

Bridging Economic and Social Goals: A Systematic Analysis of the Contribution of Social Entrepreneurship to Inclusive Development

¹Debi Septiani, ²Muhammad Distian Andi Hermawan

¹Manajemen, Sekolah Tinggi Ilmu Ekonomi Aprin Palembang

²Manajemen, Sekolah Tinggi Ilmu Ekonomi Aprin Palembang

Article Info

Article History:

Received: 15 Dec 2025

Revised: 16 Dec 2025

Accepted: 16 Dec 2025

Published: 17 Dec 2025

Keywords:

Social entrepreneurship;
Inclusive development;
Economic inclusion;
Social innovation;
Systematic literature
review

ABSTRACT

Inclusive development is becoming a key paradigm on the global development agenda as awareness grows that economic growth is not automatically able to reduce poverty, inequality, and social exclusion. In that context, social entrepreneurship emerged as an alternative approach that integrates economic and social goals through sustainable social value creation. However, the contribution of social entrepreneurship to inclusive development is still variously understood and has not been comprehensively conceptualized in the academic literature. This research aims to systematically and critically examine the contribution of social entrepreneurship to inclusive development in the last five years (2020–2024). The method used was a systematic literature review of scientific articles indexed by Scopus, Web of Science, and Google Scholar, with a total of 50 studies that met the inclusion criteria. The analysis was carried out using a thematic analysis approach to identify the concepts, contribution mechanisms, and challenges of social entrepreneurship implementation. The results of the study show that social entrepreneurship contributes to inclusive development through three main dimensions, namely economic, social, and institutional, including through the creation of inclusive jobs, increasing access to basic services, empowering marginalized communities, and strengthening multisectoral collaboration. Nonetheless, the study also identified significant challenges related to scalability, financial sustainability, and social impact measurement. These findings affirm the importance of strengthening conceptual frameworks, policy support, and the development of more systematic impact evaluation methodologies to optimize the role of social entrepreneurship in fostering inclusive and sustainable development.

This is an open access article under the [CC BY 4.0](https://creativecommons.org/licenses/by/4.0/) license



Corresponding Author

Debi Septiani

Email: debiseptiani01@gmail.com

INTRODUCTION

Inclusive development has become a key paradigm on the global development agenda as awareness grows that economic growth alone does not automatically reduce poverty, inequality, and social exclusion. Reports from various international organizations show that despite global economic growth experiencing a post-COVID-19 pandemic recovery, social and economic disparities are widening even more, especially in developing countries and vulnerable groups such as the poor, women, people with disabilities, and marginalized communities in rural and suburban urban areas (UNDP, 2023). This phenomenon indicates that the conventional growth-oriented development model is not fully able to respond to the complexity of structural and multidimensional social challenges. Therefore, a more inclusive, participatory, and sustainable approach to development is an urgent need.

In this context, social entrepreneurship emerged as one of the alternative approaches that is considered to be able to bridge economic and social goals simultaneously. Social entrepreneurship focuses not only on the creation of economic value, but also on the creation of social value through solving social problems, empowering communities, and improving the welfare of vulnerable groups (Zahra et al., 2014). In the last five years, the development of social entrepreneurship has shown a significant trend, both in terms of the number of initiatives, policy support, and academic attention. Various social business models have developed in the fields of education, health, environment, inclusive finance, and local economic empowerment, which directly contribute to the achievement of the Sustainable Development Goals (SDGs), especially goals related to poverty alleviation, inequality reduction, and decent work (OECD, 2020; World Economic Forum, 2022).

The phenomenon of increasing the role of social entrepreneurship in inclusive development can also be seen from the involvement of cross-sector actors, including the government, the private sector, financial institutions, and civil society organizations. Many countries are beginning to integrate social entrepreneurship into national development policies and inclusive economic strategies, for example through social financing schemes, social enterprise incubators, and public-private partnerships (European Commission, 2021). Nevertheless, despite the rapid development of social entrepreneurship practices, their contribution to inclusive development is still variously understood and has not been fully conceptualized well in the academic literature. This raises fundamental questions about the extent to what extent and through what mechanisms social entrepreneurship contributes to inclusive development in a systematic manner.

The main problem that arises is the inconsistency of empirical and conceptual findings related to the relationship between social entrepreneurship and inclusive development. Some studies emphasize the positive impact of social entrepreneurship in creating inclusive jobs, increasing access to basic services, and strengthening community social capital (Littlewood & Holt, 2020; Saebi et al., 2023). However, other studies reveal the limitations of social entrepreneurship, such as low scalability, reliance on external funding, as well as challenges in objectively measuring social impact (Rawhouser et al., 2021). In addition, there is an academic debate regarding the position of social entrepreneurship in the spectrum between market logic and social logic, which has the

potential to affect the inclusivity orientation of the business model that is run (Hermawan, 2023).

