A STUDY ON CAPACITY OF RURAL SOCIAL ENTERPRISE NEEDS TO BE UNLOCKED

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ABSTRACT

Purpose: This article argues that social entrepreneurship can help rejuvenate rural towns by increasing long-term growth in the economy, reversing the degradation of public services, while bring people together. Based on a survey of the relevant academic and policy literature, the study constructs a computational basis that provides insight into how social enterprises may contribute to rural rejuvenation.

Theoretical framework: In order to realize the potential of underpopulated social enterprise, we may need to move beyond conventional regulatory silo systems that classify economic growth, community cohesiveness, and public services as wholly separate and unrelated. With regards to government regulation, social enterprises can't just “grow up” and reap the benefits of economies of scale by themselves. Partnerships between groups of innovators or between socially-minded businesses and government agencies have the potential to create economies of scope through the sharing of resources and the pooling of expertise, all while fostering strong confidence relationships within communities through the use of identifiers and the integration of services.

Design/methodology/approach: An extensive research design (Sayer, 1992) that includes three in-depth exploratory studies of social enterprises situated in rural regions has been pursued due to the paucity of prior research on the topic under study. This study used a mix of methods for gathering qualitative data.

Findings: Based on our findings, we argue that social businesses can facilitate coordinated community action in response to issues. Additionally, these organisations' participation in and blending of market, redistribution, and reciprocity connections is shown in our findings, demonstrating their "constructive diversity."

Research, Practical & Social implications: The company's products and services can be adapted to better meet the needs of those located in outlying areas. Many of the difficulties and requirements in rural regions may be turned into openings for the growth of social enterprises with the right kind of direction and assistance.

Originality/Value: This study sheds light on the information gaps that, when filled, could help rural social entrepreneurs realize their full potential by clarifying the obstacles and openings they confront.

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UM ESTUDO SOBRE A CAPACIDADE DAS EMPRESAS SOCIAIS RURAIS PRECISA SER DESBLOQUEADO

Objetivo: Este artigo argumenta que o empreendedorismo social pode ajudar a rejuvenescer as cidades rurais, aumentando o crescimento de longo prazo da economia, revertendo a degradação dos serviços públicos e, ao mesmo tempo, aproximando as pessoas. Com base em uma pesquisa da literatura acadêmica e política relevante, o estudo constrói uma base computacional que fornece uma visão de como as empresas sociais podem contribuir para o rejuvenescimento rural.

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About the image: The image contains a page from a journal article, focusing on the topic of rural social enterprises. The page includes the title, abstract, keywords, and references relevant to the study of rural economic growth and community development through social entrepreneurship. It also highlights the importance of exploring partnerships and shared resources to enhance social cohesion in rural areas. The article emphasizes the need for a computational basis to understand how social enterprises can contribute to rural rejuvenation.
**Estrutura teórica:** Para concretizar el potencial de las empresas sociales subpobladas, tal vez sea necesario ir además de los sistemas convencionales de silos regulatorios que clasifican el crecimiento económico, la cohesión de la comunidad y los servicios públicos como totalmente separados y no relacionados. Con relación a la regulamentación gubernamental, las empresas sociales no pueden simplemente "crescer" y colher los beneficios de las economías de escala por sí mismas. Las parcerias entre grupos de innovadores o entre empresas con mentalidad social y órganos del gobierno tienen el potencial de crear economías de escopo por medio del compartilhamento de recursos y de la unión de conocimientos especializados, ao mismo tempo em que promovem fortes relações de confiança dentro das comunidades por meio do uso de identificadores e da integração de serviços.

**Projeto/metodologia/abordagem:** Un proyecto de pesquisa extensivo (Sayer, 1992) que inclui três estudos exploratorios aprofundados de empresas sociais situadas em regiões rurais foi adotado devido à escasez de pesquisas anteriores sobre o tópico em estudo. Este estudo usou uma combinação de métodos para coletar dados qualitativos.

**Conclusões:** Com base en nuestros resultados, argumentamos que las empresas sociales pueden facilitar a ação coordenada da comunidade em resposta a problemas. Además disso, a participación dessas organizações e a combinação de conexões de mercado, redistribuição e reciprocidade são mostradas em nossas descobertas, demonstrando sua "diversidade construtiva".

**Implicações sociais, prácticas e de pesquisa:** Os produtos e serviços da empresa podem ser adaptados para atender melhor às necesidades das pessoas localizadas en áreas periféricas. Muitas das dificuldades e exigências das regiões rurais podem se transformar em oportunidades para o crescimento de empresas sociais com o tipo certo de orientação e assistência.

**Originalidade/valor:** Este estudio lança luz sobre as lacunas de informação que, quando preenchidas, podem ajudar os empreendedores sociais rurais a realizar todo o seu potencial, esclarecendo os obstáculos e as oportunidades que enfrentam.

**Palavras-chave:** Crescimento Econômico, Negócios Sociais, Desenvolvimento Comunitário, Coesão Social em Áreas Rurais.

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**HAY QUE DESBLOQUEAR LA CAPACIDAD DE LAS EMPRESAS SOCIALES RURALES**

**Objetivo:** Este documento sostiene que el espíritu empresarial social puede ayudar a rejuvenecer las ciudades rurales aumentando el crecimiento a largo plazo de la economía, invirtiendo la degradación de los servicios públicos y, al mismo tiempo, uniendo a la gente. A partir de un estudio de la literatura académica y política pertinente, el estudio construye una base computacional que permite comprender cómo las empresas sociales pueden contribuir al rejuvenecimiento rural.

