# Social Entrepreneurship and Its Contribution to Economic and Social Development: Global Evidence

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**ABSTRACT:**
The emergence of social entrepreneurship has been a vital tool for addressing social and economic challenges worldwide. However, the landscape of these enterprises varies in terms of scale, structure, and impact across regions. This study examines how social entrepreneurship contributes to economic and social development from a global perspective. The study is based on secondary cross-country data analysing the global distribution of social enterprises, their employment generation capacity, gender composition, and economic contribution. To assess development outcomes, multiple regression model is used with GDP per capita (PPP, constant 2021) as a measure of economic development and key predictors including social enterprises per capita, average turnover per enterprise, average job per enterprise, and the proportion of women-led social enterprises. A similar model evaluates social development, using the Human Development Index (HDI, 2024) as the outcome variable. The findings reveal significant regional differences in the development of social entrepreneurship. Developing economies tend to create more jobs through social enterprises, while developed economies show greater gender inclusivity in leadership. The empirical results also indicate that social entrepreneurship positively impacts both economic growth and social development. Importantly, qualitative.

Keywords: Social entrepreneurship, economic development, social development, GDP per capita, human development index.

## 1.INTRODUCTION

Social entrepreneurship has become increasingly prominent as a way to tackle persistent socio-economic challenges worldwide (Chalmers, 2021). By integrating entrepreneurial strategies with social objectives, social enterprises aim to generate both economic value and social impact, especially where traditional markets and government initiatives fall short (Dees, 1998; Mair & Martí, 2006). Recently, this sector has experienced significant growth in both developed and developing nations, attracting interest from policymakers, international agencies, and academics (Nicholls, 2010; Zahra et al., 2009). Recent empirical studies further highlight the rising significance of social entrepreneurship in promoting sustainable and inclusive growth (Mendez-Picazo et al., 2021; Al-Qudah et al., 2022). By aligning entrepreneurial activities with social goals, social

enterprises are commonly focused on SDG 3, SDG 8, and SDG 10 and also emphasize SDG 4, SDG 11, and SDG 12 (World Economic Forum Database, 2024). Research indicates that entrepreneurial efforts support not only economic development but also broader social benefits like inclusion, innovation, and sustainability (Elmonshid & Sayed, 2024; Fernández-Guadaño et al., 2024). These results suggest that social entrepreneurship is increasingly seen as a multifaceted catalyst for development, rather than merely a specialised field. Despite this growing recognition, the contribution of social entrepreneurship to development outcomes remains uneven and context-dependent (Philip, 2025; Pandey, 2025). In many developing economies, social enterprises have become important for creating jobs and supporting livelihoods, often operating in resource-limited settings (Stephan, Uhlaner, & Stride, 2015). Conversely, developed economies usually exhibit more institutionalised and resource-intensive forms of social entrepreneurship, marked by greater organisational stability, innovation capacity, and inclusive leadership structures (Defourny & Nyssens, 2010; European Commission, 2020). These regional differences highlight how institutional environments influence entrepreneurial results (Kerlin, 2013).

Current research mostly emphasises conceptual debates or case studies, with limited focus on cross-country comparisons. Although earlier studies acknowledge social entrepreneurship's potential to foster economic growth and human development, concrete empirical links between enterprise features and development metrics are scarce (Doh, 2020; Haugh & Talwar, 2016). Recent work also notes a gap in cross-national empirical research on social entrepreneurship, particularly concerning its impact on development results (Fernández-Guadaño et al.,2024). Additionally, much of the existing research generally assumes that increasing the number of social enterprises directly improves development outcomes. Yet, new evidence suggests that these outcomes are influenced not only by the scale of entrepreneurial efforts but also by qualitative factors such as organisational capacity, innovation, and leadership structure (Naskar & Sana, 2024; Estrin, Mickiewicz, & Stephan, 2013). This highlights an important empirical question: whether development results are primarily driven by the growth of social entrepreneurship or by its structural characteristics.

Against this backdrop, the present study conducts a global comparative analysis to examine the relationship between social entrepreneurship and development outcomes. Using secondary data from multiple countries, the study analyses variations in the distribution, scale, and characteristics of social enterprises and assesses their impact on both economic and social development, measured through GDP per capita and the HDI. The relevance of these indicators is well established in the development literature, where GDP reflects economic performance and HDI captures broader human well-being (Sajith, 2020; Mendez-Picazo et al., 2021; Al-Qudah et al., 2022). Accordingly, the study aims to address the following research questions (RQs):

**RQ1:** How do the distribution, scale, and key characteristics of social entrepreneurship vary across different regions?

**RQ2:** To what extent does social entrepreneurship influence economic and social development in a global context?

By shifting the focus from sectoral expansion to development outcomes, the study enhances understanding of how social entrepreneurship operates across diverse institutional settings and emphasises the conditions necessary for it to foster inclusive and sustainable development.

