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“Role of Social Entrepreneurship in Community Development: A Spark of Change”

Dr. R. Rathidevi¹, P. Leelavathy²

¹Assistant Professor, ²Student, Department of Management Studies Mother Teresa Women's University, Kodaikanal, Dindigul, India

Abstract --- Social entrepreneurship has emerged as an important approach to solving social problems while promoting economic development. Unlike traditional businesses that focus mainly on profit, social enterprises aim to create positive social change in communities. The main objective of social entrepreneurship is to address issues such as poverty, unemployment, education inequality, healthcare access, and environmental sustainability. Social entrepreneurs use innovative ideas and sustainable business models to improve the quality of life for disadvantaged groups. This study focuses on understanding the relationship between social entrepreneurship and community development using secondary data sources. The research examines various case studies of successful social enterprises that have contributed to social welfare and economic growth. The study uses information collected from books, journals, research articles, and reliable online sources to analyse how social entrepreneurship empowers communities, creates employment opportunities, and supports inclusive development. The findings of the study suggest that social entrepreneurship plays a significant role in community empowerment by encouraging local participation, promoting skill development, and improving access to basic services. Social enterprises also help in reducing social inequalities and strengthening community resilience. The study concludes that social entrepreneurship can be a powerful tool for sustainable community development when supported by government policies, social investors, and community participation.

Keywords---Social Entrepreneurship, Community Development, Social Impact, economic empowerment, Sustainable Development.

I. INTRODUCTION

In recent years, the concept of social entrepreneurship has gained significant attention across the world. Social entrepreneurship refers to the process of developing innovative solutions to social, culture, and environmental problems through entrepreneurial approaches. Social entrepreneurs are individuals or organizations that combine business strategies with a strong commitment to social change. Unlike traditional entrepreneurs who mainly focus on profit maximization, social entrepreneurs prioritize social impact. Their aim is to create sustainable solutions that improve the well-being of communities. Social enterprises operate in various such as education, healthcare, agriculture, renewable energy, and environmental protection.

Community development refers to the process of improving the economic, social, and environmental conditions of a community. It involves empowering individuals, strengthening local institutions, and promoting inclusive participation in development activities, social entrepreneurship contributes significantly to community development by providing employment opportunities, improving access to resources, and addressing social challenges. In developing countries like India, social entrepreneurship plays a vital role in addressing issues such as poverty, rural unemployment, gender inequality, and lack of access to education and healthcare. Many social enterprises focus on empowering marginalized communities and promoting sustainable livelihoods. This study explores how social entrepreneurship contributes to community development through innovative business models and socially responsible initiatives. By analysing secondary data and case studies, the research highlights the impact of social enterprises on improving the living standards of communities.

II. OBJECTIVES OF THE STUDY

1. To analyse the role of social entrepreneurship in community development.
2. To examine the impact of social entrepreneurship on economic and social development.
3. To study successful case studies of social entrepreneurship initiatives.
4. To identify the challenges faced by social entrepreneurs in community development.

III. REVIEW OF LITERATURE

Abhijit Banerjee and Esther Duflo (2020): In their recent work on development economics, Abhijit Banerjee and Esther Duflo emphasized that innovative, evidence-based approaches often adopted by social enterprises play a crucial role in reducing poverty and improving community well-being. Their research highlights the importance of localized and scalable solutions for sustainable development.

Johanna Mair (2021): Johanna Mair stated that social entrepreneurship addresses institutional gaps by creating innovative solutions in underserved communities. Her research emphasized the importance of community participation and grassroots innovation in achieving long-term social impact.



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Saul Estrin, Tomasz Mickiewicz, and Ute Stephan (2022): Saul Estrin, Tomasz Mickiewicz, and Ute Stephan highlighted that social entrepreneurship plays a vital role in economic and social development, particularly in emerging economies. Their study emphasizes institutional support and policy frameworks.

UNDP (2023): United Nations Development Programme reported that social entrepreneurship significantly contributes to achieving the Sustainable Development Goals (SDGs) by addressing poverty, education, health, and environmental challenges at the community level.

OECD (2023): Organisation for Economic Co-operation and Development highlighted that social enterprises are essential for inclusive growth, job creation, and social cohesion, particularly in rural and underdeveloped regions.

World Economic Forum (2024): World Economic Forum emphasized that social entrepreneurs are increasingly using digital technologies and innovation to scale their impact and improve community development outcomes.

Nicholls and Edmiston (2024): Alex Nicholls and Daniel Edmiston explained that modern social enterprises adopt impact-driven models and focus on measuring social outcomes, ensuring transparency and accountability.

Global Entrepreneurship Monitor (2025): Global Entrepreneurship Monitor reported that social entrepreneurship is growing rapidly worldwide, with a strong impact on community empowerment, especially among youth and women entrepreneurs.