**Marco teórico:** Para aprovechar el potencial de las empresas sociales poco pobladas, puede ser necesario ir más allá de los sistemas convencionales de silos normativos que clasifican el crecimiento económico, la cohesión de la comunidad y los servicios públicos como elementos totalmente separados y sin relación entre sí. Con respecto a la regulación gubernamental, las empresas sociales no pueden simplemente "creecer" y cosechar los beneficios de las economías de escala por sí solas. Las asociaciones entre grupos de innovadores o entre empresas con mentalidad social y organismos gubernamentales tienen el potencial de crear economías de alcance compartiendo recursos y poniendo en común conocimientos especializados, al tiempo que fomentan sólidas relaciones de confianza dentro de las comunidades mediante el uso de identificadores y la integración de servicios.

**Diseño/metodologia/enfoque:** Se adoptó un diseño de investigación extensivo (Sayer, 1992) que comprendía tres estudios exploratorios en profundidad de empresas sociales situadas en regiones rurales, debido a la escasez de investigaciones previas sobre el tema objeto de estudio. Este estudio utilizó una combinación de métodos para recopilar datos cualitativos.

**Conclusiones:** Basándonos en nuestros resultados, sostenemos que las empresas sociales pueden facilitar la acción coordinada de la comunidad en respuesta a los problemas. Además, la participación de estas organizaciones y la combinación de conexiones de mercado, redistribución y reciprocidad aparecen en nuestros hallazgos, demostrando su "diversidad constructiva".

**Implicaciones sociales, prácticas y de investigación:** Los productos y servicios de las empresas pueden adaptarse para satisfacer mejor las necesidades de la población de las zonas periféricas. Muchas de las dificultades y demandas de las regiones rurales pueden convertirse en oportunidades para el crecimiento de las empresas sociales con el tipo adecuado de orientación y asistencia.

**Originalidad/valor:** Este estudio arroja luz sobre lagunas de información que, una vez colmadas, pueden ayudar a los empresarios sociales rurales a desarrollar todo su potencial al arrojar luz sobre los obstáculos y oportunidades a los que se enfrentan.
INTRODUCTION

There has been a recent uptick in political support for nonprofits and social entrepreneurs. The European Union, for instance, has a number of initiatives designed to support the development and expansion of socially conscious businesses (European Commission, 2017). The policies of a United Kingdom including Scotland are usually recognized as being among the most advanced in the world when it comes to creating a setting that is favourable to social business (Roy et al., 2015). The state's trend away from providing direct aid and toward privatizing public contracts is indicative of the neoliberal ideology that underpins this strategy (Chaney and Wincott, 2014). Simultaneously, there has been an increase in recognition of the benefits of involving locals in service delivery processes at all stages. There have been substantial investments in empowering organizations inside the third sector to be more environmentally entrepreneur through means such as grants to help them become financially viable, product development and delivery, as well as the privatization of government services (Nicholls and Teasdale, 2016). Community cohesion inside the United Kingdom has been credited to the conservative-led grand coalition (2010-2015) and the current conservative government. The Conservative platform prior to the general election of 2015 advocated for a more participatory nation, one in which we assume bigger responsibility for both your neighbours and the communities in which we live. Whether or whether this idea has been reflected in legislation (at the UK level) is controversial; others claim that the terminology used is only a cover for dismantling the welfare system. But just as social entrepreneurship covers a wide range of organizational forms, different varieties of neoliberals can be detected in different contexts. Despite being a part of the United Kingdom, the government of Scotland is currently in charge of several other policy domains, including social entrepreneurship. Some have speculated that Scotland's rejection of more centralized & authoritarian Westminster style of government may be at the foundation of the country's recent tendency toward a greater emphasis on community cohesiveness or social enterprise (Roy et al., 2015). Scotland's social enterprises, in this opinion, do not serve as state agents but rather as co-design and delivery partners. Even though there has been a rise in awareness that geography is important in policy, industry, and academia regarding the (potential) role of social entrepreneurship as service providers, very little is known about the functioning of rural social businesses (Munoz et al., 2016).
2015). While social enterprises may be more prevalent in rural areas than is commonly believed, neither academics nor policymakers fully utilize their potential to promote rural growth or address rural challenges. This paper is just an initial attempt at filling in this informational hole. We begin by building a conceptual model based on existing research and policy papers to examine the potential role of social enterprises in rural development.

Some of the many social and economic issues that need to be addressed by policymakers are unemployment, poverty, lack of adequate housing, clean water and sanitation, adequate food production, reliable electricity, quality education, improved means of support for one's family, access to banking services, etc. To solve these problems, you need more than band-aids. Instead, these problems can only be solved if people are given respect. Giving money as a remedy to unemployment may not be as effective as giving people jobs, for example. Business owners motivated by a desire to do well can launch new ventures and introduce innovative approaches to these problems, improving people's prospects for a better future. Social entrepreneurship, as defined by research and expert opinion, is the responsible search for lasting answers to societal problems that centre on the needs of the community. Another definition is "the search for new ways of solving existing issues." The punch line for these companies and their founders is, "If it's not profitable, then it isn't social entrepreneurship." The betterment of society is central to their mission. Given this context, it's easy to see that social entrepreneurs seek financial gain for the sake of their projects' sustainability and the prosperity of the people they hope to help. It brings in money in a way that helps those who really need it. When business practices are applied to the pursuit of a social benefit or a socially motivated endeavour, we call this "social entrepreneurship." Entrepreneurs with a focus on social and environmental good are known as "social entrepreneurs." It's encouraging to see for-profit companies with a social conscience taking action to solve systemic problems around the world (Nugroho et al., 2022).

