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Can we do business without profit ? Social Business as a tool to fight poverty.

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Master in International Studies

Supervisor:

Ph.D. Ana Margarida Esteves, Integrated Researcher,
CEI-Iscte – Centro de Estudos Internacionais (ESPP)

September, 2025



SOCIOLOGIA
E POLÍTICAS PÚBLICAS

History Department

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I would like to express my sincere gratitude to all those who have contributed to the completion of this dissertation. After completing my Bachelor's degree in Social Sciences, I discovered the works of Professor Muhammad Yunus on social innovation and microcredit. His vision deeply inspired me and guided my decision to pursue an international path, with the aim of working concretely on innovative social objectives. Reading his books and engaging with his ideas gave me the conviction that I wanted to dedicate my professional journey to this field, searching for solutions to fight poverty not in the distant future, but starting today.

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This dissertation is therefore more than an academic work; It reflects my personal commitment and the professional direction I wish to take in the future. I warmly thank my professors, colleagues, and everyone who supported me during this journey. Their guidance, encouragement, and generosity have been invaluable in shaping both this work and my path ahead.

Resumo

Esta dissertação analisa o Social Business como uma ferramenta de combate à pobreza, permanecendo integrado na economia de mercado atual. Inspirada pelo trabalho de Muhammad Yunus e Amartya Sen, levanta uma questão central: o Social Business é apenas uma reforma interna do capitalismo ou um modelo autónomo? Para explorar esta questão, a pesquisa baseia-se em estudos de caso qualitativos realizados em África (Gana, Marrocos, Mali) e no Sul da Ásia (Bangladesh, Nepal, Índia). Estes casos foram selecionados não para oferecer uma representação universal do Sul Global ou de todas as formas de Social Business, mas para ilustrar a diversidade de contextos institucionais, jurídicos e culturais onde estas iniciativas se desenvolveram.

A análise centra-se na forma como os contextos locais (como os quadros regulatórios, as dinâmicas comunitárias e a disponibilidade de recursos) condicionam os resultados das iniciativas de Social Business. Ao comparar trajetórias contrastantes entre regiões, o estudo evidencia tanto a adaptabilidade como os limites estruturais do modelo.

Ao contrário da Responsabilidade Social Corporativa (RSC), muitas vezes utilizada para melhorar a imagem da empresa, ou do inclusive business, que mantém a distribuição de lucros, o Social Business reinveste todos os excedentes na sua missão social. No entanto, persistem desafios, nomeadamente em termos de sustentabilidade financeira, dependência de doadores e incertezas jurídicas.

Esta pesquisa não pretende generalizar para além dos casos analisados, nem procura “provar” se o modelo é reformista ou não. Antes, enfatiza o carácter contextual do Social Business (institucional, legal e comunitário) e a sua dependência de ecossistemas de apoio. Mostra as condições sob as quais pode ser percebido como um modelo autónomo ou, pelo contrário, como uma reforma interna do capitalismo.

Keywords: Social Business; Redução da pobreza; Modelos híbridos; RSC; Negócio inclusivo; Desenvolvimento económico; Inovação social; Capitalismo

Abstract

This thesis analyzes Social Business as a tool for combating poverty while remaining integrated into the current market economy. Inspired by the work of Muhammad Yunus and Amartya Sen, it asks a central question: is Social Business merely an internal reform of capitalism or a model in its own right? To explore this, the research draws on qualitative case studies conducted in Africa (Ghana, Morocco, Mali) and South Asia (Bangladesh, Nepal, India). These cases were selected not to provide a universal representation of the Global South or of all forms of Social Business, but to illustrate a diversity of institutional, legal, and cultural contexts where Social Business initiatives have developed.

The analysis focuses on how local environments (such as regulatory frameworks, community dynamics, and resource availability) condition the outcomes of Social Business initiatives. By comparing contrasting trajectories across regions, the study highlights both the adaptability and the structural limits of the model.

Unlike Corporate Social Responsibility (CSR), which is often used to improve a company's image, or inclusive business, which retains profit distribution, Social Business reinvests all surpluses into its social mission. Nevertheless, challenges remain, particularly regarding financial sustainability, donor dependence, and legal uncertainties.

This research does not claim to generalize beyond the cases examined and does not seek to 'prove' whether the model is reformist or not. Rather, it emphasizes the contextual nature of Social Business (institutional, legal, and community-related) and its reliance on supportive ecosystems. It shows the conditions under which Social Business may be perceived as an autonomous model or, conversely, as an internal reform of capitalism.

Keywords: Social Business; Poverty reduction; Hybrid models; CSR; Inclusive business; Economic development; Social innovation; Capitalism

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Introduction

Background and Problem Statement

"The essence of development is to change the quality of life of the poor half of the population" (Yunus, 2010b). Modern capitalism, while driving unprecedented economic growth, has also deepened social and economic inequalities (Piketty, 2013). Despite efforts by both governmental and non-governmental organizations to improve their living conditions, millions of people worldwide continue to live in poverty. A significant question is brought up by this situation: Is the dominant economic model truly suited to addressing the social and environmental challenges of our time?

A different idea, known as "Social Business", has gained popularity in conversations regarding business ownership and global economic governance in response to these urgent issues (Elkington, 1997). The founder of the *Grameen Bank* and 2006 Nobel Peace Prize winner, Muhammad Yunus, popularized this paradigm which places non-profits and traditional companies in opposition to one another. It is based on the idea that companies can focus on solving social issues while maintaining financial self-sufficiency, without prioritizing profit maximization for shareholders.

Social Business has sparked significant academic debate (Nicholls, 2006). Some researchers and practitioners see it as a genuine alternative to capitalism capable of addressing the shortcomings of current economic systems, unlike traditional businesses. Others, however, argue that it is merely a reformist adjustment that does not fundamentally challenge market principles. A detailed analysis of Social Business is necessary to understand its implications and limitations within the context of a capitalist economic system, as it is situated between optimism for a new paradigm and skepticism over its potential for change.

Problem Statement

The primary objective of this research is to examine how Social Business can enhance the effectiveness of poverty reduction strategies especially in contexts where traditional market-

based strategies have not been able to adequately address social needs. Building upon this objective, the central research question guiding this study is: How can Social Business improve the effectiveness of poverty reduction strategies as a complementary or alternative mechanism to traditional economic models?

Relevance

The significance of this research is twofold, both academic and managerial. Theoretically, it contributes to ongoing discussions on social economy and hybrid models by examining Social Business's position relative to other forms of social entrepreneurship (social enterprises, social entrepreneurship, etc.) (James Austin & Wei-Skillern, 2006). It also questions its impact on existing economic systems and its potential assumption to reshape traditional market dynamics (James Austin & Wei-Skillern, 2006).

From a practical standpoint, this study targets policymakers, entrepreneurs and institutions seeking viable alternatives to conventional economic models (Prahalad, 2004). In a world that is changing quickly and requires firms to include social and environmental goals into their plans more and more, Social Business offers an interesting point of view but a controversial path (Porter & Kramer, 2011).

Research Methods

To address the questions raised in this research, a mixed-methods approach will be adopted, combining an extensive literature review with comparative case studies methodology. Firstly, a thorough examination of academic literature and publications on the concept of Social Business, alternative approaches such as the social economy and capitalism as the dominant global economic model, will establish a solid theoretical framework. This review will help identify the conceptual foundations of Social Business and the surrounding debates, offering a critical perspective on its strengths and weaknesses within a global economic context.

Secondly, this study will present a detailed analysis of several key Social Business initiatives from different regions, to show how the model works in empirical application (Yin, 2003). While these cases are embedded in specific geographical, socioeconomic and cultural contexts, their comparison allows the study to go beyond specific characteristics by highlighting common structural dynamics. The first group of cases focuses on projects that are not connected to Yunus's model. It includes examples from Ghana, Morocco and Mali, where the social objectives is the local entrepreneurs and organizations which try to reduce poverty through inclusive business despite weak institutions. Another case looks at *SISo* in Nepal, a youth-led initiative that helps fight education gaps and social exclusion. Two more examples will explore how

Social Business can address other problems: Air pollution through clean cookstoves in India (*Prakti Design*), and wealth redistribution through faith-based finance (*Waqf Business Model*). They provide contrasting examples that make it possible to identify broader patterns, such as the dependence of Social Business outcomes on institutional frameworks, the central role of community engagement, and the challenges of financial sustainability. These recurring insights are not intended to be universal, but they help to clarify under which conditions Social Business may succeed or face structural limits across different regions.

The second group of case studies will focus on projects created or inspired by Muhammad Yunus. First, the *Grameen Bank* will be studied for its use of microcredit to support poor people, especially women. Then, *Grameen Danone* will be analyzed to understand how Social Businesses can collaborate with private corporations. This case is particularly important because it lies at the intersection between Social Business and corporate social responsibility (CSR). On one hand, it involves a multinational company, Danone, whose CSR initiatives typically aim to improve corporate image and reputation. On the other hand, the *Grameen Danone* project reinvests its profits exclusively into its social mission (providing affordable nutrition to low-income populations) which aligns with Yunus's definition of Social Business. By examining this hybrid structure, the study will explore whether such partnerships confirm the distinctiveness of Social Business or, conversely, blur its boundaries with CSR. Finally, *Grameen Veolia* will be explored as a partnership model that brings clean water to rural areas in Bangladesh. By comparing all these examples, the study will show how different Social Business approaches work to reduce poverty, and what makes them succeed or fail in different contexts.

These case studies will be analyzed using an evaluation framework that integrates qualitative and quantitative criteria (Matthew B. Miles & Saldaña, 2018). Key dimensions such as economic and social impact, financial sustainability, and operational development challenges will be examined. Rather than aiming to provide universal conclusions, this approach seeks to identify recurring patterns and context-specific conditions that shape the success or limitations of Social Business initiatives. The study aims to deliver a balanced and rigorous assessment of the Social Business model. Not as a definitive proof of its superiority over traditional private businesses, but as an exploration of the circumstances under which it can complement or challenge traditional market practices in contributing to poverty reduction.

Dissertation Outline

This thesis aims to remain impartial and objective regarding the concept of Social Business. It is not about promoting the concept, but rather about understanding, dissecting, and analyzing it.

This thesis is structured into four main chapters. The first chapter provides the theoretical framework. It reviews the literature on liberal capitalism and its limitations, before introducing

Social Business as a possible alternative model. It also compares Social Business with related concepts such as Corporate Social Responsibility (CSR), social entrepreneurship, and inclusive business, emphasizing the differences in terms of objectives and governance.

The second chapter presents the methodology and analytical framework. It explains the choice of a qualitative and comparative case study approach, describes the data collection methods, and justifies the selection of cases. It also outlines the triangulation of evidence, the analytical dimensions used in the study (impact, finance, governance, and context) and discusses the limits of the methodology, including issues of objectivity and bias.

The third chapter contains the empirical analysis. It examines case studies from Africa (Ghana, Morocco, and Mali) and Asia (Nepal, India, and Bangladesh), focusing on how Social Business initiatives address institutional weaknesses, educational gaps, environmental and health issues, and financial exclusion. By comparing different regional experiences, the analysis highlights both the adaptability and the structural limits of the model.

The fourth chapter discusses the results. It analyzes the strengths and weaknesses of the cases, and explores the tension between continuity and rupture with regard to capitalism. It also gives a hypothesis about the conditions for success or failure of Social Business initiatives and considers their implications for policymakers and practitioners.

Chapter 1

SOCIAL BUSINESS AS A THEORETICAL CONCEPT

1.1 Is a new economic paradigm possible through Social Business?

Social Business is a reaction to systemic flaws and an effort to balance economic activity with social goals in the current liberal capitalist environment, which is shaped by market logic, focus on shareholders, and a decline of welfare states. This poses an essential question: does Social Business signify a more profound shift in the economic paradigm or is it merely a side innovation within capitalism? In order to investigate this, the following section looks at how Social Business fits into larger discussions about how capitalism has changed and how alternative frameworks have emerged.

1.1.1 Liberal capitalism and market shortcoming

Liberal capitalism, which is based on the theories of classical economists like Adam Smith and more recent thinkers like Milton Friedman, advocates the idea that private property, free markets, and limited government involvement are the best ways to achieve both economic prosperity and individual freedom. Friedman famously said that, "as long as a business follows the principles of fair competition, its only social duty is to boost profits" (Friedman, 1970). Smith's metaphor of the "invisible hand" (Smith, 1776) encapsulates the idea that when companies operate in their own self-interest, society as a whole, ultimately benefits. This is the foundation of this system.

But since few decades, a number of economic shocks, like the global financial crisis of 2008 and the escalating issue of income inequality, have made people question on the effectiveness and inclusivity of this paradigm especially when capitalism operates as described by economic

theorists. A. Agafonow and C. Donaldson argue that when profit is prioritized, liberal capitalism often fails to serve the most disadvantaged, particularly when companies abuse their market power and restrict competition (Agafonow & Donaldson, 2015). They argue that bottom-up approaches led by companies that want dividends often serve to reinforce rather than eliminate structural exclusion. This is because traditional market mechanisms often fail to meet the needs of poor populations and in this sense can exacerbate the gap between rich and poor.

Capitalism, or the actual liberal market economy, presents limitations that extend beyond purely economic concerns. They address deeper socioeconomic problems such as environmental degradation, precarious employment situations, and the collapse of social ties. Corporate Social Responsibility (CSR), which is commonly seen as a response to these critiques, is one such attempt to strike a balance between capitalism and ethics. However, as B. Kazmi point out, CSR may be a "new spirit of capitalism" that repackages conventional dynamics under a guise of social conscience, rather than an actual deviation from capitalist norms (Kazmi et al., 2016). CSR's ability to bring change is limited because, despite its goals, it often ignores key issues such as worker safety and fair pay.

More and more critics in management and economics say that the promises of neoliberalism have not been kept, especially the belief in free markets as naturally efficient and the reduction of the state's role in the economy. As Perrin demonstrates, the emergence of alternative economic models, such as Social Business, stems from the inability of markets alone to resolve complex and deeply rooted social problems (Perrin, 2022). Unlike CSR, which often remains peripheral to a firm's core mission, Social Business embeds the social purpose at the heart of its economic activity, offering not merely a supplement but a structural shift (Yunus, 2010b).

Ramírez Álvarez also draws attention to one of liberal capitalism's main drawbacks: its limited definition of success, which is based solely on financial performance. Entrepreneurs that want to put long-term social benefit ahead of short-term profit are limited in their strategic options by this undivided emphasis (Ramírez Álvarez, 2021). The result is a systematic bias that hinders creativity in tackling poverty or inequality and undervalues social benefit.

Both public and private actors are increasingly compelled to reassess the prevailing economic framework, as pressing global challenges, such as social inequality, climate change, and persistent poverty, highlight the limitations of a liberal market system primarily focused on maximizing corporate profits.

1.1.2 Social Business as an alternative to traditional models

In light of the structural constraints of liberal capitalism, including persistent inequality, limited access to essential social and environmental services, and inefficiencies within private markets, there is a growing imperative to explore and implement alternative economic models. Unlike

traditional firms that prioritize profit maximization, Social Business embed social or environmental objectives at the core of their operations while maintaining financial sustainability (Tse, 2012).

While they generate revenue like any conventional enterprise, Social Business reinvest profits into their mission rather than distributing them to shareholders. This dual-purpose logic challenges the dominant capitalist focus on shareholder value and short-term gains. According to F. Santos, social enterprises can operate effectively where public and market actors have failed, particularly in sectors marked by high transaction costs and strong societal spillovers (Santos et al., 2015).

Several practical models demonstrate this capacity. Aravind Eye Hospitals, for instance, employ a cross-subsidization mechanism to offer affordable eye care: revenue from paying clients subsidizes free services for lower-income patients (Santos et al., 2015). These organizations manage to align financial viability with social mission, turning conventional trade-offs into opportunities for innovation and inclusion.

The rise of hybrid organizational forms, such as benefit corporations and community interest companies, further illustrates how structural integration of social goals into business models is becoming more widespread (Tse, 2012). The social goal is integrated within the company's operations and governance rather than existing on the periphery. Additionally, this strategy gives NGOs new opportunities, especially in situations when donor financing is erratic or declining. Rekosh suggests that adopting business-model thinking, including revenue generation, can strengthen the long-term impact and financial autonomy of human rights organizations (Rekosh, 2017).

