

The Role of Social Entrepreneurship in Achieving Sustainable Rural Development

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Abstract

Rural Social Entrepreneurship (RSE) is considered an essential factor for achieving Sustainable Rural Development (SRD) and improving rural people's socio-economic status through increasing production, productivity, reducing unemployment, and accelerating the progress in achieving SDGs. The paper aims at examining the role of social entrepreneurship in achieving (SRD) in Sudan with reference to Wad Balal Project for investment and rural development in Gezira State, which established in 2005 in small villages in Gezira State through mobilizing of local savings and resources for creating job opportunities, sponsoring poor households, improving the infrastructures, and reducing poverty. The study depends on cross-sectional data collected through a questionnaire and focus group discussion from 100 head of households in the village under research. A questionnaire is internally consistent, and its questions are stable. Frequencies and percentages have been used for describing the basic characteristics of the respondents. Statistical t-test was adopted to test the opinions of respondents about the role of the project based on the Likert scale. The results revealed that the project has significantly increased the opportunities of job and training as well as household income, the results also confirmed that the project has improved the status of education and health services in the village. The project has extended and established many branches; the project also diversified its investment to cover more kinds of investments, the project reinvested 50% of its profits and directed the rest to charity, and social services in the village, many lessons can be learned from the project story. The research recommended that a similar social entrepreneurship project can be generalized to more villages in Sudan and other developing countries to accelerate sustainable rural development. Local communities have to support similar initiatives for developing their villages.

1. Introduction

Rural entrepreneurship played an important role in reducing poverty, migration, and expanding employment opportunities in rural communities (Ansari, 2013). Rural entrepreneurship development is considered a vital means to achieve sustainable rural development. Recently, entrepreneurship has become an essential strategy in development or an evolutionary process for achieving positive economic and social impacts (Ansari, 2013). Rural entrepreneurship defined as a major force of economic development in villages and the creation of positive change, innovation, and production services; rural entrepreneurship is a major activity that attempts to resolve many challenges such as unemployment, poverty, and lack of economic diversity in rural areas and has positive impacts on other aspects of villagers' human life (Ansari, 2013). Rural Social Entrepreneurship (RSE) is one of the foundations of rural socio-economic development (Ahrari et al., 2018). Experts in the agricultural sector call social farming RSE. Social entrepreneurship has become an essential driver in the developing economy, and it attempts to create new opportunities through its impact on social integration, economic sustainability, and fair society. Social farming and social farms are successfully responding to the challenges of social exclusion and lack of social services provision with other opportunities in the villages through alternative therapeutic activities, sheltered working places, or integrative educational activities in a farm environment) Hudcová, Chovanec, and Moudrý 2018(. Social enterprise in rural areas contexts shows increasing interest in the delivery of opportunities by nongovernmental players, and the main social enterprise action involves trading, service delivery channels, cross-sector collaboration, cultural virtuosities, social change, learning, training, care facilities; community care arrangements, cheap transportation, recycling, and subsidized accommodation (Ahrari et al., 2018). The main challenge of RSEs is competing for social and commercial aims. It is difficult to deal with essential comparing between profitable feasibility and social aims, and this challenge is more obvious in rural areas because of lack of customers and low-income profits. The majority of RSEs are not completely concentrating on economic objectives, and the process of decisions over their business models is very time-consuming and inefficient. This creates obstacles for RSEs to become viable social businesses. Social enterprises cannot be totally economic as they cannot make only commercial benefits. Most RSEs are not likely to forever be sustainable merely from trading products and amenities, and this might be attributable to a conventional hostility towards more business-focused tactics, mainly among the more voluntary sectors where there is often resistance to risk and sustaining RSEs (Ahrari et al., 2018). European Commission gives a particular emphasis on the social economy sector during the current programming (2014-2020), through the initiatives provided by the Social Business Initiative, which argues that social economy can play essential roles in the development of social innovation in many areas of innovation policy, such as increasing job opportunities and the environmental protection (more development and less environmental depletion), while it can combine profitability through solidarity, job creation, enhancement of social cohesion, active participation and empowerment of local communities, by giving priority to the people (Trigkas, Papadopoulos, & Karagouni, 2016). The social economy is defined as a specific part of the economy, often grouped into four major categories: cooperatives, mutual societies, non-profit associations and charities, foundations with a public purpose, and more recently, social enterprises primarily pursuing social aims (Entrepreneurship, 2017). Rural development mainly attempts to improve the rural residents' lives and is based on many factors related to economic, political, and legal, social activities. Rural areas have specific economic and social situations. The population of villages

