

# Social Entrepreneurship and Poverty Alleviation for Sustainable Development

Subjects: **Management**

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The increasing social and environmental challenges, particularly poverty, have brought social entrepreneurship, a highly researched domain, to the attention of academicians. It has emerged as a critical issue in the context of economic development and societal well-being.

social entrepreneurship

social innovation

entrepreneurial ecosystem

inclusive growth

sustainable social change

## 1. Introduction

Social entrepreneurship has increasingly become an integral aspect of social innovation and sustainable development, offering a means to tackle challenging social problems ([Phillips et al. 2015](#); [Holland et al. 2018](#)). In recent years, it has been a subject of academic exploration, gathering researchers' attention because of its potential economic prosperity and social benefits ([Diachon 2013](#); [Starnawska 2016](#)). Poverty is considered a major challenge for any country to create a more equitable and sustainable future ([Tundys et al. 2021](#); [Moyo et al. 2022](#)). Currently, the poverty rate (9.2%) impacts approximately 659 million individuals in the world population. The COVID-19 pandemic, the Russian invasion of Ukraine, and the cost-of-living crisis have further exacerbated poverty rates and hindered progress towards the United Nations' Sustainable Development Goals of ending poverty by 2030 ([Nchasi et al. 2022](#); [Ozili 2022](#)). Particularly, Sub-Saharan Africa faces a daunting challenge, with an estimated 59.33% of its population living in extreme poverty and 24.43% in South Asia, as shown in **Table 1**. According to [Bruton et al. \(2013\)](#) and [Sutter et al. \(2019\)](#), poverty is a multifaceted issue of resource scarcity, social exclusion, and systemic failures, which is crucial for economic growth. [Kroll et al. \(2019\)](#) found that poverty reduction is statistically linked to favoring the progress of other SDGs. For example, SDG 3 (good health and well-being), 4 (quality education), 5 (gender equality), 6 (clean water and sanitation), and 10 (reduced inequalities). Therefore, in the face of rising global poverty and socio-environmental concerns, social entrepreneurship can play a significant role as a potential driver of social innovation and economic development ([Ho and Yoon 2022](#)). It aims to prioritize stakeholders over shareholders to address global concerns within capitalism while operating profitably ([Vansandt et al. 2009](#)). [Alvord et al. \(2004\)](#) say that social entrepreneurship specifically targets marginalized individuals and communities, prioritizing poverty alleviation and protecting the environment. [Luke and Chu \(2013\)](#) describe the term as an approach that places a strong focus on creating and implementing socially driven initiatives that bring positive changes to society. However, [Azmat \(2013\)](#) portrays social entrepreneurship as a catalyst for sustainable development in developing countries, challenging the idea of a trade-off between poverty reduction and environmental sustainability. Thus, the concept involves not only addressing social issues but also adapting and responding to the unique contextual influences and challenges present in the environment where these ventures operate ([Rivera-Santos et al. 2015](#)).

**Table 1.** Regional world poverty estimates and changes.

Region	Survey Coverage (Percentage) March 2023	Number of Poor (Million) September 2022 \$2.15 (2017-ppp)	Number of Poor (Million) March 2023 \$2.15 (2017-ppp)	Number of Poor (Percentage)
East Asia and the Pacific	97.4	24	25	3.79
Europe and Central Asia	87.4	12	11	1.67
Latin America and the Caribbean	86.7	28	28	4.25
Middle East and North Africa	48.3	n/a	n/a	n/a
Other high-income	82.3	7	7	1.06
South Asia	96.4	156	161	24.43
Sub-Saharan Africa	54.3	389	391	59.33
Eastern and Southern Africa	29.6	n/a	n/a	n/a
Western and Central Africa	90.5	122	124	18.82
Total (World)	84.6	648	659	

Source: Data extracted from [Aguilar et al. \(2023\)](#).