## 2. THEORETICAL BACKGROUND

### 2.1. *Social entrepreneurship and development*

Social entrepreneurship has been conceptualised as an approach that blends entrepreneurial efforts with a focus on creating social value (Hietschold, 2023). Unlike traditional businesses, social enterprises aim for both financial sustainability and social impact (Dees, 1998; Peredo & McLean, 2006). This hybrid nature allows them to operate across institutional boundaries and fill gaps left by market failures and limited public-sector support (Mair & Martí, 2006). Recent research highlights the important role social entrepreneurship plays in fostering inclusive and sustainable development. It helps generate employment, income, and social inclusion, especially in emerging and developing

economies (Elmonshid & Sayed, 2024). Additionally, empirical evidence indicates that social entrepreneurship drives innovation and sustainable welfare by integrating economic and social goals (Fernández-Guadaño et al., 2024).

### 2.2. *Social innovation and institutional context*

A key characteristic of social entrepreneurship is its focus on social innovation, which is essential for developing creative solutions to social problems. This involves creating new solutions, organisational models, and processes to better address societal issues compared to traditional methods (Perrini et al., 2010). Such innovations often occur within collaborative networks that include public entities, private organisations, and civil society groups (Nicholls & Murdock, 2012). Recent studies indicate that the success of social entrepreneurship is greatly influenced by economic, technological, and institutional factors. The data show that these elements significantly affect the development and effectiveness of social entrepreneurship over time (Pérez-Barea, 2025; Singh, 2023). Furthermore, institutional support, such as regulatory frameworks and innovation systems, is crucial for enhancing the sustainability and performance of social enterprises (Bataineh, 2023; Stephan, 2015).

### 2.3. *Linking social entrepreneurship to development outcomes*

The connection between social entrepreneurship and development outcomes encompasses both economic and social aspects (Elmonshid & Sayed, 2024; Bansal, Garg, & Vasa, 2023; Jilenga, 2017). Economically, social enterprises help by generating income, creating jobs, and boosting local economic activity, which supports GDP growth (Redko, 2024; Sauermann, 2023; Wang, 2022). Socially, they improve education, health, and overall well-being, as evidenced by indicators such as the HDI (Wang, 2022; Guadaño & Diez, 2024). Additionally, research shows that the HDI is closely related to economic indicators such as income and education, emphasising its importance as a broad measure of development outcomes (Sajith, 2020). Recent findings suggest that the developmental impact of social entrepreneurship relies more on qualitative factors than the number of enterprises. Important factors include the size, revenue, employment, and leadership diversity of enterprises—especially women's participation—which are crucial for development outcomes (Farronan, 2024; Naskar& Sana, 2024; Qi, 2025). This view shifts the focus from simply increasing numbers to enhancing organisational effectiveness.

In this context, the present study adopts a development-oriented approach, viewing social entrepreneurship as a set of institutional and organisational mechanisms that influence both economic outcomes and human development across countries.

## 3. METHODOLOGY

The research uses descriptive and empirical approaches. The descriptive section relies on a thorough review of the available literature, which includes academic books, peer-reviewed articles, authoritative publications, magazines, newspapers, reports commissioned by relevant committees and institutions, and statutory provisions. Secondary data were collected from multiple sources, including reports and publications from organisations such as the 'Organisation for Economic Co-operation and Development' (OECD), the 'World Bank Group Database', and the 'United Nations Development Programme HDI Report', which has been used to conduct the empirical analysis.

To examine the link between social entrepreneurship and development outcomes, multiple linear regression models are used. Two distinct models are estimated to reflect the economic and social aspects of development. To assess the impact of social entrepreneurship on economic growth, a multiple linear regression analysis utilized GDP per capita (PPP, constant 2021) as the outcome variable, along with four predictors: 'social enterprises per capita' (SEPC), 'average revenues per social enterprise' (ATSE), 'average jobs per social enterprise' (AJSE), and the 'proportion of women-led social enterprises' (PWLSE). On the other hand, to evaluate the effect of social entrepreneurship on social

development, we utilise the 'Human Development Index' (HDI 2024) as the outcome variable, maintaining the same predictors. Both the dependent and independent variables underwent a logarithmic transformation to address skewness in the data, reduce heteroscedasticity, and linearise the relationships among variables. For this purpose, a varied sample of fifty countries across six continents was selected for the research from the World Economic Forum Database, 2024. The countries in these continents were chosen based on their social entrepreneurship efforts and access to relevant data. In instances where specific variables pertinent to the study were missing, we adopted the global average for those variables to fill in the gaps. Consequently, we have framed the following hypothesis based on this rationale:

***Hypotheses***

**$H_1$**: Social entrepreneurship greatly influences economic development.

**$H_2$**: Social entrepreneurship exerts a substantial influence on social development.

## 4. RESULTS AND DISCUSSION

This section presents a comparative review of the global context of social entrepreneurship and its contributions to economic and social development.

