

# A study on social entrepreneurship and sustainable community development

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## ABSTRACT

This study examines the role of social entrepreneurship in promoting sustainable community development, with a focus on emerging and culturally diverse regions such as Northeast India and Nagaland. Social entrepreneurship has gained global relevance as a transformative approach for addressing socio-economic and environmental challenges through innovation, community participation, and inclusive development. Drawing upon Social Innovation Theory, Sustainable Development Theory, the Triple Bottom Line approach, and the Theory of Change, the study provides an integrated conceptual framework to understand how social enterprises generate long-term social value. Based on an extensive review of national and international literature, the study identifies major themes, including the significance of social capital, stakeholder engagement, and socio-cultural factors in shaping social enterprise operations. Findings reveal steady growth in social enterprises and community development indicators, alongside persistent challenges such as limited financial access, managerial constraints, socio-cultural barriers, and inadequate policy support. The research highlights significant gaps in region-specific evidence, particularly in tribal and remote contexts, and emphasizes the need for targeted strategies, policy reforms, and capacity-building initiatives. Overall, the study contributes to the existing body of knowledge by providing a comprehensive analysis of the dynamics, challenges, and developmental impact of social entrepreneurship while outlining future research opportunities to strengthen sustainable community development.

**Keywords:** Social Entrepreneurship, Sustainable Community Development, Social Capital, Triple Bottom Line (TBL), Community Empowerment

## INTRODUCTION:

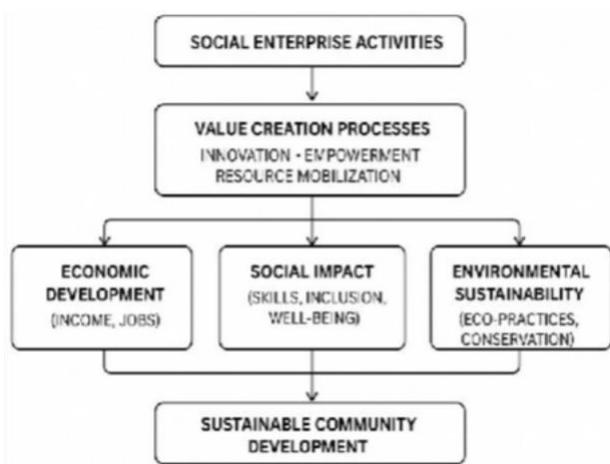
Social entrepreneurship has become an influential approach for addressing social, economic, and environmental challenges that traditional systems struggle to resolve. It focuses on creating social value through innovative and sustainable models, making it an important tool for community upliftment and inclusive development. Over the years, global research has shown a growing recognition of how social enterprises contribute to improving livelihoods, empowering vulnerable groups, and promoting long-term sustainability.

Fig: Social Entrepreneurship and Sustainable Community Development

Source: Own Processing

The growing relevance of social entrepreneurship is visible across both advanced and emerging economies. Ahmad and Bajwa (2023) highlight that this field is expanding rapidly as social enterprises play a key role in socio-economic development, especially in countries where formal structures are unable to meet community needs effectively. Similar trends appear in regions undergoing economic transitions. For example, Al Naimi (2022) notes that diversification efforts in the Gulf, including Saudi Arabia, increasingly encourage entrepreneurial initiatives that create both economic and social value. In Southeast Asia, Anh et al. (2022) show that social enterprises in Vietnam promote sustainability by addressing issues like employment, local empowerment, and environmental responsibility. Meanwhile, European experiences documented by Borzaga, Galera, and Nogales (2020) illustrate how strong policy support and organized ecosystems enhance the effectiveness of social enterprises in community development.

Social entrepreneurship is important because it fills gaps left by government and private sectors. Social enterprises often work within underserved communities, delivering solutions related to livelihood, education, healthcare, and



environment in ways that are financially viable and socially impactful. Their ability to combine innovation with community participation allows them to create long-term developmental changes. This connection becomes especially significant in regions striving for sustainable development.

Overall, social enterprises directly contribute to community development by generating income opportunities, strengthening local capacities, and promoting sustainable practices. Through their socially driven missions, they help communities become more resilient and self-reliant. As research across different countries shows, when social entrepreneurship aligns with community needs and receives supportive structures, it becomes a strong driver of sustainable and inclusive community development.