## 2. Summary of Social Entrepreneurship Research

Social entrepreneurship has garnered increasing interest from researchers due to its significant social and economic impact. It has become a prominent focus in both academic research and practical application ([Rey-Martí et al. 2016](#)). Gaining insights into existing literature, research methodologies, and key findings is crucial for the current research to understand the domain. This section provides an overview of previous studies related to social entrepreneurship, summarizing their key attributes and findings. The findings provide a comprehensive overview of the field's development and current state. It can be observed that several authors ([Hota 2023](#); [Kaushik et al. 2023](#)) employed a bibliometric approach; they differ in their focus, emphasizing the ecosystem, exploring latent themes, and providing a structured review, respectively. [Satar et al. \(2023\)](#) also used bibliometrics but focused on co-authorship and keywords. In contrast, [Zhang et al. \(2023\)](#) conducted a systematic review approach to identify publication trends in tourism and hospitality social entrepreneurship. [Phan Tan \(2022\)](#) employs co-citation and bibliographic coupling analysis, while [Costa and Miragaia \(2022\)](#) concentrate on barriers to female entrepreneurship in the sports industry. [Ambad \(2022\)](#) conducts systematic reviews and meta-analyses to identify antecedents of social entrepreneurial intention, while [Dettori and Floris \(2021\)](#) perform bibliometrics to identify prolific contributors in the technology-related aspect of social entrepreneurship. However, this compilation of research papers serves as a valuable reference point for understanding this research domain. The findings and methodologies presented in these papers offer insights that are highly relevant to the research objectives. In conclusion, the summary not only highlights key research papers in the field of social entrepreneurship but also presents the variety of research methodologies employed and the richness of the findings. This provides a solid foundation for the research to understand current trends and emerging areas in the field.

## 3. Poverty and Sustainable Development

Poverty and sustainable development have been focal points in academic research and policymaking, particularly in the context of the United Nations Sustainable Development Goals ([Ogwumike and Ozughalu 2016](#); [Guo and Liu 2022](#)).

Sustainable development, as defined in the report of [Brundtland et al. \(1987\)](#), is the process of satisfying current needs while safeguarding the capacity of future generations. [Griggs et al. \(2014\)](#) delve deeper into this notion, placing particular emphasis on the interdependence of environmental, social, and economic sustainability. Afterwards, [Piwowarski et al. \(2022\)](#) underscore the prospective character of the approach, which seeks to eradicate poverty while simultaneously promoting economic development, social justice, and environmental preservation. The primary and core objective of the United Nations Sustainable Development Goals is the eradication of extreme poverty globally by 2030. This goal carries enormous significance as it strongly impacts the execution of the other goals, including those pertaining to economic and environmental matters ([Leal Filho et al. 2021](#)). The concept of poverty is intricate and diverse, comprising aspects from the social, economic, political, and psychological spheres ([Sachs 2005](#)). He defines it as an absence of overall well-being that has an impact on the quality of life of those affected. According to [Ferrone and Chzhen \(2018\)](#), poverty is a multifaceted notion that extends beyond a basic deficiency in income, as evidenced by subsistence levels below \$1.25 per day. [Chzhen et al. \(2018\)](#) argue that a more comprehensive understanding of poverty is consistent with the sustainable development goal of eradicating poverty in all its forms by 2030. They recognize that poverty encompasses various aspects that impact an individual's well-being and are not limited to financial constraints. Indicators that encompass the economic and social aspects of households and individuals, such as their financial situation, vulnerability to material deprivation, and availability of essential services, collectively constitute poverty ([Palimaka and Karas 2022](#)). Nevertheless, achieving this target is not devoid of obstacles, such as the need for robust political commitment, tranquility, and equitable economic restructuring ([Kamruzzaman 2016](#)). Poverty reduction is an imperative component of sustainable development and requires the utmost government attention ([Liu et al. 2015](#)). The interrelated nature of the Sustainable Development Goals emphasizes the vital role of poverty alleviation as a key component in attaining the overall goals. Entrepreneurship programs need to focus on the development of creativity and innovation in order to tackle this issue ([Obinna and Blessing 2020](#)). However, there is an increasing understanding of the significance of social entrepreneurship in progressing sustainability and instigating social change ([Mort and Hume 2009](#)).

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