Nevertheless, Social Business face significant challenges. Governance complexity, mission drift, and the pressure to remain financially sustainable while serving underserved populations are among the core tensions identified in the literature (Santos et al., 2015). Balancing these competing demands requires adaptive structures and robust accountability mechanisms. Managing a Social Business within the private market, where the primary goal isn't profit maximization, raises critical questions: How should such a business be managed? Who will invest, and how can funds be gathered?

1.1.3 Academic debates: Social Business as reformism or a true rupture?

The function of Social Business in modern capitalism has been the subject of intense academic debate since it emerged as an alternative of the liberal economic model. Some analysts see it as a possible break from traditional capitalism systems, while others see it as a reformist approach that modifies the existing system rather than completely upending it. At the core of this debate lies a key question: Does Social Business represent a transformative shift in the logic of economic activity, or is it a complementary adjustment that reinforces existing market

mechanisms?

The model's proponents frequently point to Muhammad Yunus's development of its guiding principles, which emphasize resolving social concerns through financially independent businesses that do not prioritize profit maximization. According to these proponents, Social Business challenges traditional ideas of shareholder primacy and represents a reorientation towards business purposes. Ka Kui Tse, for instance, argues that the traditional business model is no longer adequate in addressing long-term societal needs and should evolve to integrate broader human and environmental concerns (Tse, 2012).

However, the emergence of Social Business can also be viewed as a strategic development within capitalism itself from a more capitalist or market-oriented viewpoint. According to Fabio Moliterni, the necessity to stay competitive, satisfy customer requests, or reduce reputational and regulatory risks is the key motivation for many businesses to take part in social or environmental activities (Moliterni, 2017). According to this perspective, Social Business is a flexible mechanism that allows capitalism to adapt to new challenges without changing its underlying logic, rather of inevitably causing a rupture.

Nevertheless, his interpretation does not exhaust the debate. Other researchers argue that Social Business can also be understood as a neoliberal strategy, whereby states and corporations transfer responsibility for social services to philanthropic or market-based initiatives. From this perspective, social company acts as a "social buffer" that mitigates the negative externalities of welfare state reduction, while potentially reinforcing the privatization of social rights. Garrow and Hasenfeld, for instance, describe social enterprises as an embodiment of a neoliberal welfare logic, in which market-based solutions to social issues are promoted at the expense of universal rights and collective provision (Garrow & Hasenfeld, 2014).

In their article (Garrow & Hasenfeld, 2014), they explore the rise of social enterprises, particularly, Work Integration Social Enterprises (WISEs), their particular hybrid organizational form, and their impact on their clients. They show that as a hybrid organizational form, WISEs must balance between two conflicting institutional logics: market and social services. Their research demonstrates that when the WISEs are dominated by a market logic, they commodify their clients as production workers.

In this sense, Social Business, as a hybrid organizational form, can also be instrumentalized to privatize public services (via private actors, even "social" ones), degrade universal social rights (as they become conditioned by market logic), and justify the withdrawal of the welfare state.

This plurality of perspectives is further enriched by scholars such as L. Micheline and D. Fiorentino, who position Social Business within the broader landscape of inclusive and 'shared value' models. While these approaches incorporate social goals, they often retain conventional capitalist structures and incentive systems (Micheline & Fiorentino, 2012). In this sense, So-

cial Business can be seen as a hybrid model that keeps common organizational and financial structures but adds some ethical and redistributive elements. Critics warn about the risk of instrumentalization, meaning that companies may use the idea and image of Social Business only to enter new markets or improve their reputation, without real commitment to change (Rekosh, 2017). This phenomena is also referred to as "social washing." Such practices may result in symbolic alignment with social values, while preserving existing power dynamics and market-driven objectives.

Nevertheless, the ambivalent positioning of Social Business may be indicative of its relevance. Its hybridity enables it to function across ideological divides: as a vehicle for gradual transformation in some contexts (Moliterni, 2017) and as a tool for optimizing social performance within capitalist structures in others (Kazmi et al., 2016). According to Kuy Tse, this model reflects a growing interest in reimagining how businesses create and distribute value, though without necessarily abandoning the market principles that underpin economic systems (Tse, 2012).

Whether Social Business acts as a reform or a rupture may depend less on its theoretical foundation than on how it is implemented and scaled in practice. In some contexts, Social Business can drive real innovation, in others, it only covers up institutional problems without solving them, or even supports neoliberal ideas that justify reducing the welfare state. This ambiguity shows that Social Business is still changing, shaped by reform goals, capitalist logic, and local limits. For this reason, it remains an important topic for academic research on today's capitalism.

1.2 Conceptual definition and foundation

1.2.1 Literature review on Social Business

The academic debate frequently highlights the structural and functional diversity of Social Business, especially with regard to its positioning within the larger social economy, in contrast to Yunus's more prescriptive model based on seven basic principles which will be examined in the final subsection.

According to Artūras Simonavicius and al., Social Business does not have a single, widely recognized definition; rather, it is frequently described by its main purpose, which is to solve social issues where the government and conventional markets are insufficient. From this perspective, Social Business is not merely an idealistic venture but a strategic mechanism capable of filling institutional voids through market-based yet socially driven practices. Academic consensus generally recognizes three defining characteristics: a focus on solving pressing social or environmental problems, a primary motivation rooted in public benefit rather than private gain, and the use of market mechanisms to sustain these goals (Simanavičius et al., 2021). European

academic perspectives further distinguish between two ideological approaches to Social Business: the Anglo-American and the European traditions. While the latter frequently intersects with public policy, regional development, and the social economy, the former tends more toward entrepreneurial innovation with little state involvement (Simanavičius et al., 2021). This division is a reflection of broader variations in the institutionalization and encouragement of social entrepreneurship in different socioeconomic contexts. According to some academics, Social Business is the development of traditional business models that have been improved to generate both economic value and social effect. S. Kuklytė and J. Vveinhardt describe Social Business as a form of commercial activity where traditional business tools are repurposed to serve public sector goals. While integrating social value into the core of its mission, the company maintains operational autonomy. By utilizing entrepreneurship for the good of all, Social Business serves as a link between the market and civil society (Simanavičius et al., 2021).

P. Varvazovska and O. Regnerova emphasize the importance of Social Business as an engine for local resilience and unity from the perspective of regional development. According to their research, these businesses frequently make use of local resources to provide inclusive employment possibilities, especially for underrepresented populations. In this case, Social Business serves as both a proactive force for place-based innovation and a reaction to market failure. These businesses support social and economic sustainability by integrating themselves into local ecosystems and encouraging cooperation among stakeholders (Varvazovska & Regnerova, 2020). Moreover, although these two ideas are still separate, the academic community has investigated the connection of Social Business and corporate social responsibility (CSR). While CSR tends to be peripheral to a firm's core operations, Social Business places the social mission at the center of its value proposition (Varvazovska & Regnerova, 2020). This aligns the organization's financial model with its ethical imperatives by ensuring that profits are reinvested in its missions rather than distributed to shareholders.

The academic debate also emphasizes the challenges of impact measurement in Social Business. Social ventures must evaluate multifaceted results, in contrast to traditional businesses that depend on financial criteria. James Austin and Wei-Skillern state that in order to evaluate the effectiveness of social initiatives, hybrid methodologies such as cost-benefit analyses that consider long-term societal benefits or Social Return on Investment (SROI) are required. This complexity underscores the need for robust and context-sensitive evaluation frameworks (James Austin & Wei-Skillern, 2006). These methods recognize that structural, behavioral, and relational changes must be taken into consideration in addition to financial advantages when evaluating the efficacy of Social Business. Such complexity also emphasizes how important it is to use assessment instruments that are reliable and considerate of the unique goals, circumstances, and stakeholder expectations of every endeavor. Without these instruments, social initiatives run the risk of either underestimating their actual impact or, on the other hand, exaggerating it through ambiguous or symbolic claims. As a result, in order to validate Social Business as a viable

substitute for traditional models, measuring becomes not only a managerial requirement but also a political and ethical imperative (James Austin & Wei-Skillern, 2006).

1.2.2 Between traditional businesses and non-profit organizations

Between non-profit organizations and normal for-profit companies, Social Business takes a special place that is often misunderstood. It questions the basic logic of both models while also borrowing elements from each.

With an emphasis on maximizing profits and increasing shareholder value, traditional businesses, also referred to as for-profit enterprises, are largely motivated by the objective of creating economic value. Their business strategy is based on market logic, which states that the primary goal of producing and selling goods and services is to generate profit. Any social or environmental involvement is typically secondary, often driven by strategic or reputational considerations that may improve long-term financial performance (Balan-Vnuk & Balan, 2015). In contrast, non-profit organizations (NPOs) are fundamentally defined by their promotion of social value and the prohibition of profit distribution to private individuals. They are there to fill in the gaps left by inadequate government and private sector intervention or to address public needs. Their goal frequently stems from a type of social objective that aims to address or mitigate societal issues. Cooperatives, associations, foundations, clubs, and nonprofits are some examples of these organizations (Balan-Vnuk & Balan, 2015). NPOs' capacity to function sustainably is, however, constrained by their frequent dependence on grants, contributions, or governmental funding, all of which can be unpredictable or insufficient. Many nonprofit organizations have adopted more entrepreneurial methods, like incorporating revenue-generating activities into their models, as a result of this related financial fragility (Weerawardena et al., 2010). In this context, Social Business emerge as hybrid entities capable of combining a social mission with economic viability. By combining social purpose and economic viability into a single operational model, they reject the idea that they are mutually exclusive (Wilson & Post, 2013). Unlike conventional firms, their value proposition prioritizes social outcomes, and unlike non-profits, they aim for financial autonomy.

This hybrid positioning results in both strengths and limitations. Social Businesses leverage market mechanisms to scale their impact, introducing efficiency, innovation, and responsiveness into the traditionally grant-dependent non-profit landscape (Harper & Parekh, 2022). At the same time, their dual-purpose model can create tensions. For example, striking a balance between social goals and profitability often requires difficult trade-offs, particularly in marketplaces with high customer expectations and competitive margins (Michelini & Fiorentino, 2012).

The way economics and governance are structured makes a significant difference. Non-profits answer to contributors and recipients, whereas traditional businesses are largely answerable to their shareholders. Maintaining credibility in the eyes of the communities they serve and attract-

ing impact investors are two challenges that Social Businesses must overcome (Varvazovska & Regnerova, 2020). Their governance systems often include hybrid boards, social performance indicators, and capped returns for investors to ensure alignment with their mission (Michellini & Fiorentino, 2012).

Furthermore, Social Business use more adaptable models than non-profits, which are frequently constrained by strict legal frameworks that restrict entrepreneurial activity. They are sometimes established as for-profit companies with social goals incorporated in their constitutions, or as non-profits that use business to finance their mission (Balan-Vnuk & Balan, 2015). This flexibility is crucial for addressing complex and ever-changing societal concerns since it allows for experimentation and adaptation.

Despite their assertions to the contrary, Social Business are not a cure. Their capacity to grow, draw in funding, and provide quantifiable results is still quite context-dependent. Many operate in niches that are underserved or neglected by traditional actors, precisely because these areas offer limited financial returns. Thus, ecosystem support such as favorable regulation, a mix of financing vehicles, and collaborations with public institutions may still be necessary for Social Business.

In this way, Social Business is different from typical businesses in that it prioritizes social goals and from nonprofits in that it seeks financial independence through market-based operations. Combining these two logics results in a hybrid posture that raises particular issues with funding, governance, and sustainability while also making it appropriate for some situations.

To better understand its unique contribution and boundaries, it is essential to compare Social Business with other adjacent models such as social entrepreneurship, social enterprise and inclusive business, which share similar aspirations but differ in conceptual foundations and operational logic.

1.2.3 Comparative analysis of Social Business and other socio-economic models

It is crucial to place Social Business in the context of other related concepts that are frequently applied as equivalent in academic and institutional settings in order to fully analyze its uniqueness. The two ideas most commonly linked to it are social entrepreneurship and social enterprise. These concepts are often confused with, or directly associated to, Social Business in both the academic literature and institutional discourse. Moreover, Social Business, Social Entrepreneurship, and Social Enterprise can each be understood as economic models in their own right, which makes their comparison particularly relevant. For this reason, the comparison in this section focuses on these two notions, in order to clarify their conceptual overlaps and essential differences with Social Business. Other approaches, such as solidarity economy, regenerative business, or

community-led initiatives, are also relevant, but they belong to different conceptual frameworks and are less frequently blended with Social Business. As such, this thesis limits its extent to the concepts most often associated with Social Business in order to provide a coherent and precise analytical framework.

a. Social Entrepreneurship

When confronted with social difficulties, people or groups use entrepreneurial tools to create, plan, and manage initiatives with the primary goal of creating good and durable social change. This dynamic process is known as social entrepreneurship (Dees, 1998). Despite using methods from traditional economic models, its primary goal is to improve living conditions, whether that be through environmental preservation, access to healthcare and education, or poverty alleviation (Ramya & colleagues, 2024). Three pillars underpin this approach: innovation, social impact, and systemic transformation (Kusmantini et al., 2025).

In contrast to traditional entrepreneurship, which primarily uses financial gains for evaluating success, social entrepreneurship places a higher priority on creating "social value" (Mair & Marti, 2006). These project managers, who work in the public, commercial, and nonprofit sectors, are frequently seen as change makers who create powerful solutions to address systemic injustices (Ramírez Álvarez, 2021). According to Ramya and al., these social entrepreneurship integrate environmental sustainability, community empowerment, and ethics into their operations, which is in line with the Sustainable Development Goals (SDGs) of the United Nations (Ramya & colleagues, 2024).

However, this hybrid nature which combines entrepreneurial strategies with social aims, is both a strength and a challenge. It provides a rich environment for innovation, but it also presents serious problems with funding, governance, and balancing social goals with economic sustainability (Kusmantini et al., 2025). According to Muhammad Yunus, the primary difference between Social Business and social entrepreneurship is how revenues are managed. Social Business firmly follows a non-profit distribution model: all revenues must be spent in the social goal, with no dividends paid to investors, unlike social entrepreneurship, which may permit some profit redistribution or personal income for founders (Yunus, 2010b).

The *Ashoka* organization is one really good illustration of this model. *Ashoka*, which was established in 1980, finds, helps, and links "Fellows" (or social entrepreneurs) with significant social innovations in more than 90 nations. These change-makers design novel solutions to today's major social challenges, from education and health to environmental protection and justice. Through strategic support and an international network, *Ashoka* plays a key role in promoting and expanding social entrepreneurship as a lever for sustainable transformation (Ashoka, 2024). However, *Ashoka* does not place as much priority on the development of financially independent businesses as Social Business does. Regardless of the initiatives' ability

to earn funds, its strategy is largely focused on enabling individuals to create systemic social impact.

Ultimately, social entrepreneurship offers a flexible and stimulating framework to launch transformative social projects. Its adaptability to various legal formats and territorial contexts makes it a powerful driver of social innovation. While both approaches aim to address structural social problems through innovation, Social Business places a stronger emphasis on market-based mechanisms and long-term financial autonomy.

b. Social Enterprise

Social Enterprise represents another form of hybrid organization that sits at the intersection of business activity and social purpose. It describes an economic organization that generates products or services in pursuit of a well-defined social objective. Instead than giving profits to shareholders, social enterprises reinvest the majority of their surplus into accomplishing social or societal goals, in contrast to strictly charitable organizations that produce their own financial resources through economic activity (Balan-Vnuk & Balan, 2015, p39-45).

These organizations are notable for their transparent resource utilization, robust local anchoring, and democratic governance. While sustaining a high standard of corporate performance, they seek to advance local development, environmental preservation, or social inclusion. Social enterprises are positioned as important actors in the social and solidarity economy because of their capacity to blend quantifiable social effect with entrepreneurial discipline (Alexandru, 2024). Nonetheless, different nations have different definitions of social enterprise. In Europe, it is frequently linked to associations or cooperatives that hire underprivileged people. Anglo-Saxon contexts, on the other hand, might define it more widely, covering any company that integrates a social mission into its strategy, even those with conventional legal structures. The development of a universal definition is complicated by this variation of interpretation, but it also emphasizes how the model may be tailored to local realities (Volkman et al., 2012).