### 4.1. *Global perspective of social entrepreneurship*

This section examines the social entrepreneurship landscape around the globe in four key parameters: the number and per capita number of social enterprises, turnover, job creation capacity, and leadership. These dimensions are vital in determining the success, scalability, and inclusiveness of the global ecosystem of this sector. For this purpose, fifty different countries have been chosen, spread over the six continents of the world. These various nations are: 'Algeria, Australia, Austria, Bangladesh, Brazil, Belgium, Bulgaria, Canada, China, Croatia, Democratic Republic of Congo, Denmark, Estonia, Ethiopia, Finland, France, Germany, Ghana, Hungary, India, Indonesia, Ireland, Italy, Japan, Kenya, Latvia, Lithuania, Luxembourg, Malaysia, Morocco, Netherlands, Nigeria, Pakistan, Philippines, Poland, Portugal, Romania, Russia, Serbia, Singapore, South Africa, South Korea, Spain, Sri Lanka, Sweden, Switzerland, Thailand, Turkey, United Kingdom, and United States'.

#### 4.1.1. *Number of social enterprises across countries*

This section underlines how social enterprises are distributed and made available in the various countries found across the world by examining the quantity of social enterprises and the per capita level. The number of people per enterprise has been used as a measure of social enterprise per capita (British Council, 2022), which is a more appropriate metric of social enterprises than absolute numbers in countries with high populations, as seen in Table 1.

Table 1. Estimated Number of Social Enterprises Across Countries

| Country | Number of Social Enterprises | Population | Social Enterprise Per Capita/ Density |
|---|---|---|---|
| Algeria | 7,727 | 46164219 | 5974.40391 |
| Australia | 12,033 | 26658948 | 2215.48641 |
| Austria | 1535 | 9131761 | 5949.02997 |
| Bangladesh | 1,50,000 | 171466990 | 1143.11327 |
| Belgium | 18,004 | 11787423 | 654.711342 |
| Brazil | 20,000 | 211140729 | 10557.0365 |
| Bulgaria | 3,700 | 6446596 | 1742.32324 |
| Canada | 18,200 | 40097761 | 2203.17368 |

| | | | |
|---|---|---|---|
| China | ##### | 1410710000 | 806.12 |
| Croatia | 526 | 3859686 | 7337.80608 |
| Democratic Republic of Congo | 4,485 | 105789731 | 23587.454 |
| Denmark | 411 | 5946952 | 14469.4696 |
| Estonia | 121 | 1370286 | 11324.6777 |
| Ethiopia | 54,980 | 128691692 | 2340.70011 |
| Finland | 1,181 | 5583911 | 4728.12108 |
| France | 96,603 | 68287487 | 706.88785 |
| Germany | 77,459 | 83280000 | 1075.14943 |
| Ghana | 26,000 | 33787914 | 1299.53515 |
| Hungary | 15,855 | 9592186 | 604.994387 |
| India | ##### | 1438069596 | 719.034798 |
| Indonesia | 3,42,025 | 281190067 | 822.133081 |
| Ireland | 4,335 | 5307600 | 1224.35986 |
| Italy | 1,02,461 | 58993475 | 575.765169 |
| Japan | 2,05,000 | 124516650 | 607.398293 |
| Kenya | 43,933 | 55339003 | 1259.62268 |
| Latvia | 200 | 1877445 | 9387.225 |
| Lithuania | 3,476 | 2871585 | 826.117664 |
| Luxembourg | 928 | 666430 | 718.135776 |
| Malaysia | 20,749 | 35126298 | 1692.91522 |
| Morocco | 20,000 | 37712505 | 1885.62525 |
| Netherlands | 5,500 | 17877117 | 3250.38491 |
| Nigeria | 4,43,096 | 227882945 | 514.297003 |
| Pakistan | 4,48,000 | 247504495 | 552.465391 |
| Philippines | 164473 | 114891199 | 698.541396 |
| Poland | 29,535 | 36687353 | 1242.16533 |
| Portugal | 7938 | 10578174 | 1332.5994 |
| Romania | 6,317 | 19059479 | 3017.17255 |
| Russia | 8,000 | 143826130 | 17978.2663 |
| Serbia | 411 | 6623183 | 16114.8005 |
| Singapore | 7689 | 5917648 | 769.625179 |
| South Africa | 141500 | 63212384 | 446.730629 |
| South Korea | 3,215 | 51712619 | 16084.796 |
| Spain | 9680 | 48347910 | 4994.6188 |
| Sri Lanka | 10500 | 22037000 | 2098.7619 |
| Sweden | 3000 | 10536632 | 3512.21067 |
| Switzerland | 2,934 | 8888093 | 3029.34322 |
| Thailand | 120000 | 71702435 | 597.520292 |
| Turkey | 9,000 | 85325965 | 9480.66278 |
| United Kingdom | 131000 | 68350000 | 521.755725 |
| United States | 1274636 | 334914895 | 262.753363 |
| Global Total | 10 million | 8.06 billion | 800 |

Source: Compiled by the Researcher from the World Economic Forum Database, 2024 & The World Bank Group Database, 'World Development Indicators', 2023.