and rural areas mainly depends on farming and agriculture. The changing demographic situation of emigrating citizens, especially from rural areas, existing non-living areas, and buildings, call for specific activities and special attention in rural areas. Innovative decisions are needed for the solution to these problems. For more than a decade, social business and social enterprises in the European Union (EU) have played an important role in society. Social entrepreneurship became the point of attention in political and legal documents in the EU because it was noticed that the economy becomes more socially oriented and involves all spheres of our lives (Greblikaite, 2017). The concepts of social entrepreneurship and sustainable development are also interrelated. Social entrepreneurs are known as agents who employ entrepreneurial means to provide sustainable solutions to social and environmental problems that ensure their livelihood and sustainability. Recently, the literature on social entrepreneurship focuses on the relevance of small and medium-sized enterprises (SMEs) and entrepreneurship for economic development. In developing countries where resources are scarce, and banks and financial institutions are reluctant to lend financial support to SMEs, the governments have an even larger role to play by providing sources of financing for SME development. While lack of resources is considered the major barrier or hindrance to responsible business practices in SMEs, the small entrepreneurs are looking for innovative business models to sustain themselves. Considerable attention has been devoted to sustainable development, supporting social, economic, and environmental aspects. To recognize opportunities for sustainable development, entrepreneurial knowledge, and innovative capabilities play a key role. The innovative power of entrepreneurs has an important part in ensuring a more sustainable future. Entrepreneurs are, therefore, recognized as the engines and vehicles of sustainable development (Bansal, Garg, & Sharma, 2019). The ILO's experience in introducing the concept of social entrepreneurship in a challenging environment, highlights the opportunities, success factors, and lessons to be learned. It documents strategies, approaches, tools, and guidance to foster social entrepreneurship in unlikely places. It was developed through a combination of desk and field research related to both theoretical concepts and the practical experience of the ILO component of the Hayat project. The team, which included a rural development expert and an entrepreneurship specialist, carried out a literature review and studied key project documents. Visits to impoverished areas in rural Egypt allowed the team to collect information and assess the project's impact through focus group discussions and interviews with key stakeholders, youth leaders, youth volunteers, social entrepreneurs, directors of youth centres, and ILO's partners (ILO, 2017). Major entrepreneurship obstacles in developing countries include lack of financial, social entrepreneurship, absence of entrepreneurship education and training, scarcity of entrepreneurship incubator sets up of social enterprise does not hold trues under complicated government producers, particularly in post-conflict societies and among the peoples return from long time in displacement and in fragile rural societies where most of residences are small farmer or landless tenants (Twijnstra, 2011). Social entrepreneurship, commonly defined as an entrepreneurial activity with an embedded social purpose, has become an important economic phenomenon globally. Some of the most striking social entrepreneurship innovations originate from developing countries. They involve the deployment of new business models that address basic human needs, such as providing low-cost services such as the deployment of sanitation systems in rural villages and solving the problem of lack of drinking water. etc. Recently, social entrepreneurship is a vibrant phenomenon in developed countries as well. For example, according to the Global Entrepreneurship Monitor 2005 survey, an estimated 1.2 million people in the UK (representing 3.2% of the working-

age population) are social entrepreneurs (defined in the survey as being involved in founding and running a social-oriented venture younger than 42 months). Given that the comparable number for commercial entrepreneurship is 6.2% (Santos, 2009)

In Sub-Saharan Africa, social entrepreneurship is considered essential for overcoming the fragility, as half of the world's poor people, live in fragile contexts. Fragility feeds poverty, while poverty and inequality in turn breed fragility. Increasingly, it is realized that inclusive economic growth is a vital condition for reducing fragility. This points to the importance of fostering social entrepreneurship in fragile and post-conflict situations. In its 2014 report, the African Development Bank stress that in countries transitioning out of conflict, the private sector can be a force for stabilization and renewal, creating alternatives to conflict economies based on innovative activities and social entrepreneurship that have social ends of its profitable activities. The report recommends making investments in income generation activities an early priority, even amid conflict, as a strategy for promoting peace. Other authoritative institutions including the World Bank, the OECD, and the European Commission similarly stress the significance of inclusive growth, including in fragile contexts, by promoting social entrepreneurship and private sector development (Cordaid, 2014)

