

# Social Entrepreneurship Looks at Poverty Reducing Policy of Rural Support Programs in Sindh, Pakistan

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Social entrepreneurship is a tool to handle social issues by developing innovative ideas that are carried out by organisations to achieve their goals and objectives. So function of social entrepreneurship in Sindh Rural Support Organisation (SRSO) is seen in reducing poverty in Khairpur District. In this research random sampling was used by applying Krejcie and Morgan table. It is concluded that SRSO is going to maintain this intention and it works at great extend in poverty alleviation in Khairpur, Sindh, Pakistan. In this regard, research objectives, research questions and hypotheses were discussed in light of regression analysis that is comprised of model summary, ANOVA and Coefficient, further Pearson Correlation was applied to see the relationship of social entrepreneurship with poverty alleviation. Hence it is investigated that social entrepreneurship related with poverty reduction and it also positively and significantly worked in reducing poverty.

**Key words:** *Social Entrepreneurship and Poverty Reduction.*

## Introduction

It is bitter fact that poverty is a hot debate all around the world and is an economic, social, political and moral problem worldwide (Fahrudi, 2020). Approximately 10% of the world's population, or more than 700 million people, still live in extreme poverty, mainly in developing countries, whose daily income is less than Rs 300 (United Nations, 2019). In addition, according to OECD data, income inequality has increased in recent decades and the gap between rich and poor has widened, which could affect economic growth and social cohesion (Cingano, 2014). Income equality in developing countries is generally higher than in developed countries (Qureshi, 2016). Although government and non-government organisations are pursuing various programs, poverty is still a major global problem, enabling

the private and public sectors to work together on this issue. You need to find the right policies and strategies (Canaanite, 2017). Kotler (2015) agrees that capitalism can promote low wages and poverty, but does not believe that capitalism is the real cause of poverty. On the contrary, he believes that the root cause of the problem is the ultimate goal of capitalist interests. As a result, many researchers are trying to find ways to make companies more profitable. For example, research on social entrepreneurship seeks to find opportunities to solve social problems (Phillips, 2015). However, the systematic development of social entrepreneurship for poverty reduction and sustainable development has not attracted much attention from policy makers, so further research in this area is still necessary (Millard, 2016). Therefore, this research seeks to find mechanisms that enable the private and public sectors to work together with the social business ecosystem to reduce poverty through social entrepreneurship.

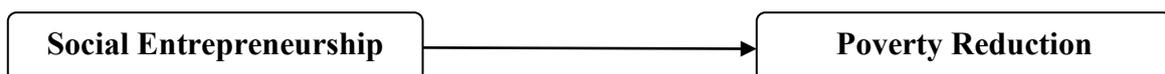
### **Significance of Social Entrepreneurship**

Numbers of people live in the world with scarce resources and resource scarcity leads to environmental degradation. In this connection, vulnerability to environmental conditions has led to greater poverty. Poverty is defined as a lack of basic abilities, which deprives people freedom to choose valuable reasons for living, including physical health, education, social networks and economic resources, in accordance with the National Welfare and Social Security Regulations (NWSS) people do not have basic needs to maintain life. This makes them eager to acquire clothing, public and family transportation, house or rent capacity, drinking water availability, real estate and health and safety services, all of these characteristics are indicators of poverty. An important variable for measuring poverty is a person's income needed to cover basic needs.

### **Research Objectives**

- To find out the reliability of social entrepreneurship and poverty reduction.
- To determine the effect of social entrepreneurship on poverty reduction.
- To check the relationship between social entrepreneurship and poverty reduction.

### **Research Model**



### **Hypotheses**

- H0 There is no effect of social entrepreneurship in reducing poverty.  
H1 There is positive and significant effect of social entrepreneurship in reducing poverty.



H2 There is negative and insignificant effect of social entrepreneurship in reducing poverty.

## Literature Review

Social entrepreneurship is seen as a way to alleviate poverty through the implementation of business strategies (Diochon, 2013). "Numerous studies have shown that open trade has a positive effect on poverty reduction" (Ahmad, 2011). Social entrepreneurs have pledged to eradicate the root causes of poverty, which are helping to boost the economy. Social entrepreneurs have created profit and non-profit businesses, but generally market-based exercises need to be used to change the framework that improves personal life. Economic entrepreneurs have specific abilities in the financial ecosystem (Kazmi, 2016). According to research by Mead, social entrepreneurship is a successful means of economic growth and poverty reduction in the world's bankrupt low-income regions. For microfinance beneficiaries, the impact of social entrepreneurship on poverty alleviation and income generation is uncertain. On the other hand, some previous studies have considered the "social" and "business" elements of this concept, as well as the analysis and critique of the commonly used "social business". We are conducting a comprehensive survey (Kusumasari, 2016). In both aspects, there is a range of very different uses, such as outstanding social goals and outstanding business characteristics. He says that the purpose of social entrepreneurship is to create a certain social value in a particular or prominent way, to create value, to embrace innovation and to take advantage of risk-taking opportunities. Allow and deny restrictions on available resources (Mutarubukwa, 2017; Daniel, 2014).