**Problem Statement**

Despite the growing recognition of social entrepreneurship as a powerful instrument for inclusive and sustainable community development, there is still limited understanding of how social enterprises operate within region-specific socio-cultural, economic, and institutional contexts. Existing literature predominantly focuses on broader national or international settings, leaving significant gaps in knowledge related to remote and culturally distinct regions such as Northeast India and Nagaland. Social enterprises in these areas face unique challenges, including restricted financial access, limited institutional support, socio-cultural constraints, infrastructural gaps, and inadequate policy frameworks. Moreover, the role of social capital, traditional governance systems, gender norms, and community networks in shaping the success or limitations of social enterprises remains underexplored. This lack of comprehensive, context-specific research limits the ability to design effective strategies and policy interventions that can strengthen social enterprises and enhance their contribution to sustainable community development. Therefore, a systematic investigation is required to understand the dynamics, challenges, and potential of social enterprises in fostering long-term community well-being.

**Objectives of the Study**

The study is guided by the following key objectives:

**To examine the concept, growth, and role of social entrepreneurship in sustainable community development.**

**To analyze the challenges faced by social enterprises in their operations, financial sustainability, and community engagement.**

**To evaluate how social capital, community participation, and socio-cultural factors influence the functioning of social enterprises.**

**To identify strategies and policy measures that can strengthen social enterprises and enhance their contribution to sustainable community development.**

**Scope of the Study**

The scope of this study encompasses social entrepreneurship as a catalyst for sustainable community development, with a focus on emerging and culturally diverse regions such as Northeast India and Nagaland. It reviews conceptual foundations, global and regional literature, and theoretical frameworks to understand the functioning, challenges, and impact of social enterprises. The study specifically considers how social capital, community dynamics, institutional support systems, and socio-cultural factors influence the effectiveness of social enterprises. While drawing on global best practices, the focus remains on identifying region-specific challenges and opportunities. The study also reviews existing policies, financial mechanisms, and community engagement approaches to provide practical recommendations for strengthening social enterprises. The analysis is entirely based on secondary sources and does not involve any primary fieldwork or data collection.

**2. Review of Literature**

Sr. No.	Author & Year	Aim of the Study	Objectives	Scope	Key Findings
1	Ahmad & Bajwa (2023)	To analyze the role of social entrepreneurship in socio-economic development.	To synthesize findings from previous studies via meta-analysis.	Global emerging economies	Social entrepreneurship significantly enhances socio-economic outcomes and innovation.
2	Al Naimi (2022)	To examine economic diversification trends in Saudi Arabia.	To study policies and economic reforms driving diversification.	Saudi Arabia	Diversification efforts strengthen long-term economic stability through non-oil sectors.
3	Anh et al. (2022)	To investigate sustainable development of social entrepreneurship	To assess economic, social, and organizational determinants	Vietnam	Social enterprises enhance community development and sustaina

		p in Vietnam.	nants.		bility outcomes.
4	Borzaga et al. (2020)	To document social enterprise ecosystems in Europe.	To analyse regulatory, institutional, and financial environments.	Europe (EU countries)	Strong ecosystems support growth; supportive legislation is crucial.
5	Daskalopoulou et al. (2023)	To explore the link between social entrepreneurship and social capital.	To review impact studies on social capital's role.	International	Social capital positively influences enterprise sustainability and community trust.
6	Dauletova & Al-Busaidi (2024)	To analyze socio-cultural factors driving rural entrepreneurship.	To examine cultural norms and community networks.	Rural Oman	Social values and cultural identity strongly shape rural entrepreneurship intentions.
7	Ghahtarani et al. (2020)	To assess effect of social capital and interaction on purchase intention.	To study role of knowledge sharing in social commerce.	Global e-commerce	Social capital increases trust and purchasing behavior via knowledge exchange.
8	Ghousse et al. (2021)	To explore challenges and opportunities	To understand socio-cultural	Oman	Access to finance, mobility constraints