As long as it doesn't compromise the primary social goal, social enterprises may permit a certain amount of profit-making in contrast to Social Businesses. While Yunus's concept of Social Business requires that all earnings be reinvested, social enterprises may allow for small capital returns, resulting in hybrid forms that combine traditional commercial and mission-driven structures. Despite having similar principles and objectives, Social Business and social enterprise differ in their legal systems, financial structures, and profit-making capacities. Comprehending these subtleties facilitates the differentiation of models and allows for their complementary functions within the wider social innovation ecosystem.

1.3 A critical analysis of Muhammad Yunus's approach

1.3.1 Definition of Social Business by Muhammad Yunus

Muhammad Yunus defines Social Business as a type of the business ownership that aims to address societal issues while preserving financial sustainability. Compared to traditional businesses that focus on maximizing profits for shareholders and non-profit organizations that rely on outside funding and donations, Social Businesses are self-sustaining, generate revenue, and reinvest all profits back into their social mission (Yunus, 2010b). By presenting an alternative economic framework that could address the shortcomings of traditional capitalism, Yunus's seminal works, including *Building Social Business: The New Kind of Capitalism that Serves Humanity's Most Pressing Needs* (2010), contributed to the popularization of this model (Yunus, 2010b).

Social Business was inspired by Yunus's experience with *Grameen Bank*, a microfinance institution he founded to provide loans to Bangladesh's poorest people without collateral. Yunus observed that traditional banks frequently denied the poor access to financial possibilities, even if they were able to repay small loans when given credit (Yunus, 2008). He created the idea of a business model that puts social good ahead of profit-making after seeing this systemic problem, establishing Social Business as a middle ground between the private sector and nonprofits (Yunus, 2017).

Yunus outlined seven core principles at the core of Social Business to clearly differentiate this model from conventional organizational structures. The first principle is that a Social Business should be mission-driven and focus on solving pressing social or environmental concerns like poverty, healthcare, education, nutrition, or technology access, rather than generating financial profits (Yunus, 2010a). One of the most well-known examples is *Grameen Danone*, a collaboration between *Grameen Bank* and *Danone* that provides affordable, nutrient-enriched yogurt with the goal of combating child malnutrition in Bangladesh. All revenues are used to expand distribution and enhance product quality, demonstrating that Social Business can achieve sustainability while addressing significant social needs (Yunus, 2010b). The company is designed to be self-sufficient.

In contrast to nonprofits that depend on donations, social companies must generate enough revenue to remain operational, according to the second principle, which is focused on financial and economic sustainability (Yunus, 2010b). The third principle is that investors are only entitled to their original investment back, they are not eligible for any further dividends. By ensuring that all surplus funds are utilized to increase the business's effect rather than to enrich private investors, Social Business differs from traditional for-profit companies (Yunus, 2010a).

After the initial investment has been repaid, the fourth principle further mandates that all future profits remain in the business for long-term sustainability, service improvement, and growth. An

outstanding example of this concept in action is *Grameen Bank*, which allows more people to achieve financial inclusion and economic empowerment by reinvesting interest from microloans to finance new loans (Yunus, 2017). Strong ethical and environmental responsibilities underpin Social Business in addition to its financial structure. The fifth requirement states that a Social Business must use eco-friendly processes and fair labor practices in addition to being socially and environmentally sensitive. For instance, the Social Business *Grameen Shakti* is dedicated to developing renewable energy solutions in rural Bangladesh, providing a sustainable alternative to fossil fuels and improving energy access for underprivileged communities (Yunus, 2010b).

The sixth principle ensures that workers are paid fairly and have better working conditions, which is different from traditional businesses that usually want to reduce labor costs in order to maximize profits. In order to improve workers' quality of life and promote economic inclusion, Social Business places a high priority on fair compensation (Yunus, 2010b). The seventh and last principle emphasizes that Social Business should be approached with joy, reflecting the conviction that resolving social issues is a profoundly satisfying endeavor rather than just a strategic or financial one (Yunus, 2010a).

Yunus maintains that Social Business is unique since it is self-sustaining and only focused on social impact, even though it has parallels with social enterprise, social entrepreneurship, and Corporate Social Responsibility (CSR) programs (Yunus, 2008). In contrast to CSR, which is frequently incorporated into profit-driven business strategy, Social Business prioritizes social benefit over shareholder profits (Yunus, 2010b).

But even with its capacity to bring about systemic change, Social Business still confronts several obstacles, especially in terms of scalability and investment interest. Those who are used to conventional return-driven investments may become discouraged by the absence of financial incentives (Yunus, 2010b). Furthermore, it is still difficult for Social Business to grow and survive in competitive marketplaces since they have to strike a balance between their social mission and economic viability without giving in to pressures to maximize profits (Yunus, 2010b). Furthermore, some academics contend that despite its innovation, Social Business is still limited by the larger framework of capitalism and requires institutional support and supportive public policies in order to be widely adopted and succeed in the long run (Yunus, 2017).

1.3.2 Study of respective impacts and hybrid forms

Key characteristics of a larger family of hybrid economic models, such as inclusive business, social enterprise, and social entrepreneurship, are shared by Muhammad Yunus's concept of Social Business. Although they all seek to use entrepreneurial tactics to address urgent social issues, Yunus's model differs from more adaptable approaches in that it imposes unique conceptual and structural restrictions.

These models collectively operate in response to market and institutional failures, often stepping in where public services and conventional businesses fall short. Similar to inclusive businesses and social enterprises, Yunus inspired projects aim for both a quantifiable social objective and financial independence (Yunus, 2010b). The non dividend principle, which mandates that all earnings be reinvested to achieve the social aim rather than paid to investors, is one of the main ways that his approach enforces stronger ethical boundaries.

According to Michelini and Fiorentino, inclusive businesses often attract private investors and tolerate some level of profit-sharing, allowing them to scale more rapidly or appeal to broader capital markets (Michelini & Fiorentino, 2012). In contrast, Yunus's model calls for a different kind of financial backing, one based on impact-driven motives rather than monetary return. This design, while reinforcing the social commitment of the business, can also limit its access to conventional investment channels.

Despite these structural variations, various hybrid versions share many of the operational difficulties that Yunus's model experienced. Initiatives like *Guiding Hope* in Cameroon, which blends environmental objectives with beekeeping, show how context-sensitive these endeavors can be. Issues such as unreliable infrastructure, legal unpredictability, or dependence on volatile markets often hinder scalability and long-term viability (Ingram & Njikeu, 2011).

Inside, hybrid organizations often struggle with losing focus on their mission and with the tension between economic goals and social aims. Santos and colleagues note that hybrid entities must continually negotiate these dual objectives, a process that can blur priorities or stretch governance mechanisms to their limits (Santos et al., 2015). By hardcoding principles into the company's basis, Yunus tries to prevent this, although some contend that this rigidity can also limit adaptation.

Moreover, while Yunus emphasizes the joyful and altruistic dimension of Social Business, other frameworks, such as the social entrepreneurship model supported by *Ashoka*, highlight personal agency, innovation, and systemic change. These latter models often embrace more adaptable legal and financial structures, granting founders greater autonomy in designing their revenue logic and growth strategies (Ashoka, 2024).

In conclusion, the Social Business model developed by Muhammad Yunus is but one strategy among several hybrid economic projects. Despite having more strict structural guidelines than other frameworks, it all aims to address unmet social problems by using entrepreneurial tactics. This comparison highlights the range of options in the field of hybrid economies, each of which offers unique arrangements of financial design, adaptability, and governance, proving that there is no one best solution to handle complicated social issues.

Conclusion - Chapter 1

This first chapter has provided the conceptual foundation necessary to analyse Social Business as a potential lever for enhancing the effectiveness of poverty reduction strategies, rather than just as a theoretical model. The discussion has framed Social Business as a response to the ongoing failures of both governmental institutions and private market strategies for addressing social needs. It is based on a critical analysis of contemporary capitalism (also referred to as the liberal economic model) and its socioeconomic boundaries.

By surveying the academic literature and comparing a range of hybrid models, including inclusive businesses, social enterprises, and social entrepreneurship, this chapter has clarified the diversity of strategies within the hybrid economic space that may contribute to more effective poverty reduction efforts. These models differ in terms of governance, investing philosophy, and operational logic, but sharing the objective of using entrepreneurial tools to create positive social impact. In this context, Yunus's concept of Social Business is unique for its ethical position: it forbids the distribution of profits, integrates the social mission into the structure and promotes an economic model that is self-sustaining and driven by missions.

We can gain a clearer understanding of the particular role that Social Business may play in the larger engage against poverty by using this comparative perspective. Models with more adaptable finance structures run the danger of compromising their purpose even though they might provide greater scalability. Social Business, on the other hand, suggests a framework that is more ethical but might be less flexible. This contradiction is at the heart of our research, which aims to determine if Social Business in its most comprehensive form can indeed produce more lasting and successful results in reducing poverty.

Thus, this framework establishes the context for this thesis's methodological and empirical sections. The next chapter outlines the methodology used to evaluate the effectiveness of reducing poverty by the Social Business initiatives. It will describe how case studies are chosen, how social effect is evaluated, and what tools are utilized to analyze their operational results. We can proceed from conceptual research to practical application with the help of this methodological basis, which will ultimately enable us to respond to the main study question: How can Social Business improve the effectiveness of poverty reduction strategies as a complementary or alternative mechanism to traditional economic models?

Chapter 2

METHODOLOGY AND ANALYTICAL FRAMEWORK

2.1 Methodological clarifications and data structure

2.1.1 Justification of the case study approach

This research relies on a qualitative case study approach because Social Business is a phenomenon that cannot be separated from its local context. As Yin argues, case studies are especially suited to situations where “the boundaries between phenomenon and context are not clearly evident” (Yin, 2003). Social Business is embedded in cultural values, regulatory frameworks, and institutional dynamics. It combines economic and social logics, which makes it difficult to study with purely quantitative tools.

The case study approach also allows for comparison across different regions. By examining African and Asian contexts in tandem, the analysis reveals both local particularities and broader structural conditions. This comparative logic strengthens the capacity of the research to go beyond anecdotal description. Flyvbjerg also stresses that the value of case studies lies in their ability to generate "context-dependent knowledge", which is more useful for policy and practice than abstract universal rules (Flyvbjerg, 2006).

In this perspective, the purpose of this research is not to provide statistical generalization, but to understand the mechanisms, tensions, and conditions under which Social Business can contribute to poverty reduction.

2.1.2 Criteria for case selection

The six cases included in this thesis (Ghana, Morocco, Mali, Nepal, India, and Bangladesh) were selected according to three criteria.

First, diversity of contexts. The countries represent different institutional traditions, legal frameworks, and cultural environments. For example, Morocco illustrates a stronger role of the state in supporting entrepreneurship (Bernard & al., 2021c), while Nepal highlights community-driven initiatives in the absence of solid public structures (SISo Nepal, 2025).

Second, variety of models. Some initiatives are directly inspired by Muhammad Yunus's framework (*Grameen Bank*, *Grameen Danone*, *Grameen Veolia*), while others were developed independently or by local actors (*SISo* in Nepal, *Prakti Design* in India, African inclusive business ecosystems). This contrast allows us to examine whether the Yunus model is unique or whether similar dynamics emerge in other contexts.

Third, relevance to the research question: How can Social Business improve the effectiveness of poverty reduction strategies as a complementary or alternative mechanism to traditional economic models? All selected cases address structural issues such as poverty, education, health, or environmental sustainability. They illustrate both the potential and the limits of Social Business in tackling problems that traditional markets and public policies have not fully solved.

These cases are not meant to represent the Global South as a whole. Instead, they were chosen to illustrate the diversity of pathways and to provide a comparative basis for analysis.

2.1.3 Data collection methods

Document analysis was the primary method used for collecting the data of this study. The study makes use of pre-existing material, including academic articles, institutional reports, NGO publications, and grey literature, rather than conducting interviews or field observations. These sites offer comprehensive and varied information about Social Business projects in multiple countries, which is why this selection was made. They also contain observations that were originally produced to examine the impact of Social Business, which is the central focus of each document.

Document analysis was chosen mainly because it was the most practical method for this master's thesis. The short time available made it difficult to conduct fieldwork or direct observation of Social Business initiatives. Using existing documents was therefore the most realistic way to study several geographically distant cases. At the same time, secondary data offered useful perspectives from different actors, such as governments, practitioners, and scholars. This approach made it possible to collect observations on how Social Business works in practice, even without being directly present in the field.

The collected documents were organized by theme and by country. They were then compared in order to identify similarities, differences, and key patterns. This process is combined with the analytical dimensions defined later (impact, finance, governance, context), which provided a structure for interpreting the evidence.

2.1.4 Sources and triangulation of evidence

The data for this research comes from three main types of sources.

First, institutional and NGO reports. These include documents from international organizations, local development agencies, and Social Business networks such as MOUVES. They provide updated information on policies, statistics, and program evaluations.

Second, grey literature. Master's theses, internal NGO documents, and local studies are examples of unpublished or semi-formal items that fall under this category. They are frequently rich in empirical information and provide insights into how Social Business functions in certain circumstances, despite not peer-reviewed.

Third, academic publications. These sources offer theoretical frameworks and critical perspectives. They are essential for connecting the empirical material to broader debates in economics and development studies.

Triangulation can be practiced by combining these three categories. Comparing information from academic analyses, institutional reports, and grey literature lowers the possibility of bias and increases the validity of the results. An NGO's success report, for example, can be weighed against critical evaluations found in academic papers.

An overview of the sources used is presented in Appendix Table 4.11, which shows how evidence was organized and classified according to case study and theme.

2.1.5 Analytical dimensions

To compare the different case studies, the research applies four analytical dimensions. These dimensions serve as a grid of analysis to make diverse cases more comparable.

Social impact In what way does the initiative address structural problems such as poverty, access to education, nutrition, health, or employment? Impact is not measured only in numbers, but also in terms of inclusiveness and long-term benefits.

Financial sustainability Whether the Social Business is able to cover its costs and operate without constant external subsidies. This dimension follows Santos, who argues that the strength of Social Business lies in combining social goals with financial viability (Santos et al., 2015).

Governance and participation The level of involvement of local communities, employees, or beneficiaries in the decision-making process. Defourny and Nyssens highlight that governance is a key factor for distinguishing Social Business from traditional firms (Defourny & Nyssens, 2023).

Context adaptation The ability of the initiative to adjust to local cultural, political, and institutional conditions. For example, a program that works in Bangladesh may not succeed in Morocco without significant adaptation.

These four dimensions provide a consistent framework for the empirical chapters. They make it possible to compare very different cases while keeping attention on the key question: Under what conditions can Social Business contribute to tackling structural social issues?

2.1.6 Limits of the methodology

Several limits must be acknowledged.

First, the research relies strongly on secondary sources, such as NGO reports and grey literature. These documents may carry institutional or political biases. Triangulation with academic sources was therefore essential, but it cannot entirely eliminate the risk of partial perspectives.

Second, the analysis is limited by the time dimension. Most sources capture a situation at a given moment, but they do not always allow for long-term evaluation of impacts. The sustainability of outcomes remains difficult to measure.

Third, case studies cannot be generalized statistically. Each project is heavily reliant on its local environment. Nonetheless, the comparative method enables the discovery of important distinctions and recurrent trends, which can contribute to more extensive research and policy discussions.

Lastly, the way that various forms of evidence are connected depends on the researcher's personal interpretation. Although subjectivity in qualitative research is inevitable, it was minimized by using clear analytical dimensions and methodically comparing sources. It's why, the issue of objectivity and prejudice is another crucial one. Every source has a different point of view; academic publications could concentrate too much on criticism, while NGO reports might overstate accomplishments. In addition, the researcher's own interpretation also influences the analysis.

To reduce these risks, several measures were taken. First, information was always triangulated across different types of sources before being used. Second, the criteria for selecting cases and dimensions of analysis were made explicit, so that the choices are transparent. Finally, attention was given to presenting both strengths and weaknesses of each case, instead of focusing only on positive results.

These steps do not remove bias completely, but they help to maximize objectivity and to present a more impartial view of the actual operation of Social Business.

Despite these limits, the chosen methodology provides a strong basis for understanding how

Social Business works in practice. It highlights both the potential of the model and the structural constraints it faces, making it an appropriate tool for answering the central research question of this thesis.

