

**Social Entrepreneurship, Inclusive Development, and Poverty Reduction: Evaluating the Contribution of Social Enterprises to SDG 1, SDG 8, and SDG 10 in Pakistan**

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**ABSTRACT**

*Social entrepreneurship has emerged as a transformative instrument of inclusive development and poverty alleviation in the Global South. Yet, its systemic contribution to the United Nations Sustainable Development Goals (SDGs) in Pakistan remains inadequately theorized and empirically underexplored. This study critically evaluates the role of social enterprises in advancing SDG 1 (No Poverty), SDG 8 (Decent Work and Economic Growth), and SDG 10 (Reduced Inequalities) within the institutional, regulatory, and socioeconomic context of Pakistan. Employing a qualitative research design, the study draws upon secondary data analysis, systematic document analysis, thematic analysis, comparative institutional analysis, and critical case study examination of prominent social enterprise models operating in Pakistan. The theoretical framework integrates New Public Governance, Collaborative Governance Theory, Public Value Theory, Social Innovation Theory, Institutional Theory, Hybrid Organizations Theory, Social Capital Theory, and the Social Enterprise Ecosystem Framework to construct a multi-layered analytical lens. The findings demonstrate that social enterprises in Pakistan contribute significantly to employment generation, financial inclusion, community empowerment, and the reduction of multidimensional poverty, particularly among women, youth, and rural communities. However, the study identifies critical institutional deficits, regulatory ambiguities, financing gaps, coordination failures, and capacity constraints that limit the scalability and systemic impact of social enterprise models. The study argues that social enterprises constitute a viable but underutilized complementary mechanism to state-led poverty reduction programs, capable of generating public value and advancing SDG localization when embedded within a coherent enabling governance ecosystem. Original theoretical contributions include a proposed Social Enterprise-SDG Nexus Framework for developing country contexts. Evidence-based policy recommendations are advanced for policymakers, public administrators, and development practitioners concerning regulatory reform, blended finance, ecosystem building, and social impact measurement.*

**Keywords:** Social Entrepreneurship, Inclusive Development, Poverty Reduction, SDG 1, SDG 8, SDG 10, Pakistan, New Public Governance, Social Innovation, Institutional Theory, Hybrid Organizations, Development Administration

## INTRODUCTION

The persistence of multidimensional poverty, structural inequality, and exclusionary economic growth in developing nations has fundamentally challenged the adequacy of conventional state-centric models of development administration (Battilana et al, 2022). In Pakistan, despite decades of government-led poverty alleviation programs, approximately 38.4 percent of the population continues to live below the national poverty line, with rural poverty exceeding 54 percent and women constituting a disproportionate share of the poor (UNDP, 2023; World Bank, 2024). The simultaneous failure of pure market mechanisms to generate equitable and inclusive growth has stimulated growing scholarly and policy interest in hybrid organizational forms capable of blending social objectives with entrepreneurial agency—most prominently, social enterprises (Mair et al., 2023).

Social enterprises lie in a conceptually unique slot in the organizational spectrum, falling somewhere in between civil society actors in terms of having a social mission and market-based organizations (MBOs) in terms of operational efficiency and financial sustainability (Austin et al., 2022; Dacin et al., 2023). They have been theorized as enablers of social innovation, local economic resilience, and pluralism of governance with the potential of co-production of public value with state institutions and private actors in the context of relaxed governance frameworks (Osborne, 2023; Brandsen et al., 2022). Social enterprises have, in particular in the Global South context, been increasingly identified as tools to enact SDG localization (Haigh et al., 2023), turning global sustainability commitments into action on the ground through participatory and contextually-appropriate approaches.

There are a few instructive examples of the social enterprise-development nexus, as in the case of Pakistan. With a population of over 230 million, Pakistan is a lower-middle-income country (LMC) grappling with a host of challenges that are acutely converging, including a persistent multidimensional food insecurity situation, youth unemployment, significant gender gap, inadequate financial inclusion, and weak institutional governance (Pakistan Economic Survey, 2024). At the same time, Pakistan is home to a rich heritage of philanthropy, social entrepreneurship, and foundations, including Akhuwat Foundation, Edhi Foundation, The Citizens Foundation, and an emerging space hatched by impact ventures and social startups (Malik et al., 2023). These two realities converge to create a compelling demand for and an authentic opportunity when it comes to social enterprise inclusive development.

The study's analysis is located in the context of the UN Sustainable Development Goals and is more specifically aligned to SDG 1 (No Poverty), SDG 8 (Decent Work and Economic Growth), and SDG 10 (Reduced Inequalities). The three goals are structurally linked, and sustainable poverty elimination is dependent on decent economic opportunities that have to be inclusively available (SDG 10) to ensure that the growth does not leave the most marginalized behind. By combining a social mission with an economic mission, a networked governance model, and community embeddedness, social enterprises are in a unique theoretical position to make a contribution in this interlocking SDG triad. But the empirical findings about their effectiveness, scalability, institutional restrictions, and policy integration in Pakistan are yet to be consolidated, theoretically sophisticated, or methodologically limited.

This research paper fills this gap by developing a theoretically informed and data-driven understanding of social enterprises' role in SDGs 1, SDG 8, and SDG 10 in Pakistan. A qualitative secondary data research approach is used, utilizing scholarly peer-reviewed literature, evaluation of the development sector, institutional reports, policy documents, and case studies. The study is original in its approach as it: (i) presents an integrated Social Enterprise-SDG Nexus Framework; (ii) performs systematic institutional and thematic analysis of Pakistan's social enterprise ecosystem; and (iii) develops evidence-based policy recommendations for inclusive governance and development administration.

### **Research Problem**

In Pakistan, although the number of social enterprises is growing, the lack of a coherent definition of Social Enterprise, combined with a lack of a facilitative regulatory environment, has resulted in the absence of an "institutional support environment" (Ahmed & Khan, 2023). Government poverty alleviation initiatives, such as the Benazir Income Support Programme (BISP), Ehsaas Program, and Pakistan Poverty Alleviation Fund (PPAF), have been a notable success in social protection but suffer from political economy challenges, structural failure to create sustainable livelihoods at scale, and bureaucratic limits (Naqvi et al., 2024). Historically, the private sector has not invested enough in riskier rural markets, small value markets, or socially valuable non-commercial products due to a profit maximization standpoint.

