# The Relationship between Social Entrepreneurship and Sustainable Development from the Social Experts' Points of View

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# ارتباط کارآفرینی اجتماعی و توسعه پایدار از نظر خبرگان اجتماعی

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#### Abstract:

This research is a survey and exploratory study to present a conceptual model for the sustainable development of Iran based on social entrepreneurship. Its approach for conceptual modeling is based on Path Analysis through Multiple Regression Method. The study has benefited from five questionnaires (four for the ee pph Mehlodss rounds and another for the conceptual modeling itself). The statistical population of conceptual modeling section includes three public organizations of Iran: "State Welfare Organization," "Department of Environment," and "Ministry of Cooperatives, Labor and Social Welfare," which reflect the pivotal SD concepts of society, environment, and hence social economy, respectively. After setting a conceptual framework, the preliminary conceptual model was formed accordingly. Each path on the model was equal to a hypothesis. Finally, a statistically significant SD-based conceptual model of social entrepreneurship, which passed goodness-of-fit by Coefficient of Determination  $(R^2)$  was presented.

**Keywords:** Social Entrepreneurship (SE), Sustainable Development (SD), Conceptual Model.

#### چکیدہ:

پژوهش حاضر پژوهشی «اکتشافی– پیمایشی» است. در این پژوهش از پنج پرسشنامه (چهار پرسشنامه در مراحل دلفی و یک پرسشنامه در بخش پیشنهاد الگـوی مفهـومی) بهـره بـرده شـده اسـت. «سـازمان بهزیسـتی»، «سازمان حفاظت محیطزیست»، و «وزارت کار، رفاه و امور اجتماعی» که با توجه به ماموریتهای سازمانیشان بازتاب دهنده کاملتری از سه مفهوم بنیادین توسعه پایدار یعنی اجتماع، محیط زیست و اقتصاد اجتماعی در بخش دولتی بودند، جامعه آماری جهت پیشنهاد الگوی مفه ومی را تشکیل دادند. شیوه به کار برده شده جهت پیشنهاد الگوی مفهومی روش «تحلیل مسیر» در قالب «رگرسیون چند متغیره» بوده است. جهـت نائـل شـدن بـه الگوی مفهومی نهایی، ابتدا چارچوب مفهومی پژوهش و بـر اسـاس آن در مرحله بعد الگوى مفهومى اوليه كه در برگيرنده فرضيات پژوهش بود شكل داده شد. سپس هر کدام از فرضیات پـژوهش برابـر بـا یـک مسـیر در نظـر گرفته شد. با انجام روش تحلیل مسیر در فضای نرم افزار SPSS، مسیرهایی که از لحاظ آماری معنی دار نبودند حذف و باقی مسیرها الگوی مفهومی نهایی را تشکیل دادند. در آخرین مرحله جهت «برازش» الگوی مفهومی پیشنهاد شده، از «شاخص ضریب تعیین (R<sup>2</sup>) بهـره بـرده شـد. در پایان متغیرهای «افزودن به رفاه اجتماعی»، «افـزودن بـه امیـد زنـدگی در اجتماع»، «كاربرد فناورى اجتماعي»، «زمان نوأورى اجتماعي صورت پذیرفته»، «وجود قوانین تشویقی و تنبیهی»، «هماهنگی با قوانین اجتماعی ملّی و بین المللی» متغیرهای مستقل یا پیش بین و متغیرهای «عدالت اجتماعی»، «قابلیت زندگی»، «دارایی های اجتماعی سازمان های اجتماعی»، «کاهش آلودگی ها»، «مصرف متعادل منابع طبیعی» متغیرهای وابسته/ تاثیرپذیرنده ای بودند که از نظر علمی تایید و در الگوی مفهومی نهایی قرار گرفتند.

واژههای کلیدی: کارآفرینی اجتماعی، توسعه ی پایدار، الگوی مفهومی.

