

THE ROLE OF SOCIAL ENTREPRENEURSHIP IN PAKISTAN: A PRELIMINARY ANALYSIS

Zahid Hussain, Shaheed Benazir Bhutto University

ABSTRACT

In Pakistan, social entrepreneurship is a growing sector with the potential to contribute to the country's socioeconomic well-being. Many social enterprises have been active in the community, delivering social values and addressing social and environmental issues. This paper offers an overview of social entrepreneurship as well as a preliminary assessment of the current state of the sector in Pakistan. This paper specifically examines the role of social entrepreneurship in advancing the country's socioeconomic development. Based on this analysis, it can be concluded that, while social entrepreneurship is still relatively new in Pakistan, various government and non-government organizations have begun to recognize the importance of social entrepreneurship activities to the country's social and economic development. Their involvement in various socioeconomic entrepreneurship activities has indirectly facilitated the country's socioeconomic development. It is hoped that social entrepreneurship will continue to thrive and grow in the country's future development.

Keywords: Social Entrepreneurship, Economic Impact, Social Impact, Pakistan.

INTRODUCTION

The world is currently faced with numerous societal challenges in the economic, social, and environmental spheres that must be addressed. Global warming, poverty, unemployment, and rising economic inequality are just a few of the issues that need to be addressed. The public debate has centered on finding solutions to them, with social entrepreneurship being one of them. These challenges are seen by social entrepreneurs as opportunities that can be profitably and sustainably exploited. As a result, social entrepreneurship has emerged as a fascinating phenomenon and a new area of entrepreneurship research. Furthermore, a social entrepreneur identifies a societal issue and then establishes an organization to address the issue (Hoppe, 2016). Nevertheless, as stated in the Social Entrepreneurship & Equity Development report, the development of social entrepreneurship in Pakistan is still at the grassroots level (SEED Ventures). One of the most major problems with social entrepreneurship in Pakistan is that the country's political and legal structures do not adequately support it. When the political environment is unstable, and the social entrepreneur lacks confidence in long-term investment opportunities, the legal environment is murky due to ambiguous analytical and ethical jurisprudence, and the social divide widens, creating a scarcity of social opportunities. Despite the fact that there are numerous avenues and potential markets for investment, the investor is generally insecure because risk and returns in this volatile macro environment fluctuate greatly. The findings of this study are hoped to be used by relevant organizations to create a new framework for social entrepreneurship policies and practices in the country for future

generations' social and economic development. As a result, this paper examines the current state of social entrepreneurship in Pakistan and reviews the concept of social entrepreneurship.

Social Entrepreneurship

Concept and purpose of social entrepreneurship: Social entrepreneurship is a new field with a lot of potential. (Jilenga, 2017), which spans a variety of fields such as innovation, technology, public policy, community development, social movements, and non-profits. (Toma et al., 2014; Haque, 2007) Reduced poverty and illiteracy are the goals of social entrepreneurship. The improvement of the country's collective well-being and quality of life; the abolition of social injustice; and the discussion of the environment for future generations. (Qamar et al., 2020).

The term "*social entrepreneurship*" is not new; however, it is still a developing field in the business and social sciences. Social entrepreneurship has been defined by a number of authors and scholars. Banodia (2017) claim that the goal of social entrepreneurship is to make a positive difference in society, and social entrepreneurs act as change agents and catalysts for social transformation. In a social, cultural, or economic context, Asif et al. (2018) define social entrepreneurship as an a dynamic and social process in which individuals, alone or in collaboration, identify opportunities and do something with them to reshape ideas into practical or aimed ideas. According to Zahra et al. (2017), "*Social entrepreneurship encompasses the activities and processes undertaken to discover, define, and exploit opportunities in order to enhance social wealth through the creation of new ventures or the innovative management of existing organizations,*" according to Zahra et al. (2017). According to Asif et al. (2018), social entrepreneurship is "*the resource, process, and state of being through which individuals take advantage of positive market opportunities by starting and growing new businesses.*" However, rather than wealth creation, the core element defining social entrepreneurship is the intentionality of social change or social value creation (Martin & Osberg, 2007; Galindo-Martín & Castaño-Martínez, 2021). To compensate for the reduced availability of resources, social entrepreneurship may emerge in response to unfavorable circumstances such as economic crises. (Asif et al., 2018).

