

Article

# Social enterprises transformation and its effects on socio-economic development in developed and developing countries

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**Abstract:** In the twenty-first century, the idea of social enterprises influencing global socio-economic growth has gained much attention and has momentous implications for the modern economy. Both emerging and developed countries frequently observe its considerable impact on their economy as social enterprise transformation has such a wide-ranging effect on socioeconomic growth. The purpose of this study is to present evidence of the impacts of global social enterprise transformation on global socio-economic development. However, there are no official statistics available on the effects of the transformation of global social companies on global socio-economic development. The debate in this research demonstrates how social enterprise transform like a collaboration between the private, public, and civil sectors, continually honing their approach to their goals, based on the review of several case studies of social enterprises from around the world. Revamp, acquisitions, and improved performance are all efforts to achieve sustainable societal progress in the fields of economics, culture, and politics. The results indicate that social enterprises transformation causes the socio-economic development of the world. Our results also suggest that social enterprise transformation impact and outcome are more significant in developed countries than in developing countries.

**Keywords:** socio-economic development; social-enterprise; transformation; NGO; BRAC; Bangladesh

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## 1. Introduction

We are experiencing many social and financial problems across the globe. Sometimes social problems are the reason for financial problems, and financial problems are the reason for social problems. The social, economic, and environmental aspects of development continue to present the biggest difficulties in the twenty-first century. Governments, international organizations, businesses, and civil society can meet only one-third of the requirements for addressing global goals focusing on human and sustainable development [1]. The majority of the world's nations face the challenge of creating a model that combines sustainable economic development with a social vision that incorporates millions of poor people into the system and its benefits [2]. Social enterprises are voluntary to address social causes, and they emerge as tools for tackling complex, indivisible social problems that corporate business organizations find difficult to cope with alone. Over the past few decades, there has been a noticeable dynamic in many regions of the world around the idea of social enterprise. To address social issues, social enterprises mostly use non-governmental approaches based on the market. The social enterprise frequently demonstrates that it is “a business” and provides funding for a variety of organizations and activities with a social focus. A social enterprise is defined as a business with primarily social objectives whose surpluses are primarily reinvested for that purpose in the business or the community,

rather than being driven by the need to maximize profit for shareholders and owners, by the UK government's Social Enterprise Unit (SEU). However, the phrase "social enterprise" was first coined in the 1970s to describe nonprofit company ventures that were beginning as a way to provide disadvantaged populations with employment possibilities [3]. Social enterprises' main goals are to address society's expanding, multifaceted challenges, and the lack of resources also necessitates collaboration [4]. Collaboration between the public, commercial, and nonprofit sectors, as well as social enterprise transformation, are essential for attaining sustainable social development in the fields of economy, culture, and politics [5]. It focuses on improving social welfare by adopting non-economic objectives [6]. Social enterprises are continuously refining their approach to their objectives. The implementation of re-branding strategies, acquisitions, and enhanced performance measures are all undertaken to enhance the operational effectiveness of social enterprises. Through rigorous training and extensive practice, social businesses have demonstrated the ability to effectively assess the impact they have on various institutions over an extended period of time. The outcomes of these efforts have proven to be quite noteworthy. The transformation of social enterprises contributes to the socio-economic growth of many nations. Social companies are required to function within a distinct corporate framework, which subsequently influences both social and economic progress. Hence, it generates economic advantages and societal value for the community. Social enterprises are organizations that operate to promote pro-social objectives such as wealth creation, cooperation, and community development. Their primary goal is to generate social value, which can be understood in terms of intangible assets such as happiness, general well-being, and economic sustainability. Therefore, social companies play a significant role in fostering socio-economic growth.

To address social and financial issues, it has examined cross-sector alliances and collaboration between businesses and social enterprises. In the framework of a subsistence marketplace, the development of cross-sector collaboration, the partners' contributions, and the consequences and social transformation impact of the social alliances have also been explored. It has established the metrics for evaluating the effects and results of collaboration. Concerning Sakarya, the review of social change and impact aspects studies the social transformation influence they have on society [7]. Through the social innovation process, a social enterprise could develop the empowering local community that leads to success, which has been narrated by Maguiree in the case study of the Ixtlán Group, a social enterprise located in the community of Ixtlán, in the Southern State of Oaxaca, Mexico [8]. From a gender perspective, this paper contributes to exploring the mechanisms of success for women in highly marginalized indigenous communities. It illustrates how private entities, such as social enterprises, through social innovation can foster local development and contribute to superseding poverty, marginalization, and emigration. Social enterprises in Kosovo have aimed at human development and social integration of citizens by creating job opportunities for young people, which play an enormous role in the socio-economic development of Kosovo, as narrated in the article by Loku [9]. Without a shared perspective on the transformation of social enterprises and their impact on socioeconomic growth in both developed and developing nations, more investigation is required. By examining social enterprises' transformation in a hostile environment