The research gap in this study lies in the absence of a comprehensive and structured literature synthesis on the contribution of social entrepreneurship to inclusive development, especially in the last five years. Most research is still partial, contextual, and focused on specific case studies or specific geographic regions, making it difficult to draw generalizable conclusions. In addition, the existing literature tends to discuss social entrepreneurship and inclusive development as two separate concepts, without integrating the two in one complete analytical framework (Dwivedi & Weerawardena, 2022). These limitations lead to a lack of a deep understanding of the dimensions of inclusivity influenced by social entrepreneurship, such as economic, social, and institutional inclusion.

The urgency of this research is increasing given the increasingly complex global development challenges, including the impact of climate change, economic digitalization, and global economic uncertainty. Social entrepreneurship is considered to have strategic potential in answering these challenges through adaptive social innovation and based on local needs. However, without a strong conceptual understanding and based on scientific evidence, this potential risks not being optimally utilized by policymakers and development practitioners. Therefore, a literature review is needed that is able to map research progress, identify patterns of findings, and reveal research gaps that are still open for further study.

Based on this background, this study aims to systematically and critically review the academic literature on the contribution of social entrepreneurship to inclusive development in the last five years. Specifically, this research aims to: (1) identify the main concepts and definitions of social entrepreneurship and inclusive development used in the contemporary literature; (2) analyze the forms and mechanisms of social entrepreneurship's contribution to various dimensions of inclusive development; and (3) identify research gaps and future research agendas that are relevant for the development of social entrepreneurship studies and inclusive development policies. Thus, this research is expected to make a theoretical contribution through strengthening the conceptual framework, as well as a practical contribution to the formulation of more inclusive and sustainable development policies and strategies.

IMPLEMENTATION METHOD

This study uses a literature review approach with the aim of systematically reviewing and synthesizing academic findings related to the contribution of social entrepreneurship to inclusive development. This approach was chosen because it allows researchers to gain a comprehensive understanding of the development of concepts, theoretical frameworks, and empirical evidence that has been produced in the last five years. A literature review was conducted in a structured manner to identify patterns, research gaps, and subsequent research directions relevant to the study topic.

The data collection process is carried out through searching for scientific articles published in internationally and nationally reputable journals that are indexed in major academic databases, such as Scopus, Web of Science, and Google Scholar. Keywords

used in the search process include "social entrepreneurship", "inclusive development", "inclusive growth", and other combinations of related terms. The inclusion criteria in this study include articles published in the period 2020–2024, written in English or Indonesian, and explicitly discuss the relationship between social entrepreneurship and inclusive development aspects. Meanwhile, articles that are duplicated, not peer-reviewed, or irrelevant to the focus of the research are excluded from the analysis.

The next stage is the selection and screening process of literature which is carried out in stages, starting from the study of titles and abstracts, followed by the reading of the full text to ensure the suitability of the substance with the purpose of the research. Articles that passed the selection were then analyzed using a thematic analysis approach to identify the main themes, such as the form of social entrepreneurship contribution, the affected dimensions of inclusive development, and the supporting and inhibiting factors for its implementation. This analysis is carried out descriptively and interpretively to describe research trends and synthesis of key findings.

To maintain the validity and reliability of the study results, this study applied systematic literature recording and grouping procedures, including the use of summary tables to compare the objectives, methods, and main findings of each study. In addition, the analysis process is carried out critically by considering the research context and the limitations of each study. Thus, this research method is expected to be able to produce a comprehensive literature mapping and provide a strong conceptual basis for the development of research and policies related to social entrepreneurship and inclusive development in the future.