Need for the study

Social problems such as poverty, unemployment, inequality, and environmental degradation continue to affect many communities around the world. Governments and traditional organizations alone may not be able to solve these problems effectively. Therefore, innovative and sustainable solutions are required. Understanding how social enterprises contribute to community development can help policymakers, researchers, and entrepreneurs design better strategies for social progress. This study also highlights successful examples of social entrepreneurship, which can inspire future entrepreneurs to develop innovative solutions for social challenges.

IV. RESEARCH METHODOLOGY

This study adopts a qualitative case study approach using secondary data to gain an in-depth understanding of the research problem within its real-life context. Relevant data is collected from credible sources such as research articles, books, government reports, industry publications, and online databases. Cases are purposively selected based on their relevance and availability of information.

The collected data is analyzed using descriptive and thematic analysis to identify key patterns and insights. To ensure validity and reliability, information is cross-verified from multiple sources. However, the study is limited by its reliance on secondary data, which may affect the accuracy and completeness of findings.

V. ROLE OF SOCIAL ENTREPRENEURSHIP IN COMMUNITY DEVELOPMENT:

Social entrepreneurship has emerged as a powerful force in addressing social, economic, and environmental challenges across the globe. Unlike traditional business models that focus primarily on profit maximization, social entrepreneurship emphasizes creating social value while ensuring financial sustainability. It acts as a “spark of change” by empowering communities, promoting inclusive growth, and fostering long-term development.

VI. CONCEPT OF SOCIAL ENTREPRENEURSHIP

At its core, social entrepreneurship involves innovative solutions to persistent societal issues such as poverty, unemployment, education inequality, healthcare access, and environmental degradation. Social entrepreneurs identify gaps in existing systems and design impactful interventions that directly benefit marginalized and underserved populations. By combining business principles with a social mission, they create scalable and sustainable models of change.

VII. ECONOMIC EMPOWERMENT AND LIVELIHOOD GENERATION

One of the most significant contributions of social entrepreneurship to community development is economic empowerment. By creating job opportunities, promoting skill development, and encouraging local entrepreneurship, social enterprises help individuals become self-reliant. Initiatives supporting women’s self-help groups, rural artisans, and small-scale producers not only generate income but also enhance confidence and social status.

VIII. SOCIAL INCLUSION AND EQUALITY

Social entrepreneurship promotes inclusion by focusing on disadvantaged groups such as women, youth, differently-abled individuals, and rural communities. Through inclusive business models and targeted programs, social entrepreneurs bridge social gaps and ensure equal access to opportunities and resources.

Access to Essential Services

Another key contribution is improving access to essential services like education, healthcare, and clean water.



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Social enterprises introduce affordable and innovative solutions in underserved areas, enhancing overall quality of life and human development.

Environmental Sustainability

Social entrepreneurship also contributes to environmental protection through eco-friendly practices, renewable energy solutions, waste management, and sustainable agriculture. These efforts ensure long-term ecological balance alongside community development.

Community Participation and Empowerment

A distinctive feature of social entrepreneurship is its participatory approach. It involves local communities in planning and implementation, ensuring that solutions are relevant, accepted, and sustainable. This strengthens community ownership and long-term impact.

Challenges of Social Entrepreneurship

Despite its benefits, social entrepreneurship faces challenges such as limited funding, lack of awareness, regulatory issues, and difficulties in scaling operations. Addressing these challenges is essential for maximizing its impact.

- Limited access to funding and financial resources
- Difficulty in balancing social mission with financial sustainability
- Lack of awareness and understanding of social enterprise models
- Regulatory and legal barriers
- Challenges in measuring social impact
- Limited scalability and growth opportunities
- Shortage of skilled manpower and professional expertise

- Resistance to change within communities
- Inadequate support from government and institutions
- High operational and implementation costs