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# Introduction

Development is a double-edged sword. Its mis-implementation could generate one blessing and simultaneously, sooner or later, thousand miseries for a country or community. The Middle East is one of the regions of the world which needs carefully and scientifically and chosen locally customized models and strategies to elevate the developmental conditions of its dwelling population politically, economically, ecologically and socially. No country is an exception. Any plan for the SD must embrace the aforementioned aspects (Magee et al., 2013) while we should not neglect culture (James et al., 2015) and public institutions (UN, 2014); otherwise, it will fall short and leads to catastrophe. East or West, North or South, countries of the world are the constituting pieces of the same jigsaw puzzle. Miseries or blessings could spill over from one region to the other. SD of each country or region is a harbinger of a better future for the whole humanity and vice versa. We are riding on the same planet. Concerning Iran (formerly Persia, a country in Western Asia with a growing population of over 81 million, at the heart of the Middle East, and on the shore of Persian Gulf) mainly the social. environmental and economic indices of SD call for new models for SD planning. Therefore, the present study - as a step toward how SE as a social value generator (Townsend & Hart, 2008) is also able to generate SD-was carried out. Hence, the research question is:

What variables should be included in the conceptual model of social entrepreneurship for the sustainable development of Iran?

#### **Literature Review**

As an exploratory study, the research started with studying the literature on both SE and SD.

#### Social entrepreneurship literature

"Social entrepreneurship is a socially

mission-oriented innovation which seeks beneficial transformative social change by recognition creativity and of social opportunities in any sectors" (Forouharfar et al., 2018). Venkataraman (1997) believes all entrepreneurship is social since it usually leads to job generation, tax payment, and new technologies and markets. SE could happen within public or private sectors by mixing business models with social impacts (Austin et al., 2006) or form its exclusive sector known as the third sector. Its generated social value relieves a single or a bundle of social pain(s) such as poverty, starvation, illiteracy, human rights violation, natural environment damages, etc. (Mair & Noboa, 2005). Furthermore, it brings about positive social results (Prabhu, 1999), social benefits (Fowler, 2000), social capitals (Morse & Dudley, 2002), social returns on investment (The Institute for Social Entrepreneurs, 2002), as different manifestations of social values (Dees, 1998). Social predicaments elicit SE behaviors (Waddock & Post, 1991) which should be customized with the idiosyncrasies of each community, society, or country (Rowshan & Forouharfar, 2014). Therefore, according to Cornwall (1998), social entrepreneurs are the "building blocks" of their societies for progress and improvement. Generally, SE could be:

1) Social value maker (Nicholls, 2006; Dees,1998; Hibbert *et al.*, 2002; Austin *et al.*, 2006; Alvord *et al.*, 2004; Mort *et al.*, 2003; Sarasvathy & Wicks, 2003; Peredo & McLean, 2006; Townsend & Hart, 2008; Martin, 2004).

2) Innovative (Schumpeter, 1951; Drucker, 1985; Nijkamp, 2003; Lumpkin & Dess, 1996; Morris &Kuratko, 2002; Kuratko*et al*, 2005; Zakić *et al*, 2008; Miller & Friesen, 1982; Covin & Miles, 1999; Burgelman, 1984; Kanter, 1985; Alterowitz, 1988; Naman & Slevin, 1993; Zahra & Covin,1995; Rwigema & Venter, 2004; Slater & Narver, 2000; Smart & Conant, 1994; Ussahawanitchakit, 2007; Osman *et al.*, 2011; Salarzehi & Forouharfar, 2011).

3) Opportunity seeker (Christiansen, 1997; Ferreira, 2002; Timmons & Spinelli, 2003; Rwigema & Venter, 2004; Kuratko & Hodgetts, 1995; Simon, 1996; Ireland *et al.*, 2003; Miles & Snow, 1978; Stevenson *et al.*, 1989; Berthon *et al.*, 2004; Amabile, 1997; Gilad, 1984; Timmons, 1978; Ward, 2004; Whiting, 1988).

4) Social changer (Nicholls & Cho, 2006; Prabhu, 1999 Hoffman *et al.*, 2010; Choi & Gray, 2008; Cohen & Winn, 2007; Waddock & Post, 1991; Stryjan, 2006; Picot, 2012).

5) Value maker by bricolage (Stevenson *et al.*, 1989; Schumpeter, 1934, Seelos & Mair 2004).

6) Social welfare generator (Bugg-Levine *et al.*, 2012; Scheuerle *et al.*, 2013; Alvord *et al.*, 2004; Battilana, *et al.*, 2012; Haigh & Hoffman, 2012; Weisbrod, 1977).