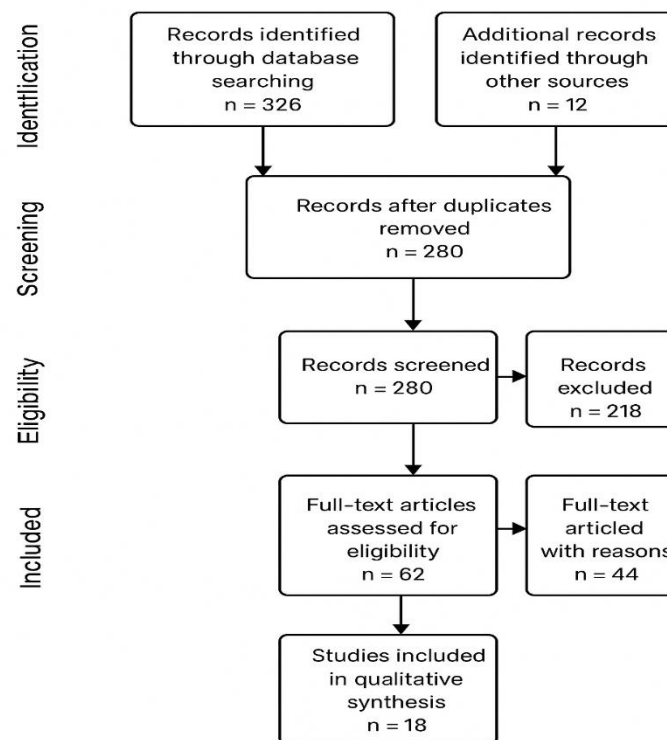


Figure 1. Research Prisma

RESULTS AND DISCUSSION

The results of this study were obtained through a systematic analysis of 50 relevant studies on social entrepreneurship and inclusive development published between 2020 and 2024. Based on the findings of the literature, social entrepreneurship has a significant role in fostering inclusive development through various mechanisms, including job creation, increased access to basic services, economic empowerment of marginalized communities, and social innovation that is adaptive to local needs (Zahra et al., 2014; Saebi et al., 2023). Conceptually, social entrepreneurship is defined as an entrepreneurial activity that not only pursues financial gain, but is also oriented towards achieving sustainable social impact. In the literature, social entrepreneurship is associated with the values of inclusivity, multisectoral collaboration, and innovation that emphasize the sustainable solution of social problems (Littlewood & Holt, 2020; Rawhouser et al., 2021).

Thematic analysis of the literature shows that the contribution of social entrepreneurship to inclusive development can be categorized into three main dimensions: economic, social, and institutional dimensions. From an economic perspective, social entrepreneurship plays a role in creating jobs for vulnerable groups, including women, people with disabilities, and the poor in rural and urban areas. Studies in Africa and Asia confirm that social enterprises are able to provide inclusive employment, increase household incomes, and reduce local economic inequality (Littlewood & Holt, 2020; OECD, 2020). This mechanism mainly occurs through business models that integrate community participation and social justice principles, so that the economic impact is not only limited to business owners, but also spreads to broader social networks.

From a social perspective, social entrepreneurship increases people's access to basic services such as education, health, and inclusive finance. Several studies have found that community-based social enterprise models are able to break through the limitations of public access and provide services that were previously difficult to reach, such as early childhood education in remote areas or primary health services for marginalized groups (Saebi et al., 2023; European Commission, 2021). In addition, social entrepreneurship encourages community participation in decision-making and management of social programs, which strengthens social capital and community networks. This phenomenon shows that social entrepreneurship not only has an economic impact, but also facilitates real social inclusion, so that previously marginalized communities can have an active role in local development.

The institutional dimension is also an important concern in the literature. Social entrepreneurship is considered to be able to strengthen local institutional capacity through collaboration with the government, the private sector, and civil society organizations. Studies show that multisectoral partnerships increase the effectiveness of social programs and allow social entrepreneurship models to be more easily adapted and disseminated (Rawhouser et al., 2021; OECD, 2020). For example, collaboration with microfinance institutions enables social enterprises to provide financing to small businesses managed by vulnerable groups, while cooperation with local governments ensures regulatory support and program integration into regional development policies. This confirms that the success of social entrepreneurship in fostering inclusive development depends not only on individual initiatives, but also on supporting social and institutional ecosystems.

Nonetheless, the literature analysis also identifies a range of challenges that limit the contribution of social entrepreneurship. One of the main challenges is the issue of scalability and sustainability of social enterprises. Several studies note that many social enterprises struggle to grow significantly or sustain social impact in the long term due to limited resources, reliance on external funding, and limited managerial capabilities (Dwivedi & Weerawardena, 2022; Rawhouser et al., 2021). Another challenge is related to social impact measurement. The literature shows that there is a methodological gap in assessing the extent to which social entrepreneurship actually contributes to economic and social inclusion, as most of the indicators used are still qualitative and contextual. This raises the need to develop a more systematic and standardized evaluation methodology, so that social impact can be measured objectively and compared between programs or regions.

In addition to internal challenges, external factors such as regulations, infrastructure, and policy support also affect the effectiveness of social entrepreneurship. Several studies emphasize that without a supportive regulatory framework, social enterprise models face barriers in market access, financing, and strategic partnerships (European Commission, 2021; OECD, 2020). Therefore, strengthening institutional capacity and formulating policies that support social innovation is an important prerequisite for social entrepreneurship to contribute optimally to inclusive development.

Further discussion shows that there are regional contexts differences in the contribution of social entrepreneurship. In developing countries, social enterprises tend to focus on meeting basic needs and alleviating poverty, while in developed countries, the focus is more on social innovation, sustainability, and community empowerment which are more complex (Zahra et al., 2014; Saebi et al., 2023). These differences show that the mechanism of social entrepreneurship contribution is contextual and influenced by local economic, social, and institutional factors. Therefore, a "one-size-fits-all" approach is less relevant, and adaptation of local models is key to successful implementation.