For Sudan, entrepreneurial environments are combinations of social, political, economic, and cultural elements within African regions that support the development and growth of innovative start-ups and encourage new entrepreneurs and other actors to take the risks of starting, funding, and otherwise creating high-risk ventures (Abdeen, n.d.). Entrepreneurship has remained a hot issue in academia for the last three decades due to its important role in contemporary economies. It is considered and empirically approved by many researchers as a means of economic growth, source of employment, and means of societal development. Since entrepreneurship development is important for the development of the economy as a whole, most of the world's countries have launched initiatives to develop social entrepreneurship among their societies, and Sudan is considered one of these countries, in which the local societies launched many initiatives for accelerating the processes of sustainable and integrated rural development (Gangi & Timan, 2013). The majority of Sudan's population lives in rural areas and depends on agricultural activities. The rural areas in Sudan suffer from inadequate infrastructure, widespread poverty, and lack of essential services. Thus, there is a need to solve such problems by establishing social entrepreneurship projects and disseminating its culture among rural societies. The paper investigates the role of social entrepreneurship in achieving sustainable rural development and showing the possibility of generalizing the Wad Balal Project's experience to all villages in the country and particularly villages of Gezira State.

Wad Balal Project of Investment and Rural Development (WPIRD)

Wad Balal is one of the villages of the Gezira State, it located on the national road linking the Wad Medani city and the Capital Khartoum, it is far away from the capital city Khartoum by about 160 kilometres, and about 20 kilometres from Wad Medani city near by the Blue Nile bank to the east. About 350 households are living in the village, which considered as one of the villages of well-known Gezira Scheme. The first idea of establishing a Wad Balal project of Investment and Rural Development as social entrepreneurship, when it was decided after several meetings that each

family should contribute by 100 pounds per month and the rich households can pay for poor households who are not able to contribute to the project. Shares were offered for rich persons in the village and expatriates in the Gulf countries and Saudi Arabia. The project registered as a shared company (2005), for achieving several objectives include: Working for maximizing profitability that returns to shareholders, creating job opportunities for the residents of the village, developing the social and economic life of the households in the village through ensuring services such as health, education, environmental sanitation and improving welfare of the village residents, mobilizing the available rural resources and invest them to benefit the rural peoples and redirecting 50% of the profits to social purposes and services in the village (Researcher interviews, 2019). After the completion the establishment of the company, it was owned 67 acres nearby the village for implementing the proposed projects: first poultry project was implemented with four large enclosures have been established with a capacity of about (1000) chicks, second, a cooperative society was established for sponsoring the poor households in addition to expanding charitable and social work and upgrading the village facilities, third a public library with about (1200) titles has established. Fourth Petrol station was established to face local demand for fuel in the village and its neighbours. Finally, calves breeding project was established through finance from the banks it produces a batch of 1000 calves every four months.



Wad Balal Village satellite image



Wad Balal Village A Map

Research Methodology

2. Sample size

For the purpose of determining the sample size, the research used the simple random sample, which allows all population of research have a similar chance to be selected in the sample. The population of the research includes 2364 individuals representing 350 households living in the villages under research, all of them considered as beneficiaries RSE of Wad Balal. The sample has taken randomly from the beneficiaries of the project using the following formula:

$$n = Z_{\alpha}^2 \frac{P(1-P)}{d^2} \quad (1)$$

Where:

Z: Standardized variable that corresponds to the 95% confidence level. P: Proportion social entrepreneurship beneficiaries, d: the desired marginal error or degree of precision Adam (2020), which adjusted at 0.1 in this research to have a suitable sample size with small number of research population 350 households. Applying above formula, we have:

$$n = \frac{2^2(0.5)(0.5)}{(0.1)^2} = 100$$

$$n = \frac{n_0}{1+n_0/N} \sqrt{N - n_0} \sqrt{N - 1} \quad (2)$$

Applying the above formula, we have:

$$n = \frac{100}{1+\frac{100}{350}} \sqrt{350 - 100} \sqrt{350 - 1} = 98$$

The reliability test of the data collection tool

For testing the internal consistency of the questions of a questionnaire Cronbach's Alpha Formula has been used.

$$\alpha = \frac{N \cdot \bar{c}}{\bar{v} + (N-1) \cdot \bar{c}} \quad (3)$$

Where: N = the number of items. \bar{c} = average covariance between item-pairs. \bar{v} = average variance.

For showing the differences between means the statistical t-test has been used for calculating the means and standard deviation of the study variables (households' income and expenditure, health services, education, training, environment and sanitation, protection of natural resources and utilization of renewable energy before and after the establishment of the project, using the standard Trapezium formula for the t-test given by:

$$t = \frac{\bar{X} - \mu_0}{s / \sqrt{n}} \quad (4)$$

Where: t-distribution with $v = (n- 1)$ degree of freedom. n_i and \bar{X}_i are the size means of the sample i ($i = 1, 2$), respectively.