Figure 1: Number of social enterprises in countries with available data
Source: Authors' own work based on the World Economic Forum Database, 2024

The estimated number of social enterprises (Figure 1) represents the global scale of social entrepreneurial activity and represents three-fourths of the entire world population. Their number worldwide vary significantly, ranging from a few hundred to millions. India reports the largest number of social enterprises, totalling 20,00,000, whereas China stands in second position with 17,50,000, and the United States has 12,74,636 units. Such a high number of social entrepreneurial activities indicates not only the great presence of the social innovation sector but also of the increasing significance of social efforts aimed at combating challenges such as poverty, hunger, illiteracy, health, and unemployment (Halsall et al., 2022). Its substantial presence in countries like Pakistan (4,48,000), Nigeria (4,43,096), Indonesia (3,42,025), and Japan (2,05,000) highlights the dynamic nature of the social sector. However, a number of European nations, including Estonia (121), Latvia (200), Serbia (411), and Denmark (411) have the least social enterprises.

A high geographical imbalance has been noted in the distribution of social enterprises within the continents. The comparison based on the continent shows that Asia leads in terms of number, as India and China make a significant contribution. This is an indication of how the social enterprises are aiming to resolve both the population pressure and the socioeconomic inequality of Asia. The figures in North America are also high with Europe and Africa coming second. Whereas, Oceania and South America indicate comparatively reduced figures, indicating either reduced populations or disparities in the social enterprise ecosystem.

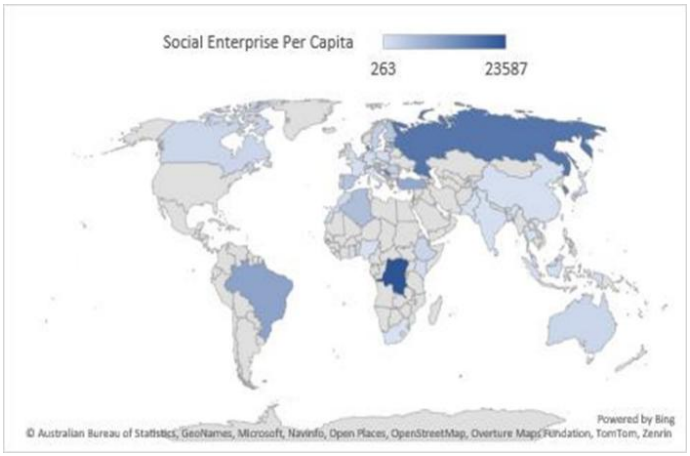


Figure 2. Social enterprises per capita across the countries
Source: The authors have computed and used the numbers from the World Economic Forum Database, 2024 and the World Bank Group data set, 'World Development Indicators', 2023

The comparative study of social enterprise per capita (Figure 2) in different countries reveals that accessibility and scope are very unequal in different countries. In the United States, there is approximately one social enterprise for every 263 individuals, whereas in the Democratic Republic of Congo, this figure escalates to one enterprise for every 23,587 citizens. South Africa (447), Nigeria (514), the United Kingdom (522), or the USA (263) are the countries that have a high number of social enterprises spread, which suggests that they have a fully-developed system of the ecosystem with support of institutional policies, financial resources and inclination towards sociopolitical innovations (Nicholls 2010; Kerlin 2013).

Conversely, low per capita nations like the Democratic Republic of the Congo (23,587 people per enterprise), Russia (17,978), Serbia (16,115), and South Korea (16,085) indicate the small penetration of social enterprises in terms of the population. This poor per-capita can be the result of several factors, such as structural difficulties, economic limitations, political instability, insufficient legal framework, insufficient institutional support and insufficient level of public awareness of the social entrepreneurship models (Defourny et al., 2017).

Emerging economies like India and China, although they have a large population of social enterprises, the per capita numbers that are moderate (719 and 806 respectively) are so because of their large population. It implies that the size might not be a sufficient indicator of the accessibility and, therefore, justifies the significance of population-adjusted indicators for the effectiveness of the enterprises (Oberoi et al., 2020).

#### 4.1.2. *Turnover*

Turnover is a crucial parameter used to determine the financial performance of social enterprises among countries, as it indicates the scope of their economic magnitude, financial stability, and their involvement in the market. Cross-country turnover comparisons reveal variations in the maturity, institutional support, and operational effectiveness of social enterprise ecosystems. Thus, turnover serves as a comprehensive indicator that captures both the financial viability and developmental path of social enterprises at the global level.

