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Social Enterprises and Sustainable Development: Evidence from India with Special Reference to Kerala

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ABSTRACT

This study examines the growing significance of social entrepreneurship as an emerging business paradigm that integrates economic objectives with social impact. In the Indian context where persistent challenges such as unemployment, socio-economic inequality, and the rural urban divide continue despite rapid advancements in digital and financial technologies social enterprises have evolved as innovative and sustainable solution providers. With particular reference to SELCO Foundation and the Chekutty Dolls Project, the study explores the role of social entrepreneurship in promoting sustainable community development in Kerala.

The SELCO case highlights how decentralized renewable energy solutions can enhance livelihoods, improve access to healthcare and education, and foster financial inclusion among marginalized populations. In contrast, the Chekutty initiative illustrates how grassroots innovation and upcycling practices can facilitate post-disaster economic recovery, support traditional artisans, and contribute to environmental sustainability. The findings indicate that social enterprises play a pivotal role in addressing complex societal challenges while advancing social inclusion, ecological responsibility, and employment generation.

Furthermore, the study underscores the importance of integrating experiential and research-driven social entrepreneurship education into university curricula to nurture future change-makers. Overall, social enterprises emerge as critical drivers of inclusive and sustainable development in India, with particular relevance to the socio-economic landscape of Kerala.

Keywords: social enterprises, community development, sustainable development, SELCO, chekutty dolls.

INTRODUCTION

Social entrepreneurship has emerged as a transformative paradigm that integrates economic value creation with social impact. Unlike conventional profit-driven firms, social enterprises pursue dual objectives financial sustainability and the resolution of societal challenges making them particularly relevant in developing economies marked by structural inequalities. In India, despite advances in digital innovation and financial inclusion, issues such as unemployment, inequality, and the rural urban divide persist, creating space for social enterprises to address market gaps through community-centered solutions. At the same time, higher education institutions are increasingly recognized as key enablers of entrepreneurial ecosystems. Evidence from the GUESSS India 2023 Survey, highlighted by N Prakasam (2025), shows a gradual shift toward entrepreneurship, with 4.8% of students already running ventures and 33% in early stages, while long-term preference for employment declines indicating growing entrepreneurial intent.

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A social enterprise can be defined as an organization that prioritizes social objectives while using market-based mechanisms for sustainability, reinvesting profits to advance its mission. This model aligns with frameworks such as the Triple Bottom Line and the Sustainable Development Goals. This study employs a qualitative comparative case approach to examine SELCO Foundation and the Chekutty Dolls Project. While SELCO Foundation advances decentralized solar energy solutions to improve rural livelihoods, the Chekutty Dolls Project exemplifies grassroots innovation through upcycling, supporting artisans and environmental sustainability. Together, these cases offer insights into how social enterprises contribute to inclusive and sustainable development in emerging economies.

Objectives of the Study

- To study the contribution of social entrepreneurship to sustainable community development in India with special reference to SELCO .
- To study Kerala's social enterprise's contributions to environmental sustainability, social inclusion, and job creation with special reference to chekutty dolls.

THEORETICAL FRAMEWORK

Social Enterprise

A social enterprise is a mission-driven organization that integrates commercial strategies with the primary objective of generating positive social, environmental, or community impact. Unlike traditional profit-oriented firms, social enterprises reinvest a significant portion of their earnings to advance their core mission, thereby ensuring long-term sustainability and societal value creation. This hybrid model positions social enterprises at the intersection of market efficiency and social responsibility, enabling them to address systemic challenges through innovative and scalable solutions (Buy Social Canada, 2026).

Sustainable Development

The concept of sustainable development emerged prominently following the Our Common Future, which highlighted the interconnected nature of poverty, environmental degradation, and uneven development. It emphasized that unchecked exploitation of natural resources undermines both ecological balance and human well-being. Subsequent scholarly work reinforced the need for a development paradigm that integrates environmental considerations into economic and social decision-making processes.

Sustainable development is thus understood as a holistic framework that balances economic growth, social equity, and environmental protection. John Elkington further advanced this perspective by introducing the concept of "win–win–win" strategies, wherein businesses simultaneously create value for the economy, society, and the environment. This approach aligns closely with the evolving role of organizations as agents of sustainable transformation, particularly in developing economies such as India.

Community Development

Community development is defined by the United Nations as a participatory process in which community members collectively identify needs, mobilize resources, and implement solutions to shared challenges. It emphasizes empowerment, inclusivity, and local capacity-building, enabling communities to achieve long-term socio-economic progress. Social enterprises contribute significantly to this process by fostering grassroots innovation, enhancing livelihoods, and strengthening community resilience, particularly among marginalized populations.

Triple Bottom Line (TBL) Framework

The Triple Bottom Line (TBL) framework, introduced by John Elkington, provides a comprehensive approach to evaluating organizational performance beyond financial metrics. It encompasses three interrelated

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dimensions—commonly referred to as the "Three Ps": Profit, People, and Planet. (Miller, 2020)

i. **Profit (Economic Dimension):** Refers to the financial viability of the enterprise, ensuring long-term sustainability while adhering to ethical business practices.

ii. **People (Social Dimension):** Focuses on social responsibility, including fair labor practices, community engagement, and improvements in quality of life.

iii. **Planet (Environmental Dimension):** Emphasizes environmental stewardship through responsible resource use, waste reduction, and ecological conservation.