and from many angles, this paper closes this gap. This article examines how numerous social enterprise transformations have affected socioeconomic development in developed and emerging nations. Both a literature review and an empirical analysis were done. The findings in this study offer a substantial contribution to the body of literature, and their implications may be beneficial to local and national governments as well as policymakers.

### **1.1. Social enterprise transformation, socio-economic development, and impact**

The concept of social enterprise is not new; however, the term was first introduced in the early 1970s to define nonprofit business activities to create job opportunities for underprivileged groups in the course of their journey [10]. According to conventional commercial and non-profit thinking, the idea of social entrepreneurship is novel and distinct from both of these. It is the combination of different elements of social purpose, financial performance standards of business, and market orientation [11]. The majority of the segments of society that are typically left out of social and economic activity were served by social enterprises. The strengthening of cooperatives and the rediscovery of non-profit organizations and work-integration associations as suppliers of social services. It is different from conventional enterprises in the way of doing business and also from public agencies in the way of providing social services. Social enterprises engage in a continuous pursuit of activities that exhibit both the entrepreneurial attributes of the non-profit sector and the innovative qualities of the cooperative movement. The concept of social entrepreneurship can be distinguished from the definition of social enterprise, which encompasses entities that do not engage in entrepreneurial operations but primarily focus on advocacy or re-distributive functions. This includes public institutions and for-profit firms involved in social projects.

A group found a social enterprise with a specific institutional structure, well-defined social goals, and a well-defined social mission. The activity carried out by the social enterprise is of public concern and must be managed in an entrepreneurial manner, while a constant equilibrium between the social and economic dimensions must be maintained. As agents of change, social enterprises may be perceived as more focused on addressing the requirements of the most vulnerable segments of society. Social enterprises can implement innovative solutions suitable for addressing social problems because they place a greater emphasis on the dimension of general interest, which includes, among others, welfare, health, education, employment, and housing, whereas traditional non-profit organizations overlook these factors. When government funding for nonprofits was reduced, the terms social enterprise and social enterprise began to be used interchangeably [12].

Social responsibility and a long-term strategy focused on addressing social needs are two aspects of the nature of social companies. In a participatory democracy, where citizens are best positioned to dedicate themselves to the social and economic growth of their communities, social enterprises have demonstrated their ability to promote cutting-edge forms of democratic involvement and empowerment [13]. The process of changing completely the character or appearance of something to improve it is

called transformation [14]. A process of transformation in social enterprises accompanies socio-economic development. Social development refers to the systematic efforts aimed at establishing a fair and impartial society by ensuring the equitable allocation of economic opportunities and social services. This process also entails addressing power disparities, thereby fostering the active participation of various institutions, ranging from national governments to diverse civil society organizations [15]. Through policies and initiatives that improve the capacities of people, families, and communities, the processes of society, institutions, and systems are being altered. The focus of social development is on concerns of equality, social justice, and involvement among disadvantaged and marginalized communities across all nations. It is feasible to create a balanced social and ecological system that is intimately linked to human rights, social justice, and environmental justice by fostering sustainable development and climate change adaptation through social development [16].

## **1.2. Impact of social enterprise transformation and outcomes on socio-economic development**

Impact means to have an influence on something or the action of one object coming forcibly into contact with another. The impact is described as “significant or long-lasting changes brought about by a specific action or series of actions in people's lives” [17]. The impact is a series of outcomes from a series of institutional inputs. Definitions of impact refer to the ultimate results of organizational inputs that make sustainable changes in the system. Impacts are the consequences of some action that alters how the system generally copes with the changes. Outcomes refer to the results of inputs. Outcomes are defined as the ultimate results of some action that is taken to make some changes. The impact of social enterprise transformation leads to socio-economic development. Social enterprise transformation leads to sustainable development in the cultural, political, and economic spheres [18].