In the field of economics, the definition of "entrepreneurship" is the subject of heated debate. It has long been understood that a person's ability to take risks plus their possession of the psychological traits necessary to succeed like an entrepreneur constitute the core ingredient of production. In economics, the phrase has a broader definition, embracing any endeavor that seeks to make money by taking advantage of current circumstances. Adam Smith, widely recognized as the man who established finance as a distinct academic field, is deserving of attention due to the profound impact of his work. Well acknowledged as the "father of contemporary economics," Adam Smith's The Wealth of Nations first published in 1776 and is usually credited with outlining the role of a industrialist/entrepreneur. Capable individuals who
take up the risk and difficulties of starting a new business are called entrepreneurs. He frequently makes references to the standpoint of an entrepreneur in his descriptions. According to Adam Smith, entrepreneurs were "economic agents" who risk capital in order to satisfy consumer demand. Say, a French economist and philosopher, defined an entrepreneur in his book "A Disquisition on Political Economy" (1803), as someone who "does have exceptional inherent capacities and capacities for framing entrepreneurial ventures in line with the requirements of society including using their component or firm to help organize some these factor of production to create ways to meet those human wants."

Now the topic of conversation has shifted to his seminal, perennially relevant works, with the entrepreneur as its key figure. By assuming and presenting the key principle of entrepreneurship how such an entrepreneurial assumes the risk when beginning new enterprises, to meet a demand anticipated in approaching future, J.B. Say integrated the ideas offered by past philosophers, ideologies, and writers including Canutillo and Smith. Austrian economist Joseph A. Schumpeter breathed new life into the concept of entrepreneurship after it had been addressed in the context of financial science and other academic disciplines. Schumpeter set out to demonstrate that entrepreneurs are fundamental to a thriving economy and also that their actions inject life and progress through invention. He coined the German term "Untemehmergeist," literally "entrepreneurial spirit," to describe this intangible quality. Entrepreneurs, in his view, are integral to the process of creative destruction that results in increased prosperity for all. Schumpeter describes how entrepreneurs fuel economic expansion and the way they are inextricably tied to innovation. Entrepreneurship, in his view, is "the process of ongoing advancement through invention," and "entrepreneurs" are "innovators" who "shatter the established order" by employing unorthodox methods and resources to accomplish commercial goals. As the idea of entrepreneurship develops, it becomes subdivided into numerous specialized areas. The pioneering efforts of business people are now the most important factor in shaping the future. The topic of this study is social entrepreneurship, often referred to as business, one of the most significant subsets of entrepreneurship.

Limited economic development is a common problem in rural areas due to low profits, the elimination of public services seen as financially unsustainable, and problems with community cohesion due to demographic and geographical factors. Unfortunately, in the field of economics, the fact of life is frequently coupled with the inaccessibility of many goods and services. This specific location affects business activities and the entrepreneurial process (Korsgaard et al., 2015). Likewise, it is more challenging for businesses to attract and retain top
talent in a small town and to reach customers who live further away. Physical or technological limitations, or even just being located in an area far from significant service and support hubs, can all pose problems for a company's expansion. Companies are hampered in their efforts to grow and reap the advantages of large-scale economies of scale, posing a threat to their financial security. People in rural areas have fewer economic opportunities, including fewer markets to choose from, because large commercial firms have not invested in their development.

The slowly but surely elimination of physical government infrastructure has disproportionately affected rural communities, especially in the context of reductions in government spending which can lead to a variety of increased social problems (Hodge et al., 2017). One example is the lack of primary care in rural areas as a result of the relocation of hospitals and other healthcare facilities to larger regional hubs (Farmer and Nimegeer, 2014). Many rural areas have seen the closure of their own school systems, libraries, transportation, postal, cultural, and emergency services as part of a larger trend toward, paradoxically, more "efficient" economies. That's why so many people in rural areas of the United States still struggle to make ends meet (Steiner and Atterton, 2015).

While opportunities may be limited by societal and economic constraints, they do exist. Despite the physical distance that usually prevents social or commercial activities between them; rural communities retain strong bonds due to a long-standing dedication for self-help that's been created out of necessity. Because of this, people are more trusting of their government and actively participating in civic life. Strong social networks, political movements, and a shared sense of community and shared values are all hallmarks of life in rural areas. Many rural firms draw on rural abilities to specialize, especially within specialized markets, and welcome competition (i.e. collaboration between business rivals in the aim of mutually advantageous effects) rather than engaging in direct competition with one another. However, it is unclear whether pull and push factors are responsible for the comparatively high rates of innovation within rural areas. However, rural social businesses may be able to capitalize on these characteristics to address economic issues, such as those caused by the decline of public services and weakened social ties, and so promote growth in rural areas (Jacob & Munuswamy, 2022).

Putting it plainly, social enterprises are for-profit businesses that also work for social good. The surpluses or profits generated by the economy are redistributed to support these societal aims. Among the many characteristics that set social enterprises apart, an emphasis on the bottom line and commitment to social and/or environmental causes are frequently noted.
Third, although there is not a majority inside the academic literature, particularly in the United States, numerous scholars have acknowledged collective ownership as a defining quality. In contrast to traditional businesses, the proceeds from social entrepreneurship are plowed back into the local community or even the individual's country of origin. It's not uncommon for social enterprises to target a certain subset of the population, but the larger community to reap the rewards of the programs and services they fund. It's helpful to view "social businesses" as an umbrella term including a wide variety of businesses operating in various economic niches. Some companies operate in the private sector in the same way as other companies (Steiner and Teasdale, 2016).

