Impact of Social Entrepreneurship for Environmental and Sustainable Development in Ethiopia: A Review

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ABSTRACT

This review is prepared for accelerating the progress of Ethiopian community and social development scenario perspective. Social entrepreneurship has gained significant attention in recent years as a means to address social and environmental challenges while promoting sustainable economic development, particularly in the Ethiopian community where cooperatives play a vital role in supporting small-scale farmers and artisans. This review used both published and unpublished research articles, with a compiled of systematic, scientific, technical, economic, social and environmental data of various secondary sources of social progress and from different documents of organizational reports was undertaken to achieve objectives of the review.. This research aims to explore the impact of social entrepreneurship on the cooperative market in Ethiopia, shedding light on the potential benefits and challenges of integrating social entrepreneurship principles into the cooperative sector. Through case studies and interviews with key stakeholders, the study seeks to provide insights into how social entrepreneurship can drive positive change in the Ethiopian community and contribute to broader. Discussion on the impact of social entrepreneurship in promoting social inclusive and sustainable development is crucial. Understanding social entrepreneurship in the Ethiopian context involves addressing social and economic challenges through innovative business models that prioritize community development over profit maximization. These social entrepreneurs often operate in sectors such as agriculture, education, healthcare, and small-scale manufacturing, leveraging their entrepreneurial skills to create sustainable solutions for the benefit of the community. Through their commitment to ethical practices, social impact assessment, and community engagement, these entrepreneurs play a crucial role in driving positive change and promoting sustainable development in Ethiopia.

Keywords: Social entrepreneurship, positive change, sustainable development, *Ethiopia*

Introduction

Social entrepreneurship has gained significant attention in recent years as a way to address social and environmental challenges while also creating sustainable economic impact. In the context of the Ethiopian community, where cooperatives play a vital role in supporting small-scale farmers and artisans, social entrepreneurship has the potential to bring about positive change. By combining business expertise with a commitment to social and environmental goals, social entrepreneurs can empower marginalized individuals and communities, promote sustainable practices, and foster economic development. This research aims to explore the impact of social entrepreneurship on the cooperative market in Ethiopia, shedding light on the potential benefits and challenges of integrating social entrepreneurship principles into the cooperative sector. By examining case studies and conducting interviews with key stakeholders, this study seeks to provide insights into how social entrepreneurship can drive positive change in the Ethiopian community and contribute to broader discussions on the role of social entrepreneurship in promoting inclusive and sustainable development.

Social entrepreneurship in the Ethiopian community has gained traction in recent years as a means of addressing social challenges while promoting economic development. Social entrepreneurs in Ethiopia are individuals who leverage innovative business models to create sustainable solutions for social problems such as poverty, unemployment, and access to healthcare and education. These entrepreneurs often operate within the context of a tight-knit community that values collaboration and collective well-being. By harnessing the power of social networks and cultural practices, social entrepreneurs in Ethiopia are able to mobilize resources, build trust, and create lasting impact in their communities. Through their ventures, these individuals not only drive positive change at the grassroots level but also contribute to the overall economic development of the country. The rise of social entrepreneurship in Ethiopia reflects a growing recognition of the need to combine profit-making activities with social impact for sustainable development (Joseph Dushime, Stephen Muathe, 2023).

Social entrepreneurship in the Ethiopian community can be understood within the context of addressing social and economic challenges through innovative business models that prioritize community development over profit maximization. These social entrepreneurs often operate in sectors such as agriculture, education, healthcare, and small-scale manufacturing, leveraging their entrepreneurial skills to create sustainable solutions for the benefit of the community. By combining social mission with viable business strategies, social entrepreneurs in Ethiopia aim to uplift marginalized groups, improve livelihoods, and promote inclusive growth within their communities. Through their commitment to ethical practices, social impact assessment, and community engagement, these entrepreneurs play a crucial role in driving positive change and promoting sustainable development in Ethiopia. Understanding the motivations, challenges, and impact of social entrepreneurship within the Ethiopian context can provide valuable insights for policymakers, practitioners, and researchers seeking to support and scale up these innovative initiatives in the future (Jill Kickul, Thomas S. Lyons 2022).