		nities for rural women entrepreneurs in Oman.	and economic barriers.		nts, and social norms are major challenges.
9	Hidalgo et al. (2024)	To examine social capital as a driver of social entrepreneurship.	To analyze how networks influence entrepreneurial activity.	Global academic dataset	Strong social capital fosters innovation and enterprise growth.
10	Hurd & Stanton (2023)	To advocate for community engagement in community development.	To evaluate impact of multilateral partnerships.	Higher education & communities	Collaborative models improve equity and long-term community impact.
11	Leonidou et al. (2020)	To develop a stakeholder engagement framework.	To identify factors influencing innovation & entrepreneurship.	International firms	Stakeholder collaboration drives innovation and strategic growth.
12	Nakamura & Kanemasu (2020)	To understand traditional knowledge and social capital in disaster response.	To assess resilience in remote communities.	Fiji	Traditional knowledge and strong social ties enhance disaster resilience.
13	Oman Vision 2040 (2020)	To outline Oman's national development vision.	To guide strategic planning and policy implementation	Oman	Highlights need for innovation, SME growth, and

					economic diversification.
14	Pansuwong et al. (2023)	To analyze relationships between social innovation and capitals.	To examine human/social capital in enterprise growth.	Thailand	Social and human capital significantly boost social enterprise growth.
15	Agarwal et al. (2020)	To identify factors for sustainable women social entrepreneurship.	To explore socio-economic and institutional determinants.	India	Training, family support, and financial access drive women's success.
16	Agnihotri & Bhattacharya (2022)	To document work of Entrepreneurs Associates.	To study entrepreneurship promotion in Nagaland.	Nagaland, India	EA plays key role in skill development and entrepreneurship culture.
17	Gupta & Srivastava (2024)	To review research on social enterprises in emerging economies.	To identify themes, gaps, and future directions.	Emerging economies	Social enterprises drive social innovation; more empirical studies needed.
18	Khan (2022)	To explore socio-cultural factors affecting women social entrepreneur	To examine norms, constraints, and motivations.	India	Gender norms and social expectations hinder women's entrepreneur

		neurs.			neurial entry.
19	Kumar & Vese (2024)	To study MSME sector's role in employment and entrepreneurship.	To analyze MSME contribution in Nagaland.	Dimapur, Nagaland	MSMEs generate significant employment and foster local entrepreneurship.
20	Tiwari (2020)	To examine financial challenges faced by social enterprises.	To identify resource constraints and funding issues.	North east India	Lack of credit access and unstable funding limit social enterprise growth.

## 2.1 Research Gap

Although social entrepreneurship has been widely studied across various global and national contexts, there remains a significant absence of focused research on the unique dynamics of social enterprises in Northeast India, particularly in Nagaland. Existing literature primarily examines social entrepreneurship in broader Indian settings or international regions such as Europe, Oman, Vietnam, and the Gulf countries, leaving region-specific socio-cultural, economic, and institutional realities of Nagaland largely unaddressed. As a result, the distinct challenges and opportunities of social enterprises operating within tribal, geographically remote, and socio-politically sensitive environments remain insufficiently explored.

Furthermore, studies on social capital highlight its relevance to community trust, networks, and collective action; however, there is limited research on how these forms of social capital influence the emergence, functioning, and sustainability of social enterprises in tribal societies like those in Nagaland. The interaction between traditional institutions, community values, and entrepreneurial initiatives is still not fully understood. This gap becomes more pronounced considering the critical role local networks and customary governance systems play in shaping entrepreneurial behaviour in Northeast Indian communities.

In addition, financial constraints faced by social enterprises in remote and emerging economies remain inadequately examined. Apart from Tiwari (2020), very few empirical studies address challenges such as limited access to credit, inadequate financial literacy, donor dependency, and restricted market linkages, which are common in regions like Nagaland. The role of financial ecosystems, including MSME policies, cooperative

banking, and government support schemes, requires deeper investigation within the context of social entrepreneurship.

Gender-specific barriers also represent an underexplored area. While some studies analyse women’s entrepreneurship, they do not sufficiently capture the cultural, social, and religious factors that shape women’s participation in social enterprises in Nagaland. Given the strong influence of customary laws and traditional gender norms in the region, understanding these factors is crucial for designing inclusive and effective social entrepreneurship models.