7) Social result producer (Dees, 1998; Thake & Zadek, 1997 Emerson & Twersky, 1986).

# Sustainable Development Literature

SD is analogous to a building with social, environmental, and economic pillars on a cultural foundation (Seers, 1969). The constituting variables of these pillars, which are also used in this research, are as the following:

1) Sustainable society: (a) equity (Eizenberg & Jabareen, 2017; Jabareen, 2008; Rpetto, 1985); (b) livability (Wheeler, 2013; Goldman & Gorham, 2006; Evans, 2002; Godschalk, 2004); (c) social development (Drexhage & Murphy, 2010; Osberg, 1992; Gray, 2006); (d) social capital (Burnett, 2009; Ite, 2007; Osberg, 1992); (e) human rights (Martens, 2006; McGregor, 2002); (f) social justice; and (g) appropriate urban planning (Woodcraft, 2012).

2) Sustainable social economy: (a) social assets of community organizations (Restakis, 2015; Elson, *et al.*, 2015); (b) social enterprises (Borzaga & Defourny, 2004; Defourny & Nyssens, 2008; Amin *et al.*, 2002); (c) social financing organizations

(Karaphillis et al., 2010; Birkhölzer, 2009)

3) Sustainable environment: (a) balanced consumption of natural resources (Daly, 1990; Costanza & Daly, 1992); (b) pollution reduction (Dincer,2000); (c) natural capital (Costanza & Daly, 1992; Brand, 2009; Jansson, 1994); (d) ecologies' preservation (Rees, 1990; Pearce, 1988).

At the end of the literature review for the disambiguation of the possibility of a relationship between SE and SD, it would be noteworthy to accentuate that the two phenomena share many overlapping concepts. In other words, the main arenas of SD such as economy, society, and natural environment could also be seen in SE, which is inherently an economic theory and it could be active in all the above-mentioned arenas (Stenn, 2016). E.g., in natural environment training in Iran "Parto Social Entrepreneurship School"<sup>1</sup> Is a good example. Moreover, the most prominent aspect of SE, social responsibility affects SE (Khosravi, 2019). In sum, we can make a between SE relationship and SD (Pirmohammadi et al., 2017; Divansalar & Bozorgi, 2012).

# Methodology

The research aim is the presentation of a conceptual model connecting the SE and SD concepts in the public sector in Iran. Based on this aim, the research is descriptive research. Since the data collection of the research uses a questionnaire, it is a survey study, too. Moreover, by considering the definition of exploratory research as "an endeavor to decide whether a phenomenon is or is not?" (Parhizgar & Afrouzi, 2011), presentation of a conceptual model between an under-theorized relationship of SE and SD also puts this research among exploratory studies. The methodological steps are unfolded in the following:

1 https://partoschool.org/

Ν		Average Values			
0.	SE variables	1 <sup>st</sup> Round	2 <sup>nd</sup> Round	3 <sup>rd</sup> Round	4 <sup>th</sup> Round
1	Social result generation <sup>1</sup>	0.26	0.3 (omitted)	-	-
2	Social welfare generation <sup>2</sup>	0.36	0.4 (omitted)	-	-
3	Value making by bricolage (a new combination of resources) <sup>3</sup>	0.13 (omitted)	-	-	-
4	Social change <sup>4</sup> 0		0.36 (omitted)	-	-
5	Opportunity seeking <sup>5</sup>	0.66	0.56	0.4 (omitted)	-
6	Social innovation <sup>6</sup>	0.83	0.86	0.8	0.93
7	Social capital generation <sup>7</sup>	0.46	0.4	0.36 (omitted)	-
8	Social value <sup>8</sup>	0.76	0.8	0.83	0.86
9	Social return on investment <sup>9</sup>	0.06 (omitted)	-	-	-
10	Social job generation <sup>10</sup>	0.5	0.53	0.4 (omitted)	-
11	Social responsibility <sup>11</sup>	0.86	0.9	0.93	0.96
12	Alleviation of social sufferings and deprivations <sup>12</sup>	0.6	0.53	0.5 (omitted)	-
13	Social culture <sup>13</sup>	0.93	0.9	0.93	0.93
14	Social enterprises establishment <sup>14</sup>	0.26 (omitted)		-	-
15	Socially creative ideas generation <sup>15</sup>	0.3	0.33 (omitted)	-	-
16	Social mission <sup>16</sup>	0.2 (omitted)	-	-	-

Table 1. Average values of each Delphi Round.