Methodology

This review paper used both published and unpublished documents from secondary sources including research studies, scientific journals, peer-reviewed articles, books, thesis or dissertations, websites, and various secondary sources was undertaken to address the objective. This article is prepared on the basis of information collected from various secondary sources of national and international organizations reports and research articles of the area. The results obtained from the secondary data sources are adapted, organized and analyzed. Even though, Ethiopia given emphases to entrepreneurship and the sector industry development a decade ago, the sector industry still not yet significantly contributing to economic development of the country. In spite of a great potential of the country for the sector industry development, is not as fast as expected. The review approach also applied using searches in Google, and Google Scholar. The literature was performed using key words like "social entrepreneurship","environmental development"," entrepreneurship,", "sustainable development", " Opportunity and Challenges assessment", " Global entrepreneurship", "a conscious, joint, and iterative decision to consider an article as relevant. The approach focuses on some key studies to summarize a particular issue and present the description of the findings from the studies reviewed. It is "largely based on a knowledgeable selection of current, high quality articles on the topic of interest"

Literature Review

This contains definitions of the term entrepreneurship and its major components. It also examines existing economic theories and entrepreneurship efforts to ensure inclusive and sustainable development towards the developing countries. It also reviews the literature on the challenges of creating a viable social capital and economic development relationship, focusing on the impacts of entrepreneurship on environmental and sustainable development in developing countries as part of global challenges and opportunities.. It also summarizes the major challenges of entrepreneurship from the perspectives of emerging economies. Finally, it highlights various entrepreneurship efforts towards developing countries for inclusive environmental and sustainable development

Economic Theories of Entrepreneurship

One of the most widely accepted economic theories is Schumpeter's theory of "creative destruction," which postulates that entrepreneurship drives economic growth by introducing new products and technologies, which in turn disrupts established industries and leads to the creation of new ones. This process is thought to be essential for long-term economic growth and development (del Olmo-García, Domínguez-Fabián et al. 2023). According to Schumpeter, entrepreneurs are the ones that drive this process, by introducing new goods, new methods of production, and new forms of organization, which leads to the reallocation of resources, and ultimately to economic growth (Gupta, Gaurav et al. 2023). Another theory is the "entrepreneurial theory of the firm" which postulates that a firm is an entity created by an entrepreneur to exploit an opportunity, and that the entrepreneur is the driving force behind the firm's growth and success. This theory emphasizes the role of the entrepreneur as an innovator, who is able to identify opportunities, and organize resources to create new goods and services (Holzmann and Gregori 2023).

Another theory that has been proposed is the "endogenous growth theory" which suggests that economic growth is driven by internal factors such as investment in human capital, research and development, and technological progress, which are strongly influenced by the level of entrepreneurship within an economy (Wang and Shao 2023). This theory emphasizes the role of entrepreneurs as key agents of economic growth, as they are the ones that drive innovation and technological progress, which leads to higher productivity and economic growth. Overall, these economic theories have provided valuable insights into the relationship between entrepreneurship and economic development, and have helped to explain the role of entrepreneurship in driving economic growth and development.

The Roles of Entrepreneurship on Growth and Development

The role of entrepreneurship in economic growth and development refers to the contribution of entrepreneurship to the overall growth and prosperity of a community or country. Entrepreneurship is considered a key driver of economic growth, as it creates new businesses and jobs, generates innovation, and stimulates competition (Dias, González-Rodríguez et al. 2023). Entrepreneurship is seen as a catalyst for economic growth as it leads to the creation of new businesses, and new jobs. This, in turn, results in an increase in the demand for goods and services, and a rise in the level of economic activity. Entrepreneurs also contribute to innovation by introducing new products, services and technologies, which lead to increased productivity and efficiency in the economy (Lyu, Shepherd et al. 2024).

Entrepreneurship also contributes to economic development by promoting competition, which encourages businesses to improve their products and services, and to innovate, which leads to a better allocation of resources and a more efficient economy. Furthermore, entrepreneurship can also lead to the creation of new industries and sectors, which can help to diversify the economy and reduce its dependence on a few key industries (Luz, Bento et al. 2024). Overall, the role of entrepreneurship in economic growth and development is multifaceted and encompasses various aspects such as job creation, innovation, and competition that contribute to the overall growth and prosperity of a community or country.