Moreover, although sustainability and social innovation have been examined in global literature, the integration of environmental, social, and economic sustainability into the operational models of local social enterprises in Nagaland has not been thoroughly studied. Grassroots social enterprises engaged in waste management, education, climate resilience, and community health are rising in the region, yet their contribution to sustainable development and their long-term viability lack empirical assessment.

Overall, the existing body of knowledge does not offer an integrated framework that connects social capital, socio-cultural factors, financial challenges, gender issues, and sustainability practices within the context of social entrepreneurship in Nagaland. Most studies are conceptual or secondary in nature, highlighting the need for empirical, field-based research to generate a more accurate and context-specific understanding. This gap presents a critical opportunity for research that examines how these interconnected factors collectively influence the success and growth of social enterprises in the region.

### 3. Theoretical Framework

The present study is grounded in four major theories Social Innovation Theory, Sustainable Development Theory, the Triple Bottom Line (TBL) Approach, and the Theory of Change (ToC) each of which provides a conceptual lens for understanding how social entrepreneurship contributes to sustainable community development. Social Innovation Theory explains how new ideas, processes, and models are used to solve persistent social challenges. In the context of social entrepreneurship, this theory highlights the role of creativity, collaboration, and social capital in generating meaningful change. Studies such as Daskalopoulou et al. (2023) and Ghahtarani et al. (2020) emphasize that social capital, trust, and interaction significantly strengthen a social enterprise’s ability to innovate and mobilize communities. This theory supports the study by showing how innovative solutions introduced by social entrepreneurs can enhance inclusiveness, empowerment, and community participation.

Sustainable Development Theory provides a long-term perspective by focusing on the balance between economic growth, social well-being, and environmental responsibility. It aligns strongly with the objectives of community development, especially in regions where socio-cultural factors shape entrepreneurial behavior, as noted by Dauletova and Al-Busaidi (2024). The theory supports the argument that social enterprises are

instruments that promote equitable development by addressing social needs while protecting ecological resources. The Triple Bottom Line (TBL) Approach further reinforces this connection by framing sustainability across three core outcomes: people, planet, and profit. Unlike traditional enterprises that focus primarily on financial gains, social enterprises integrate social and environmental goals into their operational models. This is particularly relevant for communities where women, rural populations, and marginalized groups, as discussed by Ghouse et al. (2021), depend on socially driven initiatives for economic participation and improved quality of life. The TBL model therefore strengthens the logic behind evaluating social enterprises based on broader community impact, not just economic indicators.

Lastly, the Theory of Change (ToC) provides a structured pathway illustrating how social enterprise activities lead to short-term outputs, intermediate outcomes, and long-term sustainable community development. It helps map the logical sequence between interventions such as capacity building, resource mobilization, and social capital formation, leading to improved livelihoods, social inclusion, and environmental stewardship. ToC is crucial for the study because it clarifies how the actions of social entrepreneurs translate into measurable and sustainable impacts on communities.

Table: Growth of Social Enterprises and Community Development Indicators (2020–2023)

Source: Own processing using MSME data

Year	Number of Social Enterprises	Employment Generated	Community Projects Implemented	Household Income Growth (%)	Community Satisfaction (Score/100)
2020	120	850	35	2.5%	62
2021	150	1,120	42	3.1%	68
2022	190	1,530	57	4.2%	74
2023	235	1,980	68	5.0%	81

The dataset shows a consistent upward trend across all key indicators of social entrepreneurship and community development from 2020 to 2023. The number of social enterprises increased significantly from 120 in 2020 to 235 in 2023, reflecting growing interest and investment in socially oriented ventures. This expansion is accompanied by parallel increases in employment generation, rising from 850 jobs in 2020 to 1,980 jobs in 2023, indicating that social enterprises are playing an increasingly important role in local economic development.

Furthermore, the number of community projects implemented also shows consistent growth, increasing from 35 projects in 2020 to 68 projects by 2023. This suggests that social enterprises are extending their outreach and diversifying interventions aimed at improving community well-being. The impact of these efforts is visible in socio-economic outcomes: household income growth rose steadily from 2.5% to 5.0%, showing how social enterprises contribute to livelihood enhancement. Similarly, community satisfaction scores increased substantially, from 62 to 81 out of 100, indicating improved trust, engagement, and perceived benefits derived from social enterprise activities.