Statistical methods

The research depended on descriptive statistics includes arithmetic means and standard deviations for comparing between the household's expenditure and income before and after establishing the RSE project among the beneficiaries of this project.

The Likert Scale procedure

The Well-known Likert scale has been used to measure the attitudes of the beneficiaries of the project for examining the role of social entrepreneurship in achieving the sustainable rural development through analysing the opinions of the respondents. Likert scaling is commonly adopted in survey research that collects data through means a questionnaire, such research needs responses in scales from respondents of interest. It is a widely used scale in many research, particularly in the social science research, if a respondent wanted to respond a Likert questionnaire item, this respondent specifies a level of agreement which can be equivalent a numerical value. Most social science researchers preferred to use response categories that are on odd scale (example five, seven or nine) because they are interested the scenario in the middle response (Pimentel, 2019) The study uses Likert scale for opinion measurement shown in Fig. (1) below:

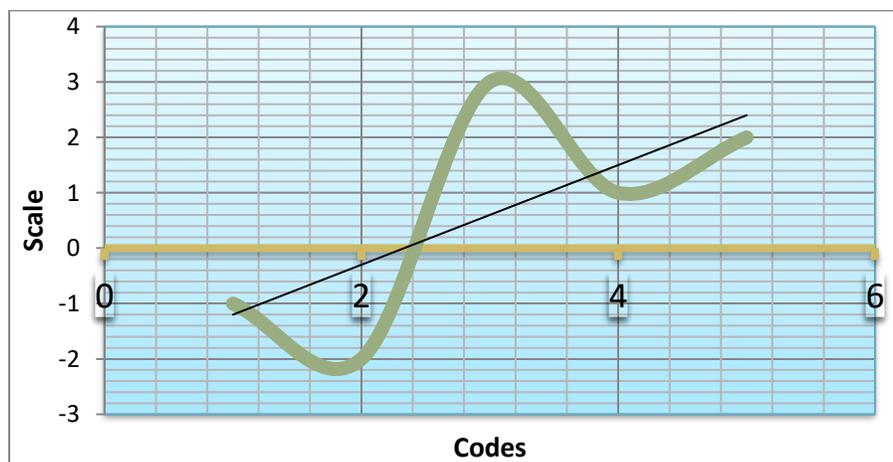


Figure 1 five points Lickert scale for measuring the attitudes of the respondents

Source: Alnoury 2002

According to the figure, Likert scale codes respondent's attitudes “strongly agree as 5, Agree as 4, Neutral as 3, disagree as 2 and strongly disagree as 1” and the following standard is normally used to evaluate each code response.

- If the arithmetic mean is between 4.2 to less than 5.0, the response will be classified as strongly agree.
- If the arithmetic mean is between 3.4 to less than 4.19, the response will be classified as agree.
- If the arithmetic mean is between 2.6 to less than 3.39, the response will be classified as neutral.
- If the arithmetic mean is between 1.8 to less than 2.59, the response will be classified disagree.
- If the arithmetic mean is between 1 to 1.79, the response will be classified as strongly disagree (Pimentel, 2019)