Therefore, it seems that family entrepreneurs may offer a holistic approach to resolving difficult problems in rural areas. Cultural factors, social structure, social power, or social traditions all have an impact on the operations of social entrepreneurs, and the fact that these businesses are able to adapt to these factors shows how firmly anchored they are in their communities. Community members pooling their resources to invest in a business creates opportunities for employment and financial advancement that would not otherwise exist. Only when motivated communities join forces to achieve a common purpose can social enterprises be successful. Despite this, there may be a small number of rural residents that are eager and able to join the workforce. Even more, as pointed out by Munoz and Steinerowski (2012), rural areas may suffer from a lack of expertise, particularly in regards to commercially orient social enterprises.

Currently, social firms provide a crucial role in supporting rural communities. Despite what the social enterprise companies and the government might have you believe, most social enterprises can never be sustainable if they rely on product and service sales alone. This could be due in part to a historical bias against business-oriented strategies, especially in voluntary organizations, institutions, and individuals that show aversion to risk and/or capitalism. Therefore, it is challenging and requires a great deal of attention and care to maintain social enterprises in rural areas. If you want to be a successful leader in the socially business sector, you need to know not only your organization's immediate surroundings, but also the wider, vertical context, which encompasses the policy, legislative, or sectoral landscape. Nonprofits organizations face challenges in an unsupportive atmosphere. Therefore, if we want to use businesses as a motor for land reform, humans may also need to investigate how to adjust the current regulatory, legislative, as well as sectoral landscape to favor an approach that truly
centres on the needs of the people or where the people themselves design and create services that are tailored to their specific region.

At first glance, Scotland seems to provide a legislative framework that is supportive of social businesses and helpful in developing a comprehensive strategy to address societal and economic problems. As stated in the Scottish Government's Economic Strategy of Scotland, reducing inequality is essential to promoting long-term economic growth (2015). (2019). Public service reform centered on co-production and a concentrate on preventative treatments; a beginning focus on regenerating democratic accountability; a start concentrating on "bottom-up," "place-based," as well as "asset-based," approaches to development; and the Society Liberation (Scotland) Act (2015) are all examples of legislation that illustrate the Scottish govt's dedication to "shared prosperity" (Scottish Government, 2015a; Scottish Parliament, 2015b) (2016). To encourage more social entrepreneurs to bid on public contracts, the Procurement Transformation (Scotland) Act of 2014 widened the scope the social good provisions upon ecological, community, or social grounds. It is argued that social businesses can help accomplish National Outcomes by delivering solutions at the neighborhood level, involving communities, and co-creating individualized services for those in need.

Scotland's growing social enterprise sector is supported by over twenty separate national Social Entrepreneurship Networks & support organizations. Having both this infrastructure and a governmental environment that encourages its development bodes well for the expansion of social enterprises. According to the findings of a recent census, the estimated 5,600 social firms in Scotland generate £3.8bn yearly, employ and over 80,000 people full-time, but rely on the work of thousands of volunteers. According to the census, there are disproportionately more social enterprises in rural Scotland. While only 18% of Scots call rural areas home, they are home to 13% of the country's social enterprises. So, it looks that rural social enterprises have a good chance of succeeding in Scotland.

This study examines three linked sets of literature to identify three factors that influence the expansion of rural social businesses. However, the (relatively) high rates for entrepreneurship, collaboration, civic participation, and extensive social networks found in rural communities suggest that these areas may offer great potential despite their specific challenges. Experts in social entrepreneurship claim that rural areas are perfect for the development of social enterprises due to the potential of such businesses to address the myriad of complicated problems that plague rural communities by drawing upon the vast unutilized resources present in these places. It appears that many countries, and Scotland in particular,
have governmental environments that encourage the development of social enterprises. As can be seen in Fig. 1, the potential of remote social enterprises can be broken down into these three categories. According to Olmedo et al. (2021), there is an abundance of literature on a wide variety of topics including topics that span multiple domains. While several topics have been studied, the intersection of rural living and social business has received less attention. From a conceptual standpoint, rural social entrepreneur can blossom at the intersection of these three spheres. We think our research is the only one to examine this interface in detail. Policies and market circumstances in the rural and policy realms should be viewed as external environments that significantly affect the development of social enterprises but are mainly beyond the control of any single social company. However, the social entrepreneurial domain might be seen as the places where social business individuals still have some leeway to make their own decisions. By determining which client groups to serve, selecting the most appropriate legal form, and putting in place efficient governance procedures, social entrepreneurs can find a happy medium between their altruistic and profit-driven goals. Naturally, it's important to grasp the interconnected nature of these three domains. Which legal forms and institutional structure are available to the social entrepreneurship is a function of policy-level decisions. To what extent a given client group is assisted depends on economic and social conditions unique to rural areas. In order to better understand the possible future impact of community-based businesses on regional development, this same opportunities and challenges they face, as well as how neighborhood experts believe this same potential for underpopulated social entrepreneurship could be better realized, we used this theoretical design as a starting point for research design.

Fig1. Key determinants of rural social entrepreneurship development

*Prepared by authors (2022)
This study sheds light on the information gaps that, when filled, could help rural social entrepreneurs realize their full potential by clarifying the obstacles and openings they confront.

**REVIEW OF LITERATURE**

Olmedo, et al., (2022) studied the result of recent developments, social enterprises are now widely recognized as a key player in the study of rural development. The characteristics of social enterprises operating in remote locations are congruent with postmodern notions of rural development. These notions emphasize the potential involvement by third organizations and development partners under governance frameworks. We present a conceptual and theoretical framework for studying these occurrences by extending Polanyi's socioeconomic concept with the ideas of location, scale, and business activity. Third-sector organisations like social businesses within (postmodern) remote areas development require a more complex understanding of the economy, the inclusion of socio-spatial plus geostrategic sensitive conceptions, and a rejection of methodological individualism.