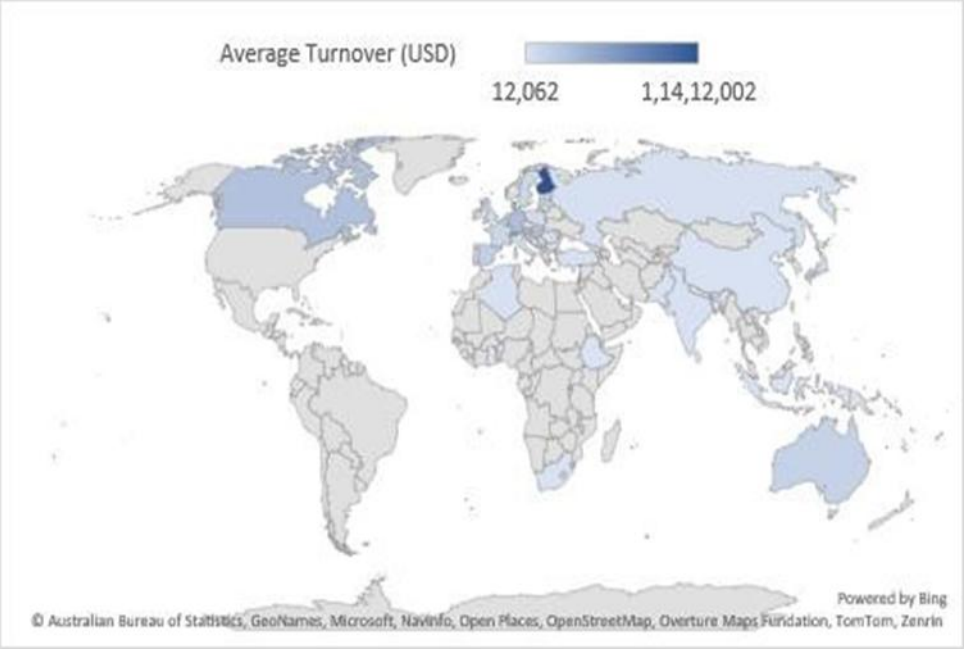


Figure 3. Average turnover per social enterprise in countries with relevant data available Source: Authors' own work from the data based on the World Economic Forum Database, 2024

Figure 3 (average turnover per social enterprise ) will demonstrate financial productivity of social

enterprises from various countries worldwide. Finland is ranked very high with the average turnover of $1,14,12,002, and then comes Switzerland (53,65,859) and Austria (32,40,006) and finally Germany (28,31,066). The increased average turnover is a good sign that every business is making a lot of money, and this means that it is financially viable, scalable, and efficient in its operations. As compared to Ethiopia (12,062), Sri Lanka (22,765) and Ghana (24,920), which have less average turnover per social enterprise. This could be a sign of an emerging or informal social enterprise ecosystem that runs with a smaller community-oriented and less access to capital or markets.

#### 4.1.3. *Number of jobs created by social enterprises*

The job creation capacity measures the employment effect of the social entrepreneurial industry of a country. It creates a macroeconomic perspective that emphasises the contribution to the national employment.

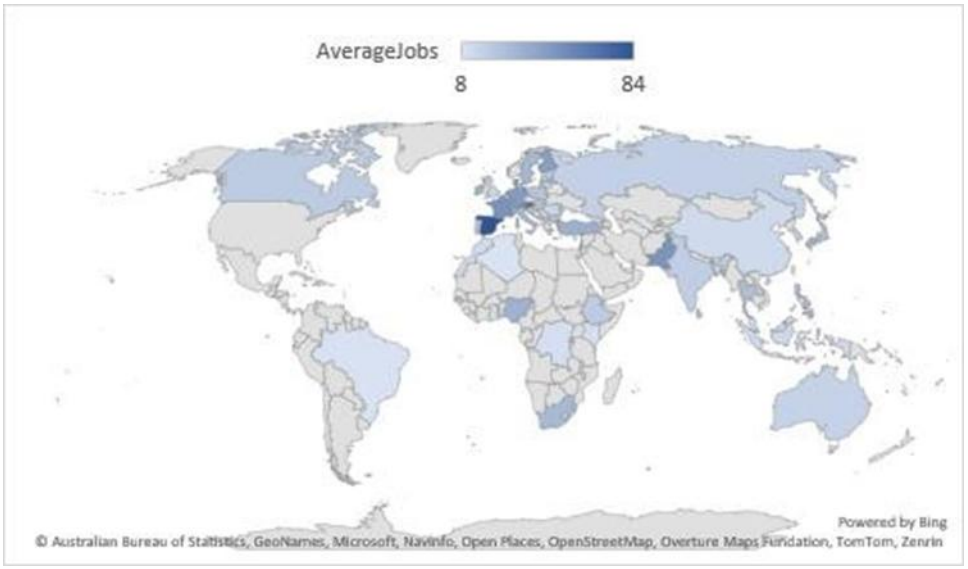


Figure 4. Average number of jobs generated by social enterprises in countries with available data

Source: Authors' own work based on the World Economic Forum Database, 2024

The average job represents the employment generation capacity in each single social enterprise (Figure 4). It reveals the magnitude and maturity of social enterprises across the different national context. Higher averages reflect larger or more resource intensive enterprises, while lower averages may indicate more small models or community-based ones. As an example, countries as Spain (84 jobs per enterprise), Austria (69), and France (51) have relatively high sizes of enterprises or a higher organization structure and probably enjoy structured ecosystems which facilitate the scaling. Conversely, smaller, community-based or grassroots-level enterprises with limited job-creation potential are represented by countries such as Algeria (8), Brazil (8.66), and Kenya (10.3).