2.2 Analytical focus addressed by Social Business

The case studies analyzed in this thesis are not chosen randomly. They illustrate how Social Business initiatives attempt to respond to deep structural challenges that conventional markets and public policies have struggled to resolve. Four categories of challenges are particularly relevant to this research.

Institutional weaknesses Social and economic progress suffers in many emerging nations by weak legal frameworks, poor governance, and insufficient state capacity. By developing new models of service delivery, collaboration, and accountability, social entrepreneurs frequently close gaps left by state authorities, as demonstrated by the MOUVES studies on Ghana, Morocco, and Mali (Bernard & al., 2021a, 2021b, 2021c).

Educational gaps One of the biggest causes of poverty and marginalization, especially for young people, is still educational barriers. Youth-led programs like *SISo* in Nepal (SISo Nepal, 2025) serve as examples of how Social Business can offer creative approaches to lower dropout rates, encourage skill development, and establish pathways for empowerment. By targeting communities that are frequently left behind, these efforts show how Social Business may serve as a supplement to official education systems.

Environmental and health issues Another urgent issue is access to safe food, clean electricity, and basic medical care. In addition to lowering environmental degradation, initiatives like *Prakti Design* in India, which manufactures clean cookstoves, directly address the health problems associated with indoor air pollution. In a comparable way, *Grameen Danone* in Bangladesh (Yasmin, 2016) serves as an example of how Social Business may combine sustainable market methods with social impact to provide low-income populations with inexpensive nutrition solutions.

Alternative finance models Lastly, in many situations, financial exclusion continues to be a structural barrier. Alternative financial models that can aid in long-term development are provided by Social Business. With its foundation in Islamic economics, the *Waqf Model* offers a religious framework for resource allocation (Afifi, 2024). *Grameen Bank* and other microfinance projects demonstrate how marginalized groups, particularly women, can be empowered by having access to small loans without collateral. These models emphasize how finance promotes social inclusion and dignity in addition to serving as an economic tool (Yunus, 2010b).

Taken together, these four categories of challenges form the analytical lens of this thesis. They provide a coherent framework for understanding how Social Business initiatives attempt to address poverty not only as a lack of income, but as a multidimensional phenomenon shaped by institutional, educational, environmental, and financial factors.

Chapter 3

EMPIRICAL ANALYSIS - CASE STUDIES OF SOCIAL BUSINESS

Following the methodological framework established in the previous chapter, this section shifts from theory to practice through a comparative exploration of diverse Social Business initiatives implemented across different regions and institutional settings. The objective is to empirically examine how Social Business operates in real-world situations and evaluate its actual influence on poverty alleviation, taking into account not only its explicit objectives but also its quantifiable effects, operational sustainability, and structural integration.

3.1 How effective is Social Business in addressing problems like weak institutions, lack of education, and pollution?

3.1.1 Case of Social Business implementation in Africa (MOUVES Reports)

The African continent offers a revealing context for examining the practical implementation and development of Social Business initiatives. Widespread poverty, fragile institutional frameworks, and restricted access to public services have led to the rise of inclusive business solutions in several African countries (Ghana, Morocco and Mali). These solutions employ entrepreneurial methods to address structural socioeconomic issues within the context of each country.

The national diagnostics produced by MOUVES (Movement of Social Entrepreneurs) between 2018 and 2022, in collaboration with regional groups and development partners, serve as the framework for this section. The functioning of Social and Inclusive Business (SIB) ecosystems in various national contexts is thoroughly examined in these publications. By focusing on three different countries (Mali, Morocco, and Ghana) with diverse economic capacities, en-

trepreneurial cultures, and governance styles, we hope to draw attention to structural obstacles and the potential influence on these models.

Ghana: Insufficient institutional funding for ecosystem development

Strong popular movement and increasing institutional engagement are characteristics of Ghana's inclusive business environment. A flourishing entrepreneurial landscape has resulted from a confluence of youth changemaker's innovation, growing digital access, and policy assistance from organizations such as the Ghana Enterprises Agency (GEA).

Please refer to Appendix Table 4.3, titled "Distribution of social enterprises in Ghana by sector and target groups," which presents the share of social enterprises by main sector of activity and target population. For example, 38% of social enterprises operate in education and training, demonstrating a strong commitment to capacity building and youth empowerment.

Underprivileged rural and peri-urban communities are commonly the focus of social initiatives that have emerged in industries including agribusiness, education technology, and healthcare delivery (Bernard & al., 2021a). Throughout the African continent, particularly in Ghana, a variety of socially conscious business concepts, each adapted to specific community needs, have been explored by local stakeholders.

Please refer to Appendix Table 4.4, titled "Territorial focus and SDG priorities of social enterprises in Ghana," which shows the geographical distribution of activities and the main Sustainable Development Goals targeted. A majority of social enterprises operate in urban areas (56%), with strong alignment to SDG 4(Quality Education), SDG 1 (No Poverty), and SDG 8 (Decent Work).

Online marketplaces that link small-scale farmers with consumers directly have emerged as one of these, allowing them to avoid intermediaries and get better prices for their produce. At the same time, social franchises have been set up to deliver essential healthcare services in remote areas through locally qualified entrepreneurs (Bernard & al., 2021a). As these activities spread, communities are gradually creating a supportive climate. Entrepreneurial incubators and social impact funders are increasingly recognized for their essential role: they provide not only funding but also advice and strategic support. For example, in Ghana, the *Kosmos Innovation Center* helps young agricultural startups grow. *Impact Hub Accra* is a place where people come together to create new social solutions. Finally, *Reach for Change* supports entrepreneurs who work to improve education and children's well-being (Bernard & al., 2021a). These examples clearly show how these innovative actors help develop Social Business. Collectively, these players support inclusive innovation's development and expansion with the goal of subtly reducing poverty in various domains.

Please refer to Appendix Table 4.5, titled "Legal forms and public-private partnerships of social

enterprises in Ghana,” which presents the distribution of legal statuses and the main types of partnerships with public and private stakeholders. Nearly half of all social enterprises are registered as limited liability companies, while strong partnerships exist with universities and NGOs.

Ghana’s Social Business scene is growing and doing well, but it still faces big challenges. Many businesses depend on projects funded by donors or short-term grants, which are often uncertain and not enough to plan for the long term or invest in bigger growth. Getting steady, long-term funding remains a big problem. Since there is no formal status that completely captures the dual aim of Social Business, the legal structure further complicates matters. Organizations are forced to register under models like NGOs or private companies, none of which align perfectly with their hybrid goals, creating ambiguity around taxation, profit reinvestment, and access to public programs (Bernard & al., 2021a). Also, working with public institutions is often inconsistent and unorganized. Some local governments are willing to collaborate, but these partnerships usually rely on personal relationships or temporary projects instead of being part of lasting policies. The situation in Ghana is hopeful but still fragile. Its Social Businesses’ long-term viability depends on the creation of more robust funding sources and increased public awareness through institutional and legal frameworks that are supportive.

Morocco: When fragile systems hinder public engagement

Thanks to strong support from the government and nonprofit groups, Morocco has become a leading example of state-driven inclusive business. Projects in areas like women’s entrepreneurship, traditional crafts, and sustainable farming have received funding from organizations such as the Mohammed VI Foundation and national programs like Morocco’s National Initiative for Human Development (NIHD).

Please refer to Appendix Table 4.6, titled “Main partners and target populations of social enterprises in Morocco,” which shows the key types of partners and the main groups targeted by these enterprises. Women (39%) and youth (33%) are the most frequently targeted groups, often supported by national actors and NGOs.

For example, many women-led cooperatives producing argan oil in rural areas have gained technical help, market access, and financial support through NIHD. This support helps them improve their living conditions while protecting local culture and the environment (Bernard & al., 2021c). This strategy guided by public policy has given excluded populations more opportunities and increased access to resources, but it has also caused the ecosystem to become more fragmented.

Please refer to Appendix Table 4.7, titled “Sectoral and geographical focus of social enterprises in Morocco,” which presents the main sectors of activity and the geographical areas where

these enterprises operate. For example, education (32%) and agriculture (25%) are the most represented sectors. A majority (66%) of organizations operate in urban areas.

The lack of uniform vocabulary (because of the two different languages in the country: Arabic and Amazigh) and the poor coordination between official actors, private firms, and civil society continue to be obstacles for Morocco's Social Business sector. Instead of being rooted in long-term commercial concepts, many projects rely on project-based, short-term funding methods (Bernard & al., 2021c).

Please refer to Appendix Table 4.8, titled "Legal forms, size, and formality of social enterprises in Morocco," which shows the distribution of legal statuses, enterprise sizes, and formal registration levels. Nearly half of the initiatives are registered as associations, and 91% operate formally. Most are classified as small enterprises.

Despite the encouraging results of the Tafilalet region, by raising the value of regional goods like saffron and argan oil, provided support for women-led cooperatives, many of these initiatives remain limited due to short-term funding models and a lack of coordination between government entities, the private sector, and civil society organizations (Bernard & al., 2021c). This circumstance draws attention to a more serious structural issue with Morocco's Social Business system. The potential for long-term influence is diminished when important players lack a common language and a unified framework, as Bernard and colleagues emphasize. The fact that most programs still rely on irregular funds and are rarely integrated into more comprehensive, strategic public policies seriously undermines their sustainability and capacity to bring about systemic change (Bernard & al., 2021c).

There are public-private partnerships, but they are typically administratively inflexible and centralized, which restricts local adaptation. Despite the existence of entrepreneurial potential, especially among women and young people, it is frequently unrealized because of the poor connections between field-level innovation and policy design. Morocco's experience illustrates how over institutionalization, without clear strategic alignment, can dilute the transformative capacity of Social Business.

Mali: How fragile institutions limit innovation

Mali presents a different landscape, where Social Business activity is largely shaped by local resilience rather than state leadership. In a context marked by political instability, underdeveloped infrastructure, and limited state capacity, inclusive business efforts have emerged through the initiative of communities and international NGOs (Bernard & al., 2021b).

Please refer to Appendix Table 4.9, titled "Key partners and main sectors of activity of social enterprises in Mali," which presents the main types of partners and the dominant sectors in which these enterprises operate. NGOs and incubators are the most frequent collaborators.

The dominant activity sectors are agriculture (27%), education (18%), and Information and Communication Technologies (ICT) (18%).

A good example from Mali is community health funds that help people in rural areas access essential medical care. These programs improve healthcare for low-income communities and often rely on donations and support from the local community. NGOs like Research and Technological Exchange Group (RTEG), Netherlands Development Organisation (SNV), and Helvetas have played a big role by providing initial funding and technical assistance to help these programs survive and grow. As M. Bernard explains (Bernard & al., 2021b), this shows how local solutions can solve important social problems in fragile areas, while promoting local control and lasting impact when supported properly by outside partners.

Please refer to Appendix Table 4.10, titled “Legal status and professional affiliation of social enterprises in Mali,” which presents the distribution of legal forms and the level of affiliation to professional or advocacy networks. The most common legal status is SARL (40%), followed by individual enterprises (23%). A large majority (83%) are not affiliated to any professional or advocacy network.

However, some models still face challenges. For example, small-scale solar energy producers working in remote, off-grid areas often operate without government support or subsidies, which are usually given to bigger energy companies (Bernard & al., 2021b). They also face unclear regulations, limited access to funding and difficulties joining formal economic systems. These problems limit their growth and make it hard to have stable, long-lasting operations. Without proper legal recognition or financial tools suited to their needs, these projects stay fragile and only affect small local areas.

Still, they provide important services in places where public and private actors are mostly absent. This highlights the role of Social Business as a form of local community solidarity, solving problems under difficult conditions.

Conclusion

Across these three cases, it becomes evident that the performance of Social Business is deeply conditioned by the broader ecosystem in which it operates. Ghana reveals the potential of grassroots entrepreneurship when combined with growing institutional support. Morocco shows that government involvement is important but needs to work well with local innovation to avoid confusion and split efforts. Mali, by contrast, shows how creative community solutions can fill gaps left by institutions, but it also reveals their main weaknesses.

Together, these examples make one thing clear: **Social Business doesn't work alone, it is deeply connected to its environment.**

Its internal mission and design are important, but so are institutional coordination, inclusive

governance, legal clarity, and access to supporting resources. In the African context, the promise of Social Business lies in its adaptability, but its limits highlight the need for systemic investment and stronger inter-sectoral collaboration with the private and public sectors.

This figure shows that access to finance, markets, and tax pressure are the most commonly reported difficulties across all three countries, while issues such as unfair competition and administrative formalities appear more specific to a context, particularly in Ghana.

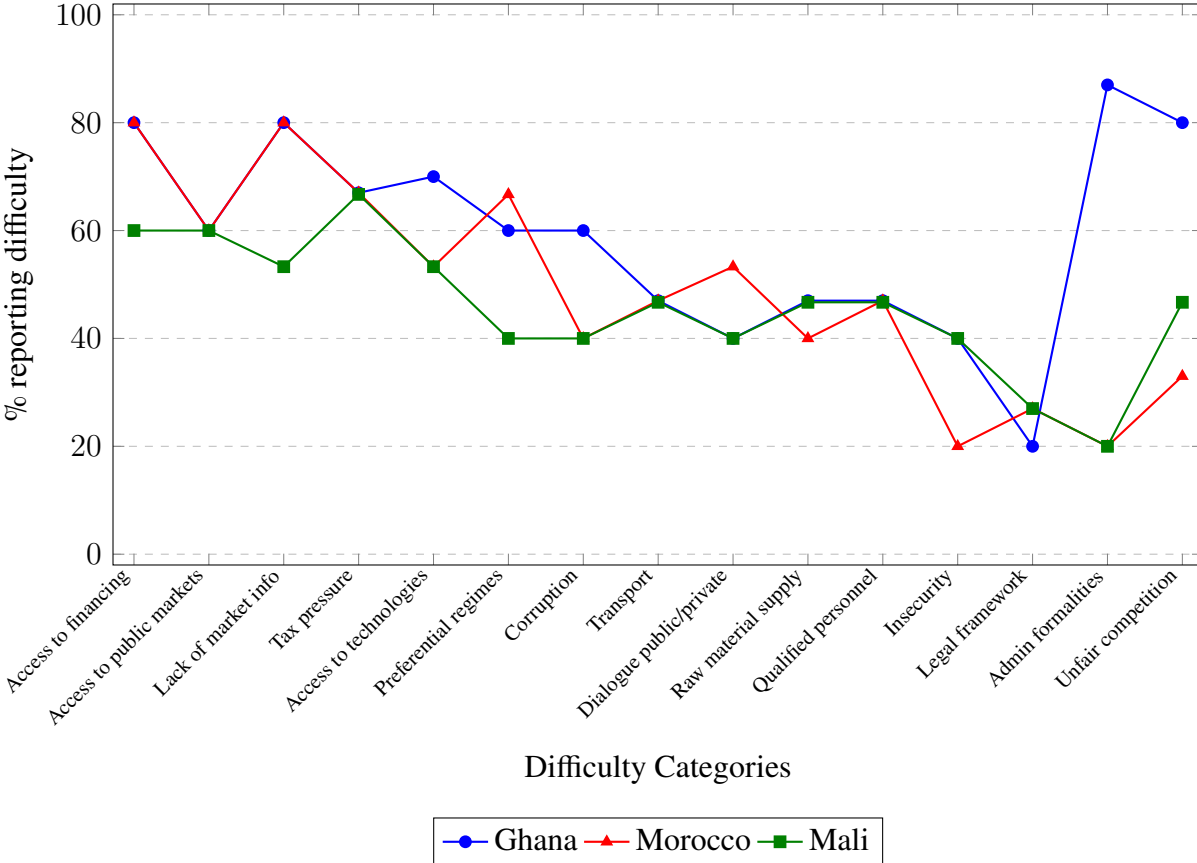


Figure 3.1: Comparative difficulties encountered by Social Businesses in Ghana, Morocco, and Mali across key structural categories.

sources : (Bernard & al., 2021b, p.100) (Bernard & al., 2021c, p. 105) (Bernard & al., 2021a, p. 107). (Section 3.1.1)

3.1.2 Social Business as a tool to combat youth marginalization and barriers to education (SISo, Nepal)

In many developing countries, like Nepal, young people face two big challenges: limited access to education and high unemployment. This is especially hard for women and disadvantaged groups. The reasons include poverty, few job opportunities, and poor education systems in rural areas. Public policies have frequently fallen short of providing long-term answers to these problems, despite institutional efforts. Often fragmented or dependent on foreign funding,

initiatives from the top down have failed to create inclusive ecosystems that meaningfully empower young (Poudel et al., 2025).