Halsall, et al., (2022) examined those who have given thought to the concepts of social enterprise and social entrepreneurship recognizes their potential as potent agents of constructive social change. Experts in public policy have recognized the value of social enterprise and social entrepreneurship in resolving a variety of societal problems. There has been a boom in the creation of social innovations as a result of the increasing interest in social entrepreneurship, which has in turn encouraged new methods of considering the interrelated nature of the sector. In this chapter, they authors lay out a structure for the analysis of public policy innovation and social enterprise.

Mandal, et al., (2022) conducted the most challenging dilemmas for government, business, or society in recent memory, according to the results of this study. The spread of this virus has not only jeopardized the health and safety of an entire population, but it has also halted the flow of money and other vital social and economic processes. India's GDP growth rate hit a new record low of -23.9 percent last year. As a result of the massive disruptions caused by the epidemic, many businesses have felt an urgent need to develop a new strategy. Improvements in healthcare, communications, agriculture, and other fields have all been possible because of technological progress. Predicting and stopping epidemics is now easier because to artificial intelligence and other technology advances in public healthcare facilities. E-learning and remote work have benefited from technological advancements in a manner analogous to that which was achieved through communication during the lockdown. The retail
and food distribution sectors have also benefited from digitalization, which has made it possible to better serve customers in an ethical and environmentally responsible manner.

Kaplenko, et al., (2022) studied the research presented in this paper, social entrepreneurship can be traced back to the Soviet Union's society again for blind and, by extension, to Ukrainian (then a part of a Soviet Union). These developments occurred over fifty years before what is currently considered the origin of social entrepreneurs in the United Kingdom. Social entrepreneurs born out of humanism but transformed into an instrument of coercive power by the nation are examined in detail, as are the conditions under which the first enterprises were conceived of and put into operation. Procedures of continuing to support social entrepreneurs can range from fully supported and funded at all tiers to almost comprehensive lack of influence as well as control by the state, as shown by the examples of Costa Rica (first place in the worldwide Happy Planet Index) as well as Norway. Existing classifications, characteristics, and definitions of social entrepreneurs were analyzed; past blunders were taken into account; and the importance of non-discrimination was emphasized. Based on this, the authors argued that four features are crucial for just any social enterprise. Rather than privileging one aspect of a "Triple Bottom Line" over the others, equal weight is given to all three.

Olmedo, et al., (2021) studied the societies in rural areas are increasingly being recognized as organizations that contribute to local development, particularly those that have been investigated for their work supplying goods and/or services to fulfill community needs and establishing inclusive society and governance linkages. This research focuses on regional social enterprises as well as the myriad ways in which their economic and social success is tied to the specifics of their "location." Based on three in-depth research papers of rural Irish social entrepreneurs, our findings emphasize how country social companies interact the physical, institutional, material, or identity elements of their 'place. As we've seen, these groups are "substantive hybridists," combining elements of the market with those of redistribution and mutual aid, as well as the ethics of reciprocity.

Jha, et al., (2021) studied the Social companies, which aim to strike a balance between their social effect and their financial performance in order to promote sustainable development, have found it difficult to scale their operations. Recently, product diversification—a standard tactic for expanding successful businesses—has been recommended as a way for social enterprises to grow without jeopardizing either of their double missions. Through a mix of qualitative and quantitative evaluations of India's microfinance organizations, we
experimentally explore this question. Our inductive research shows that product diversification in social enterprises may be broken down into four separate methods based on two dimensions: relatedness and location of impact. How these tactics affect the organization's social and financial objectives varies. Social enterprises that want to grow to a larger scale must use a strategic and ever-evolving portfolio of product diversification tactics. By investigating how a diversified approach might aid in the growth of social companies, the research provides a significant addition to the subject of social entrepreneurship. It also gives social entrepreneurs useful information on how to strike a balance between their social and financial objectives through the use of a variety of diversification tactics.

Evans, et al., (2021) examined in the three Baltic states, there is a lack of knowledge of SE due to the diversity of SE activities and the lack of a well-adapted and accepted conceptualization. In contrast to Lithuania and Latvia, which both have had a Social Enterprise Law since 2004, Estonia does not. Though the scope of the SE idea is broad and can encompass many different endeavours, the legal structure is narrowly specified in Latvia (LLC). In contrast, in Lithuania, there is no requirement for a particular legal structure, and social entrepreneurs can come in a wide variety of formats; nonetheless, the law has a restrictive definition of the idea, and many socially minded businesses are not recognized as social enterprises because of this. Many successful social companies in Latvia and Lithuania have their roots in nonprofits with a "mission-driven-business" ethos. While the United States and the United Kingdom both have a large number of ENPs, the rise of hybrid economic entrepreneurial models has led to a shift toward the SB model.

Van Twuijver, et al., (2020) conducted the importance of social businesses in addressing the myriad problems plaguing Europe's rural community is gaining wider recognition. Although many recent studies on such organizations provide educational case studies, there is a dearth of an integration of the varied literature about rural social entrepreneurs in Europe. To fill this knowledge gap, we analyzed 66 researches on social enterprise in rural areas across Europe. We show that there is substantial research in this field, and that these groups play a crucial role in bringing commodities and services to metropolitan centres which rural areas cannot get on their own. This comprehensive literature analysis demonstrates that rural companies are characterized by their ability to accommodate diverse sets of goals & resources as well as their increased concentrations of local involvement.