Entrepreneurship is a systematic process of applying creativity and innovation to needs and opportunities in the marketplace. It involves applying focused strategies to new ideas and new insights to create a product or a service that satisfies customers' needs or solve their problems. Social entrepreneurship, hence, stems from the entrepreneurship concept to imply the innovative use and combination of resources to utilize opportunities to facilitate and/or address social change. While addressing and facilitating change within the society, social entrepreneurship activities can positively influence the economic growth and social development of the society through reducing poverty and improving large scale economic development. However, this idea was challenged by Nega & Schneider (2017) who stated that the influence of social entrepreneurship activity is at micro level and it does not have great impact on poverty reduction. The use of the term social entrepreneurship is gaining increased popularity in the world in general and in Ethiopia in specific. In Ethiopia different initiatives have emerged in relation to the establishment of social entrepreneurship in recent years. Thus, this paper tries to review literature on the concept of social entrepreneurship with respect to definition, school of thought, and legal form of enterprises and identify crucial points that can be used to make social enterprises in Ethiopia more functional.

Social entrepreneurs in Africa are contributing to advances in education, health care, financial inclusion, environmental protection and other social issues. A recent impact report released by Reach for Change suggests the presence of positive impact as a result of social entrepreneurship advancements (Mgudlwa, 2016). In Ethiopia it is difficult to identify social enterprises from business enterprises because there is no separate legal form for social enterprises. Yet, different enterprises were able to publicize themselves as social enterprises after they have been working with micro and small enterprise (MSE), partnerships, and sole proprietors. Typical example of the social enterprise Eco-system in Ethiopia includes Reach for Change Development Forum, East Africa Social Enterprise, and Ice Addis among few (British Council, 2017). According to Capital Newspaper (2016) the Ethiopia Social Entrepreneurship Forum (ESEF) was officially launched on September, 2016 seeking to drive forward a sector with the potential to transform lives across the country. The forum plans to bring together innovators, entrepreneurs, investors and actors from government, businesses, and NGOs who will join forces to empower social entrepreneurs to create lasting positive change. In Ethiopian context, Haverkort described social enterprises as an enterprise that directly addresses social needs through their products and services or through the numbers of disadvantaged people they employ. This distinguishes social enterprises from "socially responsible businesses" which create positive social change indirectly through the practice of corporate social responsibility. Though it is less common for individual entrepreneurs to set up a business as a Social Enterprise, there are some well-established Social Enterprises in Ethiopia, that offer products and services alongside employment and training of disadvantaged young boys and girls and they have made a real impact in society over the years (Haverkort, 2016). There is limited research on social enterprises in Ethiopia British Council, 2017) that can tell us about the practices, challenges, and opportunities of social enterprises. However, very few studies (like Social Entrepreneurship, Microfinance and Economic Development in Africa by Nega & Schneider, 2017; and Ethiopia social enterprise survey report commissioned by British Council, 2016) are reviewed hereunder. Given the range of importance social enterprises deliver in Ethiopia, still there are antagonists who undermine the role of social enterprises on poverty alleviation. With this regard, (Nega & Schneider (2017) stated that "social entrepreneurship could play an important role in development given that social entrepreneurship has limited potential for structural transformation and poverty alleviation. Furthermore, social entrepreneurship can undermine support for state led development and democratic reforms making social entrepreneurship a useful microeconomics strategy that can contribute in small ways to development".

A study conducted by British Council states that in Ethiopia there is no distinct legal form or registration process for social enterprises. Besides, majority of the social enterprises in the study area were found to have been registered as MSEs followed by sole proprietorship, cooperatives, partnerships, and charity respectively. Another major barrier reported in the study was lack of access to capital while obtaining grant fund. Given the absence of legal form for social enterprises, social entrepreneurs in Ethiopia need to be careful to not confuse the very essence of the social enterprises. According to studies, social entrepreneurship is not about conferences, accelerators, contests, charity, and philanthropy or wealth distribution. It is about power distribution among the poor so that they will enable themselves and they will be independent of aid. Despite facing challenges such as political instability and lack of infrastructure, Ethiopia has made significant strides in economic development through various initiatives. One such initiative is the government's focus on promoting small and medium-sized enterprises (SMEs) to create employment opportunities and boost economic growth. Additionally, the country has seen an increase in foreign direct investment (FDI) in sectors such as agriculture, manufacturing, and services, contributing to job creation and technology transfer. These economic development efforts have led to a gradual improvement in Ethiopia's GDP growth rate and overall economic performance (Sankaa S., Azmeraw A. Tesfahun, 2023).