In light of this, it is important to investigate alternate models that can close systemic inequalities and include young people as key players in determining their own destinies. Among these options is Social Business. Social Business offers a hybrid model that is focused on resolving social issues through economically viable means, in contrast to charitable endeavors or conventional profit-driven businesses. According to Poudel, this approach aims to give more power to the people it supports while staying independent in the long run (Poudel et al., 2025). Young people are not just seen as passive observers, but as active changemakers involved in local innovation, Social Business, and community leadership. Social Business provides the adaptability and contextual awareness that are frequently lacking from institutional responses in the context of education and employment inclusion. Cooperative enterprises, youth-led incubators, and vocational training programs are a few examples of how to support entrepreneurship and strengthen the local economy. The UN Sustainable Development Goals are directly supported by this framework, especially SDGs 4 (*quality education*) and 8 (*decent work, economic growth and excellent education*), respectively (Poudel et al., 2025).

Solutions driven by young people are given priority through localized hubs of innovation in the *SISo* model (Skill Information Society), which is notable for its decentralized and participatory approach. *SISo* invites young participants to co-create activities that address particular needs in their communities rather than imposing a predetermined format. In settings where formal institutional support is frequently lacking, this open architecture promotes adaptation and local relevance, two essential qualities (SISo Nepal, 2025). The "Eco-Tech Youth Lab" is a project started by young people in *SISo* in a village in Nepal. They gave workshops in schools to teach students about the environment and how to use cheap solar energy. They worked with teachers to make learning materials and got help from experts through *SISo*'s mentor program. This helped share technical skills and also got the community more involved in environmental issues. This approach shows how *SISo*'s operational model empowers youth to apply innovative solutions to local problems while also encouraging active citizenship and leadership in local initiatives (SISo Nepal, 2025).

By combining peer collaboration, guided support, and business skills development, the concept helps young people build their civic engagement and technical competencies. By consciously moving away from centralized development strategies and helping communities take the lead, these operational processes enable *SISo* to function as a platform for building skills and knowledge and an incubator for social innovation.

The ability of *SISo* to operate successfully without depending on the institutional networks or legacy of individuals makes it especially significant in the context of Social Business. Its model is grounded in a Social Business philosophy, yet it innovates by operating at the intersection of youth

empowerment and sustainable development. The participatory design and community ownership inherent in *SISo* make it adaptable to other regions facing similar issues of marginalization and educational exclusion. However, successful replication would require the presence of certain enabling conditions, such as access to digital infrastructure, community trust, and some degree of legal flexibility (SISo Nepal, 2025). As such, *SISo* demonstrates that **Social Business, when designed with inclusivity and adaptability at its core, can offer context-sensitive alternatives to traditional development frameworks.**

3.1.3 Clean energy innovation to reduce air pollution (Prakti Design, India)

According to the World Health Organization (WHO), dirty air inside homes caused by using polluting fuels for cooking, heating, and lighting led to around 3.2 million deaths in 2020. This includes over 237,000 children under five. These numbers show how dangerous it is to use solid fuels and kerosene with old or unsafe stoves and open fires.

The company Prakti is trying to solve this problem. Their improved cookstoves use half as much fuel and produce up to 80% less harmful smoke and gases like carbon monoxide. This makes them an important player in protecting both people's health and the environment (Bossuet & Serrar, 2014).

Founded in 2008 in Pondicherry (India), *Prakti Design* is a Social Business dedicated to addressing public health and environmental challenges, concerning by conventional cooking methods in marginalized communities. The business creates, produces, and sells clean biomass cookstoves that are economically accessible and use less energy, while also aligned with the cultural culinary preferences of the communities they serve. For women especially, being exposed to less harmful smoke helps them breathe better and lowers the risk of long-term health problems (Bossuet & Serrar, 2014).

Prakti Design works with local NGOs and community groups in different countries like Haiti and India. For example, in Haiti, their efficient cookstoves help protect the environment and use energy in a smarter way, which is important because fuel is hard to get and deforestation is a big problem.

In terms of gender dynamics, Prakti's model has demonstrated strong empowering effects. Women are both the primary users and strategic partners in the distribution chain. The company actively encourages women participation by promoting women as stove ambassadors and micro-entrepreneurs. In cohesive communities, led by peers, localized sales approach guarantees higher adoption rates, increases social capital, and helps people trust. In addition, it allows women to earn additional income and strengthen their financial independence (Bossuet & Serrar, 2014).

The Social Business focuses on what users really need by involving local cooks throughout the prototyping and feedback steps. Each stove is tailored to regional customs and cooking tools. In Haiti, for example, stoves are adapted for large pots commonly used in school canteens or street food settings. In India, the design choices account for chapati preparation (traditional Indian bread) or the cooking techniques of curry. By incorporating culturally specific features, this approach ensures both usability and cultural acceptance. (Bossuet & Serrar, 2014).

However, this model faces certain economic barriers. Even though the stoves are made to last and save money over time, poor people still find the first cost too high. Prakti has worked with groups like *Entrepreneurs du Monde* to try rent-to-own plans, small loans, and cross-subsidy methods (where money made from one group helps pay for another group) to make stoves more affordable. But reaching buyers with little money is still hard without help from donors or subsidies (Bossuet & Serrar, 2014).

Also, making and delivering the stoves is difficult, especially in places like Haiti where factories and roads are not well developed. Taxes on materials and changes in shipping costs raise the price, making it tough to keep prices low without lowering quality. The “factory-in-a-box”¹ idea and assembling locally could help copy the model. Still, they need constant training, steady material supplies and stable funding, things that are hard to find in weak economies (Bossuet & Serrar, 2014).

Still, the government could help a lot by giving money and focusing on spreading clean cookstoves in small communities. As M. Bossuet says, to grow this project to a national or regional level, better selling methods, stronger delivery systems, and most importantly, more government support are needed. However, many problems still stop clean cookstoves from being used everywhere. One big issue is that there are no strong laws to support them. For example, there are not enough financial help, public buying programs that care about the environment, or clear plans to move to cleaner energy (Bossuet & Serrar, 2014).

This limited involvement comes from a few reasons. First, cookstoves are still mainly distributed through informal community groups, which work well locally but are hard to grow without support for logistics. Second, few national plans include Social Business in bigger environmental or health programs, so promising projects like *Prakti Design* lack official support. Finally, public funding for clean energy that includes everyone is low, so social innovations stay small and do not become nationwide solutions (Bossuet & Serrar, 2014).

These problems show how hard it is to grow important social and technical innovations without the right support system. Without clear policies and long-term government commitment, even strong projects risk staying small pilots.

¹A small, mobile factory that can be set up quickly in rural or hard-to-reach places, working mostly on its own with few resources but still making good products (EIT Manufacturing, 2022)

In summary, *Prakti Design* is a good example of a Social Business based on new technology, gender inclusion, and care for the environment. It shows how a product can solve health and energy problems while helping local communities. However, **its long-term success depends on better support, like funding tools for inclusive technologies, helpful government policies, and strong supply networks**. Because of this, the project and its growth are limited by the economic situation.

3.1.4 Islamic finance as an economic alternative for long-term social impact (Waqf Business Model)

Religious Social Business, especially those inspired by Islamic economic principles, offer another way to think about the economy. They mix strong ethical rules with goals for long-term social impact. One of the most known models is the *Waqf Business Model (WBM)*, which builds on the old Islamic idea of waqf, or endowment used for helping others. By definition, waqf refers to a traditional Islamic institution designating a lasting act of charity. An asset (land, building, money, etc.) is permanently donated or held to serve a cause of general or religious interest, without the possibility of resale or inheritance (Afifi, 2024).

The approach is based on Shariah principles and promotes the fair redistribution of wealth, rejects the logic of unlimited individual profit, and encourages collective and solidarity mechanisms such as waqf, zakat (mandatory almsgiving), or ethical trade. The Waqf Business Model modernizes this concept by integrating Social Business mechanisms into a logic of sustainability and profitability for the common good. It is based on immobilized capital (waqf), which generates income through lawful commercial activities. In the Waqf Business Model (WBM), all money made is fully reinvested for social goals. No profits are given to owners or investors. The model follows the rules of Islamic finance, which do not allow interest (*riba*), risky speculation (*gharar*), or activities that are not ethical.

Waqf creates money that is used to support important things like schools, hospitals, mosques, or help for poor people (Afifi, 2024). Today, waqf is also seen as a way to support sustainable development. It fits well with many of the Sustainable Development Goals (SDGs), like *Ending Poverty* (1), *Clean and Affordable Energy* (7), *Better Cities* (11), *Decent Jobs* (8), and *Less Inequality* (10) (United Nations, 2015). Projects include community energy programs, Islamic microfinance, and low-cost housing. This model is already working in places like Indonesia and Malaysia.

One special part of this model is that the main funds stay untouched. Only the profits are used to help people. This way, waqf stays strong over time. It avoids risky financial markets and continues to support social projects in a stable and ethical way (Junarti et al., 2024).

Even with its many good sides, the *Waqf Model*, like other Social Business, faces some problems

that make it hard to work well or grow. One big problem is that many waqf organizations are not managed efficiently. Administrative negligence or resource misallocation are frequently the results of unclear accountability structures. Because of this, endowment properties are often underutilized, occasionally abandoned, poorly maintained, or even diverted from their intended societal purpose. The capacity of these assets to produce stable income that could support social development projects is directly weakened by this mismanagement (Junarti et al., 2024).

Financial transparency is another big issue for waqf-based businesses. In many places, there are no rules to require regular financial checks or clear accounting systems. As a result, it is difficult to determine how the funds are used or whether they actually benefit individuals. It is nearly impossible to assess the true social impact or determine whether the waqf is operating well without transparent financial records. This lack of openness makes donors, the public, and potential partners trust the waqf less. As a result, it becomes harder for the waqf to get funding and can hurt its reputation (Afifi, 2024).

Thirdly, there are significant differences in the legal frameworks that regulate waqf amongst countries. The application of the waqf business model may be complicated by outdated or ambiguous legislation, which may also prohibit waqf firms from launching new ventures or working with non-religious partners (Afifi, 2024).

Some people or organizations in countries where several religions coexist may be skeptical of the *Waqf Model* since it has religious roots. In fact, this may hinder the integration of waqf into larger organizations outside of primarily Muslim communities or make collaboration more challenging. For example, religious organizations find it challenging to collaborate with the government or win public support in France due to the strict "laïcité" (religion and government) separation. When attempting to operate in the mainstream economy, waqf institutions may encounter legal or political obstacles, particularly if they need government approval or public money (Junarti et al., 2024).

In summary, the *Waqf Business Model* is a mix of religious tradition and business thinking. It helps fund social projects without needing donations or profit-focused investors. Still, the *Waqf Model* is an interesting part of the Social Business world, but it has not been studied very much yet. It can become more effective if it is modernized and connected with new tools and systems. This includes using digital technologies, improving how it is managed, creating clear ways to measure impact, having better legal rules, and working more closely with other development programs (Afifi, 2024).

3.2 To what extent does Muhammad Yunus's Social Business model contribute to poverty reduction in Bangladesh?

While the earlier sections looked at different Social Business models created in local settings, like helping young people get involved, creating new products, or using religious ideas, this part now looks at more organized and formal types of Social Business. It examines a set of ventures directly initiated by Muhammad Yunus, not only as targeted responses to social issues, but also as practical applications of the theoretical principles he has actively advocated.

Engineered to illustrate and evaluate the viability of a business model that prioritizes social benefits over profit while remaining financially self-sustaining, these projects have a unique position in the Social Business landscape.

This section looks at three significant cases: *Grameen Bank*, which was among the first to use microcredit as a tool to empower the unbanked (Yunus, 2010b); *Grameen Danone Foods*, a collaborative initiative to address child malnutrition through affordable nutrition (Yasmin, 2016) and *Grameen Veolia Water*, which seeks to provide clean drinking water in rural areas affected by arsenic contamination (Manirakiza, 2019). Each of these situations will be examined in light of its operational design, governance framework, historical background, and observable social effects. The way these models handle the conflict between their social goal and the requirements of long-term sustainability will receive particular focus. Yunus's endeavors are founded on a distinct, cohesive vision organized around seven fundamental principles as outlined in section 1.3.1, "*Definition of Social Business by Muhammad Yunus*", in contrast to the more grassroots or community-driven approaches that were previously mentioned. This section therefore allows us to observe how those principles translate into practice when implemented through institutional partnerships, private company and formal organizational frameworks. By evaluating these reference points, we can identify performance gaps with the alternative models outlined earlier, we can better understand the strengths, constraints and the transferability of a sustainable Social Business as envisioned by its founder (Yunus, 2010b).

3.2.1 Micro-credit as a tool for financial inclusion (Grameen Bank, Bangladesh)

Grameen Bank was established in 1983 as a result of Muhammad Yunus's small-scale microcredit experiments in the Bangladeshi town of Jobra. Its main concept was new and creative: those in poverty who don't have official income, collateral, or access to traditional financial institutions can become legal borrowers if they are given the chance in a fair and supportive setting (Yunus, 2008). Based on the idea that social and economic development may coexist, *Grameen Bank* was initially intended to be a financially independent organization rather than a nonprofit organization.

The core principle of its strategy is the shared provision by the community. Small solidarity groups, mostly composed of women, are established, and each member is jointly responsible for the payments of the others. This approach creates a framework that encourages accountability and mutual support by replacing collateral with social cohesion (Yunus, 2010b). Microbusinesses like farming, handicrafts, and small-scale trading are commonly started with small loans. Since its expansion over the years, the bank has served over 7.5 million borrowers, of which approximately 97% are women (Yunus, 2010b).

Internal evaluations suggest that roughly two thirds of these households of borrowers have crossed the poverty line, highlighting improvements in income, access to education, and basic health services. Since the organization has frequently reported repayment rates exceeding 98%, low-income individuals are not always high-risk consumers when provided with the appropriate financial instruments. Additionally, *Grameen Bank* reports that 56% of its borrowers have been able to double their household income within five years of accessing credit (Yunus et al., 2010). The institution also helped increase the number of girls going to school by 35% in rural areas. This was possible because families could use small loans to pay for education. In addition, access to microloans led to better nutrition and health, with about 60% of borrowers saying they had improved access to healthcare services (Yunus et al., 2010).

Grameen Bank follows the values of ethical business by putting its profits back into its own programs instead of giving them to shareholders. This strategy has helped the bank grow while staying focused on its main goal: helping people. Over time, *Grameen* has expanded to include projects in clean energy, housing, and education.

However, the model also has limits. One common concern is the risk of borrowers taking too many loans. Some people, especially women, borrow from several places at once to repay previous loans, which can lead to debt problems and stress (Perrin, 2022, p47-64). High repayment rates are often used to show success, but critics argue these numbers can hide the pressure borrowers feel to avoid failure. Large studies, like those by the *MIT Poverty Action Lab*, have also shown that microcredit often has little effect on reducing poverty in the long term (Manirakiza, 2019). Loans are usually used to meet urgent needs or facilitate consumption rather than encourage revolutionary economic activity.

Another problem is that the model relies too much on numbers like how many loans are given or how many are paid back, to show its impact (Perrin, 2022, p47-64). While these numbers are useful, they don't show the full picture. They often miss important things like how much stronger, more independent, or healthier borrowers feel after getting support.

Political and reputational issues have also affected *Grameen Bank*, particularly with regard to its management. The bank's founder, Muhammad Yunus, was forced to resign in 2011 after being charged with financial fraud and poor management. Although a lot of individuals thought

these charges were more political than factual, the incident nevertheless exposed more serious problems within the business.

It sparked justifiable concerns about accountability systems, institutional control, and transparency in businesses that blur the boundaries between public and private administration (Manirakiza, 2019). A further significant question was also brought up by this circumstance: How can we safeguard the autonomy and fundamental principles of Social Businesses, particularly when they function in areas where there is political pressure or instability?

Although multiple countries have applied the Grameen model, the outcomes are not always consistent. It functions successfully in Bangladesh because locals know and care for one another and share a sense of responsibility. However, things are different in other countries. The strategy frequently doesn't perform as intended in areas with weaker community ties or more severe rules.