It can be concluded from the above definitions that there is no single definition of social entrepreneurship. The concept must be interpreted in light of the mission, multiple dimensions, and social entrepreneurship's operational process or mechanism (Hoppe, 2016).

The Impact of Social Entrepreneurship

Social impact is an important aspect of the social entrepreneurship phenomenon. (Bagnoli & Megali, 2011). While one of the most difficult tasks for researchers in the field are assessing the performance and impact of social entrepreneurship. (Martin & Osberg, 2007). The main issue is determining how to assess the effectiveness and impact of social entrepreneurship. Due to a lack of robust standardization of measures, Martin & Osberg (2007) found that measuring the performance and impact of social entrepreneurship is extremely difficult. According to Kazmi et

al. (2016), defining the performance of social entrepreneurship in terms of economic, environmental, and social impact is difficult. Performance evaluations are costly, time-consuming, and frequently fail to capture all aspects of social impact Figure 1.

According to Bagnoli & Megali (2011), there are three types of social entrepreneurship performance:

1. Economic-financial performance, which is linked to general performance such as profits and value added, as well as analytic results.
2. Social effectiveness, which is used to assess the quantity and quality of work done and its impact on the intended beneficiaries and the general public.
3. Institutional legitimacy, which verifies compliance with the law and mission statement. Galindo et al. (2021) divide social entrepreneurship into two categories: economic and social, with the goal and objective of social entrepreneurship being understood.

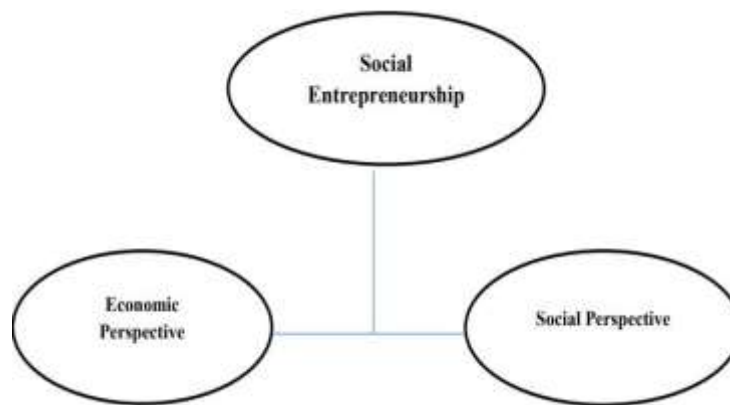


FIGURE 1
IMPACT OF SOCIAL ENTREPRENEURSHIP

From Economic Perspective`

Social entrepreneurship is extremely important for a country's economic development. Social entrepreneurs play a significant role in all major economies around the world. The ability of social entrepreneurship to boost economic systems is one of the main reasons why many countries promote it (Khan & Advani, 2016). New paths and opportunities for contributing to economic development are explored by social entrepreneurs. Social entrepreneurs' innovative activity creates a continuous destructive process on the economic system's equilibrium, resulting in opportunities for economic rent (Martin & Osberg, 2007). According to Toma et al. (2014), social entrepreneurs are an important part of any country's population and economic development. To Social Entrepreneurship Economic Perspective Social Perspective begin with; social entrepreneurship boosts the number and quality of jobs in the economy. Second, social entrepreneurship fosters innovation, which entails new production methods as well as the development of new and improved products. Third, in terms of the country's GDP, social entrepreneurship boosts productivity and growth. Given the current economic climate, social entrepreneurial activities are critical for addressing social issues, particularly in developing countries like Pakistan (Asif et al., 2018). One of the first steps proposed by the Pakistani

government is collaboration between high-potential institutions from various government and private agencies, which must adopt the concept of social entrepreneurship to the world of entrepreneurship in the field of research as a whole to assist entrepreneurs in developing a range of low-cost, high-quality products and services (Asif et al., 2018).