But in 2013, Simpson tried to provide answers. What will be the role of social enterprises in alleviating permanent and stubborn poverty? The study applied the stakeholder model through a qualitative analysis of semi-structured interviews with NGO leaders in Texas and analysis of top 100 non-profits. The study found that stable services such as housing, healthcare and temporary assistance are essential for everyone. When these stable services are provided, education and wealth creation can be used as a stimulus. Above all, stable services and stimulus will lead to financial freedom and self-sufficiency. It is better for social enterprises to play their part in promoting services, especially through education and hiring workers (Lateh, 2018). At the same time, Choi analysed the social entrepreneurial personality based on controversial concept. Social business can be considered a controversial concept, and a universally accepted definition by athletes is almost impossible. In response to this theory, they propose the concept of a social entrepreneur as a collective concept. Despite its contradictory nature, it is a conceptual tool that helps and promotes social entrepreneurship as an integrated field of research (Choi, 2014).

Lateh, M. (2018) studied the attitudes of urban youth towards social business and the barriers they believe to hinder the development of social business. According to statistics, 153 young



people were surveyed on the Death Road in North Johannesburg. They used two self-assessment questionnaires to collect data. This research revealed three important things. First of all, most of the interviewees have a positive attitude towards the establishment and participation of social enterprises. Second, the survey found three major barriers that prevent young people from starting or joining social enterprises: "access to funds", "lack of opportunities to start saving" and "weak economic environment". Third, the study also defines the overall boundaries of social entrepreneurship (Mataboge, 2014). RDF Connor conducted a survey of the work of local women social entrepreneurs in Zanzibar, Tanzania, in 2014 examining how social entrepreneurship can solve social problems and promote social stability. Qualitative interviews and participatory observation methods were used in this study. He found that government initiatives to promote entrepreneurship could promote research and understand the motives of entrepreneurs to improve the global economic situation.

In the area of social stability and poverty alleviation, it has an impact on public development policies and social work methods and research (Connor, 2014). In Fotheringham et al., (2014) we explored the potential of social enterprises as a strategy to reduce poverty among women. She used the method of integration in the literature and realised that in terms of some of the factors that contribute to women's poverty, she speculated on a method by which social enterprises could reduce or address these factors. Research also emphasises the need to ensure that a strong policy foundation is in place before some key support mechanisms are in place. This promotes certain tasks that can be sustainable and appropriate for reducing poverty (Fotheringham, 2014).

### **Research methods**

According to Bryman (2012), sociology includes studies on social sciences issues such as sociology, human geography, social policy, and politics and so on. This kind of research develops from changes in social concerns and phenomena that change over time, and the interest and results of in-depth research by relevant social scientists are growing. This study aims to make scientific contributions to many socially relevant issues in order to produce better understanding and possible recommendations.

## Research Methods

S.NO	POINTS	EXPLANATION
1	Philosophy	Positivism
3	Strategy	Survey method
4	Choice	Quantitative research
5	Time horizon	Cross-sectional
<b>DATA COLLECTION AND DATA ANALYSIS</b>		
5	Constructs	Social Entrepreneurship & Poverty reduction.
6	Questionnaire	Self-Designed, 5-Point Likert Scale
7	Sources of Data	Primary and Secondary Both
8	Targeted Population	SRSO Beneficiaries in Khairpur
9	Sample Size	Morgan's table 5% error term (5000 population size n=sample size required 357 and used 389)
10	Descriptive Analysis	Frequency Tables and Charts
11	Reliability Analysis	Cronbach's Alpha
12	Regression Analysis	Model Summary, ANOVA and Coefficient
13	Correlation	Pearson Correlation

## Results

### Reliability Analysis

Reliability describes the consistency of responses namely consistency of data. For reliability analysis Cronbach's alpha techniques was used, it follows the criteria that if it is equivalent to 0.6 it will be treated poor, if it is 0.7 it will be considered average, 0.8 is good and 0.9 will be considered excellent. So, here both variables are each comprised of 9 questions. Social entrepreneurship has 8 questions and its reliability is 0.861 whereas poverty reduction has consistency of data equal to 0.843 and numbers of questions were 15. Further total reliability of 23 questions is 0.889 reliability means to shows thickness of data.



### Reliability Statistics

Reliability Statistics		
Cronbach's Alpha		N of Items
0.889		23

### Social Entrepreneurship Reliability

Reliability Statistics		
Cronbach's Alpha		N of Items
0.861		8

### Poverty Reduction Reliability

Reliability Statistics		
Cronbach's Alpha		N of Items
0.843		15

### Regression Analysis

This portion is comprised of three tables. First is model summary and indicates if either independent variables are contributing in this research or not and all these variables are showing the fitness of model. Summary shows the fitness of model so here adjusted R square shows 30% fitness of model. (Where as remaining % is gap, a future scholar might work on it and bridge this gap by adding new variables or by increasing sample size.

#### Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.549 <sup>a</sup>	0.301	0.300	0.83688710

a. Predictors: (Constant), Social Entrepreneurship

ANOVA is called analysis of variance, it shows if the variance is significant between independent variables or not. If the sig. value is 0.05 or less than 0.05 it will be significant variance, so here variance is significant because it has a value of 0.000.

## ANOVA

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	116.953	1	116.953	166.985	.000 <sup>b</sup>
	Residual	271.047	387	.700		
	Total	388.000	388			

a. Dependent Variable: Poverty Reduction

b. Predictors: (Constant), Social Entrepreneurship

The Table below is known as a coefficient and it shows the contribution of each variable separately and its significant level, in this way the beta shows the contribution of each independent variable and its significant level. So here social entrepreneurship contributes 54.90% and it is significant. However it is also said that social entrepreneurship works in reducing poverty.

## Coefficient

Coefficients <sup>a</sup>						
Model		Unstandardised Coefficients		Standardised Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-1.544E-17	0.042		0.000	1.000
	Social Entrepreneurship	0.277	0.021	0.549	12.922	0.000

a. Dependent Variable: Poverty Reduction

In the Correlation Table, match rows to columns between two consecutive variables. Pearson correlation is an actual correlation value that represents magnitude and direction Sig. (Both sides) is the interpreted p-value and N is the number of observations involved. If the p value is less than 0.05, researchers indicate that there is a statistically significant binary association between two consecutive variables. When p-values exceed 0.05, researchers have shown that there is no statistically significant association between two consecutive variables. Higher R coefficients indicate stronger relationships between variables. Smaller r coefficients indicate weaker relationships. Positive correlations represent relationships that follow the same trajectory. As one value increases, the other value also increases. In addition, as one value decreases, the other value also decreases. Negative correlations represent relationships that propagate in different directions. As one value increases, the other decreases. Also, as one value decreases, the other value also increases. So here is social entrepreneurship correlated with poverty reduction.

## Correlation

		Social Entrepreneurship	Poverty Reduction
Social Entrepreneurship	Pearson Correlation	1	
Poverty Reduction	Pearson Correlation	0.407**	1

\*\* . Correlation is significant at the 0.01 level (2-tailed).

## Discussion and Conclusion

This literature tries to understand how social enterprises can help to reduce poverty. Previous studies have agreed that social entrepreneurship has a positive effect on poverty reduction so there is need of formation of effective social trade organisations. The results of this study will be useful for business organisations and social organisations, which help people below the poverty line to increase their income and improve their business strategies. Most of the research studied has been conducted outside the Khairpur region, so there is an urgent need for future local research to improve the understanding of local scientists and businesses. Other regions of the country should also be included in this study, as business programs in each state in the Khairpur region are unique. No doubt, H1 goes to support the research and H2 went against the title.

In addition, this research is based on regression analysis to understand the relationship between social entrepreneurship and poverty alleviation. It should be noted that poverty standards will change over time (referring to social and economic measures), and this dynamic feature of poverty standards is important for everyone to study poverty. In addition, for researchers, do not let poverty be as important as income inequality or wealth, because they are very important ideas and cannot replace each other. This special issue is dedicated to solving important but unexpected problems that can identify and clarify current poverty research. Unfortunate situation, for example, means that the situation of the poor may be created for various economic and personal reasons, and many everyday crimes and punishments prevent them from changing. Therefore, how to improve the conditions of poor communities, social entrepreneurship should become the subject of research on poverty reduction. The current core group is likely to be insecure and unable to solve the problem of poverty in governments, charities and other organisations, especially in peaceful areas of the world.

However, the high poverty rate and unemployment rate are very shocking. Although there are governmental and non-governmental development strategies to address these challenges, they still exist. It has recently been recognised that the government can meet these social



challenges by providing effective and active support for emerging SEO. Undoubtedly, they allow them to succeed where governments have failed in the 21st century.

### Suggestions

- Governments and non-governmental organisations (NGOs) should design technical and material support programs to make SEO social innovations effective for the community.
- The government must allocate a certain percentage of the annual budget for SEO working in Pakistan. It cannot just be an amount in documents. Otherwise it looks desirable and delicate social investment.
- Pakistan should encourage private companies and companies operating in Pakistan to contribute at least 10% of the budget to social innovation in the region. There is no doubt that poverty will decrease and people's living standards will improve.
- Such organisations should be free to choose any legal area of social investment. However, the organisation must be regularly inspected by the relevant departments to confirm the allegations.
- Governments and NGOs should work to support the travel of businessmen abroad in order to engage with similar delegations in other parts of the world so that they can go beyond censorship. This is good for the economy because there is a risk of debt service in the future.
- Similarly, higher education institutions should design courses on corporate social responsibility, just like courses offered to European students. This can provide a basis for adjusting domestic economic models if necessary.
- Existing SEO should follow dynamic social strategies to improve their methods. In this regard, private and electronic media should be used as an effective means of advertising to change people's attitudes towards the services they provide.



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