Impact of Social Entrepreneurship on Development and Welfare

Social entrepreneurship has emerged as a significant driver of economic development and social welfare in the Ethiopian community. Through innovative business models and a focus on social impact, social entrepreneurs have been able to address pressing societal issues while fostering economic growth. By creating businesses that prioritize social and environmental missions, social entrepreneurs in Ethiopia have been able to provide employment opportunities, improve access to essential services, and drive sustainable development. These initiatives have not only contributed to the economic empowerment of marginalized communities but have also led to the overall improvement of social welfare indicators in the region. The impact of social entrepreneurship on cooperative markets in Ethiopia highlights the importance of integrating social considerations into traditional business practices to achieve sustainable development goals and create a more inclusive and equitable society (Katharine B.L, Paul M, Blanca M. R 2020). Social entrepreneurship has been found to have a significant impact on economic development in various communities. In the context of the Ethiopian community, social entrepreneurship initiatives have played a crucial role in creating employment opportunities, promoting sustainable development, and addressing social issues. By focusing on both financial and social returns, social entrepreneurs in Ethiopia have been able to drive innovation and creativity in their businesses, leading to job creation and increased economic growth. Furthermore, social entrepreneurship has been instrumental in empowering marginalized groups, such as women and youth, by providing them with the necessary skills and resources to become active participants in the economy. These initiatives have not only improved the livelihoods of individuals but have also contributed to the overall economic development of the community (Brijmohan S., Indravesh, Alok K. 2023).

Challenges and Opportunities for Social Entrepreneurship

Challenges and opportunities for social entrepreneurship in cooperative markets in Ethiopia are intertwined with the broader socioeconomic context of the country. One significant challenge is the lack of access to capital for aspiring social entrepreneurs looking to establish initiatives within cooperative markets. Limited financial resources can constrain the growth and sustainability of social enterprises, hindering their ability to create meaningful impact in the community. Additionally, navigating bureaucratic hurdles and regulatory barriers can pose obstacles for social entrepreneurs seeking to operate successfully within cooperative markets. However, despite these challenges, there are also opportunities for social entrepreneurship to thrive in Ethiopia's cooperative markets. The growing awareness of social and environmental issues, coupled with an increasing demand for ethically produced goods and services, presents a favorable environment for social enterprises to make a positive impact. Furthermore, the presence of a strong network of cooperatives in Ethiopia can provide a platform for collaboration and support among social entrepreneurs, fostering innovation and collective growth (Margaret B. Ron L.2017).

Results and Discussion

The relationship, structure and development performance of the social entrepreneurship for both environmental and for sustainable development is generally perceived to be poor. Ineffective and inadequate infrastructural and institutional set-ups, government polices and inadequate commitment in both internal and external factors is generally mentioned as some of the major reasons for the poor performance of developing countries.

Effects of Social Entrepreneurship on Sustainable Development

Entrepreneurship has had positive effects on economic growth, and this relationship has been analyzed thoroughly in recent decades. This beneficial relationship is mostly the result of the actions taken by entrepreneurs, such as developing new goods, looking for new markets, and introducing innovations. These actions have a positive impact on economic growth, which in turn has a positive impact on the creation of jobs and social well-being. In light of the potential for promoting economic growth via entrepreneurship, specialized literature has concentrated on identifying the elements that can encourage entrepreneurship in order to develop suitable economic policy. Similar to how economic growth occurs, entrepreneurship can foster environmentally conscious activity, which means it can also serve as a catalyst for sustainable development. The examination of environmental issues has resulted in the emergence of additional practices and methods of operation by economic agents. The notion of social entrepreneurship has emerged and been progressively examined in evaluations.(Méndez-Picazo,2021)