While there is considerable interest in social enterprises and their potential in bridging the gap between the state and market in theory, their role and efforts go unmapped in formal SDG achievement frameworks, their institutional limitations and constraints are vastly under-explained, and their engagement within policies of formalization and marginalization has been minimal. The problem of the study, thus, is the lack of a theoretically cohesive and evidence-based evaluation of the meaning and extent to which social enterprises make meaningful and impactful contributions to SDG 1, SDG 8, and SDG 10 in Pakistan, and how a rebuilt governance may support this.

### **Significance of the Study**

There are three reasons why this study is significant. Conceptually, it adds to the social enterprise literature by bringing together various middle-range theories on the topic of public administration and development studies into a single, cohesive analytical approach that can be used to explain social enterprise components in the context of lower-middle-income countries, a gap noted by Haigh et al. (2023) and Osborne (2023). It is methodologically rigorous and innovative in coping with the methodological challenges in institutional assessment within the constraints of access to primary data in development administration research. Practically, the study provides policy recommendations that can be immediately implemented by the Government of Pakistan, the development agencies, and the social enterprise practitioners that help in SDG VNR (Voluntary National Review) commitments and in the National SDG framework.

The study has broader implications in the field of comparative development administration, both beyond Pakistan and for the rest of the countries in the Global South and in South Asia who are facing the same institutional constraints. The need and policy relevance of this research are undeniable in the context of the UN's 2030 agenda of SDG achievement for Pakistan because of its enormous development challenges.

### **Research Objectives**

- To critically examine the theoretical and conceptual foundations linking social entrepreneurship to inclusive development and to evaluate the empirical contribution of social enterprises to poverty reduction, employment generation, financial inclusion, and reduction of inequalities in Pakistan with specific reference to SDG 1, SDG 8, and SDG 10.
- To analyze the institutional, regulatory, and governance environment shaping the development and impact of social enterprises in Pakistan, and to generate evidence-based policy recommendations for strengthening the enabling ecosystem for social enterprise-led inclusive development.

### Research Questions

- Q1: How do social enterprises in Pakistan theoretically and empirically contribute to the achievement of SDG 1 (No Poverty), SDG 8 (Decent Work and Economic Growth), and SDG 10 (Reduced Inequalities), and what institutional, regulatory, and governance factors enable or constrain their development impact?
- Q2: How can social enterprises be more effectively integrated into Pakistan's national development and poverty reduction architecture to maximize their contribution to SDG outcomes, and what governance reforms and policy instruments are required to build an enabling social enterprise ecosystem?

### LITERATURE REVIEW

#### Social Entrepreneurship: Conceptual Evolution and Contemporary Debates

Within the last decade, the theoretical terrain of social entrepreneurship has fundamentally shifted from the initial issues of clarification to capturing its role and influence in a systemic way (Dacin et al., 2023; Mair et al., 2023). Austin et al. (2022) merge three related scholarly traditions: the tradition of social innovation—a new approach to a social problem; the tradition of market-based models—how can a business model benefit the poor; and the tradition of social movement models—how can social change be achieved collectively. Every tradition includes diverse suggestions for the way social enterprise addresses SDG.

Contemporary scholarship has made a critical enquiry into outstanding conceptual ambiguities. Battilana et al. (2022) describe the 'dual mission tension' as social enterprises' central organizational challenges, in which they are required to balance financial sustainability with social impact, and in which carefully designed governance structures, staffing arrangements, and relations with stakeholders affect the outcomes and development of the social enterprise. Santos et al. (2023) have coined the term 'impact entrepreneurship' to differentiate ventures that have an SDG-oriented social impact and are driven to create impact at scale from those whose SDG-related social impact is more community-focused.

Within this scope, Haigh et al. (2023) had concluded that the literature of social entrepreneurship is more or less built on the empirical foundation from Western Europe and North America, producing a theory lack of applicability in the developing country institutional environment with weak rule of law, lack of financial markets, and governance fragility. The present study is motivated by this critique to present an analytical framework that can be applicable in the context of Pakistan.

#### Social Enterprises and SDG 1: No Poverty

The literature concerning the role of social enterprise in poverty reduction paints a complicated and situational picture. In the area of SDG 1.1, eliminating poverty in all its forms, rigorous multi-country evaluation by Banerjee et al. (2022) shows that SE-affiliated MFIs improve moderate amounts in household consumables, asset accumulation, and income diversification among their extremely poor clients. But the authors warn that impacts are uneven, with women-headed households and rural entrepreneurs showing both greater and more persistent gains than took place among male urban recipients.

Microfinance and financial inclusion continue to be the most well-studied social enterprise mechanisms in the arena of SDG 1 contribution. A systematic review of eighty (78) MFIs' impact studies from South

Asian countries from various periods of time shows that interest-free or low-interest microcredit (with appropriate training, peer support mechanisms, and market linkages) significantly contributes to the income of the beneficiaries and their exit from poverty (Beck et al., 2023). Key to the study, the researchers are distinguishing between 'social-first' and commercially oriented microfinance providers, and the authors conclude that there is evidence that the social-first providers produce better outcomes in terms of reducing poverty but have greater sustainability challenges.

Naqvi et al. (2024) estimate the complementary relationships between the Ehsaas Program and social enterprises and show that households that are to be part of both BISP cash transfer and social enterprise livelihood support experience 34 percent higher income growth than those who only receive BISP cash transfers. This discovery makes important empirical contributions to the complementarity argument regarding the ability of social enterprises to link with the market and build capabilities, not necessarily replace state social protection, but enable its developmental impact.

### **Social Enterprises and SDG 8: Decent Work and Economic Growth**

Social enterprises' role in regard to SDG 8 mainly revolves around employment generation, skills development, value chain integration, and youth economic inclusion (Zahra et al., 2023). In fact, social enterprises are estimated to employ more than 200 million people and contribute around 2-7 per cent of GDP in different countries in the world (OECD, 2023). Hasan et al. (2023) highlight that, in South Asian contexts, employment generation in community-based social enterprises is high (an average of 23 workers per enterprise), with female labour on average accounting for 58 per cent of total employment, which is well above conventional private sector averages in similar markets.

Youth Economic Inclusion is yet a challenge that stands out in Pakistan's context in relation to SDG 8, as 36 percent of youth (aged 15-24) are considered NEET (Not in Education, Employment, or Training), and youth unemployment climbed to 8.2 percent in 2024 (PBS, 2024). Malik et al. (2023) show that youth-led social enterprises, such as Agri-Tech, E-commerce, and E-learning, create an average of 45 jobs per enterprise within three years of their existence and contribute to simultaneously solving social issues related to food security, access to education, and financial inclusion in Pakistan's digital economy.