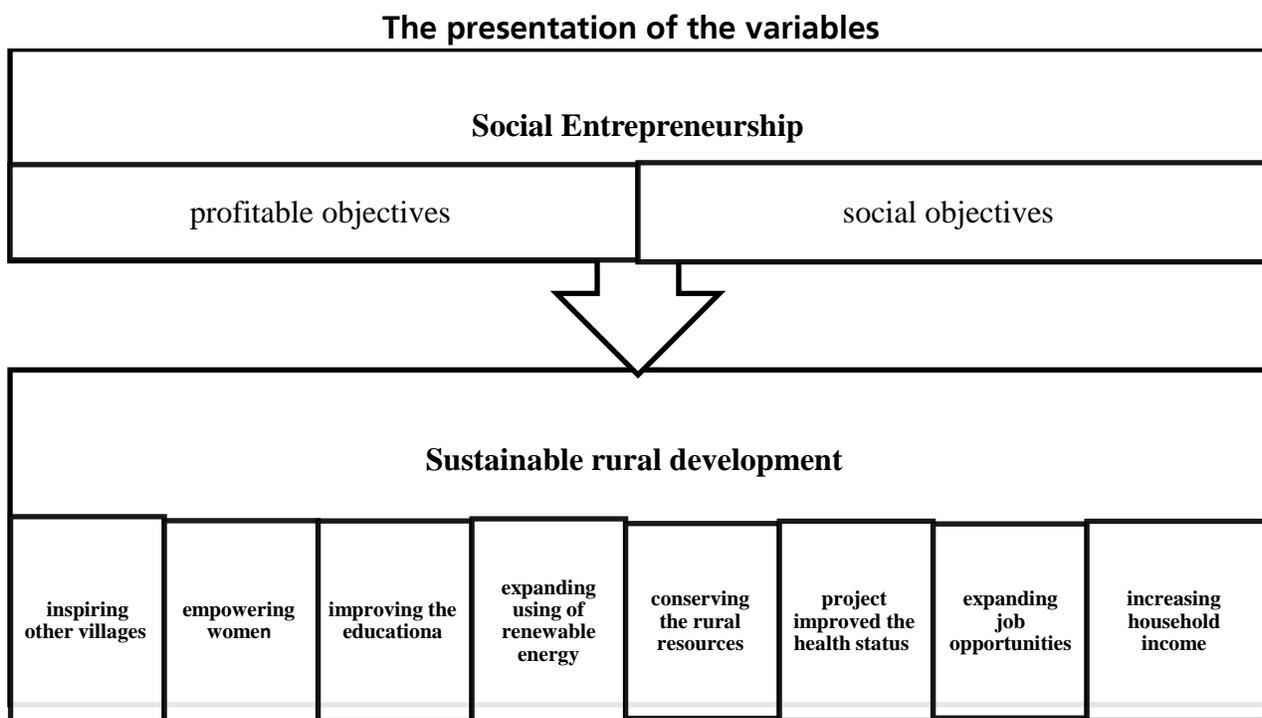


Figure (2) the social entrepreneurship in achieving SRD.

The Statistical Package for Social Sciences (SPSS) and Microsoft software excel used for calculating the statistical tools.

3. Results and discussion

The section includes the results of a questionnaire reliability, compression between monthly household expenditure and income among the beneficiaries of the project under research and examining the opinions of respondents about the ES project.

Reliability of the constructs

Two constructs of this study namely respondent's basic characteristics and the opinions of the respondents about the role of the project in achieving sustainable rural development, attitude, and practice of the sampled members (n=100) were tested for reliability. Table 1 below shows the summary of the results of the reliability analysis of the questionnaire used in the research.

Table 1: the reliability test of a research's questionnaire

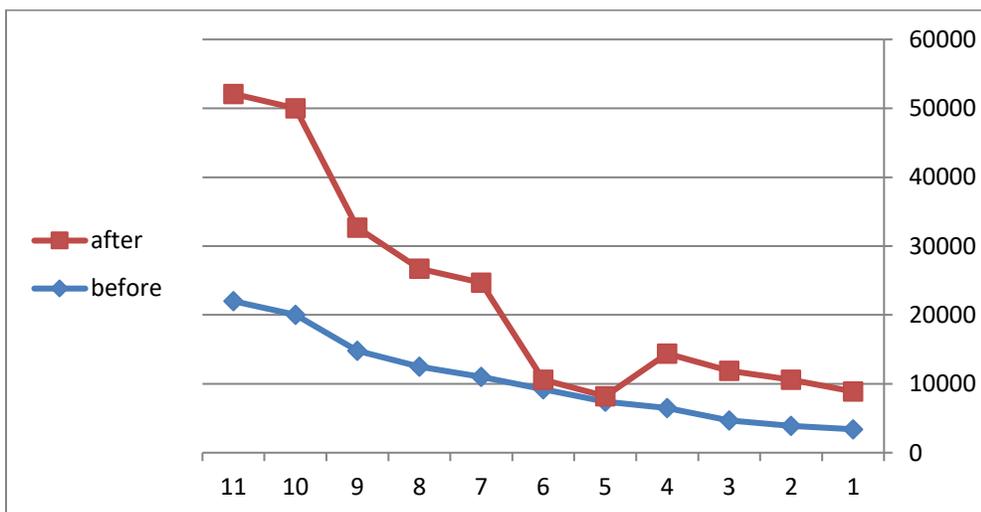
Variable Name	N of Questions	Cronbach's Alpha Values (n=100)
Respondent's characteristics	10	0.81
Poverty indices	16	0.70
Overall Scale	26	0.79

Source: SPSS Output based on researcher own, Gezira State, **2017**

The results of the research confirmed that the items of a questionnaire are internally consistent at Cronbach's alpha (0.79). The pilot test that conducted in the research area showed that the questions of a questionnaire are stable.