Social impact assessment includes the process of assessing, estimating, monitoring, and managing the intended and unintended social consequences in advance, both positive and negative, of planned interventions. That are likely to follow from specific policy actions or project development and any social change processes invoked by those interventions, particularly in the context of appropriate national, state, or provincial environmental policy legislation [5]. The primary variables along which social influence may be gauged are community and institutional structures, community resources, political and social resources, individual and family changes, and population characteristics [19].

The result of a special event or activity regarding the economy is called economic impact. Economic impact is defined as the net change in an economy due to a special event or activity [20]. To ascertain the impacts of a change in economic activity on a specific location, economic impact analysis is crucial [21]. The implications for government services and revenues, financial and physical capital, employment, output, income and wages, and growth are significant focal points in the majority of economic impact analyses [22]. The scope of impact can be examined from many levels within the social system, namely micro, mezzo, and macro. At the macro level, the entirety

of global society can be considered a collective entity. At the mezzo-level, nation-states and regional political or military alliances can be viewed as distinct subsystems. At the micro-level, subsystems can be identified as individuals, local communities, associations, firms, families, or friendship circles [23]. Social business transformation's effects on the cultural, political, and economic arenas could eventually result in systemic changes [24]. With demands for responsibility from stakeholders and financial agencies, social businesses are concerned with monitoring and demonstrating success in tackling social problems [25]. A wide variety of tools have been developed for social performance assessment. Measures of performance for the social and financial sectors, however, are limited. Analysis and measuring social and financial impact are very difficult.

### 1.3. Research objectives

A qualitative research methodology was followed in this present study with secondary data sources from several research papers, publications, reports, newspaper articles, newsletters, booklets, and internet reports on social enterprises that related to this study and reviewed it to find some goals. The objectives of this research are:

- 1) to analyze the transformation of social companies on a worldwide scale;
- 2) to determine the impact that this transformation has on the socioeconomic development of the globe;
- 3) to carry out an analysis of the activities performed by international social enterprises.

## 2. Research methodology

This study was carried out using a qualitative research approach. In the beginning, an enormous contents and document analysis was conducted at the time of this paper. The majority of the data used in this review is from secondary sources. For this study, a variety of social enterprise-related research papers, publications, reports, newspaper articles, newsletters, booklets, and internet reports were examined. This investigation has been carried out from home because it was not feasible to visit libraries or other locations to get information. It is being attempted to locate the pertinent article to supplement this research by using a variety of search engines, such as Google Scholar, ERIC, and Science Direction, amongst others. The time frame is from 2000 to 2023 (see **Table 1**); however, the study has included several papers published before the mentioned period as references.

**Table 1.** Inclusion and exclusion criteria.

Category	Description
Time	2000–2023
Key Words	Socio-economic development, Social-enterprise, Transformation, NGO, BRAC, Bangladesh
Search Engines	<ul style="list-style-type: none"> <li>❖ Google Scholar (353)</li> <li>✓ Research Article-336</li> <li>✓ Review Article-17</li> <li>❖ Eric (59)</li> <li>✓ Research Article-41</li> <li>✓ Review Article-18</li> <li>❖ Science Direct (32)</li> <li>✓ Research Article-29</li> <li>✓ Review Article-3</li> </ul>

The terms that fell under the review framework have been briefly explained in **Table 2**.

**Table 2.** An overview of the various phenomena examined within the encompassing framework of social entrepreneurship.

Terms being researched	Descriptions	Key authors
Social enterprise	Organizational structures that adhere to cooperative principles. The private organizations dedicated themselves to tackling social issues, assisting the needy and providing goods that, in their view, were improperly distributed by government agencies or the free market.	Borzaga and Defourny [26]
Entrepreneurial non-profit organizations	NGOs that take part in commercial operations to generate cash and improve financial sustainability.	Fowler [27]; Frumkin [28]; Boschee [29]; Mair and Martí [30]; Sharir and Lerner [31]; Vega and Kidwell [32];
Leadership	Based on social entrepreneurship, leadership takes into account everything but the traditional concept of a leader. This fosters a sense of shared purpose among the social entrepreneurs and attracts further participants.	Holt [33]; Almeida [34]; Boschee [29]; Drayton [35]; Touboul & Roulet [36]; Martin and Osberg [37]; Sharir and Lerner [31]; Zahra et al. [38]; Hossain [39]; Henton et al. [40]
Social Innovation	Innovation, when viewed broadly, includes methods and technologies used for social good.	Alvord et al. [5]; Phillips et al. [41]
Social Ventures	Business ventures that provide a product or service that creates social or environmental benefits, such as the production and distribution of biodegradable water bottles.	Dorado [42]; Sharir and Lerner [31]
Institutional entrepreneurs	People or groups that change institutional structures and social structures hamper development.	Mair and Martí [43]; Martí and Mair [44]
Community entrepreneurship	Entrepreneurial activity benefits and is acted upon by the community. For instance, a hamlet growing and selling fair trade coffee.	Peredo and Chrisman [45]; Johannisson and Nilsson [46]

\* Compiled from Mair [47].