For example, in Sub-Saharan Africa and Latin America, some microfinance groups copied Grameen's group loan system. However, many of them started focusing more on making money than helping people. As a result, they charged high interest rates and used pressure to make people repay. This hurt trust and moved away from the real goal of helping people through financial inclusion (Perrin, 2022, p47-64).

Overall, *Grameen Bank* has played a leading role in making banking more accessible. It has shown that banking can be socially responsible and that credit can help development (Yunus, 2008). Still, to reduce poverty in a deeper and lasting way, microfinance needs to be combined with other actions, like social protections, better education, and strong public support systems.

3.2.2 Social nutrition initiative and private partnerships (Grameen Danone, Bangladesh)

Grameen Danone Foods Ltd. began in 2006 after Muhammad Yunus met Franck Riboud, CEO of the French company Danone (Yunus, 2010b). In rural Bangladesh, many children lack important nutrients like zinc, iron, and vitamin A. The project's goal was to fight child malnutrition by making *Shokti Doi*, a yogurt with extra nutrients for children, sold at a price low-income families can afford. This "no-loss, no-dividend" Social Business used all profits to grow and reach more people (Yasmin, 2016). This approach combined the structures of private-sector management with a strong commitment to social impact.

The business used a very local approach in its operations. Milk came directly from local dairy farmers at a small factory in Bogra, a poor area because of high poverty, low farming productivity, weak industry, and little access to services and money. This helped local farmers and cut transport costs. A group of women called "Grameen Ladies" were trained to sell the yogurt door-to-door or in small village shops (Yunus, 2010b). This helped women start their

own businesses and reach customers easily. The yogurt price was kept low to match what poor families could pay, without losing nutritional value. The joint venture combined skills well. Grameen brought strong community links and knowledge of local problems, while *Danone* added management and industry experience. Both focused more on social good than making money. The project was funded by investments, soft loans, and reinvested profits, giving local women good financial chances (Yunus, 2010b).

Despite having a relatively small total reach, the *Grameen Danone* partnership had a number of significant results. From the standpoint of public health, the fortified yogurt *Shokti Doi* helped to decrease children's major micronutrient deficits, 30% of the recommended daily intake of iron, 25% of vitamin A, 20% of zinc, all of which are frequently lacking in rural diets (Yunus et al., 2012). Even without detailed numbers, reports and field observations showed that people's nutrition and knowledge about healthy eating improved over time. Economically, the project helped the rural economy by creating jobs at every step, from local dairy farmers to factory and delivery workers. For example, the Bogra factory hired about 50 local people, helping create jobs in a poor area. Over 300 micro-distributors, mostly "Grameen Ladies," were engaged in selling the yogurt door-to-door, thus promoting inclusive income generation. And approximately 100 small-scale dairy farmers supplied the milk used in production, reinforcing rural livelihoods and supporting the local economy (Yasmin, 2016).

The program is unique because it crosses the boundaries between inclusive development and commercial efficiency by successfully combining industrial-scale production with a strong social goal. This method not only facilitated access to basic needs but also promoted greater economic participation, skill development, and stronger links to their communities. The potential and limitations of evaluating social value in hybrid business models are highlighted by the fact that a large portion of the information on these impacts is still qualitative and frequently relies on on-the-ground reports or local observations rather than holistic measurements (Yunus et al., 2010).

However, its audacious plan and early successes, *Grameen Danone* faced several systemic issues that eventually endangered its long-term viability. The most significant of them was their failure to achieve financial balance, which was primarily caused by the low purchasing power of the target market, the high operating costs, and the intrinsic lack of adequate economies of scale of the small-scale production model (Yasmin, 2016). The venture's financial stability was significantly compromised by these combined problems. The Bogra factory was costly to run even though it was in keeping with the goal of community proximity, especially in a remote area where cold chain and transportation infrastructure were yet in their beginning (Yunus, 2010b). Such help raised questions about whether the project could stay independent and survive in the long term, even if it was useful during important moments. Managing the project was also complex. Even though it was meant to be a shared effort, *Danone* often had more control, which went against

the idea of giving power to the local community. Also, it is still unclear if this model can be repeated elsewhere. Since it relies on a special mix of different types of funding, local support, and help from abroad, it is hard to use the same method in other places without big changes. In this regard, *Grameen Danone* offers insights into how cross-sector collaborations can promote inclusive innovation while also highlighting the conflicts that arise when aspirational social goals collide with practical operational and budgetary limitations (Manirakiza, 2019).

More generally, by demonstrating a new kind of cooperation between global corporations and socially conscious people, the project contributes to the current conversation on moral business conduct. Indeed, *Grameen Danone* addresses structural deprivation through nutritional solutions, extending the area of Social Business into new health-focused aspects. This is in contrast to *Grameen Bank*, which addresses poverty through financial inclusion and credit availability. Although it has not fully succeeded, its partial successes and limitations help us better understand the capacity of Social Business to bridge private initiative and the public interest. It thereby broadened the application of Social Business principles, showing that market-based solutions can be effectively redirected toward health challenges (Manirakiza, 2019).

The project stands as a pioneering example of a joint venture built not for profit distribution but for tangible social outcomes. It also shows the weaknesses of these models, like problems with operations, uneven management, and the need to stay profitable. *Grameen Danone* is both a warning and an example of how social goals can fit into business, but it also shows how hard it is to copy this success elsewhere. This case highlights **the important need for shared values, fair decision-making, and flexible methods** in future partnerships between big companies and social groups. Finally, *Grameen Danone* helps us not only by its new ideas but also by teaching us what is needed to create and keep Social Businesses that connect private business with public good.

3.2.3 Social Business approaches to water access and hybrid governance models (Grameen Veolia, Bangladesh)

After agreements between Muhammad Yunus and Antoine Frérot, CEO of the French company Veolia, *Grameen Veolia Water Ltd.* was created in 2008 (Yunus et al., 2010). The partnership started because both were worried about the serious health risks from polluted drinking water in rural Bangladesh, especially arsenic in the groundwater that affects millions (Yunus et al., 2012). With no plans to make money for distribution, the joint venture sought to create a Social Business that would supply impoverished communities with safe and reasonably priced drinking water. The model's "no-loss, no-dividend" structure, which reinvests all profits to expand service coverage and upgrade infrastructure, was in line with Yunus's Social Business philosophy, similar to the approach taken in the Danone joint venture. In contrast, to product based initiatives like *Grameen Danone*, this project concentrated on providing a necessary public utility, aiming to

integrate long-term affordability, public health results, and environmental protection through an inclusive and community focused strategy (Yunus, 2010b).

For example, the village of Goalmari, near Dhaka, was the main place where *Grameen Veolia* worked by setting up a local water system. *Grameen Veolia*'s goal was to stop arsenic contamination. Arsenic is a natural element in the earth, like phosphorus, and is in many minerals. A simple water treatment plant was built to clean surface water from the Meghna River (Yunus et al., 2012), which also affects nearby groundwater. After treatment, the water was sold by the liter through shared taps in the community. This system aimed to keep the service affordable for poor people while making sure it could run without losing money. A hybrid model was reflected in the governance structure: Veolia contributed technical know-how, infrastructure management, and quality control, while Grameen provided a network of locally reliable intermediates, cultural understanding, and long-standing community involvement (Yunus et al., 2012). The goal of this responsibility division was to combine civic legitimacy with corporate efficiency. However, it also highlighted the inherent conflicts in cross-sector partnerships, especially when a local impact-driven organization's social goal is aligned with the operational logic of a global corporation (Perrin, 2022, p47-64).

Grameen Veolia's goal shows both the possibilities and limits of using a mixed economic model for social solutions. The project helped lower diseases and reduce contact with harmful elements by treating surface water to meet international standards. It also created jobs by training and hiring local people to care for the water system, which helped build skills and include more people in the economy. Local education efforts strengthened the social impact by helping to change community practices related to water use and hygiene. And, in terms of the environment, the project promoted responsible resource management and sustainable water sourcing (Yunus et al., 2012).

Because *Grameen Veolia* operates only in Bangladesh, its influence is limited and it is difficult to determine whether the model can be used abroad (Perrin, 2022, p47-64). However, the initiative demonstrates that when technical expertise and strong local backing are available, clean drinking water may be delivered while promoting social, environmental, and health goals.

Moreover, cultural attitudes posed a significant challenge in rural Bangladeshi villages where water had long been freely available, although if not treated, the idea of paying for clean water was viewed with hesitation, especially by the poorest households (Yunus et al., 2012). From an economic perspective, the initiative struggled to cover its operating expenses. The costs associated with water purification, infrastructure maintenance and staffing often exceeded the revenues generated through the socially adjusted pricing scheme. As a result, the venture remained dependent on external support, including technical guidance from *Veolia* and subsidized financing from philanthropic sources (Perrin, 2022, p47-64). These dependencies raised concerns about the project's long-term financial autonomy. Governance dynamics also introduced points of

friction. Even though the partnership aimed to combine different strengths, *Veolia* still had more control over operations. This sometimes conflicted with Grameen's community-focused approach, making it hard to agree on long-term plans and involving the community (Yunus et al., 2012). Also, because the project relied on a special mix of trust, local conditions, and financial help that was hard to copy, it was difficult to repeat in other places. **These problems show how hard it is to turn a local social idea into a solution that can grow and work in different situations.**

Safe drinking water is one of the vital public services that *Grameen Veolia* thoughtfully demonstrates how Social Business concepts may be used to provide. The project showed that it is possible to mix business knowledge with local solutions to solve big problems. But it also showed that **these models can struggle when there are unfair systems, weak economies, or when people are not open to change because of culture.** Finally, this instance makes a significant contribution to the current debates concerning the potential and constraints of cross-sector collaborations in promoting socially conscious business.

3.2.4 Comparative Chart: Social Business Impacts vs. National Trends in Bangladesh

To better understand the three case studies above, the chart below compares their results with national poverty trends. This comparison uses both numbers and real-life observations to show how Yunus's Social Business projects fit, or don't fit, with the wider development of Bangladesh. By comparing local project outcomes with national data like income growth, loan access, and the Multidimensional Poverty Index (MPI), as shown in previous research on MPI and rural/urban disparities in Bangladesh (Leray, 2025), we can better see what these models can achieve and where their limits are :

Table 3.1: Comparative summary of Muhammad Yunus's Social Business organizations and their alignment with national poverty indicators.

sources : (Leray, 2025; Manirakiza, 2019; Yasmin, 2016; Yunus, 2008)(Section 3.2.4)

Indicator	Grameen Bank	Grameen Danone	Grameen Veolia	National Trends (2010–2022)
Primary Goal	Financial inclusion for the unbanked	Child malnutrition reduction through fortified yogurt	Access to clean water in arsenic-affected rural areas	Reduction of multi-dimensional poverty (MPI)
Target Zone	Rural Bangladesh	Bogra region (rural)	Goalmari village (near Dhaka)	Nationwide: urban and rural
Target Group	97% women borrowers ¹	Malnourished children, women sellers ²	Poor rural communities exposed to arsenic ³	Multidimensionally poor households ⁴
Social Outcomes	+60% healthcare access, +35% school attendance for girls, 56% doubled income ¹	Yogurt covers up to 30% of iron RDA ⁵ ; 300 Grameen Ladies; 100+ dairy farmers ²	Reduced arsenic exposure; hygiene education; job creation ³	MPI ↓ from 0.35 (2004) to 0.104 (2019); rural-urban gap remains ⁴
Economic Results	98% repayment rate; self-sustaining ¹	High cost; low scalability ²	Dependent on subsidies; not profitable ³	Rural income +86.9%, urban +102.5% (2010–2022) ⁴
Limitations	Risk of over-indebtedness, social pressure, unclear long-term impact ¹	Non-scalable, reliant on Danone ²	Resistance to paying for water; governance tensions ³	Persistent regional inequalities; urban slums still critical ⁴
Sustainability	High (context-specific)	Low (high operating costs)	Medium to low (external aid required)	Still fragile, dependent on structure reforms ⁴

¹section 3.2.1 – Grameen Bank²section 3.2.2 – Grameen Danone³section 3.2.3 – Grameen Veolia⁴Essay by Axelle LERAY - The Impact of Economic Development on Alleviating Multidimensional Poverty in Bangladesh (Leray, 2025) (BBS, OPHI, UNDP)⁵RDA : Recommended Dietary Allowance

Conclusion - Chapter 3

Through a qualitative, case-oriented lens, this section offers a comparative analysis of the case studies covered in the preceding chapter, of different types of Social Business: Such as in Africa through the Mouves Reports, in Nepal through *SISo*, in India through *Prakti Design*, in Malaysia or Indonesia through the *Waqf Business Model*, and in Bangladesh through the various foundations of Muhammad Yunus. The objective was to find recurrent patterns, strategic logics, and locally anchored mechanisms that influence each model's efficacy rather than making definitive findings. To explore the different strategies in the Social Business field, we focused on comparing projects, some started by Muhammad Yunus, and others created without his involvement. This involved looking at how these initiatives interacted with private sector players but also to public or non-governmental organizations, illuminating the range of partnerships with local communities and governance structures employed to tackle intricate social issues.

Several recurrent strengths are evident in each of the examples. Each program addresses a different social issue, such as: the institutional contribution to ecosystem development (MOU-VES Reports), ranging from indoor air pollution (*Prakti Design*), youth marginalization and educational obstacles (*SISo*) to financial inclusion like religious approach (Walq) or the micro-credit (*Grameen Bank*), child malnutrition (*Grameen Danone*) and contaminated water supplies (*Grameen Veolia*). These social issues are always approached from an entrepreneurial perspective, with a focus on innovation, close connection to the field, and active community involvement in fighting poverty. Prioritizing the creation of social impact over the pursuit of profit is a fundamental principle of the Social Business philosophy, which is reflected in this. Moreover, each project integrates mechanisms of inclusion and empowerment. For example, *Grameen Bank*'s solidarity-based lending relies on mutual trust and collective accountability (Yunus, 2010b); *SISo* and the Mouves Reports empower youth through participatory entrepreneurship (Poudel et al., 2025) (Bernard & al., 2021a). And *Prakti Design* integrates women into its distribution model, positioning them as both users and economic actors (Bossuet & Serrar, 2014).

However, these models also exhibit a number of recurring weaknesses. A central concern lies in their financial fragility. *Grameen Danone*, for instance, faced persistent difficulties reaching financial breakeven due to high production costs and limited purchasing power in its target market (Yasmin, 2016). *Grameen Veolia*, similarly, remained reliant on external funding to sustain its water services in rural communities (Yunus et al., 2012). And, despite the community's interest in it, the *SISo* initiative is frequently limited by legal uncertainty and short-term donor dependency (Poudel et al., 2025). These difficulties draw attention to a basic conflict in hybrid ventures. **It is still difficult to strike a balance between mission-driven objectives and the requirement for long-term financial viability, especially in settings with limited resources and the barriers imposed by the existing governmental context.**

Some strengths come from local situations. For example, *Grameen Bank* does well because of the close social connections and community rules in rural Bangladesh. These help people work well together and make sure loans are paid back. (Yunus et al., 2010). *Prakti's* cookstove adoption rates are higher in environments where trust in new technologies is fostered through peer-based outreach (Bossuet & Serrar, 2014). Conversely, some models are limited by their specific environments; *Grameen Veolia* encountered cultural resistance to the idea of paying for water in communities where water is traditionally viewed as a free good (Perrin, 2022, p47-64). Similarly, the *SISo* model faces replication difficulties in regions lacking digital infrastructure or accessible mentorship networks (Poudel et al., 2025). Also, *the Walqf Business Model*, which depends on a spiritual (or religious) context for its implementation.

Finally, this chapter uses a comparative case methodology to methodically evaluate whether Social Business can function as a robust and scalable strategy for reducing poverty, but where is also examines the limitations of this model. This structured comparison is supported by triangulated data from institutional reports, field evaluations, and academic literature. But a single analytical framework is used to evaluate each initiative, taking into account important factors including scalability potential, governance balance, financial stability, and community inclusion. Rather than seeking causal generalizations, this method aims to identify applicable insights, recurring limitations, and design principles that inform the broader debate on the viability and replicability of Social Business as a model for sustainable development.

