

Pathways to Growth in Emerging Economies: A Configurational Analysis of Organizational Capabilities in Social Enterprises

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Introduction

Emerging economies present a unique landscape for social enterprises, characterized by vast opportunities and significant challenges. These economies are often marked by resource constraints, institutional voids, and socioeconomic inequalities. Despite these obstacles, social enterprises have demonstrated resilience and ingenuity, fostering sustainable development and addressing critical social issues. Central to their success are organizational capabilities that enable these enterprises to adapt, innovate, and scale their impact in dynamic environments. A configurational analysis offers a nuanced understanding of how various combinations of capabilities contribute to growth, revealing pathways that can inform both practice and policy. One critical capability in this context is resource mobilization. Emerging economies are often constrained by limited financial, human, and infrastructural resources, necessitating innovative approaches to secure and utilize them. Social enterprises that succeed in growth frequently leverage a mix of local and external resources, tapping into community networks, international funding, and partnerships with government and private entities. Resourcefulness and frugality become essential traits, enabling organizations to maximize impact with minimal inputs. Moreover, an ability to align resource acquisition with the enterprise's mission and goals ensures that growth does not compromise social impact, a key differentiator for social enterprises.

Another important capability is innovation. Emerging economies are fertile grounds for innovation due to unmet needs and underdeveloped markets. Social enterprises often devise creative solutions that address local challenges while also being scalable. Innovation in such contexts goes beyond product or service development; it extends to business models, distribution mechanisms, and stakeholder engagement strategies. The ability to co-create solutions with local communities is particularly important, as it ensures relevance, acceptance, and sustainability. Successful social enterprises

often blend traditional knowledge with modern technology, creating hybrid solutions that are both culturally appropriate and technologically advanced. Leadership and governance also play a pivotal role in shaping growth trajectories. Effective leadership in social enterprises involves balancing the dual objectives of social impact and financial sustainability. Leaders must exhibit vision, adaptability, and a deep understanding of the local context. Governance structures, on the other hand, must ensure accountability, inclusivity, and strategic alignment. Transparent decision-making processes and stakeholder participation contribute to organizational legitimacy and trust, which are critical for sustaining growth in emerging economies. Furthermore, leadership transitions and succession planning are important considerations, as they ensure continuity and resilience.

Description

Building and nurturing relationships is another critical aspect. Partnerships and collaborations with a wide array of stakeholders including government agencies, non-governmental organizations, private sector players, and community groups are integral to success. These relationships enable social enterprises to access resources, gain legitimacy, and scale their operations. In addition, social capital, or the trust and networks built within communities, often determines the extent to which these enterprises can engage and mobilize local populations. The ability to foster mutual trust and shared goals among diverse stakeholders enhances the effectiveness of interventions and ensures long-term sustainability. A configurational analysis reveals that there is no one-size-fits-all pathway to growth for social enterprises in emerging economies. Instead, different combinations of capabilities interact to produce successful outcomes. For instance, a social enterprise focused on education might prioritize community engagement and innovative teaching methods, while another working in healthcare might rely heavily on partnerships with government

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Received: 21 December, 2024, Manuscript No. BEJ-24-156027; **Editor assigned:** 24 December, 2024, PreQC No. BEJ-24-156027 (PQ); **Reviewed:** 08 January, 2025, QC No. BEJ-24-156027; **Revised:** 12 February, 2026, Manuscript No. BEJ-24-156027 (R); **Published:** 19 February, 2026, DOI: 10.37421/2161-6219.2026.17.597

agencies and technological innovations. These configurations are influenced by factors such as the sector, geographic location, and the nature of the social problem being addressed. By analyzing successful cases, it becomes evident that adaptive and context-specific approaches are essential.

Institutional support further shapes the ability of social enterprises to thrive. Government policies, legal frameworks, and access to funding significantly impact growth trajectories. In some cases, the absence of supportive institutions necessitates that social enterprises act as system integrators, filling gaps in service delivery and creating informal networks of support. Conversely, favorable policies and institutional support can amplify their efforts, providing a conducive environment for experimentation and scale. Social enterprises that proactively engage with policymakers and advocate for systemic changes often find themselves better positioned to drive sustainable growth. The role of technology cannot be overstated in the context of emerging economies. Digital tools and platforms have revolutionized the way social enterprises operate, enabling them to reach underserved populations, optimize operations, and monitor impact. Mobile technology, for example, has been pivotal in extending financial services to remote areas, improving access to education, and enhancing healthcare delivery. Social enterprises that integrate technology into their operations not only increase efficiency but also enhance their ability to scale. However, the digital divide remains a challenge, necessitating efforts to ensure inclusivity and equitable access to technological advancements.

Resilience is another defining feature of successful social enterprises. Operating in environments characterized by volatility and uncertainty requires a strong capacity to withstand shocks and adapt to changing circumstances. This resilience often stems from a combination of financial prudence, diversified revenue streams, and a deep commitment to the mission. Social enterprises that cultivate a culture of learning and reflection are better equipped to navigate

challenges, as they continuously refine their strategies based on feedback and changing realities. Finally, measuring and demonstrating impact is crucial for sustained growth. Social enterprises in emerging economies often face pressure to prove their effectiveness to diverse stakeholders, including donors, investors, and beneficiaries. Robust impact measurement frameworks not only validate the enterprise's efforts but also inform future strategies and attract further support. However, the challenge lies in balancing the rigor of measurement with the resource constraints typical of emerging economies. Simplified yet effective approaches to impact assessment can help social enterprises communicate their value proposition and build credibility.

Conclusion

The growth of social enterprises in emerging economies hinges on a complex interplay of organizational capabilities. Resource mobilization, innovation, leadership, governance, partnerships, and resilience all contribute to their ability to scale and sustain impact. A configurational analysis underscores the importance of context-specific strategies and the synergies between various capabilities. As these enterprises navigate the challenges of emerging economies, they not only drive social change but also offer valuable lessons for organizations worldwide. By fostering an enabling environment and supporting the development of critical capabilities, stakeholders can amplify the transformative potential of social enterprises, paving the way for inclusive and sustainable growth.

How to cite this article: Johannes, Hulshof. "Pathways to Growth in Emerging Economies: A Configurational Analysis of Organizational Capabilities in Social Enterprises." *Bus Econ J* 17 (2026): 597.