## 2.1. Access to finance and borrowing

Social companies contribute significantly to alleviating poverty and expanding economic opportunity, but they face significant challenges in getting access to funding. Social enterprises mostly rely on their financial resources from a variety of sources, such as the public sector, philanthropic organizations, impact investors, and traditional financial institutions. Another source of funding for social entrepreneurs is grants from foreign donors and organizations. The social enterprise model enables them to plan fundraising events and other activities, which are crucial for them to be able to support themselves financially. However, this approach frequently presents challenges for social entrepreneurs. The predetermined funding requirements set by traditional financial providers are too stringent for social companies to comply with. Finance providers lack information and comprehension of the risks and rewards involved in making investments in social companies. Other difficulties include the acceptance of society, many stakeholders in their industries, and bureaucracy. Additionally, social enterprises with female founders confront additional difficulties and social pressure. Many social enterprises use “boot-strapping” strategies, which frequently struggle to scale up. To attract more investment, social entrepreneurs must improve their ability to communicate with potential funders and sources of financing. Due to their significant position as suppliers of services or goods to the public sector, social enterprises frequently get subsidies. The use of social enterprises as “investees”

is a fairly recent development nonetheless. Social companies are expected to generate both a financial and a social return on investment for their investors. Social enterprises are not well-known or understood by traditional funding companies. Additionally, a lot of investors have a conservative and established risk-return mindset. As a result, there is frequently an inadequate amount of private money. The absence of a legislative framework, the lack of incentives for investing in social enterprises, and regulatory obstacles all serve to exacerbate these issues. Due to their size and demand, the majority of social companies only require a minimal amount of investment. Because social companies have high transaction costs relative to the amount of funds provided and the expected financial return, financial intermediaries are hesitant to finance them. The current rate of investment return for social companies is also somewhat low in comparison to regular business rates and timelines when taking into account the level of capital payback. Depending on the size and type of a social enterprise, different financial resources are required. Additionally, different countries offer different options for social companies to meet their requirements.

## **2.2. Factors of sustainability and success of social enterprises**

The requirement for social enterprise success is to create enough money to cover costs; this means that there is no need to routinely infuse liquidity and that social companies are not dependent on contributions for their operations. No matter what individuals will be working on, social companies will remain sustainable even for the duration of a global recession because of their guiding beliefs. In addition, the following elements contribute to the longevity and success of social enterprises:

**Reinvestment of profits:** In contrast to conventional business entities, social enterprises are not obligated to distribute dividends to their investors, even in cases where they operate within a “profit-seeking” legal framework. This affords social companies the option to reinvest a significant portion of their income into the business.

**Dedicated workforce:** Social companies have prioritized social goals and emphasized the importance of the values of justice and equality. As a result, social enterprise employees and volunteers are more devoted, driven, and loyal.

**Devoted consumers:** Social enterprises seek to improve society and increase the value of the goods and services they produce. Due to their social goals, social companies may develop a loyal and patriotic customer base that is unaffected by competition based on monetary worth.

**Additional resources:** Social businesses, being socially owned entities, address a range of social issues and consequently allocate their profits and services towards the betterment of society. This characteristic can serve as an advantageous factor for investors and grant organizations, providing them with additional value. Social investors have recently demonstrated a strong interest in social entrepreneurs, who have subsequently been presented with excellent financing alternatives. Social aims also foster a significant influx of volunteers who are eager to provide their abilities and expertise as a means of contributing. Communities and agencies, driven by their social objectives, exhibit a willingness to allocate resources, such as complimentary tools or facilities, and actively engage in fundraising efforts to support social entrepreneurs.