From Social Perspective

Through its associated activities, social entrepreneurship has had a positive impact on society, facilitating job creation and social well-being (Galindo et al., 2021). Entrepreneurs will be able to access new markets, improve their image with stakeholders, and differentiate their products thanks to social entrepreneurship, which plays an important role in achieving the goal of sustainable development in society. (Qamar et al., 2020). Individuals who have come up with novel solutions to society's most pressing social issues are known as social entrepreneurs. They are determined and ambitious, tackling major social issues and proposing innovative solutions for widespread change. Social entrepreneurs identify what isn't working and work to fix it by altering the system, disseminating the solution, and persuading entire societies to change their ways. In solidarity with poor communities, social entrepreneurs create new organizations, new markets, and new ways of thinking and acting to provide basic services such as renewable energy, clean water, health care technologies, education, and financial services. Social entrepreneurs develop low-cost products and services that can be purchased by people living on a few dollars a day, and then establishes businesses to distribute them to underserved communities. Many Social entrepreneurs are residents of the communities they serve. Some Social entrepreneurs specialize in working with women and their unique socioeconomic needs. Social entrepreneurship refers to activities that are both innovative and financially sustainable and are aimed at addressing social issues. Its commercial activities, on the other hand, do not have to align with its social mission; rather, their goal is to generate financial resources for achieving social goals. Social entrepreneurs act as change agents in society, seizing opportunities that others overlook to improve systems, develop new approaches, and develop solutions that will improve society. (Asif et al., 2018). As a type of social innovation, social entrepreneurship is beneficial to society and can benefit a variety of stakeholders: the business - increased revenue and profit, the number of customers, loyalty and satisfaction, business reputation; for social target groups: reduced unemployment and social problems of targeted social groups; for the state - good public opinion, pollution is reduced, and the image of this country is improved (Khan & Advani, 2016). As argued by Galindo et al. (2021), the global social entrepreneurship phenomenon has gained traction, and various foundations and organizations, such as the Ashoka Foundation, Schwab Foundation, and Khan Academy, are being established to support the development, promotion, and expansion of social entrepreneurship.

Social Entrepreneurship in Pakistan

In Pakistan, the concept of social entrepreneurship is not new. Social entrepreneurship plays a crucial role in the Pakistan's economic development. Microfinance institutions, locally

managed community enterprises (such as cooperatives), and revenue-generating non-profits are all examples of social entrepreneurship and social businesses Table 1. The Hamdard Group, for example, is a socially conscious company that was founded in pre-partition India in 1906. The Pakistani branch of Hamdard, which became an Islamic trust or "*waqf*" in 1953, now includes a university and several laboratories that produce and distribute a wide range of pharmaceuticals at very low prices. Other prominent examples of socially motivated businesses in Pakistan include "*Ashoka foundation*" the establishment of an Ashoka local office in Karachi and the election of the first cohort of "*Ashoka fellows*" in 1997 are two other notable examples of socially motivated businesses in Pakistan. Since its inception, the programme has supported 49 fellows, many of whom have gone on to found successful social enterprises and non-profits, including roshanesh zafer's first microfinance institution (kashf foundation), ali raza khan's Youth Empowerment Services (YES) network, educational enterprise the citizen foundation, and healthcare enterprise Naya jeevan.

In Pakistan, there are currently around 448,000 social enterprises in operation, with a higher contribution to GDP. Approximately 53% of multi-sector enterprises are in education, 30% in health and social care, 11% in agriculture and fisheries, 9% in energy and clean technology, 3% in forestry, and 2% in transportation. In the current legal framework, certification options for social enterprises are divided into two categories: for-profit and non-profit, with numerous variations available. For-profit social enterprises are further classified as

1. Social proprietorship.
2. Association of persons/partners.
3. Private limited companies.
4. Public limited companies.

Rapid urbanization, the growth of public sector universities, as well as an increased number of incubators and accelerator initiatives, have all contributed to the emergence of a new wave of young socially-oriented entrepreneurs across Pakistan. Entrepreneurs pitching ideas and putting them into action in areas such as energy, clean drinking water, education, health, construction, financial inclusion, and recycling are all encouraging. (According to the British Council).