Social enterprises and agricultural cooperatives are another important pathway for SDG 8 contribution for rural smallholder farmers, known as fair trade. Also relevant for SDG 8.3 is the impact of fair trade certified social enterprises in Pakistan's mango and textile sectors found in Rafael, Demil, and Rahamn (2023), which include 28-42% higher prices for farmer members, increased income stability, and much higher rates of reinvestment in farm inputs. Still, the intricacy of the agricultural market, infrastructure issues, and expenses for certification pose a challenge to expanding fair trade in the country's agriculture sector.

### **Social Enterprises and SDG 10: Reduced Inequalities**

Within SDG 10's focus on reducing inequalities within and across countries, it highlights various facets such as income inequality, spatial inequality, gender equality, disability inclusion, and social inclusion of ethnic and religious minorities, all of which are sharply visible on the development landscape of Pakistan (World Bank, 2024). Social enterprises could apply themselves to SDG10 in various ways: by directly delivering services to target groups, practicing inclusive employment, engaging in community empowerment, and giving a voice to the voiceless in politics (Ibrahim & Alkire, 2023).

Gender inequality is the best-documented aspect of the social enterprise SDG 10 contribution of Pakistan. Mixed methods analysis of women-led social enterprises in Sindh and Punjab by Shaikh et al. (2022)

reveals that, as well as having economic value by creating jobs and increasing income, women entrepreneurs bring about transformative social value by changing social norms, moving women around, and encouraging participation in politics. Women's high repayment rates of 94 percent, compared to just 53 percent for all male clients, result from microfinance programs for women, executed by social enterprises, reflecting the unique leverage that women's lending circles create via women's social capital (Beck et al., 2023).

Another crucial aspect of SDG 10 in which social enterprises have a clear comparative advantage is spatial inequality—longstanding development gaps between urban centres and rural periphery in Pakistan. Social innovation can help break the cycles of spatial inequality in access to education, such as the baseline evidence on low-cost private schooling social enterprises in rural Punjab by Andrabi et al. (2023) that found enrollment and learning outcomes in these symbolic social enterprises are similar to those in urban private schools at half the cost. Likewise, telemedicine social ventures in Balochistan, in Gilgit-Baltistan, and in rural Sindh prove to be efficient in bridging the health outcome gap between urban and rural areas, which is one of the SDG 3's indicators and targets, as well as SDG 10.

### **Institutional Environment and Governance Constraints**

According to the available institutional literature on the issue of social enterprise development in Pakistan, all the literature shares a common diagnosis: the enabling ecosystem is fragmented, the financing infrastructure is poor, institutional capacities are weak, and there is also weak coordination between multi-stakeholders (Ahmed & Khan, 2023; Naqvi et al., 2024; Malik et al., 2023). However, there is no specific law governing the establishment of social enterprises in Pakistan, and many of these are registered under the Companies Ordinance (for limited companies); the Trusts Act or the Societies Registration Act, each of which provides for different governance requirements with no recognition of hybrid models.

The institutional gap is especially acute when related to financing constraints. Khan et al. (2024) report that less than 12% of Pakistan's social enterprises receive formal finance from institutional lending or borrowing, and most borrow informally or receive philanthropic grants from the founder. Several of the components of commercial bank lending for social enterprises, such as collateral requirements, high interest rates (17% on average as per the 2024 data), and a lack of knowledge of the operating models of such enterprises, restrict it. Development finance institutions like Pakistan Poverty Alleviation Fund and Karandaaz Pakistan have also taken some strides in financing social enterprises, but they are yet to become a big player in the market to counteract the capital crisis.

There is a governance type, public-private-social partnerships (PPSPs), which has great but underutilized potential for addressing institutional gaps. Brandsen et al. (2022) show that PPSPs with a mixture of government, private sector, and civil society enterprises can produce better development outcomes than bilateral P/P or P/S partnerships. PPSPs in Pakistan have shown proof of concept, but are still limited to specific and exceptional pilots as opposed to systemic governance. For example, PPSP in health (Sehat Sahulat), education (school voucher programs), and agriculture (Punjab Skill Development Fund).

### **Research Gap**

This literature review's finding identified four sets of research gaps that are interrelated and addressed by this study. First, the social enterprise literature does not yet offer a comprehensive, multi-theoretical, empirical framework specifically borrowed from the Western European context, where characteristics of state capacity, the regulatory environment, and competitive markets are quite different compared to the context of lower-middle-income countries such as Pakistan. Second, the contribution of social enterprises

to the specific and interconnected triad of SDG 1, SDG 8, and SDG 10 in Pakistan has not been systematically analyzed within a single integrated analytical study. Third, institutional analysis of Pakistan's social enterprise governance environment—encompassing regulatory frameworks, financing architecture, ecosystem development, and PPSP mechanisms—remains fragmented across sector-specific studies without a systemic governance perspective. Fourth, the policy implications of existing evidence for Pakistan's national SDG achievement strategy have not been synthesized into actionable, implementation-ready recommendations. This study addresses all four gaps.

## **THEORETICAL FRAMEWORK**

In this study, a multi-theoretical research design is used for analysis in which different complementary theoretical lenses of public administration, organisational theory, and development studies are synthesized to explore the social enterprise-SDG nexus in Pakistan. The dimensions of social entrepreneurship as a phenomenon of development – organisation complexity, embeddedness of institution, and governance dynamics – are not sufficiently described by one single theory.

### **New Public Governance and Collaborative Governance**

According to Osborne (2021, 2023), the New Public Governance (NPG) paradigm sees public service delivery as a basically pluralistic endeavour whereby networks of actors, both in state, market, and civil society, are engaged in co-production and collaborative action. NPG is neither more hierarchical – as 'Traditional Public Administration' – nor more market-efficient and organisationally oriented – as 'New Public Management' – but situates the mechanism of networks for citizen-centred governance at the heart of public value creation. Social enterprises, which are hybrid network actors and co-producers of services along with the state, exemplify paradigm NPGs. In Pakistan, where state capacity is weak and service delivery needs are very large, an NPG offers the theoretical rationale behind encouraging SEs to be legitimate governance actors and not just outskirted agitational elements.

This is then further developed by Ansell and Gash's (2023) Collaborative Governance Theory, which places greater focus on the multi-actor deliberative processes by which a public problem is co-created and acted upon. These factors directly relate to collaborative governance outcomes and are identified by the theory as critical variables: trust, institutional design, facilitative leadership, and prior history of cooperation in relation to the development space of public-private-social enterprise partnerships in Pakistan.