Martens, et al., (2020) studied the presenting the concept of social innovative, we want to avoid the difficulties generated by the limited, nationally-focused concept of process
innovation in the conversation on rural development. Community cooperatives, a sort of social enterprise which has been gaining in popularity throughout rural parts of Germany over past decade, provide a glimpse into the dynamics underlying social innovation. Our comparative study sheds light just on numerous ways wherein cooperatives such as these are putting its ‘s innovation talents to use. The research reveals that social new initiatives may be examined thanks to the regulatory regime for innovation process. Micro-level person’s behaviour appear infrequently capable of launching social innovation processes if they are also commercial actors and therefore can seek extra incentives, notwithstanding macro-level legislation appearing to be a substantial instrument for encouraging social innovation.

Rosca, et al.,(2020)studied the research shows a surge in the examination of entrepreneur over the past few years, notably in the fields of social entrepreneurship and women business owners. The literature in this area entrepreneurship suggests that female company leaders are more effective than their male counterparts. The main topic of this study is the necessity for greater research into the importance of gender inside the field of social entrepreneurship. Using a multiple case study approach, we analyze how four different enterprises in India and Colombia’s Base of the Pyramid operate and the obstacles faced by their female business owners. We explore the decision-making processes including entrepreneurial activities that occur during different periods of a venture's lifespan through the effectuation lens. Women social entrepreneurs are characterized by a strong commitment to solving societal issues. Additionally, as their enterprises grow, female company entrepreneurs show a subtle transition between the accidental and effective ways of thinking. This research focuses on the distinctive difficulties presented by female business proprietors in the setting of developing markets, and the solutions women adopt to foster social and economic inclusion.

Steiner et al., (2019) studied the socioeconomic and economic policies in industrialized nations have been investigated throughout the recent decades, and they have been found to foster discussion of social enterprise. Social enterprises are for-profit businesses with a mission beyond making money. In order to address the requirements of the local community, volunteers could operate a store inside a low-income and sparsely inhabited area, offering items such as food, clothing, and toiletries. Success in this model would be determined by the company's contribution to society, and earnings would be plowed back into the business rather than being distributed towards the owners. Social businesses are for-profit enterprises that also aim to benefit society or perhaps the environment in some way, for as by providing low-skilled individuals with employment opportunities or by reusing materials to reduce waste. There has
been an ongoing preoccupation with pin-pointing the precise definition of social entrepreneurship alongside the growth of this new policy concept. Attention this Special Issue, we zero in on companies that use their business model to do good in the world. We believe that social enterprises can take different shapes, including creative NGOs, charities, co-ops, and community-based organizations.

Kelly, et al.,(2019) studied which have been linked to worsened states of bodily and mental health and which are more prevalent in rural and outlying places. Rural communities may have more trouble seeing the utility of community-led social enterprise models, which are acknowledged by govt policy as a way to combat loneliness or socialism. This study investigates the role of social entrepreneurs in removing obstacles to social connection in rural communities in order to boost residents’ health and well-being. Discussion also centers on whether or not people who live in rural locations have the resources to deliver these types of services. Over the period of three years, 35 members of the board, employees, supporters, and consumers of 7 distinct social firms in the Scottish Highlands and Islands in Scotland was interviewed again for study. Social entrepreneurs work to combat social isolation by providing services that facilitate interaction between individuals. The future of social businesses is in jeopardy for a number of reasons, including the strain they place on smaller populations, the fact that few people have received formal training to run such enterprises, and the effect their work has on the private lives of volunteers and workers. This research provides validity to the hypothesis that sociable firms, by dint of their many distinct efforts, might boost health and well-being. Due of the challenges inherent in rural locations, however, relying on social enterprise as a strategy to combat isolation and loneliness in society is problematic. In order to effectively address social problems, rural practice and policy must shift away from a “one describes as closely all” mentality and instead recognize the value of locally-tailored initiatives and tap into the potential of social entrepreneurs in areas with low population density.

Barraketet al.,(2019) studied the entrepreneurship that emphasize on resourcefulness often examine how businesses manage to succeed despite having scant resources with which to do so. Despite the fact that many rural areas are under-resourced, the resourcefulness strategies of agrarian companies as well as the impact they have on social development activities at social enterprises have received little attention in the academic literature. Even though there is a growing collection of writing on the topic, comparative studies between rural and urban settings are still uncommon. This study looks at SME in both country and urban areas to determine the role that ingenuity plays in regional growth. Research on 11 Australian social enterprises
reveals that those in rural locations are more likely to make use of material and human resources made available through community relationships. While our findings are consistent with those of prior studies, we also show the disproportionate role that networks play in securing & exploiting resources, thus extending the resourcefulness literature with new network-based uses. Even though the study's conclusions are different for firms in urban and rural areas, it still shows that social businesses are useful in other ways, including such their focus on community renewal. Our findings highlight the role of rural social entrepreneurship as a source of innovation and vitality for local communities.

Zhao & Lounsbury, (2016) studied it has been thoroughly researched that in order for social enterprises that expand their operations & eventually become economically self-sufficient, it is important for them to gather resources. Institutional forces have a significant impact on how social entrepreneurs raise capital, although this has only lately begun to be studied. This essay examines how institutional logics based on the market and religion affects the kinds and amounts of capital available to microfinance institutions (MFOs). Topical emphasis is placed on microfinance institutions (MFOs), a component of the non-profit sector with the ability to reduce poverty in developing nations. We zero in on how private and state investments in MFOs all around world are influenced by the interplay of various local religious traditions with market rationality. We found that the presence of different religions led to a decrease in the commercial hub coming to MFOs, whereas the presence of strong market logic led to an increase in the corporate and federal capital gained by MFOs. Our analysis of the lending transactions between equity investors & MFOs between 2004 and 2012 was based on a specialized directory. Finally, the positive effect of perfectly competitive on foreign direct investment into MFOs is tempered by religious difference. The implications of these findings for the fields of microfinance, social entrepreneurship, and the institutional reasoning perspective are then discussed.