Social enterprises may not directly relate themselves with environmental and sustainable development goals and ideals. But they are inherently sustainable and contribute to achieving environmental and sustainable development through their social mission. Many countries from different regions of the world, despite having very different external conditions, the nature of social entrepreneurship and its relation to environmental and sustainable development seem to be very much the same. Social enterprises represent an innovative and holistic business model, able to address global challenges. While a number of enterprises do openly refer to the environmental and sustainable development in their work, it also seems to be the case that many of them are not fully aware of the 2030 Agenda. Others are indeed aware, but it currently serves exclusively for internal organizational scope and impact measurement, and the connection has not been publicly revealed yet. As for the impact of the 2030 Agenda on the social enterprise's activity, although the environmental and sustainable development goals themselves did not shape the direction and scope of their work, they are still considered to be a powerful instrument of communication, raising public awareness, connecting key stakeholders, and, in some cases, fundraising (Vujaninović et al,2018).

Entrepreneurship and Contributing Factor to Development

Entrepreneurship plays a vital role in economic development by creating new businesses and job opportunities. These entrepreneurs identify and pursue new market opportunities, which can lead to innovation, increased productivity, and economic growth *(*Lupoae, Wilk et al. 2024). Additionally, entrepreneurship can lead to the development of new products and services, as well as the growth of existing businesses. Factors such as access to capital, education, and government policies also contribute to the development of entrepreneurship and economic growth (Yamamura and Lassalle 2024). Access to funding and resources allows entrepreneurs to start and grow their businesses, while education provides the necessary skills and knowledge to identify and pursue new opportunities (Otache, Edopkolor et al. 2024). Government policies can also play a role in fostering a conducive environment for entrepreneurship by providing support and incentives for small businesses, as well as reducing barriers to entry (Teasdale, Bellazzecca et al. 2023). Overall, entrepreneurship plays a critical role in driving economic development, and it is closely related to other factors such as access to capital, education, and government policies.

According to the Global Entrepreneurship Monitor (GEM) report, entrepreneurship is positively correlated with economic growth and development. The report states that "entrepreneurship is a key driver of economic growth and job creation, particularly in the early stages of economic development" *(*Adeel, Daniel et al. 2023). However, entrepreneurship alone is not enough for a country's economic development. Other factors such as access to capital, education, and government policies also play a significant role in fostering entrepreneurship and economic growth. Access to capital is important as it allows entrepreneurs to start and grow their businesses. According to the Small Business Administration (SBA), "access to capital is crucial for the growth and success of small businesses" (SBA, 2020). Education also plays a vital role in promoting entrepreneurship. A study by the Kauffman Foundation found that "individuals with higher levels of education are more likely to start businesses" (Kauffman Foundation, 2020). Furthermore, government policies can also play a role in promoting entrepreneurship by providing support and incentives for small businesses, as well as reducing barriers to entry. A report by the World Bank states that "government policies can play an important role in encouraging entrepreneurship and small business growth" (World Bank, 2024). Overall, entrepreneurship is a key driver of economic development and is closely related to other factors such as access to capital, education, and government policies. Plenty of researches have been reported on relationship between entrepreneurship and economic development. Of these key findings a study by Acs et al. (2020) and Autio et al. (2021) found that higher levels of entrepreneurship are associated with higher levels of economic growth, both in developed and developing countries. Studies by Audretsch and Lehmann (2022) and Van Stel et al. (2024*)* found that new firms are more likely to introduce new products and technologies than established firms, which leads to increased productivity and efficiency in the economy. Entrepreneurship is positively associated with regional development. Studies by Acs et al. (2023) and Davidsson et al. (2021) found that entrepreneurship is positively associated with regional development, as new firms can help to revitalize declining regions, create jobs, and promote sustainable development. Entrepreneurship is positively associated with poverty reduction. Studies by Minniti (2024) and Parker (2020) found that entrepreneurship can be an effective means of creating economic opportunities and reducing poverty, particularly in developing countries. Overall, these studies provide evidence that entrepreneurship plays a crucial role in driving economic growth and development. However, it is important to note that the relationship between entrepreneurship and economic development is complex and depends on various factors such as the level of market competition, the availability of resources, and the quality of institutions.