**Supporting networks and cooperation:** Social companies have been successful in building support networks within society, which is a prerequisite for their optimal development in the face of a competitive market. Social companies frequently have little employment competition, and employees desire to influence the community due to social objectives. By establishing social enterprises and improving the standard of living and services, people can take advantage of social amenities and benefits. Third-sector groups as well as social entrepreneurs are supported by significant regional and global networks. Social enterprise activities can expand globally, and their services can be expanded to numerous fields such as environmental protection, social aid, education, and the general promotion of human values [48].

### **2.3. Creation of social value**

The underlying concept behind the establishment of social enterprises stems from the existence of diverse societal issues that conventional enterprises are incapable of addressing. The generation of social value is a consequential and esteemed facet of social companies. The emergence of social companies can be attributed to societal challenges, leading to their primary focus on generating social value while also ensuring financial sustainability. Irrespective of the nature of the enterprise, social enterprises possess the capacity to generate societal value by effectively addressing its demands and difficulties. Consequently, they contribute to the development of economic value for society. Numerous scientists hold the perspective that economic value can be regarded as a form of social worth, whereas others maintain that social value is entirely distinct from economic value. However, there is a range of viewpoints that fall within the spectrum between these two extremes. Evaluating the societal worth of various activities and undertakings, as well as comprehending the essence of social value itself, is a challenging endeavor. Hence, the task of justifying the adequacy of social value generated by social enterprises based on the resources employed for their creation has significant challenges. Hossain et al. posit a dual outcome resulting from social entrepreneurship. The primary objective is to generate societal value, which can be quantified through intangible resources such as wealth, happiness, and overall welfare. Additionally, the generation of economic value serves as a crucial factor for the sustainability and profitability of the social enterprise venture, enabling the social entrepreneur to effectively utilize this resource [49]. Auerswald notes that the concept of social value is very broad and can include financial, reputational, and ethical aspects, consumer surplus, capacity building, and other positive externalities [50].

### **2.4. Innovation in social enterprises**

As “innovative activities and services motivated by the goal of satisfying a social need,” social innovation is described as [51] takes place in a variety of organizational structures, from profit-driven businesses (such as those that engage in corporate social responsibility initiatives) to hybrid organizations and social enterprises [52]. Since social enterprise is a type of social innovation, society benefits from it. The core purpose of social enterprises is to provide ground-breaking programs and remedies for pressing societal issues. Social entrepreneurs are referred to as the new catalysts for



change. Innovative thinking is crucial for social enterprises to fulfill their social missions. Social change is understood to be implemented by the execution of quick activities, services, and incremental ideas, and social enterprises are motivated by this purpose. The local public system gives significantly less consideration to kinds of innovation that have the potential to address social issues but are not given enough consideration. In terms of funding, social entrepreneurs are looking for innovations that would guarantee their access to resources while also generating social value. Social firms regularly engage in this zeal to innovate. It is a constant process of learning, development, and discovery rather than just a flash of innovation. Of course, innovation is essential to success when there is a chance for uncertainty and a chance of failure. Social enterprises need to develop risk management skills and often have a high level of uncertainty tolerance. Social entrepreneurs view project failure as a teaching opportunity rather than an unavoidable tragedy. The growing interest in social enterprises and social innovation in recent years is unequivocal proof of the weakness and failure of the predominately profit-oriented corporate paradigm.

## **2.5. Sample descriptive and analysis of data**

Hertie School contributed to a pioneering international study. According to the study, the major contributors to Europe's economy are social enterprises. They conserve an intense responsibility to their social mission while strongly anchored in market realities. It is also evident from the study that German social enterprises have made strong collaboration patterns and important innovations in products and services. Therefore, they can contribute to the development of the social sector. The 107 social enterprises surveyed in Germany offered training opportunities and employed 7500 people who gained access to the labor market in 2014. Through the activities, over two billion euros were generated and helped nearly 900 people. According to the German country report of the study, the prime focus of German social enterprises is on health care (15%), education and research (22%), employment and training (25%), and community development. German social enterprises cover a wide range of development activities and thus contribute to the socio-economic development of the country [53].