This chapter uses the case studies provided to examine in detail the structural strengths and constraints of Social Business. The aim is to examine its viability, its concrete impact, and its ability to adapt to various environments. This analysis is part of a broader debate on prevailing economic models. It compares Social Business with other similar approaches such as corporate social responsibility, social entrepreneurship, and inclusive models.

In this context, Chapter 4 offers a critical analysis of the results, comparing field experiences with theoretical contributions and contemporary academic discussions. It highlights in particular the tensions inherent in the model, especially the total reinvestment of profits in the social mission, and discusses its similarities and differences with other hybrid forms. Finally, to assess the viability of Social Business as a sustainable solution in the fight against poverty, the study also suggests specific approaches to increase its effectiveness and considers ways to replicate it on a larger scale.

Chapter 4

RESULTS AND DISCUSSION

4.1 Results

This section presents the main empirical findings of the selected case studies, without interpretation. The goal is to describe, clearly and factually, how different Social Business models have been implemented in various countries and what types of social and economic results they have produced.

4.1.1 Overview of case studies

This chapter looks at two types of Social Business models. The first group includes initiatives that are independent from Muhammad Yunus's project and are mostly led by local actors. The second group focuses on projects inspired by Yunus's model and supported by the Grameen institutional model. Each group is summarized below by examining their main goals, legal structure, economic model, and the key stakeholders involved.

Group 1: Non-Yunus Initiatives

(MOUVES Africa Cases – Mali, Morocco, Ghana; SISo Nepal; Prakti Design; Waqf Model)

(1) Impact of prioritizing the social objective:

These projects address local challenges that are limited the national development. The MOUVES reports in Africa (Mali, Ghana, and Morocco) encourage community empowerment while highlighting pressing needs in employment, healthcare, education, and agriculture. Digital access is the main focus in Ghana (Bernard & al., 2021a), microfinance tailored to inadequate infrastructure is the focus in Mali (Bernard & al., 2021b), and agriculture and women-led communities are the focus in Morocco (Bernard & al., 2021c).

The *SISo* initiative in Nepal responds to education gaps and youth unemployment through

community-based, youth-led actions (SISo Nepal, 2025). To lower indoor air pollution and increase energy efficiency, *Prakti Design* offers inexpensive, hygienic cookstoves (Bossuet & Serrar, 2014). The *Waqf Model* supports healthcare, housing, and education for vulnerable religious communities by combining Islamic philanthropy with commercial tools (Afifi, 2024; Junarti et al., 2024).

(2) Purpose of sustainable finance:

Depending on the legal status of the organization, financing arrangements may vary. Some initiatives, such as *SISo Nepal*, rely heavily on external funding, but other cooperatives, such as *Prakti Design*, generate income internally through the sale of goods and services. The *Waqf Model* relies on donations, which are invested to generate a regular income over time. A number of African cases use hybrid funding approaches that include donations, local sales income, and community-based savings plans.

(3) Stakeholder participation and governance:

Most of these Social Business projects are implemented in close collaboration with local groups, small businesses, women, farmers, and young people. NGOs, local governments, foreign sponsors, and religious authorities also participate. This local involvement guarantees a lasting effect and builds confidence. As demonstrated in Ghana and Morocco, where projects largely involve women and youth, these initiatives frequently target the most disadvantaged people. Similarly, *Prakti Design* focuses on helping women, who are especially impacted by indoor air pollution, whereas *SISo Nepal* primarily works with youth-led projects.

(4) Adaptation to the context:

These projects adopt different legal forms depending on the national context in which the Social Business is developed. In Ghana, the most common structure is the limited liability company¹, accounting for 46% of cases (Bernard & al., 2021a). In Morocco, associations are used in nearly half of the Social Business initiatives (49%) (Bernard & al., 2021c), while in Mali, 40% also operate as limited liability companies (Bernard & al., 2021b).

SISo Nepal is described as "a leading non-governmental, non-political, and non-profit organization" (SISo Nepal, 2025). In contrast to the *Waqf Model*, which is often run by foundations or religious trusts (Afifi, 2024; Junarti et al., 2024), *Prakti Design* is organized as a social enterprise.

Group 2: Yunus/Grameen-based Initiatives

(*Grameen Bank, Grameen Danone, Grameen Veolia*)

(1) Impact of prioritizing the social objective:

The common social objective of the three Social Business we will study is to reduce

¹A legal form in which partners are liable for the company's debts only up to the amount of their contributions.

poverty, particularly in Bangladesh. Each adopts a different approach to achieve this same goal. *Grameen Bank* provides microloans to those who are excluded from traditional banking systems (Yunus, 2010b). *Grameen Danone* is fighting child malnutrition by offering affordable, rich nutrient yogurts. Meanwhile, *Grameen Veolia* is working to ensure access to safe drinking water in rural areas affected by arsenic.

(2) **Purpose of sustainable finance:**

Grameen Bank provides rural women with small loans under a microcredit strategy. This autonomous strategy covers expenses and reinvests surpluses to increase services (Yunus, 2010b). *Grameen Danone* invests earnings back into nutrition goals by finds local milk, produces at low cost, and employs decentralized distribution to keep goods inexpensive (Yasmin, 2016). *Grameen Veolia* operates low-cost water kiosks that cover basic expenses while making drinking water accessible to rural communities (Yunus et al., 2010).

(3) **Stakeholder participation and governance:**

Grameen Bank promotes social inclusion and family well-being by involving rural women as both important players and primary beneficiaries (about 90% of its clientele are female) (Yunus, 2010b). Partnerships between the Grameen organization, foreign companies, and local communities form the foundation of *Grameen Veolia* and *Grameen Danone*. *Grameen Veolia* places a higher priority for women who handle the majority of family water demands, while *Grameen Danone* concentrates on enhancing child nutrition.

(4) **Adaptation to the context:**

Grameen Bank is a public interest microfinance institution focused on community development and recognized as a statutory authority. *Grameen Danone* and *Grameen Veolia*, on the other hand, follow Yunus' "no dividend" model: profits are reinvested and investors receive no personal gain. *Grameen Danone* combines foreign investment and social objectives through its partnership with Danone, while *Grameen Veolia* was born out of a collaboration between *Veolia* and *Grameen Health Care Services* in 2008 (Yunus et al., 2010).

4.1.2 Comparative observations

Each case study is categorized in the tables below according to how well it incorporates these critical notions.

The table indicates that most projects successfully adapt to local contexts and involve beneficiaries, even when financial autonomy is limited. However, scalability is often low, except when supported by strong partnerships or digital tools, as in the case of *SISo Nepal*. The *Grameen Bank* is one of the few models that combines inclusion, local adaptation, and financial sustainability, and can be replicated in other settings.

Table 4.1: Classification by degree (high, medium, low) of local adaptation and financial autonomy of the case studies (Section 4.1.2)

Case Study	Local Adaptation	Financial Autonomy
MOUVES Reports	High	Medium
SISo Nepal	High	Low
Prakti Design	High	Medium
Waqf Model	Medium	Low
Grameen Bank	High	High
Grameen Danone	High	Low
Grameen Veolia	High	Low

Table 4.2: Classification by degree (high, medium, low) of beneficiary inclusion and scalability of the case studies (Section 4.1.2)

Case Study	Beneficiary Inclusion	Scalability Potential
MOUVES Reports	High	Medium
SISo Nepal	Very High	Medium
Prakti Design	High	Medium
Waqf Model	Low to Medium	Low
Grameen Bank	High	High
Grameen Danone	Medium	High
Grameen Veolia	Medium	High

4.1.3 Common issues in case studies

In all case studies, several structural challenges emerge... Common obstacles systematically affect the long-term viability of the model and the growth of Social Businesses, despite the diversity of geographical areas and models. Here, we will make assumptions about the answers to the questions :

How dependent are these models on external funding?

- To continue operating, *SISo Nepal*, *Prakti Design*, and *Grameen Veolia* depend on donations or development assistance (SISo Nepal, 2025).
- Strategic independence is limited since financial autonomy is rarely achieved.
- Short-term funding limits long-term planning and causes fragility.

What legal or institutional barriers do they face?

- In Ghana and Morocco, the lack of legal status for social enterprises leads entrepreneurs to register as private companies or NGOs (Bernard & al., 2021a).
- Confusion regarding taxation, profit reinvestment, and public support is caused by this legal gap.

Is there a conflict between impact and financial viability?

- High production costs prevent Grameen Danone and *Prakti Design* from expanding while continuing to serve low-income communities (Bossuet & Serrar, 2014).
- Pressure to turn a profit could result in compromises that make services less inclusive or accessible.
- Some models remain socially impactful but economically unsustainable.

What are the limits to scaling these models?

- Most businesses succeed locally but struggle to expand due to cultural barriers or insufficient infrastructure.
- *Grameen Veolia* is an example of resistance to paying for water in places where free access is expected (Manirakiza, 2019).
- A lot of programs depend on local features that are hard to duplicate elsewhere, like digital technologies, trust networks, and outside partnerships.

Recognizing the limitations to the development of Social Business highlights the need to review what could be more conducive to its expansion without compromising its mission, such as more favorable ecosystems, a legal framework, and strategies adapted to the geographical context.

4.2 Discussion

This part offers a critical analysis of the preceding results, considering the primary research goals, the conceptual framework outlined in Chapter 1, and insights from the reviewed literature. To support key points, this discussion also uses ideas from three authors. Bacq et al. (2025) note that Social Business projects, even with good intentions, can have negative effects if local conditions and stakeholder needs are not carefully considered (Bacq et al., 2025). Jégourel (2008) explores the tension in microfinance between social goals and financial viability, showing that economic success does not always mean less poverty (Jégourel, 2008). Armendáriz and Morduch (2010) give a detailed economic view of microfinance, highlighting the difficulty of serving the poor while remaining financially sustainable (Armendariz & Morduch, 2010).

4.2.1 Do the results match the research goals?

The primary goal of this thesis was to determine whether Social Business may enhance tactics to reduce poverty, especially in situations where traditional business markets and public

institutions have not given priority to inclusive and structural responses to social needs. Case studies indicate that while Social Business can serve as an effective and innovative approach, **it cannot be a universal solution**. Its success depends heavily on supportive local conditions such as environmental resources, community engagement, availability of financing, and legal acknowledgment. This aligns with the idea of Bacq et al. (2025), who note that contextual fragility, such as inadequate infrastructure or unstable funding, can undermine both the impact and longevity of socially-oriented ventures (Bacq et al., 2025, p.9). Moreover, the model may encounter structural constraints that limit both its potential for expansion and its long-term sustainability.

Do Social Business models act as complementary tools or systemic alternatives?

In some contexts, **Social Business acts as a complementary solution** to public services. This is the case in Ghana and with *Prakti Design* in India. These initiatives deliver essential services in areas like rural development, clean energy, and health. However, they face major obstacles to growth, remaining vulnerable to external funding cycles, a vulnerability consistent with Jégourel's (2008) observation that without sustained financial models, social ventures risk dependency and reduced long-term impact (Jégourel, 2008, p.200).

In contrast, other models demonstrate **how Social Business can serve as a systemic alternative**. The *Grameen Bank* in Bangladesh and *SISo* in Nepal illustrate how Social Business can create independent ecosystems. Grameen Bank built a parallel microfinance system for marginalized women, while *SISo* supports youth-led projects in education and the environment through community engagement. These models operate outside traditional development structures. However, both face limitations: *SISo* depends on donor support and digital tools, and Grameen's model is hard to replicate beyond its original cultural setting.

The findings indicate that there is only limited confirmation of the research hypothesis.

Although Social Business can help reduce poverty, its function and efficacy differ greatly depending on the setting in which it functions. It acts mainly as a *complementary solution* in delicate or informal circumstances. It might develop into a *systemic alternative* in environments that are more organized and encouraging.

4.2.2 What do the results say about the theory?

The results of the case studies help to better understand and grasp the differences between social enterprise and other similar concepts, such as : Social entrepreneurship, inclusive enterprise, and Corporate Social Responsibility (CSR). This matches Armendáriz and Morduch (2010), who explain that institutional setups and financial models strongly affect how social finance works, shaping its reach and sustainability (Armendariz & Morduch, 2010, P.8). They also aid

in considering Muhammad Yunus's theory: Does Social Business function as a reform inside capitalism or does it actually oppose it?

Social Business or Corporate Social Responsibility (CSR)?

CSR is usually a side activity that helps companies improve their image or meet social expectations, without changing their main goal, making profit. In contrast, Social Business places the social mission at the core of the business model. An illustration of this is *Grameen Danone*, created in Bangladesh with the purpose of tackling child malnutrition rather than generating returns for investor (Yunus et al., 2010). Unlike Corporate Social Responsibility (CSR), where profit-oriented companies integrate social objectives into their operations, a Social Business is conceived from the outset around a social mission, with the commercial activity serving to maintain that mission. Nonetheless, the separation between these two approaches is not always clear, particularly when a Social Business relies on external investors or maintains close ties with corporate partners.

Social or inclusive business?

Inclusive business aims to involve poor or excluded groups in the economy as workers, producers, or consumers, while still prioritizing profit. Social Business is different: it reinvests all profits into its mission and does not pay returns to investors. Sen's capacity approach, which emphasizes that the extension of freedoms and capacities should be used to measure development rather than profit maximization, is in line with this concept (Sen, 1999). In certain African examples, inclusive business strategies, such as community-level distribution networks or small-scale entrepreneurship, were implemented. Yet, these initiatives also encountered obstacles, including ambiguous legal frameworks and a dependence on financial support from donors.

Social Business or social entrepreneurship?

Social Entrepreneurship centers on developing innovative solutions to address social issues. It is flexible and does not always follow strict rules about profit use. In contrast, Social Business, as defined by Yunus, must reinvest all profits and avoid private gain (Yunus, 2010b). For example, *Prakti Design* in India developed clean cookstoves to reduce indoor air pollution. While it has a clear social mission, it also uses standard business practices and depends on external funding (Bossuet & Serrar, 2014). This shows that some social entrepreneurs share the goals of Social Business but operate with more flexibility.

Does Yunus's vision represent reform or a complete break from traditional models?

According to the research, Social Business is very different from inclusive business, social entrepreneurship, and CSR, especially in terms of how it defines success and allocates profits. In reality, it may be hard to tell these types apart. Many projects use a mix of methods, depending on the circumstances.

Yunus's vision is ambitious and offers a new way to think about business (Yunus, 2010b). In

some cases, Social Business can offer a real alternative to traditional models. In other cases, it acts more like a practical improvement of the current system. It is not always possible to strictly apply principles. Yet, Bacq et al. warn that even well-meaning Social Businesses can lose focus or face conflicting goals when working with corporate partners (Bacq et al., 2025, p.7). Therefore, Social Business can be understood as both a new model and an adaptive tool, depending on the situation.

4.2.3 Was the methodology appropriate for the research?

A qualitative comparative case study design was adopted to explore the functioning of Social Business across varied local settings. This was appropriate, as Armendáriz and Morduch note, because qualitative insights are beneficial when the lack of numbers and numbers alone cannot show community effects or informal market dynamics (Armendariz & Morduch, 2010). By examining several cases, including Grameen Bank in Bangladesh, *Prakti Design* in India, *SISo* in Nepal, and initiatives from Ghana and Mali, the study was able to capture how Social Business operates in diverse environments. Each case provided detailed information about:

- How the business is connected to the local community;
- How it is managed and funded;
- And how social and economic goals are combined.

This method was helpful because Social Business is still a new idea in many regions. Many projects are small or locally oriented, therefore there is currently a lack of global data. Exploring values, motivations, and difficulties that would not be evident in statistics alone was made simpler by a qualitative method. It also helped compare different types of Social Business in different cultures.

At the same time, the research had some limits:

- There was no primary quantitative data, which means the study did not include surveys, income data, or large-scale results;
- It was difficult to measure long-term impact, because many projects are recent or still dependent on donors;
- The research was primarily based on secondary sources, which sometimes provide limited or biased information.

This matches Jégourel's warning that short study periods and lack of long-term data can hide the true socio-economic effects of microfinance and similar models (Jégourel, 2008, p.201). Nevertheless these limitations, the chosen strategy supports the objectives of the study. The main question was to see how Social Business works in different contexts and whether it can

improve poverty reduction strategies. Since it is still new and its impact depends on the context, a qualitative approach gives a better and deeper understanding. It was helpful to examine not just the results, but also the methods, principles, and structures behind each project.