(**Source**: Authors' own work)

<sup>1 (</sup>Dees, 1998; Thake & Zadek, 1997; Emerson & Twersky, 1986)

<sup>2 (</sup>Bugg-Levine *et al.*, 2012; Scheuerle *et al.*, 2013; Alvord *et al.*, 2004; Battilana *et al.*, 2012; Haigh & Hoffman, 2012; Weisbrod, 1977)

<sup>3 (</sup>Stevenson, et al., 1989; Schumpeter, 1934, Seelos & Mair, 2004)

<sup>4 (</sup>Nicholls & Cho, 2006; Prabhu, 1999; Hoffman, *et al.*, 2010; Choi & Gray, 2008; Cohen & Winn, 2007; Waddock & Post, 1991; Stryjan, 2006; Picot, 2012)

<sup>5 (</sup>Eckhardt & Shane, 2003; Christiansen, 1997; Ferreira, 2002; Timmons & Spinelli, 2003; Rwigema & Venter, 2004; Kuratko & Hodgetts, 1995; Simon, 1996; Ireland, *et al.*, 2003; Miles & Snow, 1978; Stevenson, *et al.*, 1989; Berthon, *et al.*, 2004; Amabile, 1997; Gilad, 1984; Timmons, 1978; Ward, 2004; Whiting, 1988)

<sup>6 (</sup>Schumpeter, 1951; Drucker, 1985; Herbert & Link, 1989; Nijkamp, 2000; Galindo & Mendez, 2008; Covin & Slevin, 1991; Lumpkin & Dess, 1996; Morris & Kuratko, 2002; Kuratko, *et al.*, 2005; Zakić, *et al.*, 2008; Miller & Friesen, 1982; Covin & Miles, 1999; Burgelman, 1984; Kanter, 1985; Alterowitz, 1988; Naman & Slevin, 1993; Zahra & Covin,1995; Rwigema & Venter, 2004; Slater & Narver, 2000; Smart & Conant, 1994; Ussahawanitchakit, 2007; Salarzehi & Forouharfar, 2011)

<sup>7</sup> Morse & Dudley (2002)

<sup>8 (</sup>Nicholls, 2006; Dees, 1998; Hibbert, et al., 2002; Austin, et al., 2003; Alvord, et al., 2004; Mort, et al., 2003; Sarasvathy & Wicks, 2003; Peredo & McLean, 2005; Townsend & Hart, 2008)

<sup>9</sup> The Institute for Social Entrepreneurs (2002)

<sup>10</sup> Venkataraman (1997)

<sup>11</sup> Dees (2017)

<sup>12</sup> Cornwall (1998); Mair & Noboa (2005)

<sup>13</sup> Ferri, et al. (2015)

<sup>14</sup> Venkataraman (1997)

<sup>15</sup> Iyengar (2014)

<sup>16</sup> Dees (2017)

# **Delphi Section**

The study's goal is the conceptualization of SD-based social entrepreneurship in theory (conceptual modeling). It started with the abovementioned literature review on SE, SD, and idiosyncratic social problems of the case. Afterward, the exploratory nature of the study called for semi-structured interviews with Delphi's panel of experts based on the acquired library-studied variables of SD and SE. The result was the designing of the first-round Delphi questionnaire. Then, a six-step procedure was pursued systematically for the accomplishment of a *Delphi Method* to acquire the most relevant SE variables for SD as the following:

1) Delphi survey questionnaire designing (with only 16 variables of SE).

2) Delphi sampling (hence, snowball sampling).

3) Decision making on the number of members on the panel of experts (hence, 30 professors in 5 six-member homogeneous groups familiar with social issues, with each group's areas of expertise only on one field: management, natural environment, social affairs, cultural issues, and economics).

4) Formation of a panel of experts.