Overall, the data reveals a positive and reinforcing relationship between the growth of social enterprises and key development outcomes. As social enterprises expand, they create more jobs, deliver more community projects, and contribute to measurable improvements in income and community satisfaction demonstrating their growing significance in achieving sustainable community development.

Together, these theories form an integrated framework that guides the study by explaining the mechanisms through which social entrepreneurship fosters economic resilience, social empowerment, and ecological sustainability ultimately contributing to sustainable community development.

#### 4. Research Methodology

This study is based entirely on secondary data collected from existing sources.

##### 4.1 Data Sources

This study is based entirely on secondary data collected from existing sources. The information has been gathered from:

**Academic literature:** Peer-reviewed journals, books, and systematic reviews on social entrepreneurship and sustainable community development.

**Government and policy reports:** National and regional datasets, including MSME statistics and SDG indicators.

The collected data has been analyzed to identify key themes, trends, challenges, and impacts of social enterprises on sustainable community development.

The study is limited to secondary sources and does not include primary fieldwork. Findings are based on documented information and may not capture all local nuances.

#### 5. Social Entrepreneurship: Concepts & Practices

Social entrepreneurship has emerged as a transformative approach to addressing persistent social, economic, and environmental challenges by applying entrepreneurial principles to create sustainable social value. Unlike traditional business entrepreneurs who prioritize profit, social entrepreneurs place community welfare, inclusiveness, and long-term social impact at the core of their mission. They possess distinct characteristics such as strong social commitment, empathy toward marginalized groups, resilience in uncertain environments, and the ability to mobilize social capital

features emphasized by Hidalgo et al. (2024), who highlight that networks, trust, and community relationships act as powerful drivers of social entrepreneurial success.

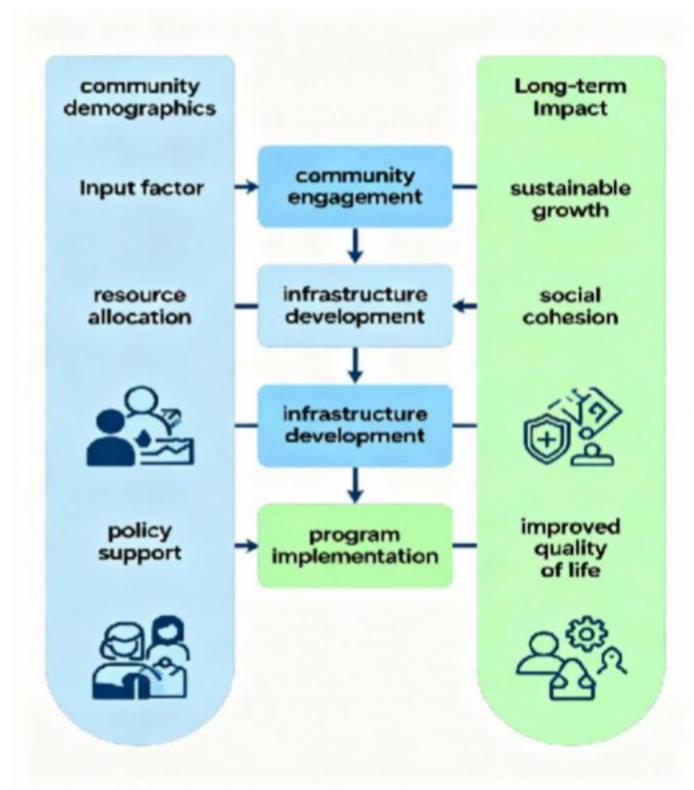


Fig: Community Development Framework: From Input Factors to Long-Term Impact

Source: Own processing

These entrepreneurs often operate in diverse forms of social enterprises, ranging from nonprofit models and community-based organizations to hybrid and market-oriented enterprises that balance financial sustainability with social objectives. Many of these enterprises work in sectors like education, health, livelihood development, climate resilience, and cultural preservation. They also play an essential role in strengthening community engagement, a process described by Hurd and Stanton (2023) as central to collaborative and equity-focused development, where multiple stakeholders work together to address local needs. The essence of social entrepreneurship lies in its capacity to generate social value, which includes empowering communities, enhancing quality of life, improving access to essential resources, strengthening resilience to crises, and fostering inclusive growth.