	Agencies	Objective	Areas of social impact
Government	Centre for Social Entrepreneurship	Its goal is to create a whole value chain to promote SE. It aspires to be an accelerator, acting as a special-purpose vehicle for instilling innovation and kicking-starting SE in the country.	Youth Development
Government	Small & Medium Enterprise Development Authority (SMEDA)	SMEDA's mission is to promote and facilitate the development and growth of small and medium-sized businesses in Pakistan. SMEDA organizes and develops a number of partnerships to make investment more accessible through various channels.	Economic Education Community Development

Government	Ignite fund	The goal of ignite is to help Pakistan's economy grow by supporting long- term, profitable ICT ventures with a focus on fourth-generation technology. Their seed fund helps startups develop innovative products, as well as universities conduct research and development. Ignite has also built Pakistan's largest network of NICs, which spans the country.	Economic Youth Development Community Development Environment and sustainability.
Government	Higher Education Commission(HEC)	HEC may like to suggest curriculum changes that would require business/management science faculties to include SE as a dedicated three-credithour requirement. Audits of university- based offices of research, innovation, and commercialization (ORIC) centers for entrepreneurship promotion may also be conducted with an eye toward the impact of SE development. HEC also established a fund to promote research and outreach aimed at assisting The country's social enterprisedevelopment.	Education Economic Youth Development
Government	Prime Minister's kamyab jawan SME lending programs	It is a government of Pakistan initiative to provide unemployed youth in Pakistan with self-employment opportunities. Under the programme, the government will provide a marking and credit loss subsidy on small business loans ranging from RS. 100,000 to RS.5, 000,000 disbursed by banks.	Economic Access Poverty Alleviation
Government	Digiskills.pk	It offers training and online courses to help freelancers, employees, and Entrepreneurs improve their digital skills.	Youth Development
Government	Technical Education & Vocational Training Authority (TEVTA)	TEVTA promotes competitiveness by assisting in the creation of a high- quality and productive workplace. It intends to achieve this by promoting demand-driven, standardized, and integrated technical and vocational Education and training.	Youth Development Education
Private	The Indus Entrepreneurs (TiE)	The goal of TiE is to promote entrepreneurship and generate wealth for both entrepreneurs and local governments. It is a worldwide organization with chapters in Pakistan's Major cities.	Community Development
Private	Pakistan innovation foundation	PIF's mission is to assist non-profit organizations that work to promote innovation, particularly in the corporate sector. PIF also hosted events to discuss Pakistan's innovative developments in the economics, STEM, and educational Sectors.	Economic Community Development
Private	NSpire	It provides startups with relevant access to a large pool of industry leaders who can best guide them along their path. It provides cutting-	Economic Youth Development

		edge infrastructure, training and mentoring, networking opportunities, cutting-edge technology, investment opportunities, and other Professional assistance.	
Private	Lakson Investments	It's an institutional fund that invests in startups and small businesses. It invests in Pakistan-based opportunities where technology can be used to expand or develop existing business models or to create new ones with the potential to disrupt the market; their investment focus is on companies that are about a year away from launching a successful series. They may invest in a round or a potential, but they also invest in seed stage companies through their incubator and accelerator ecosystem relationships.	Economic
Private	Impact Dynamics	It offers tailored solutions to the problems that individuals and teams in	Community Development Youth Development
		The entrepreneurial ecosystem and the business industry face. Entrepreneurial curriculum development, soft skills, Tech skills and CSR are just a few of the services they offer.	
Private	IBA Centre for Entrepreneurial Development	It is promoting entrepreneurship and cultivating a new entrepreneurial culture in Pakistan, which is not limited to IBA students.	Youth Development
Private	British Council	Through policy, education, and training programs on SE, it assists in the development of social enterprise. Operates the "Active Citizen" Programme, which was created with the goal of fostering SEs.	Youth Development
NGO	USAID SMEA	It is a USAID project that aims to reform policies and create a stronger financial and operational framework for Pakistan's small and medium businesses in order to achieve growth. SMEA helps SMEs in the fields of information and communications technology, light engineering, textiles, logistics, and Leather.	Economic Access & Poverty Alleviation
Angel	Artistic ventures	It invests in early-stage technology companies. Artistic Ventures believes in long-term relationships with their clients, and they work closely with them to provide mentorship, facilitate introductions to other investors, and Assist in the development of sustainable, scalable business strategies.	Economic Youth Development
Angel	SEED Ventures	It addresses social issues and challenges in multiple regional, national, and international	Youth Development