IX. CASE STUDIES OF SOCIAL ENTREPRENEURSHIP

SELCO India – Sustainable Energy for Rural Communities

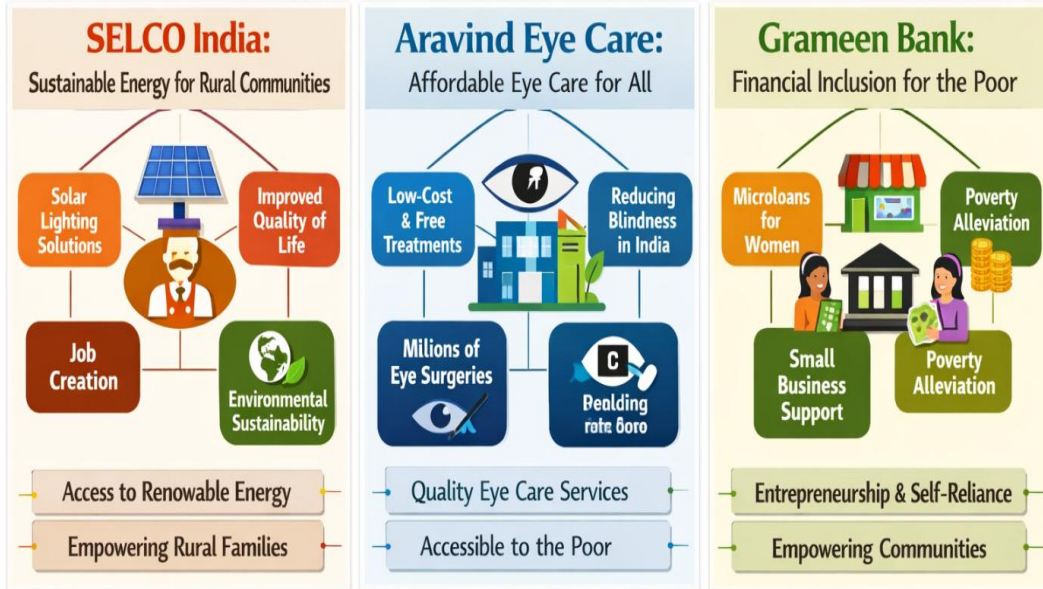
SELCO India is a well – known social enterprise that provides affordable solar energy solutions to rural communities. The organization helps households, schools, and small businesses gain access to renewable energy. By providing solar lighting systems, SELCO has improved the quality of life for many rural families. It also creates employment opportunities and promotes environmental sustainability.

Aravind Eye Care System—Affordable Healthcare

Aravind Eye Care System is a famous social enterprise that provides high-quality eye care services at affordable costs. The organization offers free or low-cost treatment to economically weaker sections of society. Through its innovative business model, Aravind Eye Care has performed millions of eye surgeries and significantly reduced blindness in India.

Grameen Bank – Financial inclusion

Grameen bank is a social enterprise that provides microfinance services to poor people, especially women, to start small business. The initiative has helped many families improve their income and living conditions. Microfinance programs like Grameen Bank empower communities by promoting entrepreneurship and financial independence.



Mahalakshmi Saravanan - Women Social Entrepreneur



Mahalakshmi Saravana is a social entrepreneur dedicated to women empowerment and community development. She promotes skill training, self-employment, and supports self-help groups, helping women achieve financial independence and improve their livelihoods.

Prukalpa Sankar, SocialCops



Prukalpa Sankar founded SocialCops to address the lack of reliable data in public decision-making. Her goal was to help governments and citizens make better decisions by using accurate, real-time data. SocialCops collects and analyzes information on key social issues such as income, healthcare access, and infrastructure, enabling more effective planning and development.

Gloria Benny, Make a Difference



About one-third of children in India need care and protection. Make a Difference (MAD) supports them through mentoring and training. Inspired by the efforts of Jithin and Sujith in a shelter home at Kochi, Gloria Benny expanded the idea into a large youth volunteer network. A major milestone

was the visit of Michelle Obama in 2010, who appreciated the initiative.

Rashmi Kulkarni



Rashmi Kulkarni, Co-founder and Director of IndoAI Technologies, is a dynamic deep-tech leader known for advancing AI-driven surveillance and security solutions. She leads innovation in UI/UX and AI-based products while promoting edge technology for smarter automation and authentication. She is also committed to empowering women to take leadership roles in the technology sector.

Ramya Ramachandran



Ramya Ramachandran, Founder and CEO of Whoppl, is a successful entrepreneur known for building a profitable, fast-growing business. She has expanded her ventures across the digital ecosystem and is recognized for her innovative approach to influencer marketing and empowering content creators.

Sudha Maheshwari



Sudha Maheshwari, Founder & CEO of Wordwork, is an experienced entrepreneur with 15+ years in marketing and communications. She has grown Wordwork into a leading agency known for B2B and D2C content, design, and social media strategy. Her focus on storytelling, innovation, and collaboration has helped the company build strong brand engagement and a trusted reputation among top Indian brands

X. CONCLUSION

The study shows that social enterprises can empower communities, reduce poverty, and promote inclusive economic growth. Case studies such as SELCO India, Aravind Eye Care, and Grameen Bank demonstrate how innovative social enterprises can bring meaningful change in society. Social entrepreneurship serves as a catalyst for community development by addressing critical issues through innovative, inclusive, and sustainable approaches. It not only uplifts individuals economically and socially but also strengthens the overall fabric of society. As a true “spark of change,” social entrepreneurship holds the potential to transform communities and pave the way for a more equitable and sustainable future.

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