The Great East Japan Earthquake, which occurred on 11 March 2011, caused a great earthquake disaster in the Tohoku region of Japan. After the natural disaster, Miyagi Co-op, the member co-op of Co-op Tohoku, one of the prominent social enterprises in Japan, has been involved in various support activities. It has rendered its services to disaster victims and taken part in the reconstruction of disaster-stricken areas. It has also provided disaster relief supplies, shopping support, and support for Megumino-Oyster producers, holding "Fureai Salon" (a small gathering). It has contributed to the sales of products made by handmade groups in the Tohoku region [54]. The Fukushima nuclear disaster that occurred on 11 March 2011 has created new challenges for the country. The energetic social enterprises of Japan have been reinforced to catch the wreckage. A large number of workers from various social enterprises and consumer co-ops are taking part in the reconstruction of disaster-stricken areas and working extensively to reedify communities, lives, and neighborhoods. Social enterprises in Japan work increasingly in disaster zones [55].

Research division manager at the training organization Entrepreneurial Training for Innovation Communities (ETIC), Koumei Ishikawa, has narrated that a social enterprise in Miyagi has built a new transportation system, mainly with buses for the residence, because most people lost their vehicles in the recent earthquake and tsunami. Other social enterprises have implemented e-learning programs for children who are unable to get to school and training facilities for locals to be able to teach students and employ themselves [56].

The mission of the multi-award-winning social venture Cafédirect is to support small-scale coffee growers in underdeveloped nations. It is the development of innovative, superior business practices. Cafédirect is a 100% fair-trade coffee firm that, to date, has contributed more than £6 million back into farmer communities. This fund is invested through a charity run by farmers, and it benefits farming communities. The company's overall goal is to improve the standard of living for smallholder farmers in underdeveloped nations. Rebranding, acquisitions, and improved profitability, along with ethical and just corporate practices, are the outcomes. In a disadvantaged area of the UK, Community Shop, the first social supermarket chain, has begun operating. In places with the greatest need, it has provided extra food to its members at steep discounts. Through its members' purchases and sales, which increased the community's power, it has helped to create more resilient people and communities. Every member that walks through the doors is engaged, inspired, and connected by the social enterprise. The impact of Community Shop's ongoing strategy modifications is exceptional. It is noteworthy how learning fosters improvising planning and development, which is manifested in various ways. It produces significant growth, has great relationships with both customers and suppliers, and helps the UK's socioeconomic development. Amey is a social enterprise from the UK that invests in and maintains the infrastructure and services that are important to the nation, such as engineering, facilities management, utilities, transport, and environmental services. It contributes to the creation of smarter, safer, more sustainable, and better places to live, work, and travel through designing and building. By providing top-notch multi-professional training to the maternity industry, Baby Lifeline Training Ltd. aims to protect the safety of mother and child. Training content is constantly updated and modified to encourage the best clinical practice and communication. The outcomes improve, and care is given to pregnant women and their unborn and newborn babies [57].

The Indian sanitation industry was revolutionized by the social enterprises of Mahatma Gandhi and Bhindeshwar Pathak. There were other social enterprises engaged in the issue that also had an impact locally. The majority of Indian households (approximately 69%) that live in rural areas like Kameshwaram, a typical coastal village along the Indian Ocean in the State of Tamil Nadu, lack access to adequate sanitation. A Franco-Indian social enterprise that is registered as a non-profit and works to improve sanitation in India. It had a good reputation for innovation in India's sanitation system and was well-connected. As a result, it was able to secure funding from UNICEF and the state government as part of the overall Sanitation Campaign program. In Kameshwaram, it was able to construct and open about 150 urine-diversion toilets. For this achievement, the Kameshwaram Panchayat was awarded the Nirmal Gram Puraskar [58]. The Indian government awarded the prize for complete

sanitation coverage to Kameshwaram in 2007, based on the assumption that such sanitation campaigns would shortly ensure the city's complete sanitation coverage. In the post-liberalization period (after 1991), international organizations such as UNICEF and the World Bank (as indicated on their websites) have also expanded their activities in India. International organizations such as Water Aid, GIZ, BORDA, and WASTE3, among others, are extraordinarily proactive in promoting sanitation and are creating additional business opportunities for Indian social enterprises in the sanitation sector [59]. Sanitation coverage has a direct impact on environmental security and health, which has an interrelation with labor productivity and income generation and thereby economic growth and regional development [60].

In Egypt, there are no official databases or statistics on social enterprises. Social enterprises in Egypt and their contribution to the creation of formal employment possibilities. The main activities of some social enterprises include recycling, cleaning the Nile and other areas in Egypt, and raising awareness of environmental issues. They also provide their services in the environmental sector, education sector, training, and capacity building with a declared social impact: sharing more knowledge, educating people, and changing the culture. Some social companies provide supportive products and offer training to promote the empowerment of both men and women. The social enterprise works on promoting Egyptian traditional crafts and avoiding their disappearance [61].