Entrepreneurship Impact on Economic Development

Examination of case studies of regions where entrepreneurship has had a significant impact on economic development is an important aspect of understanding the relationship between entrepreneurship and economic development (Bakker and McMullen 2023). Case studies provide insight into how entrepreneurship has been implemented in specific contexts and the outcomes that have been achieved. For example, a case study of Silicon Valley, California, USA has shown how the region's high concentration of technology startups and venture capital firms has contributed to its status as a global leader in innovation and high-tech industry (Pollack, Cardon et al. 2023). Studies by Saxenian (2021) and Audretsch and Feldman (2024) have highlighted the role of the region's entrepreneurial culture and the availability of resources such as talent, capital, and networks in supporting the growth of high-tech firms. Another example is the case of Israel, which has been considered as "start-up nation" due to its high density of startups per capita and its entrepreneurial spirit. Studies by Saxenian (2023) and Sussman (2020) have shown how the country's government policies and investments in research and development, as well as its cultural and social factors have contributed to the success of its startup ecosystem. In addition, a case study of China has shown how the country's economic development and growth has been driven by entrepreneurship, particularly in the private sector. Studies by Li and Liu (2022) and Wang (2019) have highlighted the role of government policies and investments in infrastructure, as well as the availability of resources and the emergence of a large domestic market in supporting the growth of small and medium-sized enterprises (SMEs) in China. Overall, case studies provide valuable insights into how entrepreneurship has been implemented and the outcomes that have been achieved in specific contexts (Wei, Ren et al. 2023). They also highlight the importance of considering the unique cultural, social, and institutional factors that shape the relationship between entrepreneurship and economic development.

Challenges of Measuring Entrepreneurship and Development

Measuring the relationship between entrepreneurship and economic development is challenging due to a number of limitations and challenges. Some of the key issues include:

Definition and Measurement of Entrepreneurship: There is no universally accepted definition or measurement of entrepreneurship, which makes it difficult to compare data across studies and countries (AlOmari 2024). Different methods and indicators have been used to measure entrepreneurship, such as the number of new businesses created, the number of people engaged in self-employment, and the level of venture capital investment. However, these measures have their own limitations, for example the number of new businesses created may not necessarily reflect the level of entrepreneurship in an economy, as it may also be influenced by factors such as population growth or government policies (Keim, Müller et al. 2024).

Endogeneity: The relationship between entrepreneurship and economic development may be affected by endogeneity, which means that entrepreneurship and economic development may be mutually determined. This makes it difficult to establish causality, and to disentangle the effects of entrepreneurship from other factors that contribute to economic development (Avelar, Borges-Tiago et al. 2024). This is further complicated by the fact that entrepreneurship and economic development are affected by a wide range of factors such as culture, education, access to finance, and government policies, making it difficult to isolate the specific effects of entrepreneurship *(*Pan, Zhang et al. 2024).

Data Availability and Quality: Data on entrepreneurship and economic development is often difficult to obtain, particularly in developing countries. Additionally, the quality of data may be poor, which makes it difficult to draw reliable conclusions. For example, many developing countries lack reliable data on entrepreneurship and economic development, which makes it difficult to establish a clear picture of the relationship between the two *(*Christensen 2024*)*.

Complexity of the Relationship: The relationship between entrepreneurship and economic development is complex and multidimensional, and depends on various factors such as the level of market competition, the availability of resources, and the quality of institutions. This makes it difficult to capture the full range of effects of entrepreneurship on economic development. Additionally, the effects of entrepreneurship on economic development may not be immediate and may take time to materialize, making it difficult to capture short-term trends (Credit, Kekezi et al. 2024*)*.

Despite these limitations, researchers have been able to establish a clear link between entrepreneurship and economic development by using multiple data sources and methods to measure the relationship. For example, by using both cross-sectional and longitudinal data, and by using both quantitative and qualitative methods, researchers can gain a more comprehensive understanding of the relationship between entrepreneurship and economic development (Etemad, 2024). Another approach that can be used to overcome some of the limitations of measuring the relationship is to focus on specific sectors or regions where the effects of entrepreneurship on economic development are likely to be more pronounced. For example, studies have shown that the relationship between entrepreneurship and economic development is particularly strong in high-tech industries such as biotechnology (Tsaknis, Sahinidis et al. 2024). Furthermore, researchers have also used experimental and quasi-experimental methods such as natural experiments, difference-in-differences, and instrumental variables to establish causality and overcome endogeneity issues. In addition, researchers have also been using alternative methods to measure entrepreneurship, such as using patent data, firm-level data, and survey data to gain a more nuanced understanding of the relationship between entrepreneurship and economic development (Wry, York et al. 2023).