OECD | European Commission (2016) studied the concept of "social enterprise" is still in its infancy, and its various possible meanings reflect this. To put it plainly, social enterprise is all about finding novel approaches to long-standing issues. The term "social enterprise" refers to businesses that aim to improve society and the environment through ethical and profitable means. They could be anything from for-profit companies to charity initiatives. While their organizational forms may differ, all social businesses make money by selling goods or services with the goal of solving an environmental or social issue.
Santos, (2012) studied the further academic inquiry into the phenomenon of social entrepreneurship, I offer a new theoretical framework. Specifically, I argue that social entrepreneurship is the endeavour of sustainable solutions to under-resourced problems with positive externalities, and I do so by highlighting the significant trade-off between creating and capturing value and by explaining when circumstances of simultaneous market and regulatory failure may arise. Moreover, I outline the contexts in which externality-related issues are most likely to be overlooked, and I deduce the overarching mission and rationality of action of entrepreneurs as opposed to commercial ones. In sum, this essay presents a theoretical basis for comprehending the expanding phenomenon of social enterprises and its significance to the operation of contemporary society.

Teasdale, (2010) examined the research on how social enterprise might benefit the underprivileged. Participants in the case study were monitored for a total of two years. Our cases were selected using a preliminary typology of social enterprises, and our notion of social disadvantage was framed using the European concept of social exclusion. This view of exclusion acknowledges its complexity and the importance of considering local norms while examining the phenomenon. The literature suggests that social entrepreneurship does have a small impact on economic participation. As a result of a mismatch between stated objectives and actual output, we have this situation. This study demonstrates that different forms of social businesses have varying impacts on social marginalization. With the information provided in this article, readers will have a more nuanced view of the benefits and drawbacks of social enterprise in fighting poverty.

**MATERIAL AND METHODOLOGY**

We conducted an initial exploratory study to develop our theoretical foundation; our aims were to learn more about rural social businesses, figure out how to maximize their potential, and get a sense of the future direction of rural studies. Therefore, the study's focus was on examining our model in a rural context, and its scope was not meant to be generalizable. We conducted in-depth interviews with people from all walks of life involved in social enterprises, counting local social entrepreneurs, employees as well as management members of social project relief organizations, members of community enterprise networks, as well as regional politicians who were held accountable for their role in shaping social enterprise practices and procedures. Three hundred people participated in our survey.
Questionnaires are used in the collection process in order to obtain the data. The term "survey" refers to a particular kind of research instrument that is made up of a series of inquiries and is used to collect data about respondents. The objective of the instrument is to learn more about respondents. A census is a process that is used to collect information from a certain group of individuals in order to learn about a subject that is of interest. Questionnaires are frequently employed in research because they offer a quick, effective, and inexpensive approach to collect data from large sample sizes. This is one of the reasons why they are so popular. These instruments are very helpful for determining a subject's behaviour, preferences, intentions, attitudes, and opinions, as they provide a wealth of information.

RESULT AND DISCUSSION

Demographic Profile

<table>
<thead>
<tr>
<th>Gender</th>
<th>No. of respondents</th>
<th>Percentage%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>108</td>
<td>36%</td>
</tr>
<tr>
<td>Male</td>
<td>192</td>
<td>64%</td>
</tr>
<tr>
<td>Total</td>
<td>300</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

*Prepared by the authors (2022)

Table 4.1 and figure no 4.1 the Gender Profile of Respondents in this there are 108 (36%) female respondents and 192 (64%) male respondents out of 300 respondents. According to this data we analyze that male respondents is more than the female respondents.
Table no: 2 Age group of Respondents

<table>
<thead>
<tr>
<th>Age</th>
<th>No. of Respondents</th>
<th>Percentage%</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-30</td>
<td>10</td>
<td>3.333333%</td>
</tr>
<tr>
<td>30-35</td>
<td>102</td>
<td>34%</td>
</tr>
<tr>
<td>35-40</td>
<td>102</td>
<td>34%</td>
</tr>
<tr>
<td>Above</td>
<td>86</td>
<td>28.66667%</td>
</tr>
<tr>
<td>Total</td>
<td>300</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Prepared by the authors (2022)

Table 4.2 and figure no 4.2 the age group of all respondents in this there are 10 (3.333333%) respondents are between the age group of 25-30, 102 (34%) respondents are between the age group of 30-35, 102 (34%) respondents are between the age group of 35-40 and 86 (28.66667%) respondents are above the age of 40. From the above data we analyze that there are the majority of respondents are between the age group of 30-35 and 35-40.