#### 4.1.4. *Social enterprise leadership*

Women's role in leadership within the social enterprise sector represents one of the significant dimensions of this research, as evidenced by the extent of women-led social enterprises across countries (Figure 7). The proportion of social enterprises headed by women serves as a relative measure of gender dynamics in social enterprise leadership. Greater percentages are an indication of a higher proportion of women as leaders in the structure.


Figure 5. Proportion of women-led social enterprises across the countries with available data

Source: Authors' own work based on the World Economic Forum Database, 2024

The women's leadership in the social enterprise sector across different countries divulge striking divergences in gender leadership (Figure 5). Poland (72%), Lithuania (72%), and Latvia (70%) are some of the countries that are highly gender inclusive and this can be shaped by favourable institution environments, cultural orientations, social orientations, and gender conscious national policies that favour women in the social sector in the context of entrepreneurship. Conversely, Pakistan (19.57%), Bangladesh (20.81%), and the Democratic Republic of the Congo (23%) have a less equitable representation of women in leadership roles in the social sector and can be an indication of the possible barriers which are gender norms, cultural or even just the absence of a policy framework.

According to the World Economic Forum's estimation, women's leadership is significantly visible in the social enterprise sector, with an estimated 5 million enterprises run by women globally. Interestingly, around one in two social enterprises are women-led globally, in stark contrast to traditional businesses, where only about one in five have female leadership (WEF Report, 2024).

### 4.2. *Impact of social entrepreneurship on economic development*

To evaluate the influence of social entrepreneurship on economic development, a multiple linear regression analysis was performed using the GDP per capita (PPP, constant 2021) as the dependent variable and four predictors: 'social enterprises per capita', 'average turnover per social enterprise', 'average number of jobs per social enterprise', and 'proportion of women-led social enterprises'. The hypothesised formulation is as follows:

**$H_1$:** ***Social entrepreneurship greatly influences economic development.***

Therefore, the OLS model may be written as:

$$GDPPC = \beta 0 + \beta 1\ (SEPC) + \beta 2\ (ATSE) + \beta 3\ (AJSE) + \beta 4\ (PWLSE) + \epsilon$$

GDPPC = 'GDP per capita, based on purchasing power parity (PPPs, Constant 2021)'

SEPC = 'Social enterprise per capita'

ATSE = 'Average turnover per social enterprise'

AJSE = 'Average jobs per social enterprise'

PWLSE = 'Proportion of women-led social enterprises'

β0 represents the constant term. The values β1, β2, β3, and β4 denote the regression coefficients, while ϵ signifies the error term. The following sections elaborate on the regression results.

Table 2. Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|---|---|---|---|---|---|
| 1 | .826 | .682 | .654 | .257244446028908 | 1.734 |

Source: Calculated by the Researcher.

The summary of the model presented in Table 2 shows that the regression model generated a multiple correlation coefficient (R) of 0.826, indicating a strong positive linear association between the selected predictor variables and GDP per capita. The R-squared value of 0.682 also indicates that the selected indicators of social enterprises explain about 68.2% of the variance in the dependent variable (GDP per capita). The adjusted R-squared of 0.654 confirms a good fit of the model, considering the number of predictors. The Durbin–Watsonstatistic value of 1.734 does not show significant autocorrelation of the residuals, thus satisfying the key assumptions of regression.

Table 3. ANOVA Result

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 6.386 | 4 | 1.596 | 24.125 | .000 |
| | Residual | 2.978 | 45 | .066 | | |
| | Total | 9.364 | 49 | | | |

Source: Calculated by the Researcher

The F-statistic for the overall model was determined to be statistically significant ($F = 24.125$, $p < 0.001$), suggesting that the set of independent variables is statistically significant in predicting the dependent variable, i.e., GDP per capita.

The coefficients (Table 4) of the independent variables were analysed, and the analysis revealed that women-led social enterprises were the strongest predictor ($\beta = 0.595$, $p < 0.001$), highlighting a robust and positive correlation with GDP per capita. This indicates that nations with a greater pervasiveness of women-led social enterprises tend to exhibit better economic outcomes. Average turnover per social enterprise ($\beta = 0.278$, $p = 0.010$) and the average number of jobs per social enterprise ($\beta = 0.210$, $p = 0.027$) also reflected statistically significant positive impacts, signifying a positive association between the economic capacity and employment-generating potential of social enterprises and higher regional GDP. In contrast, no significant relationship was identified between social enterprises per capita and economic development ($\beta = -0.112$, $p = 0.209$), suggesting that an increasing number of social enterprises alone, without considering their quality and structure, does not always lead to an increase in economic gains (Demirdag, 2015; Mendez-Picazo et al., 2021; Al-Qudah et al., 2022).