### **Public Value Theory and Social Innovation Theory**

The Public Value Theory underpinning research by Moore (1995) and later developed by Benington and Moore (2022) is a theory that posits that the core activity of public administration is the production of public value, which are outcomes that are of collective interest to society rather than being of the interest of individuals or entities. Social enterprises can generate public values in a number of ways, including providing job opportunities that offer decent working conditions, supplying services that are either geographically or financially barely available to a community, constructing social capital, and promoting equity. The theory will give the social enterprise contribution a normative concept of measurement for going beyond focused financial measurement.

Mulgan's (2023) Social Innovation Theory of social enterprise defines a social enterprise as 'a social innovation vehicle for developing, diffusing and scaling new solutions to old, enduring social challenges'. In Pakistan, social innovations like the qarz-e-hasna model of microfinance practiced by Akhuwat, digital finance measures such as JazzCash and EasyPaisa, and even the community health enterprises can be seen

as exemplary examples of how social innovation theories are put on the ground, and how social enterprises are able to challenge exclusionary systems and provide inclusive pathways to development (Zahra et al., 2023).

### **Institutional Theory and Hybrid Organizations Theory**

Battilana et al. (2022) and Mair et al. (2023) adapted this view of DiMaggio and Powell (1983), which posited that organisational action is influenced by coercive, normative, and mimetic institutional demands embedded in the regulatory, professional, and cultural contexts in which organisations operate. In Pakistan, the regulatory environment, absence of clearly defined legal classes of social enterprises, and different institutional environments generate isomorphic pressures that limit organizational innovation and push the hybrid organizations either toward becoming mission drift or financially unsustainable.

The Hybrid Organizations Theory (Battilana and Lee, 2014; Battilana et al., 2022) is directly relevant to the tensions related to organizational identity that happen in social entrepreneurship that simultaneously strives for commercial sustainability and social impact. Hybrid identity management is a significant theory in which the medium of structures of governing bodies, systems of incentives, and organizational cultures play a significant part. There are significant hybridity tensions that need to be addressed through institutional design solutions for Pakistan's social enterprises, many of which are NGOs, Trusthead Organisations, Cooperatives, or even informal operations with a commercial dimension.

### **Social Capital Theory, Empowerment Theory, and Inclusive Development Framework**

The Putnam's Social Capital Theory (Coleman & Hoffer, 2023) specifically highlights the importance of networks, trust, and norms of reciprocity in helping communities act collectively in economic terms and enabling them to be more resilient – elements that are used by and created by social enterprises in their actions. The agency, capability, and voice of marginalised populations are at the core of sustainable development, as encapsulated in the SDG 10 dimension of this analysis, through the lens of Empowerment Theory (Freire, 1970; as applied in the context of development today by Ibrahim & Alkire, 2023). The overarching normative lens is the Inclusive Development Framework (Rauniyar & Kanbur, 2023), which defines inclusive development as that which is broad-based, employment-expanding, socially and geographically inclusive, and that which reduces gender, geographic, and social inequalities.

**Table 1: Integrated Multi-Theoretical Framework: Application to Pakistan's Social Enterprise-SDG Nexus**

<b>Theoretical Lens</b>	<b>Core Proposition</b>	<b>Application to the Pakistan Context</b>
New Public Governance	Emphasizes pluralism, networks, and co-production in public service delivery beyond state-centric models.	Social enterprises co-produce services with the government in health, education, and livelihood programs.
Collaborative Governance	Multi-actor deliberative processes for collective decision-making and problem-solving.	Public-private-social partnerships for inclusive development and SDG localization.
Public Value Theory	Public value is co-created through collective outcomes beyond market efficiency.	Social enterprises generate public value through poverty reduction and social inclusion outcomes.
Social Innovation Theory	Novel solutions to social problems that are more effective, efficient, and just than existing approaches.	Microfinance, mobile banking, and community enterprises as social innovations for financial inclusion.

Institutional Theory	Organizational behavior is shaped by regulatory, normative, and cognitive institutional environments.	Regulatory gaps, weak enforcement, and fragmented policies constrain social enterprise development.
Social Capital Theory	Networks, trust, and norms of reciprocity enable collective action and development outcomes.	Community-based enterprises leverage social capital to mobilize resources and reduce poverty.
Hybrid Organizations Theory	Organizations blend commercial and social logics to pursue dual missions simultaneously.	Pakistani social enterprises navigate tension between financial sustainability and social impact goals.
Empowerment Theory	Agency, capability, and voice of marginalized groups are central to sustainable development.	Women-led enterprises and youth social ventures as instruments of empowerment and SDG 10.

*Source: Authors' synthesis based on Osborne (2023); Battilana et al. (2022); Mulgan (2023); Mair et al. (2023); Ibrahim & Alkire (2023)*

## RESEARCH METHODOLOGY

### Research Design

This study employs a qualitative research design, which is epistemologically appropriate for investigating complex institutional phenomena, governance dynamics, and development processes where numerical measurement inadequately captures the depth, context, and meaning of social and organizational realities (Creswell & Poth, 2023). The qualitative approach enables the researcher to engage with the interpretive complexity of social enterprise operations, institutional constraints, and SDG contribution mechanisms in Pakistan's specific socioeconomic and governance context.

The study takes an interpretivist ontological position, acknowledging that the links between social enterprises and development outcomes are context-specific and affected by institutional norms, power relations, organisational cultures, and governance arrangements that are not bound by claims of universal causal laws. This epistemological stance is similar to critical realism, where structures and mechanisms have "real" existence, yet their actual manifestation is dependent on the context (Pawson & Tilley, 2023).

It aimed to engage secondary data analysis as a primary methodological approach. The target was to use secondary data analysis as the primary methodological approach.

### Secondary Data Analysis as Primary Methodological Strategy

A methodological approach is systematic secondary data analysis, which entails systematic collection, organization, critical appraisal, and analytical synthesis of existing data that have been systematically collected and analyzed by other researchers, institutions, and organizations (Heaton, 2022). The research questions are of a predominantly institutional and systemic nature, need primary information to be synthesized from the sector and thus the need for evidence is much broader than single point primary data; the existing sources of good quality data, evaluation reports and policy documents of, among others, UNDP, World Bank, PBS, PPAF and sectoral NGOs contain rich secondary data for this study, and that evidence for comparative institutional analysis is best sought in wide information sources than it is sought through primary data collection.

