in literature. Third, there is an urgent need to develop robust impact measurement frameworks that go beyond traditional cost-benefit analyses (Mora et al., 2020). Integrating qualitative indicators, such as community empowerment, behavioral change, and ecological restoration, with quantitative metrics can provide a fuller picture of social value.

Finally, more interdisciplinary and participatory research methods, such as action research and co-design, can help scholars collaborate with practitioners and communities to generate more situated, ethical, and actionable knowledge about what works, why, and for whom in the social entrepreneurship–SDG nexus (Boetto et al., 2020). Practically, the alignment of social entrepreneurship with SDGs offers a powerful platform for multi-stakeholder collaboration to address complex societal challenges (Djampou 2023). Policymakers, educators, funders, and social entrepreneurs must co-create enabling ecosystems that support experimentation, innovation, and the scaling of impactful ventures. This involves policy reforms that ease regulatory burdens, access to patient capital, and incorporate social entrepreneurship into educational curricula at all levels of education.

For practitioners, integrating SDGs into their mission and operations enhances strategic clarity and legitimacy (Hoffjann, 2021). However, it also demands a deeper commitment to transparency, accountability, and continuous learning. Tools such as Theory of Change models, social return on investment (SROI), and SDG-aligned reporting frameworks (such as IRIS+ or B Impact Assessment) can help enterprises to meet these expectations. Additionally, grassroots social entrepreneurs often face challenges in accessing resources, networks and visibility (Čučković, 2023). Thus, platforms that facilitate peer learning, mentorship, and partnerships between large and small organizations can amplify these effects. Going forward, the practical agenda should focus not only on scaling innovations but also on ensuring that they remain context-sensitive, community-driven, and aligned with the ethical imperatives of sustainable development.

CONCLUSION

This chapter explores the critical intersection of social entrepreneurship and the Sustainable Development Goals (SDGs), emphasizing the transformative potential of innovative, mission-driven ventures in rethinking 21st century development (Susilowati et al., 2024). Social entrepreneurship challenges the conventional boundaries between the public, private, and civil society sectors by blending business acumen with social mission. It offers scalable, context-sensitive, and inclusive solutions to systemic issues such as poverty, gender inequality, climate change, education, and healthcare access, which are core concerns of the SDG Framework.

We have demonstrated how social enterprises contribute directly and indirectly to multiple SDGs, not merely as agents of service delivery but also as catalysts for institutional change, behavioral transformation, and grassroots empowerment (Welter & Smallbone, 2019). The case studies and conceptual frameworks discussed highlight how social entrepreneurs operate in resource-constrained environments, leverage local knowledge, and foster participatory development, thereby making development democratic and sustainable. This chapter also recognizes key limitations and challenges, including access to finance, policy ambiguity, and the risk of co-optation by market forces (Du Plessis, 2023). These tensions call for a supportive ecosystem that includes enabling policies, cross-sectoral collaboration, impact measurement tools, and ethical guidelines that align with long-term social impacts rather than short-term profits.

In summary, social entrepreneurship emerges not as a silver bullet but as a vital and evolving instrument for sustainable development. Its true strength lies in its ability to mobilize human creativity, local agencies, and entrepreneurial strategies to address complex, global problems. As the world grapples with persistent inequality, climate emergencies, and governance crises, rethinking development through the lens of social entrepreneurship is relevant and imperative. Future pathways must focus on building resilient ecosystems that nurture innovation while safeguarding equity and sustainability at their core.

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