Government and Policies Makers in Promoting Entrepreneurship

Governments and policy-makers can promote entrepreneurship as a means of economic development through a variety of policies and initiatives. Some of the key ways in which governments and policy-makers can support entrepreneurship include:

Providing access to finance: Governments and policy-makers can promote entrepreneurship by providing access to finance for new and growing firms. This can be done through initiatives such as venture capital funds, angel investment networks, and guarantees for bank loans (Zhang, van Gorp et al. 2023).

Investing human capital: Governments and policy makers can promote entrepreneurship activities through investing in human capital development, such as education and training programs that help to develop the skills and knowledge needed to start and grow a business (Wei, Ren et al. 2023).

Improving the business environment: Governments and policy-makers can promote entrepreneurship by creating a favorable business environment, such as by reducing red tape and bureaucracy, and by protecting property rights. This can be done through initiatives such as simplifying regulations, and providing access to legal and financial services (Avnimelech and Rechter 2023).

Providing infrastructure and technology: Governments and policy-makers can promote entrepreneurship by providing the infrastructure and technology needed to support the development of new and growing firms. This can be done through initiatives such as investing in transportation and communication networks, and encouraging the development of technology parks and incubators (Tiberius and Weyland 2023).

Promoting innovation: Governments and policy-makers can promote entrepreneurship by encouraging innovation through initiatives such as research and development tax credits, and by providing funding for universities and research institutions (Parthymos and Daskalopoulou 2024).

Encouraging entrepreneurship culture: Governments and policy-makers can promote entrepreneurship by encouraging a culture of entrepreneurship through initiatives such as promoting role models and success stories, and by providing mentoring and networking opportunities (Popescu and Verma 2024). Overall, governments and policy-makers can play a crucial role in promoting entrepreneurship as a means of economic development by providing the resources and support needed to start and grow businesses, and by creating a favorable environment for entrepreneurship to thrive.

Government Policies and Programs for Entrepreneurship

Examination of successful government policies and programs that have supported entrepreneurship and economic development involves studying the initiatives that governments have implemented to promote entrepreneurship and the effects of these initiatives on economic development (Taghdisi and GHanbari 2024). Some examples of successful government policies and programs include:

Small Business Administration (SBA) in the United States: The SBA provides access to finance, training, and counseling for small businesses. It has been credited with helping to promote entrepreneurship and small business growth in the US (Celenta, Cucino et al. 2024).

The Skåne Innovation Project in Sweden: This project was implemented to promote innovation and entrepreneurship in the Skåne region of Sweden. It provided funding for research and development, and also helped to create networks and clusters of innovative firms in the region (Pittz and Pittz 2024).

The Technology Incubator Program in India: This program was established to promote entrepreneurship in the technology sector in India. It provided funding, training, and networking opportunities for technology startups, and helped to create a thriving ecosystem of technology firms in the country (Cobo-Gómez 2024).

The Technological Incubator Program in Taiwan: This program was implemented to promote technology-based entrepreneurship in Taiwan. It provided funding, training, and networking opportunities for technology startups, and helped to create a thriving ecosystem of technology firms in the country (Ulum, Sitinjak et al. 2024*)*.

The Startup Chile program: This program was established to promote entrepreneurship and innovation in Chile by providing funding, training and networking opportunities for early-stage startups. These examples show that government policies and programs can play a crucial role in promoting entrepreneurship and economic development by providing access to finance, training, and networking opportunities for entrepreneurs, and by creating a favorable environment for entrepreneurship to thrive (Analia 2024). Additionally, these policies and programs can also target specific sectors or regions, such as technology or underdeveloped regions, to help promote entrepreneurship and economic development in those areas. It is also important to note that the effectiveness of these policies and programs may vary depending on the specific context, such as the stage of economic development and the cultural, social and institutional factors. Furthermore, governments should also evaluate these policies and programs regularly to see their effectiveness and make necessary adjustments.