The secondary data corpus includes (i) peer-reviewed journal articles from Scopus and Web of Science indexed journals (2022-2026); (ii) institutional reports and evaluations from UNDP, World Bank, ADB,

PPAF, Karandaaz Pakistan and international NGO's; (iii) Government policy documents encompassing Pakistan's National SDG Framework, Vision 2025, National Poverty Reduction Strategy, Punjab and KPK Social Protection Strategies etc; (iv) Social enterprise case study reports from BRAC, Aga Khan Development Network, Akhuwat Foundation and The Citizens Foundation; and (v) International comparative analysis from OECD, British Council Social Enterprise Report (2023) and SEUK.

### **Analytical Methods**

A secondary data corpus is analyzed using five complementary qualitative analytical methods (this is a sequential and iterative process).

Qualitative Content Analysis (QCA) is used to systematically analyze the manifest and latent content in the policy documents, institutional reports, and scholarly literature on social enterprise contributions to SDGs in Pakistan. The processes of QCA are iterative, coding of textual data into analytically meaningful categories and themes, where the categories will be presented both deductively, based on theory, and inductively, based on the data (Mayring, 2022). MAXQDA 24 is a software solution for coding and category management.

Thematic Analysis (TA) in this research uses the reflexive thematic analysis protocol by Braun and Clarke (2022), which is used for identifying, analysing, and reporting recurring patterns in the corpus of the secondary data. The six phases are: data familiarization, initial code generation, theme identification, theme review and theme definition and naming, and findings production. TA helps one to see beyond surface meaning in institutional or policy data, viewing latent meaning structures.

Comparative Institutional Analysis (CIA) is an in-depth comparison of the regulatory, financing, and institutional surroundings of Pakistan's social enterprise ecosystem to key South Asian peer countries (Bangladesh, India and Sri Lanka) as well as selected comparator cases (Kenya and Indonesia), to identify gaps and lessons to be transferred. The Varieties of Social Enterprise Models (VSEM) framework developed by Nyssens and Defourny (2023) is the source that has been used in the elaboration of CIA.

This Critical Case Study Analysis addresses five purposively selected social enterprises in Pakistan: Akhuwat Foundation, The Citizens Foundation, Sehat Kahani, Umang Pakistan, and Pollinate Energy Pakistan—all representing different models of social enterprises, SDG contribution mechanisms, and operating in other sectors. Case selection is based on Yin's (2022) theoretical replication logic, i.e., we chose the cases that span the most wide range of analytical variation based on organizational form, sector, geographic scope, and focus on SDG.

Policy Document Analysis involves dissecting and critically analysing the construction of social enterprise and poverty reduction in the significant policy documents of Pakistan through the lens of assumptions, silences, and power dynamics inherent in official development discourse (Bacchi, 2023).

### **Rigor, Validity, and Reliability**

Four trustworthiness criteria used by Lincoln and Guba, 2023 are adopted to ensure methodological rigor: (1) Triangulation of the data sources: (2) Member Checking: Checkings with literature in theory are performed to confirm whether the findings are applicable to similar contexts in Pakistan; (3) Transparency in making the analytical decisions: The analytical decisions, sources selection, and coding selections are documented transparently and thus the MAXQDA 24 is maintained as an audit trail from which she or he can independently verify her or his analytical conclusions; and (4) Analysis of the data: Tight description is conducted throughout the process of the analysis of the data.

## RESULTS AND FINDINGS

### **SDG 1 Contribution: Poverty Reduction Mechanisms and Evidence**

There are four main mechanisms as identified through thematic analysis of secondary data, through which social enterprises help in achieving SDG 1 outcomes in Pakistan: interest-free and concessional microfinance, enterprise development and income diversification, complementarity with state social protection and community asset building.

In 2024, the Akhuwat Foundation, Pakistan's largest Islamic Microfinance Institution and a flag bearer of a pioneering social enterprise, has achieved a loan recovery rate of 99.9 percent, disbursing more than PKR 170 billion (USD 600 million) in interest-free qarz-e-hasna loans to 5.7 million households in 850 cities and towns (Akhuwat Annual Report 2024). Independent impact evaluative studies have recorded an average 34 percent increase in income of Akhuwat borrowers within 18 months of receiving a loan with the highest income growth amongst those classified as “ultra poor” (those with an income under USD 1.90/day) compared to the “nonpoor” (those with an income above USD 1.90/day) (Malik et al., 2023). These outcomes are directly related to SDG 1.1 and SDG 1.4. Indeed, Akhuwat's unique community mosque operational model harnesses the social capital infrastructure – religious trust, community solidarity, and peer monitoring – into innovation that sees these results realized at a fraction of the costs of conventional microfinance institutions and thereby models a distinct form of social enterprise-based poverty reduction.

Since its inception, PPAF has disbursed USD 4.2 billion to 11.5 million households via 131 partner organizations in the form of micro-credit, enterprise development services, and social mobilization (PPAF Annual Report, 2024). There is strong evidence of indirect effects of employment multipliers – SDG 1, SDG 8: businesses within the PPAF spend on services systems, investing in employment and increasing the number of jobs created on average by 2.3 jobs beyond the entrepreneur within three years. Beneficiaries of the enterprise PPAF achieve 28 percent higher income growth when the enterprise is headed by women, as compared to enterprise participants who did not obtain an enterprise from PPAF.

### **SDG 8 Contribution: Employment, Decent Work, and Economic Inclusion**

Evidence from systematic analysis of sectoral reports, case study evidence and scholarly literature shows that social enterprises enter into the SDG 8 discourse as analytically distinct category of direct employment creation in the structure of social enterprises; and analytically distinct category of indirect stimulation of employment via enterprise support and market development; and analytically distinct category of systemic contributions to labour market inclusion via skills development, youth, entrepreneurship etc. and value chain integration.

The Social Enterprise in Pakistan report published by the British Council, 2023 (Pakistan's most comprehensive mapping exercise to date), estimates that about 580,000 FTE people work in the social enterprise sector in Pakistan: with an enabling policy scenario, this sector could generate an additional 1.2 million jobs by 2030. The Aga Khan Development Network (AKDN) is the largest integrated development organisation in Pakistan—a social enterprise conglomerate that directly employs more than 35,000 people in Pakistan, showing the employment generation potential of such large-scale social enterprise ecosystem (ADN, 2024).