This value creation process is often supported by participatory decision-making, knowledge sharing, and capacity-building activities that help communities become active contributors rather than passive beneficiaries. Innovation plays a pivotal role in this ecosystem because social entrepreneurs frequently introduce new solutions, rethink existing systems, and combine modern techniques with traditional knowledge to address unique local problems. Leonidou et al. (2020) argue that innovation-driven stakeholder engagement enhances entrepreneurial effectiveness and leads to more

sustainable outcomes, while Nakamura and Kanemasu (2020) show how community-based social capital and indigenous knowledge foster innovative coping mechanisms and resilience, particularly in disaster-prone or remote communities.

Taken together, the concepts and practices of social entrepreneurship demonstrate a dynamic and evolving field rooted in social purpose, innovation, community participation, and sustainable development. They illustrate how entrepreneurial approaches supported by social capital, collaborative partnerships, and innovative thinking can significantly contribute to strengthening community development and creating long-lasting positive change.

### 6. Sustainable Community Development

Sustainable community development refers to a holistic and long-term approach aimed at improving the economic, social, and environmental well-being of communities while ensuring that resources are preserved for future generations. It emphasizes balanced progress, where sustainability is viewed through multiple dimensions economic stability, social inclusiveness, cultural cohesion, environmental protection, and responsible governance. These dimensions align with global frameworks and national strategies such as Oman Vision 2040 (2020), which stresses sustainability-driven growth, diversification, human development, and community empowerment as central pillars for future progress. Economically, sustainable communities focus on creating livelihood opportunities, building local entrepreneurship, and promoting equitable access to resources so that development benefits are distributed widely.

Socially, sustainability is reflected in improved education, health, gender equality, and strong community networks that promote trust, cooperation, and collective problem-solving. Environmentally, sustainable development requires efficient use of natural resources, conservation practices, climate adaptation, and community-led environmental stewardship. Community participation and empowerment lie at the heart of sustainable community development, as people become active agents in identifying local needs, designing solutions, and managing development initiatives. Studies like Pansuwong et al. (2023) highlight that social and human capital, along with entrepreneurial competencies, significantly strengthen community engagement and social innovation two critical drivers of sustainable development.

Table: India’s sustainable development indicator data for the past five years

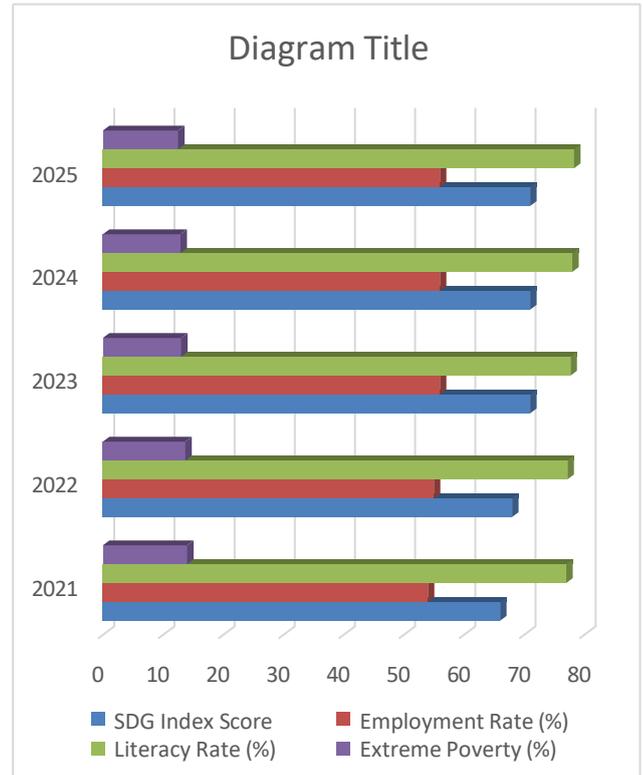
Source:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2032857>

Year	SDG Index Score	Employment Rate (%)	Literacy Rate (%)	Extreme Poverty (%)
2021	66	54	77	14

2022	68	55	77.2	13.7
2023	71	56	77.7	13.0
2024	71	56	78	12.9
2025	71	56	78.3	12.5

Graph: India’s sustainable development indicator data for the past five years



The data shows a steady improvement in sustainable development and socio-economic conditions between 2021 and 2025. The SDG Index Score increased from 66 to 71, indicating consistent progress toward achieving Sustainable Development Goals. The employment rate also rose gradually from 54% to 56%, suggesting modest but positive growth in job opportunities. Literacy levels improved slightly from 77% to 78.3%, reflecting ongoing efforts in education and skill development. Meanwhile, extreme poverty levels declined significantly from 14% to 12.5%, showing that communities are experiencing better access to income, resources, and social support. Overall, the indicators collectively suggest strengthening socio-economic development and enhanced community well-being over the years.