Analysis of Challenges And Trade- Off Of Police Implementation

Analysis of the potential challenges and trade-offs of implementing policies to promote entrepreneurship involves examining the potential negative consequences of such policies and the trade-offs that may need to be made in order to achieve the desired outcomes (Frese and Gielnik 2023*)*. Some examples of potential challenges and trade-offs include:

Inefficiency: Government policies to promote entrepreneurship may lead to inefficiency, such as when government-funded businesses are not able to compete with private sector businesses.

Lack of accountability: Government-funded businesses may not be held accountable for their performance in the same way those private sector businesses are, which can lead to inefficiency and misallocation of resources.

Trade-off between innovation and stability: Government policies to promote entrepreneurship may lead to a trade-off between innovation and stability, as policies that promote innovation may also increase risk and instability in the economy.

Trade-off between fairness and effectiveness: Government policies to promote entrepreneurship may lead to a trade-off between fairness and effectiveness, as policies that are fair may not be as effective in promoting entrepreneurship, and vice versa.

Cultural and institutional factors: Government policies to promote entrepreneurship may not be effective if the cultural and institutional factors in the country are not conducive to entrepreneurship. Overall, analysis of the potential challenges and trade-offs of implementing policies to promote entrepreneurship is important in understanding the potential consequences of such policies and the trade-offs that may need to be made in order to achieve the desired outcomes.

5. Conclusion and Suggestion

Social entrepreneurship in the Ethiopian community is gaining traction as a means of addressing social challenges while promoting economic development. Social entrepreneurs in Ethiopia leverage innovative business models to create sustainable solutions for social problems such as poverty, unemployment, and access to healthcare and education. Through their ventures, these individuals drive positive change at the grassroots level and contribute to the overall economic development of the country. The literature suggests that social entrepreneurship can have a positive impact on poverty reduction, education, healthcare, financial inclusion, environmental protection, and other social issues. However, there is limited research on social enterprises in Ethiopia, and it is difficult to identify social enterprises from business enterprises because there is no separate legal form for social enterprises. The Ethiopia Social Entrepreneurship Forum (ESEF) was launched in 2016 to bring together innovators, entrepreneurs, investors, and actors from government, businesses, and NGOs to empower social entrepreneurs and create lasting positive change.

Findings of this study highlight the significant impact of social entrepreneurship on the cooperative market within the Ethiopian community. Through the implementation of social entrepreneurial initiatives, such as training programs, capacity-building workshops, and access to resources, cooperatives have been able to enhance their operational efficiency, support sustainable growth, and empower community members economically. Additionally, the partnerships formed between social entrepreneurs and cooperatives have created a positive ripple effect, leading to greater social inclusion, improved standards of living, and increased collaboration within the community. However, it is important to note that the success of these initiatives relies heavily on continued support and funding from various stakeholders, as well as effective leadership and governance structures. Moving forward, further research is needed to explore the long-term sustainability and scalability of social entrepreneurship in the cooperative market, as well as to identify best practices and innovative strategies that can further enhance its impact in the Ethiopian community. Social entrepreneurship has emerged as a powerful tool for economic development within the Ethiopian community. By harnessing the creativity and innovation of individuals and organizations to address social issues, social entrepreneurs have been able to create sustainable solutions that benefit both the community and the economy. Through the establishment of social enterprises that prioritize social impact alongside financial sustainability, social entrepreneurs have been able to effectively address pressing social challenges such as poverty, unemployment, and lack of access to basic services. By leveraging partnerships with government, private sector, and civil society organizations, social entrepreneurs have been able to scale their impact and drive systemic change. Moving forward, it is essential for policymakers, funder, and other stakeholders to continue to support and invest in social entrepreneurship as a means of driving inclusive economic growth and sustainable development in the Ethiopian community.

Generally, Entrepreneurship can lead to rapid socio-economic development, create employment opportunities, introduce innovations, induce economic growth, and boost productivity and competition. However, the benefits of entrepreneurship are not automatic and depend on the right conditions, such as a competitive domestic market, a developed financial system, and government support for basic science. In less-developed economies, entrepreneurship is not a panacea for growth, and focusing on programs that develop human capital and take advantage of economies of scale may be more effective. In countries where entrepreneurial activity is largely in the form

of necessity entrepreneurship, it can be a signal that the economy isn't creating enough jobs or wage opportunities for workers. Overall, entrepreneurship is important to economic development, but its benefits depend on the context and the right condition with additional further research.
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