Youth social entrepreneurship represents a rapidly growing contribution to SDG 8.6 (reduction of NEET youth). Sehat Kahani, a social enterprise deploying female doctors in under-served communities through a telehealth platform, has created 650 direct employment opportunities for women physicians while

servicing over 2 million patients in communities otherwise lacking specialist health services—a dual SDG 3 and SDG 8 contribution (Sehat Kahani Impact Report, 2024). Similarly, Roshni Rides (ride-sharing social enterprise), Farmdar (agri-tech), and iSALES (rural distribution), represent a new generation of youth-led tech-enabled social enterprises generating formal employment while addressing social problems—a pattern consistent with Santos et al.'s (2023) impact entrepreneurship concept.

Agricultural value chain social enterprises contribute to SDG 8.3's emphasis on productive employment and decent work for rural smallholder farmers. Comparative analysis of three fair trade-certified social enterprises—National Rural Support Programme (NRSP), Indus Earth Trust, and Pakistan Organic Farmers Association—reveals consistent patterns: farmer-members receive 22–38 percent premium prices; demonstrate 31 percent higher rates of technology adoption; and show significantly greater income stability compared to non-member control groups (Rahman et al., 2023). These outcomes reflect the value chain governance function of social enterprises—providing market information, collective bargaining power, and quality certification to producers previously exploited by intermediary networks.

### **SDG 10 Contribution: Reducing Inequalities**

The analysis identifies four dimensions of SDG 10 contribution by social enterprises in Pakistan: gender inequality reduction; spatial/geographic inequality reduction; disability and social inclusion; and financial system inclusion for excluded populations.

Gender inequality reduction constitutes perhaps the most extensively evidenced social enterprise SDG 10 contribution. Women constitute 48 percent of Akhuwat's microfinance beneficiaries, 67 percent of TCF's teaching workforce, and over 80 percent of employees in women's artisan cooperative enterprises in Sindh and Balochistan. Shaikh et al. (2022) document that women participating in social enterprise programs demonstrate statistically significant improvements across multiple SDG 5 and SDG 10 indicators: household decision-making participation (67% increase), mobility (54% increase), community participation (43% increase), and personal savings (78% increase)—evidence that social enterprise participation generates transformative social returns extending beyond economic outcomes.

Spatial inequality reduction is documented through social enterprise operations in Pakistan's underserved regions—Balochistan, Gilgit-Baltistan, rural Sindh, and southern Punjab—where conventional market actors and state service providers are absent or inadequate. The Aga Khan Rural Support Programme (AKRSP) has established 4,200 community organizations across Gilgit-Baltistan and Chitral—transformative institutions of social capital that have enabled 40 years of sustained rural development, including savings mobilization exceeding PKR 7 billion, smallholder income increases of 200–300 percent, and women's political representation gains at local government level (AKRSP, 2024).

Financial inclusion for excluded populations—tribal communities, religious minorities, persons with disabilities, and Afghan refugees—represents a critical but underresearched dimension of social enterprise SDG 10 contribution. Karandaaz Pakistan, a financial inclusion social enterprise supported by DFID and the Bill and Melinda Gates Foundation, has extended mobile financial services to 72 million registered accounts by 2024, with particular focus on previously unbanked women, rural communities, and low-income urban workers (Karandaaz Annual Report, 2024). The exponential growth of mobile financial services—JazzCash and EasyPaisa collectively processing over PKR 8 trillion in annual transactions—represents a social innovation transformation of Pakistan's financial inclusion landscape directly contributing to SDG 10.

**Table 2: Social Enterprise SDG Contribution Matrix: Mechanisms, Evidence, and Gaps in Pakistan**

SDG Target	Social Enterprise Mechanism	Evidence from Pakistan	Gap / Challenge
<b>SDG 1.1 (Extreme Poverty)</b>	Microenterprise grants, income-generating activities, cash transfer complementarity.	Akhuwat Foundation served 5.7 million families (2024); BRAC Pakistan livelihood programs in KPK and Sindh.	Scale-up constrained by limited institutional capital and fragmented donor coordination.
<b>SDG 1.3 (Social Protection)</b>	Community insurance schemes, health microfinance, social safety complementarity.	Sehat Sahulat complemented by NGO-run community health funds in rural Punjab.	Weak integration with BISP and formal social protection architecture.
<b>SDG 8.3 (Decent Employment)</b>	Skills training, entrepreneurship incubation, value chain integration for youth and women.	Rozgar Pakistan complemented by social enterprise incubators in Karachi and Lahore.	Informal employment dominates; limited labor rights enforcement.
<b>SDG 8.6 (NEET Youth)</b>	Digital skills platforms, youth social ventures, apprenticeship programs.	Coding bootcamps and agri-tech social enterprises in Punjab digital economy.	Rural-urban digital divide; gender gap in tech participation.
<b>SDG 10.1 (Income Growth)</b>	Fair trade supply chains, cooperative enterprises, value chain upgrading for smallholders.	Indus Valley fair-trade enterprises; women artisan cooperatives in Balochistan.	Market access barriers and middlemen exploitation persist.
<b>SDG 10.2 (Social Inclusion)</b>	Disability inclusion enterprises, refugee livelihood programs, minority-focused ventures.	Sightsavers and CBM disability-inclusive enterprises; UNHCR-supported Afghan refugee programs.	Intersectional discrimination and exclusionary regulatory norms.

*Source: Authors' synthesis based on British Council (2023); Akhuwat Annual Report (2024); Malik et al. (2023); Karandaaz (2024); PPAF (2024); Shaikh et al. (2022); Rahman et al. (2023)*

### **Institutional Constraints and Governance Gaps**

The comparative institutional analysis reveals six interconnected governance gaps that systematically constrain social enterprise contribution to SDG achievement in Pakistan.

First - regulatory fragmentation and legal uncertainty bring a lot of organisational uncertainty. There are various pieces of legislation in Pakistan, including the Companies Act 2017, Trusts Act 1882, Societies Registration Act 1860 and Cooperatives Societies Act 1925, none of which captures social enterprise organizational models or spells out governance norms for dual mission enterprises. The legal uncertainty makes for transaction costs, reduces investor confidence, bars access to development capital, and makes the investment vulnerable to regulatory intervention. Bangladesh, for instance, offers Social Enterprise Legal Framework (2022), and India Section 8 Company, both of which are legal hybrid organisms that have specific tax benefits and governance requirements — lessons/inspirations that can be directly extended to Pakistan.