Table no: 3 Annual Income of Respondents

<table>
<thead>
<tr>
<th>Annual Income</th>
<th>No. of Respondents</th>
<th>Percentage%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 150,000</td>
<td>17</td>
<td>5.666667%</td>
</tr>
<tr>
<td>150,000-250,000</td>
<td>98</td>
<td>32.66667%</td>
</tr>
<tr>
<td>250,000-350,000</td>
<td>96</td>
<td>32%</td>
</tr>
<tr>
<td>350,000-450,000</td>
<td>56</td>
<td>18.66667%</td>
</tr>
<tr>
<td>Above 450,000</td>
<td>33</td>
<td>11%</td>
</tr>
<tr>
<td>Total</td>
<td>300</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Prepared by the authors (2022)
Table no 4.3 and figure no 4.3 the Annual Income of Respondents out of 300 respondents there are 17 (5.666667%) respondents, whose annual income is below 150,000, 98 (32.66667%) respondents annual income is between 150,000-250,000, 96 (32%) respondents annual income is between 250,000-350,000, 56 (18.66667%) respondents annual income is between 350,000-450,000 and 33 (11%) respondents annual income is above 450,000. We analyze from this data that there are majority of annual income is between 150,000-250,000.

Table no: 4 Mean and standard deviation of different different factor of rural, social and policy enterprise.

<table>
<thead>
<tr>
<th>Factors</th>
<th>Mean</th>
<th>SD</th>
<th>Average mean</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>RURAL ENTERPRISE DOMAIN(RED)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RED 1</td>
<td>4.35</td>
<td>1.53</td>
<td>4.16</td>
<td>3</td>
</tr>
<tr>
<td>RED 2</td>
<td>4.12</td>
<td>1.35</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RED 3</td>
<td>4.02</td>
<td>1.21</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SOCIAL ENTERPRISE DOMAIN (SED)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SED 1</td>
<td>4.07</td>
<td>1.43</td>
<td>4.28</td>
<td>1</td>
</tr>
<tr>
<td>SED 2</td>
<td>4.32</td>
<td>1.65</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SED 3</td>
<td>4.19</td>
<td>1.51</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SED 4</td>
<td>4.54</td>
<td>1.64</td>
<td></td>
<td></td>
</tr>
<tr>
<td>POLICY ENTERPRISE DOMAIN(PED)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PED 1</td>
<td>4.38</td>
<td>1.72</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PED 2</td>
<td>4.32</td>
<td>1.65</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PED3</td>
<td></td>
<td>1.37</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 4.4 has a mean value ranging from 4.28 to 4.16, with SED = 4.28, RED = 4.16, and being the two variables that have high mean scores. It can be seen that the value for SED is the highest among all of the variables. After that, RED has a greater score.

In the realm of social enterprises, the most crucial component is the term "rural entrepreneurship" is used to describe the emergence of new businesses outside of major metropolitan regions, particularly those that exploit cutting-edge technology, introduce novel products or services to the market, or otherwise represent a significant departure from the status quo. Because of this, many factories are now being built in once agricultural areas. By tracking the results of your CSR initiatives, you can show their value to upper management and demonstrate how they contribute to the bottom line. You can, for instance, link an increase in sales leads to a higher income, in employee satisfaction to a lower turnover rate, and in the acquisition of new skills to a lower cost of training.

The reason of this investigate is to examine how adhering to guidelines established for rural social enterprises affects their social and economic success. A second sampling was conducted to collect data for the study. Empirical data analysis revealed that SED & PED are
the most important factors in rural business success. While there is a wealth of information available on social enterprises in general, information on rural social enterprises is limited and dispersed. Journal for Rural Studies have been acknowledging the significance of the rural milieu for decades. But this doesn't prove that life in the country is inherently good or unpleasant. Instead, it reveals how reality’s unique advantages and disadvantages shape the ways in which enterprises like social enterprises function. However, there is still a lack of knowledge about the influence of rural variables on social enterprises. To begin filling this void, this research conducts a literature analysis to inform the creation of a framework for the growth of social enterprises in rural areas. Through in-depth interviews with key players in the social business space, we were able to begin filling out this framework and making recommendations for unleashing the potential for rural social entrepreneurs. As a result, we were able to pinpoint knowledge voids that could be productively investigated in the future.

It was determined by our theoretical framework that the rustic, plan, and social entrepreneurship sectors all need to be taken into account. To begin, our article serves as a warning that the environmental policy is crucial in releasing rural social enterprises' full potential. We need more information on the situation before we can craft effective policies to help rural areas and initiatives including social enterprises. It appears that current methods for fostering the growth of rural social entrepreneurs are rarely based on empirical facts.

CONCLUSION

The potential for harm to rural areas' efforts to build social enterprises is high. As public sector funds continue to be slashed, there is an urgent need to identify new, more cost-effective methods of fostering growth in individual communities. Making choices in the context on empirical research allows for the promotion of comprehensive rural town planning that is attentive to both the problems and opportunities given by the rural setting. However, social businesses must be more reactionary to policy needs which ascertain the directions of strategic planning national as well as regional objectives and goals as well as changes within legislation that affects these same activities besides social enterprises. Therefore, it appears that people responsible for making and implementing policies, as well as those who run social enterprises, could benefit from closer cooperation. To evaluate the efficacy of policies there in rural setting, it is necessary to examine the effect of various policies on the results of social business development in rural areas. Based on our research, we conclude that social enterprise can be a powerful tool for rural development because it unites the best of the non-profits, government,
and for-profit sectors into one unique collection of organizations that share a common commitment to community ownership. In addition, rural social entrepreneurship presents its own unique obstacles to conventional methods of operation, such as the need to learn about and accommodate a wide range of motivations, methodologies, organizational forms, and funding systems. According to the people we talked to, local politicians are slow to understand the nuances of social enterprise and how those variations might be used to address a wide range of complex and interrelated societal and economic problems.

REFERENCES


Teck, T. S. (2023). A Study on Capacity of Rural Social Enterprise Needs to be Unlocked


A Study on Capacity of Rural Social Enterprise Needs to be Unlocked