		markets, resulting in long- term impact. In partnership with the British Council, SEED offers youth training and is launching a creative arts Incubator.	
Accelerator	Plan 9	The goal is to help commercially viable mid-stage technology startups establish high-impact businesses by providing access to multiple funding channels, a Specialized network of mentors, and global exposure.	Economic Youth Development
Accelerator	Invest 2 innovate	It offers business advice, mentoring,	Economic
		And connections to angel investors in their country. They also assist entrepreneurs, connect them with mentors and investors, collaborate with local stakeholders, and conduct extensive research in order to create a more conducive environment for Investment and entrepreneurship in the country.	Youth Development
Accelerator	Demo	It offers a variety of services in addition to hosting hackathons, competitions, and other events. The following are some of the services they offer: In impact-driven verticals such as innovation, entrepreneurship, skills development, technology, and Communications, we provide consulting, training, and research.	Youth Development Community Development

CONCLUSION

Social entrepreneurship is a new field that provides young professionals with opportunities to create long-term societal and economic value. While this paper provides not only a broad overview of social enterprise activity in Pakistan, it also includes recommendations for further research. It has identified a number of key issues and opportunities for the future development of social entrepreneurs, some of which are broadly applicable to or similar in other countries, while others are unique to Pakistan. The definition of social entrepreneurship in Pakistan is presented in this paper. It also explains the reasons for a gradual shift toward social entrepreneurship, as well as how it is the way of the future. The various theories of social entrepreneurship are a fascinating topic, and this article will help to inspire social entrepreneurship as a means of creating social and economic value and as a field of study.

REFERENCES

- Asif, M, Asghar, F, Younis, A, Mahmood, A, & Wang, L.Z. (2018). The role of social entrepreneurship in pakistan and its impact on economy. *International Journal of Business, Economics and Management*, 5(5), 117-127.
- Bagnoli, L, & Megali, C. (2011). Measuring performance in social enterprises. *Nonprofit and Voluntary Sector Quarterly*, 40(1), 149-165.
- Galindo-Martín, M.A., & Castaño- Martínez, M.S. (2021). Effects of sociocultural and economic factors on social entrepreneurship and sustainable development. *Journal of Innovation & Knowledge*, 6(2), 69-77.
- Haque, N.U. (2007). Entrepreneurship in Pakistan. *East Asian Bureau of Economic Research*.

- Hoppe, M. (2016). Policy and entrepreneurship education. *Small Business Economics*, 46(1), 13-29.
- Jilenga, M.T. (2017). Social enterprise and economic growth: A theoretical approach and policy recommendations. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, 7(1), 41-49.
- Kazmi, S.A., Hashim, M, Kee, D.H, & Khan, F.U. (2016). Social entrepreneurship and its impact on economy: In perspective of Pakistan. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, 6(4), 161-166.
- Khan, G, & Advani, A. (2016). Future of social entrepreneurship: empirical evidence from the universities of Pakistan. *European Journal of Scientific Research*, 139(4), 395-406.
- Martin, R.L, & Osberg, S. (2007). Social entrepreneurship: The case for definition.
- Qamar, U., Ansari, N., Tanveer, F., & Qamar, N. (2020). Social Entrepreneurship in Pakistan: Challenges and Prospects. *Journal of Management and Research*, 7(2), 1-41.
- Toma, S.G, Grigore, A.M, & Marinescu, P. (2014). Economic development and entrepreneurship. *Procedia Economics and Finance*, 8, 436-443.

Received: 13-Apr-2022, Manuscript No. AJEE-22-10799; **Editor assigned:** 14-Apr-2022, PreQC No. AJEE-22-10799(PQ); **Reviewed:** 22-Apr-2022, QC No. AJEE-22-10799; **Revised:** 25-Apr-2022, Manuscript No. AJEE-22-10799(R); **Published:** 30-Apr-2022