In addition, all predictors' variance inflation factor (VIF) was below 2, which implies that there was no multicollinearity and, consequently, ensuring the robustness of regression coefficient.

Table 4. Coefficients and Predictor Analysis

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics |
|---|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | | VIF |
| 1 | (Constant) | .031 | .519 | | .059 | .953 | |
| | Social Enterprises Per Capita | -.095 | .075 | -.112 | -1.275 | .209 | 1.098 |
| | Average Turnover | .193 | .072 | .278 | 2.673 | .010 | 1.530 |
| | Average Jobs | .376 | .164 | .210 | 2.293 | .027 | 1.185 |
| | Women-Led Social Enterprises | 1.876 | .303 | .595 | 6.190 | .000 | 1.305 |

Source: Calculated by the Researcher.

Average Turnover per Social Enterprise: The positive and statistically significant coefficient (t = 2.673, p = .010) for average turnover per social enterprise, with a significance level of $p < 0.05$, indicates a noteworthy contributor to GDP per capita. According to the coefficient B = 0.193, a 1% growth in the average turnover of social enterprises will result in the growth of GDP per capita (PPP) by 0.193%. All other factors were kept constant. This is an indicator that more prosperous businesses perform a better role in the economic prosperity.

Average Jobs per Social Enterprise: The other significant predictor in this model is the average number jobs per social enterprise (t = 2.293, p =.027), whose value of p falls below 0.05. It shows that a higher capacity for job creation within the social enterprise sector positively impacts economic development. The coefficient B = 0.376 indicates that a 1% growth in average jobs per enterprise correlates with a 0.376% increase in GDP per capita.

Women-Led Social Enterprise: In the analysis conducted, women-Led social enterprises (t = 6.190, p =.000) is the biggest independent variable in the model and the level of significance of p = 0.01. B = 1.876 implies that a 1% growth in social enterprises that are run by women is related to an estimated growth of 1.876% in GDP per capita, other things being equal. The outcome implies the paramount importance of women-led initiatives to facilitate an inclusive economic growth.

Social Enterprise per Capita: Notably, the variable social enterprise per Capita (t =.368, p = 0.716) was not statistically significant with a non-significantly negative coefficient. The implication of this is that the predictor variable is not seen to have a direct effect on GDP per capita. This suggests that the quality rather than the number of enterprises is more significant to improved economic results.

### 4.3. *Impact of social entrepreneurship on social development*

To assess the effect of social entrepreneurship on social development, a multiple regression analysis was carried out using the HDI, 2024 as the dependent variable and four independent variables, including 'social enterprises per capita', 'average turnover per social enterprise', 'average employment per social enterprise', and the 'proportion of women-led social enterprises'. Both the dependent and independent variables were logarithmically transformed to correct the data skewness, reduce heteroscedasticity and tend to provide linear relationships between the variables. The hypothesis is the following:

**$H_2$: *Social entrepreneurship exerts a substantial influence on social development***

Therefore, the OLS model may be written as:

$HDI = \beta 0 + \beta 1 (SEPC) + \beta 2 (ATSE) + \beta 3 (AJSE)$

$+ \beta 4 (PWLSE) + \epsilon$

Where,

HDI = 'Human Development Index'
SEPC = 'Social enterprise per capita'

ATSE = 'Average turnover per social enterprise'
AJSE = 'Average jobs per social enterprise'

PWLSE = 'Proportion of women-led social enterprises'

The constant is represented by β0. The regression coefficients are β1, β2, β3, and β4, while ϵ denotes the error term. The results of the regression are discussed below:

Table 5. Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|---|---|---|---|---|---|
| 1 | .821 | .674 | .645 | .077226 | 1.641 |

Source: Calculated by the Researcher

The model summary (Table 5), produced an R value of 0.821, reflecting a robust positive correlation between HDI and the selected predictor variables. The R-squared value is 0.674, suggesting that the four independent social enterprise indicators explain about 67.4% of the variation in HDI. The value of adjusted R-squared, which stands at 0.645, also shows that the model can be considered reliable following the consideration of the number of explanatory variables. Also, the Durbin-Watson value of 1.641 shows that the residuals do not have significantly large autocorrelation, satisfying an essential assumption of regression analysis.

Table 6. ANOVA Result

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | .555 | 4 | .139 | 23.252 | .000 |
| | Residual | .268 | 45 | .006 | | |
| | Total | .823 | 49 | | | |

Source: Calculated by the Researcher

Table 6 presents the ANOVA results, illustrates that the entire model presents significant statistical validity ($F = 23.252$, $p < 0.001$). This finding supports the hypothesis that the independent variables, when considered together, are effective predictors of the dependent variable, which in this case is the HDI.