4.2.4 How these findings can guide policy and action?

Case studies show that Social Business can help reduce poverty, especially where government aid is lacking or market solutions do not work well. To increase their impact and remain sustainable, they should be better connected to international development efforts, economic programs, and government policies. Moreover, Bacq et al. note that failing to anticipate negative effects, like community dependence or weakening local markets, can reduce the impact of these initiatives (Bacq et al., 2025, p.10).

Governments and institutions can support Social Business by including it in national and local strategies. This means:

- Recognizing Social Business as a tool for delivering essential services (like clean water, education, health, or food);
- Involving Social Businesses in public-private partnerships;
- And including Social Business in programs that support entrepreneurship and social innovation.

This would help Social Businesses scale up their work and reach more people in need, especially in rural or underserved areas.

The survey indicates that the absence of legal and financial frameworks suitable for Social Business's hybrid character is one of its main obstacles. Social Businesses are non-profit companies, but they are also not charities. To help them grow, governments and donors could:

- Be able to establish hybrid legal frameworks that officially recognize enterprises combining social and economic objectives;
- Can provide access to long-term financing with low interest rates, enabling initiatives to consolidate;
- Be able to introduce tax benefits for organizations that use their profits to fund social initiatives.

These tools can help Social Businesses grow and last without losing their social mission. This matches Jégourel's view that hybrid legal and financial systems are key to balancing social goals with financial strength (Jégourel, 2008).

Finally, the relevance for **policymakers** are useful for several actors:

- They can create better frameworks to support inclusive business models;
- Development agencies and donors can use Social Business as a tool for investment in long-term solutions led by local communities;
- In places where the state is less present, local governments can collaborate with Social Businesses to provide services while encouraging innovation and local jobs.

Public services should not be replaced by Social Business, but they can be sustainably and locally enhanced them. It can help inclusive growth but it requires the right financial sources, legal recognition, and supportive policies.

4.2.5 Limits of this research and ideas for future directions

This study provided insightful information about how Social Business might help reduce poverty in a range of local settings. There were also some drawbacks. The study focused on a few South Asian and African countries, such as Bangladesh, India, Ghana, Nepal, and Mali. This limited scope means the results may not apply to regions with different political, legal, or cultural contexts. Armendariz and Morduch stress that microfinance research must consider institutional and cultural differences, as these strongly affect how well models can be replicated (Armendariz & Morduch, 2010). In addition, most of the data comes from published reports, research articles, and case studies. While these sources provided a basis for comparison, the study did not include field interviews or direct input from beneficiaries. Future research could combine qualitative and quantitative methods to measure both visible and less tangible impacts :

First, it would be easier to evaluate the tangible outcomes of Social Business activities in terms of income, health, education, or employment if quantitative techniques like surveys, impact evaluations, or statistical comparisons were used.

Second, involving beneficiaries in the evaluation process would help us better understand how locals feel and interpret these models' effects. Participatory research, focus groups, and interviews could all be used for this.

Third, long-term research might look at how long-term Social Business models hold up. Many businesses begin with strong support but encounter difficulties as funding decreases or the industry changes. Examining these projects over several years would make it easier to assess their adaptability and long-term impacts.

CONCLUSION

Main findings and conclusions

The aim of this research was to answer the question: **How can Social Business improve the effectiveness of poverty reduction strategies as a complementary or alternative mechanism to traditional economic models ?**

The results show that Social Business can indeed contribute to poverty reduction by addressing the social factors that cause poverty and combining current market mechanisms (liberal market) with a social mission. However, its effectiveness depends heavily on the institutional, economic, and cultural context in which it operates (Chapter 4).

From a theoretical point of view, Social Business is a hybrid model between non-profit and for-profit enterprises. It integrates the social mission into the very heart of the economic model, rather than treating it as a peripheral element (Chapter 1.2). This approach makes it possible to respond to certain market failures. It creates financially appropriate solutions to social problems. This echoes the argument put forward by Armendáriz Morduch that hybrid organizations can achieve results where both stock markets and governments cannot intervene effectively (Armendariz & Morduch, 2010), especially in the long term.

Case studies confirm these findings. In Africa, MOUVES reports on Ghana and Morocco (Chapter 3.2.1) show that projects integrated into strong local ecosystems, with institutional or governmental support, and/or community organizations, have achieved greater resilience and measurable social outcomes (Bernard & al., 2021a, 2021c). Conversely, in areas where institutional support is weak or infrastructure is inadequate, such as in certain rural regions of Mali, initiatives have struggled to achieve financial viability and therefore remain unsustainable in the long term (MOUVES, 2019).

Youth-led, community-based models, such as the *SISO* program in Nepal (Chapter 3.2.2), also show that local ownership and capacity building are essential to success. Capacity building, whether in technical skills, management, or community organization, enables beneficiaries to maintain and develop initiatives beyond the initial support. Without this dual dimension of active

participation and skills development, even the best-funded or most technologically innovative projects risk losing their long-term impact. This confirms the work of Robert Chambers on participatory development (Chambers, 1997).

Social innovation also plays a central role. The case of *Prakti Design* and its clean, low-cost cooking stoves (Chapter 3.2.3) illustrates how technological and ingenious innovation can address urgent public health and environmental issues, which are factors contributing to poverty. However, these examples also highlight the difficulty of moving from the local to the regional to the national level, and so on. Indeed, I would conclude that this research critically shows Social Business cannot be a universal model. Models that work very well in a given local context, because they meet specific needs, are based on networks of trust, and are adapted to cultural and economic realities, can encounter serious obstacles when attempts are made to replicate them elsewhere. These obstacles can be structural, such as a lack of infrastructure, overly fragmented markets, or an unsuitable regulatory environment, but they can also be cultural, with different consumption habits or community organization methods. Financial constraints also come into play, as the funding needed for the growth phase is often more difficult to obtain than that for the initial experimentation phase.

Finally, local success often depends on the commitment of key leaders or partners, who may not always have equivalents in other contexts (Chapters 3 and 4). As discussed in Chapter 4.2, these findings are consistent with the analysis of Agafonow and Donaldson, who caution against viewing Social Business as 'silver bullet' (Agafonow & Donaldson, 2015). Thus, a project that has proven effective on a small scale does not guarantee success when replicated. Rather, it should be considered one flexible tool among many in a broader set of in-depth preliminary development analyses, capable of producing an impact only when adapted to local needs and integrated into a favorable ecosystem.

Academic and managerial implications for the public policy

Academically, this research makes an important contribution to the theoretical field by clarifying the place of Social Business in the current economic landscape. It shows that this model is not an alternative that is completely detached from capitalism, but rather a way of taking the tools and methods of the traditional liberal market and putting them at the service of social objectives. (Chapter 1.1). Like private companies in the liberal market, it is based on efficiency, innovation, and competitive strategies but it differs from them in one fundamental rule: the absence of profit distribution to shareholders, with all surpluses reinvested in the social mission (Yunus, 2010b). This distinctive feature enriches academic debates on complementary or alternative economic models by positioning Social Business as a transitional form, neither fully capitalist nor solely philanthropic and questioning traditional definitions (Defourny & Nyssens, 2023).

The originality of this approach lies in the direct integration of the social objective at the heart of the economic model, unlike Corporate Social Responsibility (CSR), which often remains a peripheral activity (Chapter 1.2).

From a practical and managerial perspective, several lessons can be learned. NGOs can draw inspiration from Social Business frameworks to design more financially sustainable interventions without sacrificing their mission by diversifying their sources of funding through grants, loans, or even their own revenues, in order to better withstand market fluctuations. Governments, for their part, can play a key role in promoting and maintaining Social Business. The first step is to legally recognize these hybrid entities, which do not always fit into existing categories (associations, traditional companies, cooperatives). This recognition would provide them with a stable legal framework, secure their partnerships, and clarify their tax and regulatory obligations. Beyond status, public authorities can put in place tax incentives (e.g., tax breaks, targeted subsidies, or tax credits for social investors) to stimulate the creation and development of these structures. Such institutional support would also send a strong signal to private actors and donors, encouraging public-private collaborations.

The examples of Grameen's partnerships (Bank, Danone, Veolia) show that these collaborations can amplify impact but also generate tensions when corporate values and community values conflict (Chapter 3.3). The lack of a legal framework and fiscal support can hinder the growth of initiatives, even when their social impact is proven. Conversely, a favorable regulatory environment can facilitate access to financing, accelerate the professionalization of teams, and increase the capacity of Social Businesses to scale up (Chapter 4.3). Finally, academic and managerial involvement aims to target public policies. Social Business, considered a complementary tool and a hybrid model, can contribute to the fight against poverty.

Can Social Business become a true partner to the market?

This research has several limitations. First, in terms of methodology, the size and nature of the illustrations, as well as difficulties in accessing certain data, limited the possibility of broadly comparing results. Contextually, the conclusions are strongly linked to local specificities, whether the institutional framework in West Africa or community dynamics in South Asia, which limits their generalizability. Finally, analytically, the choice of indicators and the degree of subjectivity in their interpretation may influence the results.

These findings highlight a key point: Social Business is not a universal model. It is an adaptable tool that only works fully when it is part of a favorable ecosystem. It relies on market methods (efficiency, innovation, results-oriented management) but puts them entirely at the service of social objectives, without seeking personal profit. All financial and human energy is dedicated to the social mission, making it a unique lever for fighting poverty while remaining compatible with the market economy.

Today, more and more large companies are incorporating social or environmental considerations into their business practices. In the food industry, this means reducing plastic use; in the textile industry, it means using organic or 100% cotton materials. This evolution reflects a shift in consumer behavior: attracting customers is no longer based solely on price or quality, but also on social and environmental commitment. We often start by responding to environmental emergencies, then gradually include issues such as working conditions and human well-being.

Much remains to be done, but this dynamic opens up an opportunity for Social Business: integrating socially responsible structures into large listed companies, based on the CSR model, but with a social mission that is as important as economic performance through its financial self-sufficiency. This would combine the financial and organizational resources of large companies with the direct impact of Social Business, thus creating a real bridge between the market and solidarity. In this approach, creating social value, reducing poverty, improving living conditions, protecting the environment, would be as important as creating economic value. Decisions would be made by balancing financial and social impact, even if it means making no profit in order to create more social benefit.

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Appendices

Table 4.3: Distribution of social enterprises in Ghana by sector and target groups.
source : (Bernard & al., 2021a, p.100) (Section 3.1.1)

Category	Share (%)
Main sectors of activity	
Education and Training	38%
Agriculture / Agribusiness	16%
Health	10%
Information and Communication Technologies (ICT) ¹	10%
Environment	12%
Industry	8%
Crafts	6%
Target populations	
Youth	42%
Women	35%
Base of the Pyramid (BoP) ²	13%
Other groups	10%

¹ICT includes enterprises in digital services, telecom, and software supporting access to information and innovation.

²BoP refers to the poorest socio-economic segments of the population, typically earning less than \$3 per day.

Table 4.4: Territorial focus and SDG priorities of social enterprises in Ghana.
source : (Bernard & al., 2021a, p. 100) (Section 3.1.1)

Category	Share (%)
Geographical area of intervention	
Urban areas	56%
Rural areas	44%
Top SDGs targeted by social enterprises	
SDG 4 – Quality Education	23%
SDG 1 – No Poverty	20%
SDG 8 – Decent Work and Economic Growth	16%
SDG 3 – Good Health and Well-being	13%
SDG 5 – Gender Equality	11%
SDG 10 – Reduced Inequalities	7%
SDG 2 – Zero Hunger	5%
SDG 6 – Clean Water and Sanitation	5%

Table 4.5: Legal forms and public-private partnerships of social enterprises in Ghana.
source : (Bernard & al., 2021a, p. 100-108) (Section 3.1.1)

Category	Share (%)
Legal status of social enterprises	
Limited liability companies	46%
NGOs (Non-Governmental Organizations)	28%
Foundations	20%
Other legal forms	4%
Partnerships and public policy stakeholders	
Universities / Research centers	16.7%
Non-profit organizations (NGOs, etc.)	16.7%
International organizations	8.3%
Financial partners	8.3%
Incubators / Support structures	8.3%
Inclusive or social enterprises	8.3%
National enterprises	8.3%

Table 4.6: Main partners and target populations of social enterprises in Morocco.
source : (Bernard & al., 2021c, p. 99) (Section 3.1.1)

Category	Share (%)
Main types of partners	
National enterprises	60
Non-profit organizations (NGOs, associations, foundations)	60
Support structures (incubators, accelerators)	33
Public institutions	27
Social and/or inclusive enterprises	13
Small enterprises (e.g., craft SMEs)	13
International enterprises	7
International organizations and institutions	7
Target populations	
Women	39
Youth	33
Base of the Pyramid (BoP) ¹	14
Other vulnerable groups	14

Table 4.7: Sectoral and geographical focus of social enterprises in Morocco.
source : (Bernard & al., 2021c, p. 99) (Section 3.1.1)

Category	Share (%)
Main sectors of activity	
Education and Training	32
Agriculture / Agribusiness	25
Environment	14
Health	14
Industry	14
Artisan / Crafts	19
Geographical area of intervention	
Urban areas	66
Rural areas	34

¹BoP: Base of the Pyramid refers to the poorest segments of the population.

Table 4.8: Legal forms, size, and formality of social enterprises in Morocco.
source : (Bernard & al., 2021c, p. 99) (Section 3.1.1)

Category	Share (%)
Legal status	
Associations	49
Limited liability companies	23
Foundations	16
Cooperatives	8
Other forms	4
Size of enterprises	
Small	66
Medium	26
Micro	8
Formal registration status	
Formal enterprises	91
Informal initiatives	9

Table 4.9: Key partners and main sectors of activity of social enterprises in Mali.
source : (Bernard & al., 2021b, p. 93-101) (Section 3.1.1)

Category	Share (%)
Main partnerships and public policy actors	
Non-profit organizations (NGOs, associations, etc.)	60.0
Support structures (incubators, etc.)	53.3
Financial partners	40.0
Public actors	33.3
National enterprises	20.0
International organizations and institutions	20.0
Individual consultants	20.0
Universities / Research centers	13.3
International enterprises	6.7
Other enterprises	6.7
Main sectors of activity	
Agriculture / Agribusiness	27
Education and Training	18
ICT (Information and Communication Technologies) ¹	18
Environment	12
Industry	12
Health	10
Craft / Artisan activities	3

¹ICT: Includes software development, digital services, and communications infrastructure.

Table 4.10: Legal status and professional affiliation of social enterprises in Mali.
source :(Bernard & al., 2021b, p. 93) (Section 3.1.1)

Category	Share (%)
Legal forms	
Sole proprietorships / Individual enterprises	23
Associations	12
Cooperatives	8
Non-Governmental Organizations (NGOs)	7
Société Anonyme (SA) ¹	13
Société à Responsabilité Limitée (SARL) ²	40
Affiliation to a professional or advocacy network	
Not affiliated	83
Affiliated to a network	17

¹SA: Public limited company.

²SARL: Private limited company.

Table 4.11: Examples of sources used by type of literature (Section 2.1.4)

Institutional and NGO Reports	Grey Literature	Academic Publications
SISo Nepal – Empowering Communities through Social Innovation (SISo Nepal, 2025)	Prakti Design: Le défi de la combustion propre (Bossuet & Serrar, 2014)	Making Hybrids Work: Aligning Business Models (Santos, Pache & Birkholz, 2015)
Diagnostic social and inclusive business – Ghana, Mali, Maroc (Bernard et al., 2021a, b, c)	Waqf Business Model – Towards a sustainable model (Afifi, 2024; Junarti et al., 2024)	Sustainability of a Social Business: Grameen Danone (Yasmin, 2016)
United Nations – Sustainable Development Goals (United Nations, 2015)	The Factory in a Box Concept (EIT Manufacturing, 2022)	Building Social Business: New Kind of Capitalism (Yunus, 2010; Yunus et al., 2010)
	The Impact of Economic Development in Bangladesh (Leray, 2025)	Case Study Research: Design and Methods (Yin, 2003)
	Building Social Business (Manirakiza, 2019)	Integrating Social Business for Sustainable Impact (Junarti et al., 2024)
		Social Business and Citizen Initiatives (Perrin, 2022)
		Entrepreneurship Development in Nepalese Youth (Poudel et al., 2025)