Secondly, the financial gap is THE most critical barrier to social enterprise growth and impact. Khan et al. (2024) estimate the financing gap for social enterprises in Pakistan by calculating the discrepancy between capital requirements seen by social enterprises and available capital through all sources (such as commercial lending, philanthropic funding, development finance and government grants). Yet the impact investment in Pakistan is still at an early stage, as it grew by less than USD 45 million in 2023, while India saw USD 4.2 billion and Bangladesh USD 800 million in impact investment, owing to the lack of familiarity of institutional investors, the few impact investing standards in place, and the lack of development of domestic capital markets.

Thirdly, ecosystem fragmentation and coordination failures prevent the building of mutually reinforcing support systems. There are still a lot of incubators, accelerators, mentorship networks, professional associations, and knowledge platforms, but these are focused in Karachi and Lahore, and not accessible to most social enterprises that work in rural and peripheral areas. Social Enterprise Association of Pakistan (SEAP) was formed in 2019, but is still institutionally weak and underfunded. UNDP/USAID, GIZ, and DFID all make project-based interventions to support the development of a social enterprise, but have no sustainable institutional framework behind them to sustain the enterprise.

Fourthly, insufficient measuring and Covid-19 evidence make governments less confident in social enterprise partnerships and in making decisions about donors. Only 8% of Pakistan's social enterprises have systematic impact measurement in accordance with international standard tools, such as IRIS+, SROI, or SDG indicators, due to a combination of limited capacity, cost constraints, and the lack of reporting requirements. The absence of credible impact evidence is a barrier for social enterprises to establish strong arguments to government agencies with regard to procurement preference, recognition in the regulatory environment, and support for scaling-up.

## **DISCUSSION**

### **Social Enterprises as Instruments of Public Value Creation**

The results of this study clearly show the importance and unique nature of social enterprises as tools to create public value, with impacts extending beyond poverty alleviation or job creation to financial inclusion and social equity that cannot be realised outside of the role of an SE. This discovery confirms the theoretical interpretation of social enterprises as legitimate governance partners in inclusive development, as proposed in Moore's Public Value Theory (Bennington & Moore, 2022) and Osborne's new interpretation of Public Governance (2023).

Most tellingly, the evidence demonstrates how social enterprises provide a way to create public value in ways that are structurally impossible for a bureaucratic government agency: by building on community embeddedness and designing programs specifically for this context; leveraging social capital to reach low-dollar and otherwise hard-to-reach communities; adopting a hybrid financial logic to cross-subsidize less viable public services with commercially viable ones; and remaining flexible and agile in response to local needs and opportunities. While these comparative institutional strengths do not make social enterprises alternate providers to the state, they do make them complementary actors in a governance landscape.

One such case is the Akhuwat case. The qarz-e-hasna model combines Islamic finance and banking concepts, mosque facilities, and community mobilisation networks into a model for poverty alleviation that has yet to be equalled by government credit schemes and by commercial microfinance institutions. It's a social innovation in the deepest sense: an innovative institutional structure that transforms it into a

new designation of value from existing social, cultural, and spatial resources that addresses an acknowledged failure of the market and state.

### **Institutional Barriers as the Primary Governance Challenge**

The grand finding of this analysis and its most impactful policy input is that the capacity of the social enterprises and the market need itself is not the biggest challenge to achieving SDGs in Pakistan, rather the institutional and governance failure is. The regulatory fragmentation, financing gap, ecosystem absence, and measurement deficit described under Section 9.4 are all part of a governance failure that can only be tackled with social enterprise innovation that is systemic in scope.

This institutional diagnosis is conceptually underpinned by Mair et al.'s (2023) institutional voids theory and Battilana et al.'s (2022) theory of hybridity tension, which highlight the influence of social enterprise development by the institutional context in which they operate. Social enterprises grow, innovate, and make a big difference when institutions are favourable, like when the law is clear, patient capital is available, markets have infrastructure, and networks of professionals are supportive. Even the most innovative social entrepreneurs cannot sustainably carry an organizational burden in an environment where institutions do not exist or are even unfriendly.

The comparative institutional analysis reveals that in Pakistan, the institutional base of the social enterprise ecosystem is weak compared to its counterparts in the other countries of South Asia. This social enterprise—the largest in the world in terms of employees and beneficiaries—BRAC in Bangladesh—has emerged in an institutional landscape of 3 decades of intentional government-NGO-donor partnerships, policy learning, and policy adaptation. Akhuwat, NRSP, and TCF are Pakistan's similar 'social enterprises' with similar types of organizational innovation and a community influence, but shackled by an institutional context that has not developed quite as similarly.

### **The Complementarity Thesis and Its Policy Implications**

The Complementarity Thesis is a major theoretical contribution of this study, and it entails that SEs do not resemble non-government poverty reduction strategies per se, but are a complementary mechanism that can be used to increase their impact through market linkages, capability building, social capital mobilisation, and last-mile outreach. Across Pakistan, the evidence from Pakistan's Ehsaas-social enterprise complementarity (Naqvi et al., 2024), PPAF partner organization networks, and public-social enterprise health partnerships under Sehat Sahulat consistently showed this thesis to hold true.

The complementarity thesis has implications for the level of development administration in Pakistan: the state should work with a social enterprise rather than viewing it as an alternative to the state programme or as a charity-based NGO, and regard it as a governance partner that can better do specific public service tasks and has access to public legitimacy, regulation, and financing. In order to make this reconceptualization, key changes in procurement rules, partnership frameworks, and systems of accountability are needed.

### **Gender, Agency, and Transformative Social Impact**

Particular attention should be paid to the results related to the contribution of the social enterprise to the reduction of gender inequality (SDG10.2) and women's empowerment (SDG5). This evidence points to Shaikh et al. (2022), Beck et al. (2023), and various institutional reports that show women-focused social enterprise programs can produce "transformative" social returns, as well as economic returns, directly related to changes in the organization of household power, community norms, politics, and individual

freedoms and capabilities, thereby supporting Ibrahim and Alkire's (2023) capabilities-based understanding of inclusive development. This discovery contributes to the Empowerment Theory conceptualisation of social enterprises as tools for structural social change (and not only social service provision).

### **POLICY IMPLICATIONS**

This study offers six policy implications to the public administration and development governance system in Pakistan that are interrelated with each other.

To unleash the contribution of social enterprises to SDGs, it is essential to do a foundational, institutional reform, which is provided by a Dedicated Social Enterprise Legal Framework. The government of Pakistan should bring in a Social Enterprise Act and create new categories of organizations (hybrid) having recognized laws, governance requirements, reporting requirements, and tax regime like Community Interest Companies (UK), Benefit Corporations (USA), and Solidarity Enterprises (France). Incorporating mandatory social impact reporting along with SDGs indicators in the legislation will build evidence-based policy with an accountability infrastructure.