LITERATURE REVIEW

Defining Social Enterprise and Social Entrepreneurship

The conceptualisation of social enterprise remains contested across disciplines. Johanna Mair and Ignasi Marti (2006) define social entrepreneurship as the innovative mobilisation of resources to create social change and address unmet needs, emphasising both process and impact.

In the Indian context, Bansal et al. (2023) identify five core competencies driving sustainable development outcomes: a clear social mission, collaborative networks, innovation capacity, financial sustainability, and stakeholder accountability. Their empirical PLS-SEM analysis confirms the significant role of these competencies in shaping impact.

Social Enterprises and the SDG Framework

Social enterprises align closely with the United Nations Sustainable Development Goals, contributing to multiple goals such as poverty reduction, gender equality, clean energy, decent work, reduced inequalities, and climate action.

Studies highlight the multi-dimensional impact of enterprises like SELCO Foundation, whose decentralised solar model advances energy access while generating co-benefits in health, education, and livelihoods.

Sophie Doherty et al. (2014) conceptualise social enterprises as hybrid organisations balancing social mission and commercial viability. While this hybridity enables resource diversification, it also introduces governance tensions that require careful management, particularly in resource-constrained settings.

Decentralised Renewable Energy and Social Impact

Energy poverty remains a key barrier to development, as noted by the International Energy Agency (2023). Decentralised renewable energy systems, especially solar solutions, have proven effective in expanding access to underserved communities.

Research on SELCO Foundation demonstrates how need-based solar interventions generate livelihood improvements, increasing productivity, income, and educational outcomes. A critical strength of this model is its integration with financial institutions, linking energy access to financial inclusion and reinforcing broader development goals.

Social Entrepreneurship Education

There is growing emphasis on integrating social entrepreneurship into higher education. N Prakasam (2025) highlights a structural gap in India: despite high entrepreneurial intent among students, few ventures achieve profitability, and most graduates prefer employment.

This underscores the need for experiential, research-driven pedagogy to build sustainable, impact-oriented enterprises and strengthen the broader entrepreneurial ecosystem.

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RESEARCH METHODOLGY

This study adopts an exploratory qualitative multiple-case study design to examine the role of social enterprises in advancing sustainable community development. A multiple-case approach enables in-depth contextual analysis and supports analytical generalization. Case selection follows the principle of theoretical replication, ensuring both comparability and contrast. Two purposively selected cases are analyzed: the SELCO Foundation, a technology-driven organization delivering decentralized energy solutions at scale, and the Chekutty Dolls Project, a community-based initiative that emerged in response to a climate-induced disaster. While both cases align with sustainability goals and Sustainable Development Goals (SDGs), they differ in scale, sectoral focus, and strategic orientation, enabling robust comparative insights.

The study relies exclusively on secondary data sources, including the Global University Entrepreneurial Spirit Students' Survey (GUESSS), enterprise reports, organizational documentation, peer-reviewed literature indexed in Scopus and Web of Science, and institutional publications from Harvard Business School, the Doughnut Economics Action Lab, and the Stanford Social Innovation Review. Triangulation enhances the credibility and validity of the findings. Data analysis is guided by the Triple Bottom Line framework, integrated with relevant SDG targets to assess broader developmental impacts, and further informed by the competencies framework proposed by Bansal et al.. To strengthen analytical rigor, cross-case synthesis is employed to identify convergent themes and divergent strategies, thereby enhancing the robustness and transferability of the study's findings.

Case Study 1: SELCO Foundation – Decentralized Solar Energy for Inclusive Development

Founded in 1995 by Harish Hande and Neville Williams, SELCO is a Bengaluru-based, for-profit social enterprise focused on delivering sustainable energy solutions to underserved populations. Initially centered on the sale and servicing of photovoltaic systems in Karnataka, the organization aimed to provide reliable and affordable energy access to low-income households and small enterprises. Over time, SELCO expanded its portfolio to include solar lighting systems, thermal water heaters, and inverter-based solutions, significantly broadening access to decentralized renewable energy technologies. Its innovative approach has earned global recognition, including the Ashden Awards. Beyond energy provision, SELCO has extended its impact into education through initiatives such as the e-Shala program, which leverages solar-powered infrastructure to deliver digital learning in rural areas, reflecting its broader vision of energy access as a catalyst for socio-economic development.

Operating through an extensive network of energy service centers, SELCO has scaled its interventions across India, electrifying over 650,000 households, supporting more than 3,000 schools with digital education solutions, and powering over 500 healthcare facilities while enabling livelihoods for thousands of micro-entrepreneurs. The organization adopts a participatory development approach, positioning underserved communities as active partners in the co-creation of sustainable solutions. Its model integrates decentralized renewable energy (DRE) with livelihood generation, fostering resilient micro-enterprises across sectors such as agriculture, textiles, and small-scale manufacturing, with a strong focus on empowering marginalized groups, including women and persons with disabilities.