5) Survey accomplishment (hence, four rounds: in each round 4 variables, which had the least average value through the *Likert Scale*, were omitted to lead to the panel's saturation of ideas for ultimate consensus, Table 1).

Data classification.

The SE variables relevant to SD, which successfully passed the 4-round Delphi process, were: (1) social innovation; (2) social value; (3) social responsibility; and (4) social culture.

# Research Hypotheses and Conceptual Framework

The hypotheses of the research (Table 2) presume the potential impacts of "social

innovation" on "sustainable social economy", "social value" on "sustainable society", "social responsibility" on "sustainable environment" and "culture",which is mutual between SE and SD was presumed as a moderating variable based on Seers (1969) (Figure 1).



Figure 1. Conceptual Framework of the Research (Source: Authors' own work)

Table 2. Study's main hypothe	eses
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Hypotheses							
H <sub>1</sub> : "sust	"Social tainable s	value" ociety."	has	a	positive	impact	on
H <sub>2</sub> : "sust	"Social tainable s	innovati ocial eco	on" h nomy"	as	positive	impact	on
H <sub>3</sub> : "Social responsibility" has positive impact on "sustainable environment".							
H <sub>4</sub> : "Culture" has a moderating role between "social value" and "sustainable society."							
<b>H</b> <sub>5</sub> : "Culture" has a moderating role between "social innovation" and "sustainable social economy."							
H <sub>6</sub> : respo	"Culture' onsibility	' has a m " and "su	oderat stainat	ing ole	role betv environm	ween "so ent."	cial

(Source: Authors' own work)

In the next step, the constructs of the abovementioned seven variables were determined by library study to design a questionnaire with seven variables and 39 constructs. Table 3 and Figure2 present the variables' constructs.

Variable type	Association	
I. Independent Variables		
(Latent Variables)	Social Entrepreneurship	
Social Value		
Social Innovation		
Social Responsibility		
II. Dependent Variables		
(Latent Variables)	Sustainable Development	
Sustainable Society	_	
Sustainable Environment		
Sustainable Social Economy		
III.Moderating Variable	Social Entrepreneurship &	
Culture	Sustainable Development	
IV. Observed Variables (Constructs)	1	
V <sub>1</sub> : Unsatisfied Social Needs		
Vo: Social Instice	Social Value	
V <sub>2</sub> : Social Problem Solving		
V.: Social Welfare Increase		
V <sub>4</sub> . Social life expectancy increase		
V 5. Social Technology Use		
I. Social Inconstant		
12. Social Taskaslasy Availability		
13: Social Technology Availability		
14: Awareness of needy people from social innovation	Social Inpovation	
Is: Discovery of new ways of dealing with social attairs	Social Innovation	
I <sub>6</sub> : Innovative solution or healing of social problems		
I <sub>7</sub> : Empowerment of the socially harmed by new ways		
I <sub>8</sub> : Capability in upgrading the previous social technologies	-	
I <sub>9</sub> : Scaling up social innovations		
I <sub>10</sub> : Social Innovation Timing		
R <sub>1</sub> : Company's Social Mission		
R <sub>2</sub> : Regulations		
R <sub>3</sub> : Voluntary Service		
R <sub>4</sub> : Compatibility with international and national laws	Social Responsibility	
R <sub>5</sub> : Social benefiting commitment		
R <sub>6</sub> : Decision making based on "society first."		
R <sub>7</sub> : public awareness contribution		
C1: Culture's moderating effect between "social innovation" and "sustainable social	The moderating function	
economy."	of "Culture" between	
C2: Culture's moderating effect between "social responsibility" and "sustainable	Social Entrepreneurship &	
environment."	Sustainable Development	
C3: Culture's moderating effect between "social value" and "sustainable society."		
E <sub>1</sub> : Social assets of community organizations		
E <sub>2</sub> : Social Enterprises	Sustainable Social	
E <sub>3</sub> : Social Financing Organizations	Economy	
En <sub>1</sub> : Balanced consumption of natural resources		
En <sub>2</sub> : Pollution Reduction	Sustainable Environment	
En: Natural Capital		
En <sub>4</sub> : Ecologies' Preservation		
St: Equity		
S <sub>2</sub> : Livability		
S <sub>2</sub> : Social Development		
S.: Social Capital	Sustainable Society	
S.: Human Rights	Sustainable Society	
S. Social Justice		
S <sub>6</sub> . Social Justice		
S <sub>7</sub> : Orban Planning		