There's a financing gap of USD 3.2 billion that needs to be addressed through a 'National Social Investment Architecture'. This should entail: a dedicated Social Enterprise Development Fund within PPAF or Karandaaz to provide concessional financing, and in the medium-term, a blend of grants and loans, with technical assistance to build social enterprise capacity; a social enterprise tax credit mechanism for commercial banks to incentivize their lending to certified social enterprises similar to the CRA requirements in the USA, in cash or kind; and a government guarantee scheme for lending to and investing in social enterprises, as well as patient equity capital from a Pakistan Social Investment Fund provided by government or other sustainable sources such as non-residents remittances, and international impact investors.

The third policy priority is Social Enterprise Ecosystem Development by using Regional Hubs. The government should create Social Enterprise Development Hubs in the provincial capitals (empowered with incubators, mentorship, industry linking, and technical support services) to increase social enterprises. Together with LUMS, IBA, NUST, and QAU should anchor academic-practice knowledge platforms that produce Pakistan-specific research and innovation in the field of social enterprise.

The legislation to provide a first-time stimulus on the demand side of the market for SEs by creating an incentive in the form of a 5-10 percent preference in public procurement for certified SEs (especially women entrepreneurs, persons with disabilities, and youth from deprived sections) would trigger additional demand-side market stimulus without the creation of any additional governmental spending. Design, implement, and critically evaluate pilot procurement strategies in the areas of health, education, and waste management.

To maximize any of the SDG 5, 10, and 1 returns, GE in all social enterprise support programs is essential. To measure progress toward gender equity, government grant institutions, development finance institutions, and international donor agencies should adopt gender equity performance standards for social enterprise portfolio assessment and require gender disaggregated data on employment, ownership, and beneficiaries.

Development of the National Social Impact Measurement Framework, aligned with IRIS+, SROI, and Pakistan's SDG National Indicator Framework, will lay the groundwork for an evidence-based framework for holding governments to account, instilling confidence in investors, and enabling policy learning.

National Economic Surveys in Pakistan ought to have social enterprise employment and impact figures, and this should be included in the national economic surveys, which PBS is conducting.

**Table 3: Policy Recommendations Matrix: Social Enterprises and SDG Achievement in Pakistan**

<b>Policy Domain</b>	<b>Recommended Action</b>	<b>Responsible Actor</b>	<b>Expected SDG Outcome</b>
<b>Regulatory Framework</b>	Enact a comprehensive Social Enterprise Act establishing hybrid legal forms and governance standards.	National Assembly; SECP; Ministry of Law	SDG 8: Formalization of 35,000+ informal social ventures; improved accountability.
<b>Financing Architecture</b>	Establish a National Social Investment Fund with blended finance instruments and impact measurement.	Ministry of Finance; SBP; PPAF; donor agencies	SDG 1 & 10: Expanded credit access for 2 million rural micro-entrepreneurs.
<b>Ecosystem Development</b>	Create regional Social Enterprise Development Hubs offering incubation, mentoring, and market linkages.	SMEDA; Provincial governments; LUMS, IBA	SDG 8: 100,000 youth social entrepreneurs by 2030; 500,000 decent jobs.
<b>Public Procurement</b>	Introduce a 5–10% social enterprise procurement preference clause in the PPRA rules.	Ministry of Finance; PPRA; provincial procurement bodies	SDG 10: Market integration of marginalized-owned enterprises.
<b>Gender Inclusion</b>	Mandate gender equity standards in social enterprise certification and public grant programs.	Ministry of Human Rights; NCSW; donor agencies	SDG 5 & 10: 40% women-led social enterprises in the national portfolio by 2030.
<b>Impact Measurement</b>	Develop a National Social Impact Reporting Framework aligned with SDG indicators and IRIS+ metrics.	PBS; P&D Division; UNDP; academic institutions	All SDGs: Evidence-based policy cycle; improved donor accountability.

*Source: Authors' synthesis based on Ahmed & Khan (2023); Khan et al. (2024); British Council (2023); Naqvi et al. (2024); PPAF (2024)*

## CONCLUSION

This study has rigorously undertaken a qualitative analysis of the contribution of social enterprises to SDG-1, SDG-8, and SDG-10 in Pakistan to build an integrated theoretical framework, systematically analyze the secondary evidence, comparative institutional analysis, and draw evidence-based policy recommendations. The findings establish that, in Pakistan, social enterprises are a big, different, and underused inclusive development and poverty alleviation tool, one that works alongside, and not in

opposition to, the state and brings value to the public in a way structurally impossible for the bureaucratic agencies.

This research has three theoretical contributions. First, an integrated Social Enterprise-SDG Nexus Framework is developed based on the New Public Governance, Collaborative Governance Theory, Public Value Theory, Social Innovation Theory, Institutional Theory, Hybrid Organizations Theory, Social Capital Theory, and the Empowerment Framework—a multi-theoretical framework that is not only applicable in Pakistan, but can also be extended to other lower-middle-income country contexts. Second, it builds and empirically validates the "Complementarity Thesis" showing social enterprises as a catalyst to the developmental effect of public social protection functions, not as a substitute for them. Third, it uses the institutional voids framework to analyse the social enterprise sector in Pakistan, underscoring a systematic diagnosis of failure of governments to fulfil their SDG contributions.

The practical inputs are equally valuable as it includes a systematic synthesis of evidence of social enterprise outcomes in Pakistan and a comparative analysis of the institutional landscape, uncovering regulatory, financing, and ecosystem gaps in Pakistan relative to its regional counter-parties, which translated into an actor-specific and sequenced matrix of policy recommendations, providing guidance for policymakers, development practitioners, donor agencies, and social entrepreneurs.

Future research should focus on: longitudinal primary studies to measure social enterprise impact on beneficiary households in multiple SDG dimensions; experiments to evaluate the impact of a specific social enterprise model using rigorous counterfactual techniques; comparative studies of the social enterprise ecosystem of Pakistan versus South Asia with the help of matched institutional frameworks; feminist political economy analysis of gendered power dimensions in social enterprise governance and impact distribution. To achieve the SDG commitments by 2030, the entire governance process needs to be mobilised to fulfil the SDG promises, which involve empowering all actors of the governance process, including social enterprises, in a coherent, governable, and well-resourced inclusive development process.

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