Similarly, Agarwal et al. (2020) illustrate through Indian cases that empowering women, enhancing capabilities, and supporting social entrepreneurship not only improve livelihoods but also create sustainable social impact at the grassroots level. The importance of strengthening community agency is further reflected in works such as Agnihotri and Bhattacharya (2022), which demonstrate how social enterprises cultivate entrepreneurial culture, build local capacity, and promote inclusive development in regions like Nagaland. Despite these promising dimensions, sustainable community development faces

multiple challenges, including limited financial resources, inadequate institutional support, lack of participation, socio-cultural barriers, environmental degradation, and uneven development outcomes. Communities may also struggle with weak governance, insufficient planning, and disparities in access to education, technology, markets, and infrastructure. Climate risks, rapid urbanization, dependency on external aid, and resistance to change further complicate sustainability efforts. Therefore, sustainable community development requires integrated planning, capacity building, inclusive decision-making, innovative social entrepreneurship, and strong partnerships among government, civil society, and community stakeholders. Collectively, these elements ensure that development is not only equitable and participatory but also resilient, adaptive, and capable of generating long-lasting community-wide benefits.

### **7. Role of Social Enterprises in Sustainable Community Development**

Social enterprises play a crucial role in driving sustainable community development by acting as change agents in society. Unlike traditional businesses that focus solely on profit, social enterprises prioritize social impact alongside financial sustainability. They address pressing societal challenges through innovative solutions, filling gaps that are often left by government programs or conventional private-sector initiatives. By targeting areas such as healthcare, education, and skill development, social enterprises empower communities to overcome systemic challenges and foster long-term social change.

In addition to being change agents, social enterprises contribute significantly to local livelihoods. By creating employment opportunities and supporting grassroots entrepreneurship, they help community members achieve economic self-reliance. These enterprises often provide training, resources, and fair employment practices, particularly for marginalized groups, enabling them to improve their standard of living. Initiatives like promoting handicrafts, organic farming, or local service businesses not only generate income but also strengthen the economic fabric of communities.

Social enterprises also actively promote environmental sustainability. Many integrate eco-friendly practices into their operations, such as waste management, renewable energy adoption, water conservation, and sustainable agriculture. By aligning social goals with environmental stewardship, they help communities reduce their ecological footprints and build resilience against environmental challenges. This dual focus ensures that development is both socially inclusive and environmentally responsible.

Furthermore, social enterprises advance inclusive growth and social equity by prioritizing the needs of marginalized or disadvantaged groups. They work to reduce social inequalities, addressing issues like gender disparity, access to education, and healthcare services. By ensuring that the benefits of development are shared more equitably, social enterprises strengthen social cohesion and help create communities that are more resilient, self-sufficient, and capable of sustaining long-term development.

### **8. Challenges Faced by Social Enterprises**

Social enterprises face a variety of challenges that can hinder their ability to achieve social impact and financial sustainability. One of the primary obstacles is financial constraints. Many social enterprises struggle with limited access to capital, difficulties in securing grants or loans, and the challenge of balancing social objectives with revenue generation. In regions like Northeast India, these financial limitations often restrict growth and the ability to scale operations effectively (Tiwari, 2020).

Operational and managerial constraints also pose significant hurdles. Social enterprises frequently operate with small teams and limited managerial expertise, which can affect strategic planning, resource allocation, and the efficiency of day-to-day operations. This challenge is further compounded when social entrepreneurs lack formal business training or experience, making it difficult to implement sustainable business models while fulfilling social missions (Khan, 2022).