SELCO's contribution to sustainable community development is rooted in an integrated ecosystem approach that combines technology, finance, and capacity building. By promoting climate-responsive DRE solutions, it enhances income generation, reduces drudgery, and strengthens community resilience while addressing both energy poverty and environmental sustainability. The organization emphasizes scalable and inclusive development models, supported by local capacity building and human capital development initiatives that nurture entrepreneurship and innovation. Additionally, SELCO advances financial inclusion through partnerships with financial institutions to design flexible, asset-based financing mechanisms, enabling access to clean energy technologies. Its strategic collaborations with partners such as Apraava Energy further expand its impact across critical sectors, including healthcare, education, and community infrastructure in underserved regions.

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Case Study 2: Chekutty Dolls Project – Grassroots Upcycling and Post-Disaster Economic Rehabilitation

The Chekutty Dolls Project represents a notable example of grassroots social entrepreneurship that emerged in response to the Kerala floods of 2018. Originating in Chendamangalam, a historic handloom weaving cluster severely affected by the floods, the initiative addressed both material loss and livelihood disruption. Conceptualized by Lakshmi Menon, the project repurposed flood-damaged sarees into handcrafted dolls known as "Chekutty," symbolizing resilience and recovery. Through a systematic process of cleaning, disinfection, and transformation, the initiative converted unusable textiles into culturally meaningful artisanal products, positioning itself as both an economic and symbolic response to disaster.

The project demonstrates strong contributions to environmental sustainability and economic revival through a circular economy approach. By upcycling damaged textiles into value-added products, it minimizes waste and promotes resource efficiency while reducing environmental impact. Simultaneously, it played a critical role in restoring livelihoods by generating alternative income streams for affected weavers, transforming waste into economically viable outputs. Revenues from the sale of Chekutty dolls directly support local weaving communities, sustaining hundreds of workers and revitalizing traditional craftsmanship. This model highlights how localized innovation can integrate sustainability with economic resilience in post-disaster contexts.

Beyond economic and environmental contributions, the initiative exemplifies inclusive and participatory community development. It mobilized extensive volunteer engagement at both local and global levels, fostering collective action and social solidarity. International outreach through workshops and campaigns transformed the initiative into a global movement, raising awareness of sustainability and disaster recovery. Furthermore, the project promoted inclusive participation by engaging diverse community groups and contributed to psychosocial rehabilitation by fostering emotional healing and resilience. Overall, the Chekutty initiative underscores the potential of community-driven models to address complex social, economic, and environmental challenges in an integrated manner.

DISCUSSION

The Chekutty Dolls Project and SELCO Foundation serve as examples of how social entrepreneurs use creative, community-centered, and hybrid methods to address difficult socio-environmental issues. The SELCO Foundation provides accessible, context-specific solar technologies to marginalized communities, demonstrating how localized renewable energy solutions can serve as accelerators for socioeconomic development. Its integrated strategy produces persistent and systemic development effects by connecting energy access with livelihood generating, leading to gains in income, education, and healthcare.

The Chekutty Dolls Project, on the other hand, is an example of grassroots social innovation that sprang from a climate-related tragedy. It repurposes sarees damaged by flooding to create items that promote both economic recovery for weaving communities and environmental sustainability. Both examples emphasize the value of ecosystem-based strategies that maximize impact by utilizing networks of multiple stakeholders, such as financial institutions, cooperatives, international organizations like the World Bank, and platforms like the Doughnut Economics Action Lab. When taken as a whole, they highlight the essential traits of successful social enterprises, such as creativity, community involvement, sustainability focus, and alignment with the Triple Bottom Line, establishing them as vital forces behind resilient and inclusive growth.

CONCLUSION

This study demonstrates that social enterprises operating at the intersection of market efficiency and social mission are powerful mechanisms for advancing inclusive and sustainable development in India. Through a comparative analysis of the SELCO Foundation and the Chekutty Dolls Project, the research makes three key contributions. First, it provides empirical insight into the application of the Triple Bottom Line framework, showing that economic viability, social inclusion, and environmental sustainability can function as mutually reinforcing dimensions when embedded in context-specific models. Second, it highlights the role of adaptive, ecosystem-based strategies such as multi-stakeholder collaboration, localized innovation, and participatory

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engagement in scaling sustainable impact. Third, it emphasizes the importance of culturally embedded and contextually grounded solutions, illustrating how both technological innovation and grassroots creativity can effectively address complex development challenges.

Despite these contributions, the study is limited by its reliance on secondary data and a two-case comparative design, which may constrain generalizability. Future research should adopt longitudinal and mixed-method approaches to better understand impact pathways and assess long-term sustainability outcomes across a broader range of social enterprises in India. Further sector-specific investigations particularly in areas such as healthcare, water, and food systems would provide deeper insights into the diverse and evolving role of social enterprises in promoting sustainable development.

Declaration

Data Availability

The data supporting this study are derived from publicly accessible secondary sources, including academic publications, institutional reports, and organizational documents, all of which are appropriately cited in the reference list.

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