**Table 3.** Briefing of the study variables and their constructs

(Source: Authors' own work)



Figure 2. The constructs of the variables in the initial conceptual model (Source: Authors' own work)

# Questionnaire's Validity and Credibility

Two types of validities were studied with respect to the conceptual modeling questionnaire:

Construct Validity, which refers to the 1) degree that a concept should be operationalized to be succeeded in the measurement of that concept according to the research hypotheses. This type of validity should measure the constituting entities of the concept (Convergent Validity) and should be irrelevant alienated with the entities (Discriminant Validity). For the Convergent Validity, each one of the questions on the questionnaire was checked to be conceptrelated and convergence maker. On the other hand, for the Discriminant Validity of the questionnaire, the literature on SE and SD were reviewed once more to reassure that the group of questions, which measured one variable was distinguishable and recognizable from the other, as well as to be defendable based on the reviewed literature.

2) *Content Validity*, as a non-statistical validity embraces a systematic study of the content and constituting entities of the research test to determine whether the test and its constituting entities could measure all the aspects of the concept or behavior in the population (Anastasi & Urbina, 1997). For the implementation of this validity, the authors, based on the experts of the Delphi panel's

field of expertise asked them to study the questions and help them out in modifying or omitting potentially inappropriate questions.

In the next step, 30 valid questionnaires were distributed among the sample to evaluate the questionnaire's credibility by *Cccccc cc Alpha*. The value range is between 0-1. The calculated *Cccccc cc fff fiii ttt* was 0.8, which is statistically an acceptable value (Table 4). Finally, the researchers acquired a valid and credible questionnaire for large-scale distribution among the study sample to carry out their exploratory study.

Table 4. Calculated Cronbahh's Appha	for	the
conceptual model questionnaire		

Conceptuar model questionnane			
Questionnaire	Research	Cronbach's	
Туре	Section	Alpha	
Concentual	Conceptual		
Model	Modeling	0.8	
Widdei	Section		
(Source: Authors' own work)			

(Source: Authors' own work)

# **SAMPLING and Statistical Test**

The statistical population of the research consisted of three Iranian governmental organizations, which are mostly dealing with the SD-related concepts, including *State Welfare Organization of Iran* (Behzisti), *Department of Environment*, and *Ministry of Cooperatives, Labor and Social Welfare*, all based in Shiraz city — based on Krejcie & Morgan's (1970) sampling table by simple random sampling 785 persons were chosen to have participated in the survey.

# Path Analysis and Hypotheses Testing

This research has six major and 129 minor hypotheses (paths) (Figure 3). Each minor hypothesis is equal to one potential path. The exploratory nature of the research justifies the number of minor hypotheses. Moreover, the research has applied Multiple Regression Method for the Path Analysis. Therefore, according to the tt iiiiiii ii *Cfff fiii ttt* ()for each path/hypothesis within the Significance Level ( $\alpha$ ) equals to 0.05 and by considering the *Rejection Region*, if  $\rho$ -value  $\leq$ 

0.05, then *Null Hypothesis* (H<sub>0</sub>:  $\beta = 0$ )was rejected, and the *Alternative Hypothesis* (H<sub>a</sub>:  $\beta \neq 0$ ) was accepted. Accepting the *Alternative Hypothesis* was equal to keeping the path. Otherwise, the path was deleted.



Figure 3. 129 Minor hypotheses/paths before path analysis (unfolding the conceptual research framework) (Source: Authors' own work)

# **Results and Discussions**

The result of the hypotheses testing was the acceptance of seven minor hypotheses ( $H_{1-27}$ , H<sub>1-30</sub>, H<sub>2-1</sub>, H<sub>2-28</sub>, H<sub>3-6</sub>, H<sub>3-13</sub>, and H<sub>6-4</sub>. The acceptance of these hypotheses was the verification of the paths  $P_{V5S2}$ ,  $P_{V4S6}$ ,  $P_{I1E1}$ ,  $P_{I10E1}$ ,  $P_{R4En1}$ ,  $P_{R2En2}$  and  $P_{R4C2}$ , which verifies the impacts of "social life expectancy increase" on "livability", "social welfare on "social justice", "social increase" technology use" on "social assets' of community organizations", also "timing of social innovation" on "social assets' of community organizations", "compatibility with national and international regulations" on "balanced consumption of natural resources", "regulations" on "pollution reduction", and finally "compatibility with national and international regulations" on " culture" respectively.