Socio-economics status of project's beneficiaries before and after establishing the project.

The difference between the means of income and expenditure of the project beneficiaries before and after the establishment of the project



Average of monthly income of ten groups of respondents before and after the establishment of the projects

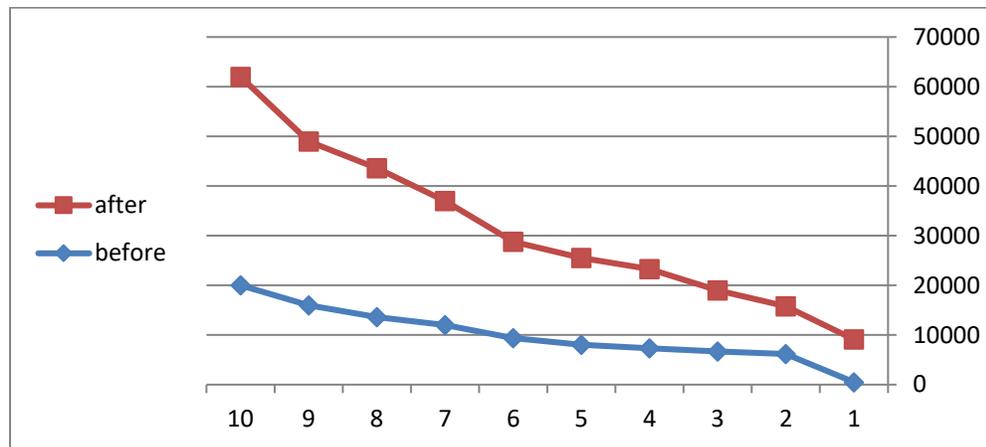


Figure 3: average of monthly of ten groups of respondents before and after the establishment of the project

The results revealed that a social entrepreneurship project of Wad Balal village has increased the average of household income and expenditure among the respondents after the establishment of their social entrepreneurship project for developing the village compared to the situation before the project, this confirmed that the project has improved the economic status, though increasing household income and expenditure among residents of the village.

Table 2: Testing the opinions of the respondents about the role of SE in achieving SRD.

The statement	Average	t value	Likert scale	p-value
The project increased the household income	4.01	47.2	Agree	0.01
The project expanded the job opportunities	4.6	32.03	Strongly agree	0.00
The project improved the educational status in the village	3.7	23.7	Agree	0.00
The project improved the health status in the village	4.2	33.05	Agree	0.000
The project contributed to conserving the rural resources	3.9	27.07	Agree	0.00
The project expanded the using of renewable energy	3.0	12.9	Neural	0.01
The project empowered the women economically in the village	4.5	46.00	Strongly agree	0.00
The project inspired and encouraged the neighbor's villages to adopt similar projects	4.08	36.5	Agree	0.000
The project improved the nutritional status	4.23	16.9	Agree	0.00

Researcher calculation based on data collected in 2019.

Most of the respondents agreed that the social entrepreneurship has significantly increased the household's income after its establishment, the results also showed that the project has expanded the job opportunities among the residents of the village. In regard to health and educational status the results confirmed that the project has significantly improved the status of health and education in the area under research. Furthermore, the respondents showed that they were neutral about the role of the project in expanding the utilization of renewable resources in the village and they strongly agree that the project has played a significant role in empowering women

economically in the research area. Finally, the results revealed that project of Wad Balal has inspired and encourages the neighbouring villages to establish a similar project.

4. Policy implications

The Local government should engage with rural communities in collaboration and partnership to bridge the gap in services to deliver and accelerate sustainable rural development processes.

The government of Sudan should encourage and facilitate the procedures of establishing social enterprises for reducing hunger and undernourishment in the rural areas.

The Sudan government need to depend on technological solutions to its developmental problems and encourage the youth.

to benefit more from advanced technology in establishing new projects to solving societal problems.

The other Sub-Saharan countries can benefit from the lessons and experience of such a social enterprise.

To expand the utilization of renewable energy, RSE should be established to cover more of the country, particularly in rural areas.

The RSE can mobilize the local savings and redirect them to maximize social benefits in the villages.

The institutions should direct their financial services to SRE to create new job opportunities and reduce unemployment among rural adults.

Finally, RSE can be adopted for accelerating the efforts of achieving SGDS through optimizing the use of natural resources and protecting the environment from degradation.

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