Individual contribution of each independent predictor is given in the regression coefficients (Table 7). In this case, social enterprises led by women were recognised the strongest predictor ($\beta = 0.520$, $p < 0.001$) in terms of establishing a strong positive relationship with HDI. This promotes the fact that a greater level of human development enhancement is correlated with a country in which a larger rate of women-led social enterprises exists. Statistically significant positive effects were also observed in average turnover per social enterprise ($\beta = 0.359$, $p = 0.001$) and average employment level per social enterprise ($\beta = 0.189$, $p = 0.047$), indicating that economic capacity and job creation potential of social enterprises correlate with improvements in human development levels. Conversely, the per capita presence of social enterprises failed to show any significant correlation ($\beta = -0.11$, $p = 0.899$), revealing that a

higher density of social enterprises does not guarantee better outcomes in human development unless their effectiveness in terms of economic and social contributions is considered (Mendez-Picazo et al.,2021; Al-Qudah et al., 2022; Naskar and Sana, 2025).

Furthermore, the VIF of all predictors were less than 2 which means that there was no multicollinearity and the regression coefficients are sound.

Table 7. Coefficients and Predictor Analysis

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics |
|---|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | | VIF |
| 1 | (Constant) | -.535 | .156 | | -3.431 | .001 | |
| | Social Enterprises Per Capita | -.003 | .022 | -.011 | -.127 | .899 | 1.098 |
| | Average Turnover | .074 | .022 | .359 | 3.410 | .001 | 1.530 |
| | Average Jobs | .101 | .049 | .189 | 2.043 | .047 | 1.185 |
| | Women-Led Social Enterprises | .486 | .091 | .520 | 5.346 | .000 | 1.305 |

Source: Calculated by the Researcher

Average Turnover per Social Enterprise: A significantly positive association exists between average turnover per social enterprise (t = 3.410, p = 0.001) and HDI, at a significance level p below 0.05 signifies that an increase in the financial results of social enterprises is positively related with an increase in HDI. The coefficient B =.074 denotes that the average turnover of social enterprises positively affects increasing HDI by a percentage of 0.074 when there is a one percent rise in the mean turnover of social enterprises, when other things are held constant. This implies that the economic sustainability of social enterprises promotes broader development goals. Average Jobs per Social Enterprise: This variable is also statistically significant (t = 2.043, p = 0.047), businesses that create a larger number of employment opportunities have a positive impact on human development. It emphasises the need to create jobs so that the socio-economic standards of living and welfare can be better. The coefficient B = 0.101 means that the growth of the average jobs per enterprise by 1% is associated with the growth of GDP per capita by 0.101%.

Women-Led Social Enterprise: Women's leadership in social sector is becoming the most important and prominent forecasters in this model. It has a t-value of 5.346 and $p<0.01$ significance level, which provides a very strong positive relationship with HDI. Whereas, the coefficient B = 0.486 indicates that a 1% rise in the social enterprises led by women tends to a 0.486% increase in HDI. This indicates that having more women-led social enterprises is one of the primary factors that contribute to improved human development outcomes, and it is important to introduce gender-inclusive entrepreneurial ecosystems.

Social Enterprise per Capita: The analysis of per capita social enterprise was reported as statistically insignificant with a minor negative coefficient (t = -0.127, p = 0.899). It implies that the predictor variable does not seem to directly affect HDI. This indicates that not only is the number of social enterprises per capita is one that is not a guarantee of an improved outcome on human development, but rather it is the sheer size of their economic and social contribution.

## 5. CONCLUSION

The examination of global trends within the social

entrepreneurship domain reveals a picture of diversity instead of homogeneity. Whereas in some areas, there might be a greater number of social enterprises, their contributions are much different. The impact of the sector is seen in its magnitude and ability to create jobs in most developing economies, but this is characterised by a relatively lower organisational maturity and efficiency in developed economies. These divergent trajectories imply that contextual determinants (i.e. institutional maturity, financial access and capacity building in managerial abilities) influence the role of social entrepreneurship in overall development performance. Gender dynamics also prove to be an effective distinction across regions. Though a number of the developed economies are more gender inclusive in terms of leadership, global gaps still exist in certain segments of the developing world, especially in the South Asian region. However, the experience of some emerging economies has shown that institutional and policy interventions can be very effective in improving the participation of women, which can be applied to similar situations.

Importantly, the regression analysis confirms that social entrepreneurship significantly contributes to both economic and social development, with quality-driven factors—such as women's leadership, employment intensity, and enterprise turnover—emerging as stronger determinants of socio-economic development compared to enterprise density alone. These findings shift the debate from expansion simply to the aspects of capability and scope of influence. Consequently, policy frameworks should emphasise capacity building, gender inclusive leadership, and the scaling of high-impact social enterprises to optimise developmental outcomes.

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