Based on the *Cfff fiii ttt* and *Significance Level*, which culminated in the acceptance or rejection of the hypotheses, the former129path model after *'' ttttt ttt ss testings* was reduced to a 7-path one (Figure 4). It is noteworthy that each path is dawn according to its counterpart hypothesis; moreover, the values of *Cfff fiii ttt s* were presented in their relevant ways.



Figure 4. Verified paths through path analysis before a goodness-of-fit test

In the next step for the estimation of the model's Goodness-of-Fit, Coefficient of Determination, known as *R*-Square ( $\mathbb{R}^2$ ), was calculated (Table 5). This index is one of the key outputs of regression calculation, which is between 0 to 1. If the Coefficient of Determination equals 0, then it should be interpreted that the dependent variable could not be predicted by the independent variable, and if it equals 1, then it means that the dependent variable is predictable from the independent one without any errors. Generally, a high value of R<sup>2</sup> means the designed model is fit to the data, although the interpretations of fitness depending on the content of analysis (Encyclopedia Britannica, 2018). To increase the predictability power of the model, it was assumed that the SE model intended for the sustainable development of the country should predict at least 0.005 of variance in the dependent variables. Therefore, the paths with lower *R*-Squares than 0.005 were omitted from the model. Thus,  $P_{R4C2}$  ( $R^2 = 0.004$ ) was omitted, and the finalized SE model with 11 variables and six

paths was presented in Figure 5.

**Table 5.** The result of the remained paths' *R*-<br/>Square calculations

No.	Path	$\mathbf{R}^2$	Interpretation	
1	<b>P</b> <sub>V5S2</sub>	0.006	0.006 of variance in the dependent variable $(\mathbf{S}_2)$ is predictable from the dependent/predicting variable $(\mathbf{V}_5)$ in the model.	
2	P <sub>V4S6</sub>	0.015	0.015 of variance in the dependent variable $(S_6)$ is predictable from the dependent/predicting variable $(V_4)$ in the model.	
3	P <sub>11E1</sub>	0.014	0.014 of variance in the dependent variable $(\mathbf{E}_1)$ is predictable from the dependent/predicting variable $(\mathbf{I}_1)$ in the model.	
4	P <sub>110E1</sub>	0.014	0.014 of variance in the dependent variable $(\mathbf{E}_1)$ is predictable from the dependent/predicting variable $(\mathbf{I}_{10})$ in the model.	
5	P <sub>R4En1</sub>	0.006	0.006 of variance in the dependent variable $(En_1)$ is predictable from the dependent/predicting variable $(\mathbf{R}_4)$ in the model.	
6	P <sub>R2En2</sub>	0.005	0.005 of variance in the dependent variable $(En_2)$ is predictable from the dependent/predicting variable $(\mathbf{R}_2)$ in the model.	
7	P <sub>R4C2</sub>	0.004	0.004 of variance in the dependent variable $(C_2)$ is predictable from the dependent/predicting variable $(\mathbf{R}_4)$ in the model.	

(Source: Authors' own work)

Finally, Figure 6 shows the verified and fitted model of social entrepreneurship for national sustainable development promotion by the public sector. The paths  $P_{V5S2}$ ,  $P_{V4S6}$ ,  $P_{IIEI}$ ,  $P_{II0EI}$ ,  $P_{R4EnI}$ , and  $P_{R2En2}$  verify the impacts of

"social life expectancy increase" on "livability", "social welfare increase" on "social justice", "social technology use" on "social assets' of community organizations", also "social innovation timing" on "social assets' of community organizations", "compatibility with national and international regulations" on "balanced consumption of natural resources", and finally "regulations" on "pollution reduction", respectively; i.e. statistically the variance in the five dependent variables are predictable by the six independent/predicting variables of the conceptual model.









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