### 3. Discussion

As the objectives of this study are to explore the transformation of social enterprises globally, find the impact on global socio-economic development, and analyze the actions of international social enterprises, this study went through several research papers, publications, reports, and so on, which is not sufficient to reach the goal. Besides, this research has a major limitation in its design in that it could not manage any formal interviews with the key persons of the organizations, which may raise the question of the reliability and validity of the research.

Along with that, though it chose the period to pick up the materials from 2000–2023, some articles are taken before 2000 as the topic of those articles is very closely discussed and the findings are very compatible with this study. However, as the research is exploratory, no primary field research was undertaken. The study has some limitations, which may provide room (see **Table 3**) for future research by upcoming researchers.

**Table 3.** Research gap and proposed research questions.

Research gap	Proposed research questions
There is no clarity or consensus regarding the concept of social entrepreneurship and its components.	Expurgate and identify key concepts and elaborate on social entrepreneurship's essential elements.
In developing regions why hasn't social entrepreneurship caught on?	Look into the expansion of social entrepreneurship and its contribution to social development in developing nations.

In this research paper, the existing knowledge was analyzed and rearranged in a dimension that provided novelty in this paper. With all its faults and lacking, this paper

will add additional knowledge to the ample existing literature. It would also contribute to weed out the competing and conflicting conjecture of social enterprises.

#### **4. Limitations**

As this paper was done from home, the proper method of qualitative research could not be followed. Not all the necessary and proper information and reports could be provided here. There are too many reports and papers regarding social enterprises, so sources of information sometimes give different statistics on the same matter. The WTO is a trade-rule-providing institution. However, in the face of worldwide restrictions on exports, it had little to do without the cooperation of the members. It has tried to do its best to extract the activities of the WTO during this grave situation, though this may not seem enough. In addition, the selected articles do not follow the appropriate time zone.

#### **5. Conclusion**

The purpose of this article was to shed light on social enterprise transformation and how it affects both developed and developing nations' socioeconomic development. Social companies can serve as catalysts for innovation within a corporation, even though they cannot guarantee social benefit. Social enterprises are created voluntarily to address social issues, and they act as vehicles for addressing intricate, interconnected social issues that corporate and commercial organizations find challenging to handle on their own. Socioeconomic enterprises are changing from traditional activities to cutting-edge ones to address this issue. It facilitates collaboration across the public, business, and nonprofit sectors as they continuously improve how they approach their goals. Rebranding, acquisitions, and improved performance all contribute to both developed and developing nations' socioeconomic progress. The Sustainable Development Goals (SDGs), commonly referred to as the Global Goals, were endorsed by the United Nations in 2015. The fundamental objectives of the Global Goal are to end poverty, protect the environment, and guarantee that by 2030 everyone can live in peace and prosperity. The following primary goals make up the SDGs: No poverty, no hunger, good health and well-being, high-quality education, gender equality, and access to clean water and sanitary facilities are among the goals. Stable institutions, justice, and peace [62]. Though access to financial resources is a great challenge for social enterprises, they can attract grants from international donors and organizations, philanthropic foundations, impact investors, and mainstream financial institutions. Social enterprises' robust financial resources give them the chance to reinvest a large portion of their income back into the company. Through a variety of initiatives and inventiveness, social enterprises can provide social value and contribute to socioeconomic growth. The managerial vision, actions, skills, and high-caliber inventions of a social enterprise will determine its long-term effects. For knowledge, technology, and innovation to effectively stimulate adoption for long-term social impact, social enterprises must be eager.

The COVID-19 pandemic has recently been viewed as a new obstacle to the growth of social companies, which hurts their profitability and the financial prospects that are available. The importance of social enterprises has increased during the

COVID-19 epidemic, particularly in the health and services sectors. The establishment of a package of financial resources, legal frameworks, and regulations, as well as the provision of incentives for social enterprises that can play a significant role in the socio-economic development of both developed and developing countries, are the best ways for the world's leaders to ensure the sustainability of these enterprises.

Given all the limitations and restrictions, it seems appropriate to conclude that there is still a need for and a place for passionately driven social enterprises with “emotional commitment” as a long-term vision of development and dedication, which are essential to optimize long-term socio-economic development.

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