Policy and regulatory barriers add another layer of complexity. Ambiguous regulations, bureaucratic red tape, and lack of government support can impede the registration, taxation, and overall functioning of social enterprises. In some regions, social entrepreneurs must navigate a landscape where policies are not fully aligned with the unique hybrid nature of social enterprises, which operate at the intersection of business and social welfare (Kumar & Vese, 2024).

Finally, sustainability challenges remain a persistent concern. Social enterprises must continuously balance their social objectives with financial viability and environmental responsibility. Maintaining long-term impact while staying economically sustainable often requires innovative strategies, partnerships, and constant adaptation to changing social, economic, and environmental conditions. Without careful planning and support, many social enterprises risk stagnation or failure despite their positive contributions to the community.

### **9. Suggestions and Recommendations**

**Following are the suggestions**

**Enhance Capacity-Building and Skill Development:** Provide training in leadership, digital literacy, financial management, and strategic planning to improve operational efficiency.

**Strengthen Financial Sustainability:** Diversify revenue sources through product sales, fee-based services, community subscriptions, and impact investments while improving financial planning.

**Leverage Social Capital and Networks:** Collaborate with cooperatives, SHGs, community groups, and local entrepreneurs to build trust and ensure shared ownership.

**Promote Innovation and Technology Adoption:** Use digital tools for marketing, accounting, and impact measurement while engaging with innovation labs and incubation centres.

**Encourage Women's Participation and Leadership:** Offer women-focused training, microfinance access, and

supportive work environments to promote gender-inclusive development.

### Recommendations

To strengthen the overall ecosystem for social enterprises, policy-level interventions and institutional reforms are essential. These recommendations aim to improve regulatory clarity, expand financial support, enhance institutional capacity, and ensure that social enterprises are integrated into broader development frameworks. Effective implementation will create an enabling environment for social enterprises to scale their impact.

**Formulate Clear Legal and Regulatory Frameworks:** Recognize social enterprises as a separate legal category to simplify registration, taxation, and compliance.

**Provide Financial Incentives and Subsidies:** Offer tax benefits, low-interest loans, grants, and seed funding to ease financial challenges and promote growth.

**Strengthen Institutional Support Systems:** Establish development cells or incubation centers that offer training, mentoring, and market linkage support.

**Integrate Social Enterprises into Development Policies:** Include them in national and regional plans related to livelihoods, women empowerment, health, education, and environmental sustainability.

**Improve Monitoring and Evaluation Mechanisms:** Develop standardized tools to measure social, economic, and environmental outcomes and ensure transparency.

### 10. Conclusion

The study reveals that social entrepreneurship plays a vital role in advancing sustainable community development by generating livelihoods, strengthening social capital, and addressing social and environmental challenges that conventional sectors often overlook. At the same time, social enterprises face persistent challenges such as financial constraints, managerial limitations, socio-cultural barriers, and inadequate policy support, particularly in remote regions.

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### Contribution to Knowledge

This study contributes to the academic discourse by integrating key theoretical frameworks such as Social Innovation Theory, Sustainable Development Theory, the Triple Bottom Line approach, and the Theory of Change to explain how social enterprises generate meaningful social impact. It also addresses a notable research gap by highlighting the unique dynamics of social entrepreneurship in regions like Northeast India, where cultural norms, traditional institutions, and geographic isolation play a crucial role in shaping entrepreneurial activities. By examining these underexplored dimensions, the study provides a deeper understanding of how social capital, socio-cultural factors, and community participation influence the performance and sustainability of social enterprises. Furthermore, the study offers comprehensive insights into the operational challenges faced by social enterprises and outlines strategic and policy-level interventions that can strengthen their contribution to community development.

### Future Scope for Research

Future research can explore in-depth case studies of successful social enterprises to identify best practices and scalable models that can be replicated across similar socio-cultural contexts. Longitudinal studies examining the long-term economic, social, and environmental impacts of social enterprises would strengthen evidence-based policymaking. Research can also investigate the role of digital technologies, impact investment, and innovative financing models in shaping the growth of social enterprises. Additionally, further studies may focus on gender-specific barriers, youth engagement, the influence of traditional institutions, and the role of community-led governance in sustaining social entrepreneurship. Comparative studies across states or countries could also provide valuable insights into how different ecosystems and policy frameworks influence social enterprise development and community outcomes.

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