In addition, the literature also highlights the interaction between social logic and market logic in social enterprises. The balance between profitability goals and social impact is a crucial issue. Social enterprises that are too focused on profit tend to ignore the inclusivity dimension, while social enterprises that are too focused on social are at risk of not being financially sustainable (Dwivedi & Weerawardena, 2022; Rawhouser et al., 2021). These findings underscore the importance of developing a managerial framework that is able to integrate the two logics so that inclusive impact can be achieved without sacrificing business sustainability.

In the context of theoretical contributions, the results of this study strengthen the literature on social entrepreneurship by emphasizing its multidimensional role in inclusive development. This study confirms that social entrepreneurship is not just an economic phenomenon, but a social and institutional strategy that is able to increase inclusion through innovation, collaboration, and community participation. In addition, the study identified important research gaps, including the need for studies that integrate quantitative and qualitative social impact measurements, more in-depth local context analysis, and cross-sectoral and cross-country adaptation models.

From a practical perspective, these results provide implications for policymakers and practitioners. Social entrepreneurship can be used as a strategic instrument to achieve inclusive development goals if supported by adequate regulations, sustainable access to funding, and strengthening local institutional capacity. Multisectoral support, whether from the government, the private sector, or civil society, is a key factor in expanding the impact and scalability of social enterprises. In addition, the development of standardized, evidence-based social impact measurement indicators is important so that the effectiveness of interventions can be evaluated accurately and replicatively.

Overall, this synthesis of literature shows that social entrepreneurship has significant potential to drive inclusive development through economic, social, and institutional dimensions. However, its effectiveness depends on the context of implementation, ecosystem support, and the balance between social and economic goals. This research emphasizes the importance of developing theoretical and practical frameworks that are able to integrate the latest empirical findings, as well as open up opportunities for further research that focuses on social impact evaluation, social business sustainability strategies, and adaptation of local contexts. Thus, social entrepreneurship can play a role as an instrument of social transformation that supports the achievement of inclusive development in a sustainable manner

CONCLUSION AND RECOMMENDATION

This study confirms that social entrepreneurship is not just an economic phenomenon, but a social and institutional strategy that is able to increase inclusion through innovation, collaboration, and community participation. In addition, the study identified important research gaps, including the need for studies that integrate quantitative and qualitative social impact measurements, more in-depth local context analysis, and cross-sectoral and cross-country adaptation models. This research emphasizes the importance of developing theoretical and practical frameworks that are able to integrate the latest empirical findings, as well as open up opportunities for further research that focuses on social impact evaluation, social business sustainability strategies, and adaptation of local contexts. Thus, social entrepreneurship can play a role as an instrument of social transformation that supports the achievement of inclusive development in a sustainable manner.

ACKNOWLEDGEMENTS

The author gratefully acknowledges the scholars and researchers whose works contributed to this study. Appreciation is also extended to the institution and all parties who provided academic support, valuable insights, and constructive feedback throughout the writing and refinement of this article.

REFERENCES

- Dwivedi, A., & Weerawardena, J. (2022). Conceptualizing and measuring social entrepreneurship: Toward a multidimensional framework. *Journal of Business Research*, 139, 124–136. <https://doi.org/10.1016/j.jbusres.2021.09.052>
- European Commission. (2021). *Social economy action plan: Building an economy that works for people*. Publications Office of the European Union.

- Hermawan, M. (2023). The Impact of Capital Structure on Company Profitability (Case Study of Pt Sri Rejeki Isman Tbk in 2017-2022). *Brainy: Journal of Student Research*, 4(2), 112-120.
- Littlewood, D., & Holt, D. (2020). Social entrepreneurship in South Africa: Exploring the influence of environment. *Business & Society*, 59(3), 525–561. <https://doi.org/10.1177/0007650315613293>
- OECD. (2020). *Social economy and the COVID-19 crisis: Current and future roles*. OECD Publishing.
- Rawhouser, H., Cummings, M., & Crane, A. (2021). Benefit corporation legislation and the emergence of a social hybrid category. *California Management Review*, 63(2), 76–100. <https://doi.org/10.1525/cmr.2015.57.3.13>
- Saebi, T., Foss, N. J., & Linder, S. (2023). Social entrepreneurship research: Past achievements and future promises. *Journal of Management Studies*, 60(2), 383–412. <https://doi.org/10.1111/joms.12807>
- UNDP. (2023). *Human development report 2023–2024: Breaking the gridlock—Reimagining cooperation in a polarized world*. United Nations Development Programme.
- World Economic Forum. (2022). *Unlocking the social economy: Towards an inclusive and resilient society*. World Economic Forum.
- Zahra, S. A., Newey, L. R., & Li, Y. (2014). On the Frontiers: The Implications of Social Entrepreneurship for International Entrepreneurship. *Entrepreneurship Theory and Practice*, 38(1), 137-158. <https://doi.org/10.1111/etap.12061>