

EFFECT OF SOCIAL INNOVATION, COMMUNITY EMPOWERMENT AND POVERTY-REDUCTION INITIATIVES ON COMMUNITY TRANSFORMATION

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ABSTRACT

Social entrepreneurship has gained increasing attention as a means of addressing social and economic challenges while creating social value. However, evidence on how it contributes to community transformation in Nigeria remains limited. This study examined the effects of social innovation, community empowerment, and poverty-reduction initiatives on community transformation in Nigeria. A quantitative survey design was adopted, and structured questionnaires were administered to social entrepreneurs, employees of social enterprises, and community stakeholders across selected Nigerian cities. Of 426 questionnaires administered, 392 were validly completed, representing a 92.0% response rate. Data were analysed using descriptive statistics, Pearson correlation, and multiple linear regression with SPSS Version 29. The findings showed high mean scores for social innovation ($M = 4.28$, $SD = 0.64$), community empowerment ($M = 4.34$, $SD = 0.60$), poverty-reduction initiatives ($M = 4.21$, $SD = 0.67$), and community transformation ($M = 4.39$, $SD = 0.56$). Significant positive relationships were found among the variables. The regression model explained 66% of the variance in community transformation ($R^2 = 0.66$; adjusted $R^2 = 0.65$). Community empowerment was the strongest predictor ($\beta = 0.41$), followed by social innovation ($\beta = 0.38$) and poverty-reduction initiatives ($\beta = 0.33$), all at $p < 0.001$. The study highlights the importance of innovation, empowerment, and poverty-reduction interventions in promoting community transformation in Nigeria.

Keywords: social entrepreneurship, social innovation, community empowerment, poverty-reduction initiatives, community transformation, Nigeria

INTRODUCTION

Social entrepreneurship has received increasing scholarly and policy attention as an approach to addressing persistent social and economic challenges through entrepreneurial action and the

creation of social value. Unlike conventional entrepreneurship, which traditionally places commercial value creation at the centre of organisational activities, social entrepreneurship places greater emphasis on addressing social needs and applying entrepreneurial processes to develop, implement, and sustain solutions to these needs. It involves entrepreneurial activities that respond to significant social problems while giving greater priority to the creation of social value than to the pursuit of direct financial returns. More broadly, social entrepreneurship combines entrepreneurial behaviour, innovation, and a strong social-purpose orientation to promote sustainable social change. Social enterprises therefore operate across the boundaries of business, government, civil society, and local communities by mobilising resources, developing innovative solutions, and creating opportunities for disadvantaged and underserved populations.

The increasing importance of social entrepreneurship reflects the recognition that many social problems cannot be adequately addressed by government or conventional market mechanisms alone. Poverty, unemployment, social exclusion, inadequate access to education and healthcare, financial exclusion, and limited livelihood opportunities are often complex problems requiring collaborative and locally responsive solutions. Social entrepreneurship can complement public and private interventions by identifying unmet needs, mobilising underutilised resources, experimenting with innovative approaches, and creating mechanisms through which social value can be generated and sustained. Defourny and Nyssens (2010) emphasise that social enterprises have developed across institutional settings by combining economic activities with explicit social objectives. This hybrid orientation makes social entrepreneurship particularly relevant in developing economies, where institutional constraints and resource limitations may create substantial gaps in the provision of social and economic opportunities. The Nigerian context provides an important setting for examining the developmental contribution of social entrepreneurship. Nigeria possesses substantial entrepreneurial activity and community-based capabilities, yet communities continue to experience challenges associated with poverty, unemployment, unequal access to productive resources, inadequate social services, and institutional constraints. In such an environment, locally grounded social-enterprise initiatives may provide complementary mechanisms for addressing development challenges. Evidence from Nigeria indicates that locally developed social innovation initiatives can address underlying dimensions of poverty, including poor access to education, nutrition, finance, and entrepreneurial opportunities (Ipinnaiye & Olaniyan, 2023). Their study further showed that locally embedded initiatives can generate economic, social, and environmental benefits, although weak institutional conditions may constrain their ability to expand. These findings suggest that the contribution of social entrepreneurship to community development depends not only on the existence of social missions but also on the ability to translate those missions into innovative and locally appropriate interventions. The relationship between social entrepreneurship and social change has also received increasing attention in the international literature. Social entrepreneurship is frequently associated with the creation of social value through innovative responses to social problems, particularly where existing institutional arrangements are unable to meet community needs effectively (Mair & Martí, 2006; Miller et al., 2012). The literature also suggests that social entrepreneurship should not be assessed exclusively in terms of financial performance or organisational survival. Its broader significance lies in the extent to which entrepreneurial activities contribute to improvements in human capabilities, social inclusion, livelihoods, participation, and community well-being. In this respect, social entrepreneurship provides a useful conceptual foundation for examining community transformation as a broader developmental outcome.

Community transformation provides an important basis for assessing this broader contribution. In the present study, community transformation refers to sustained improvements in the social, economic, and developmental conditions of communities, including improved livelihoods, greater social inclusion, enhanced access to services and opportunities, increased community capacity, stronger participation, and improved ability to respond collectively to local challenges. This conceptualisation recognises that meaningful development extends beyond the delivery of individual services or short-term economic assistance. Rather, transformation involves changes in the capabilities, opportunities, participation, relationships, and living conditions of community members. Consequently, the impact of social entrepreneurship should be understood not simply in terms of the number of beneficiaries reached but also in terms of whether interventions strengthen the conditions that enable communities to achieve sustained improvements.

Within this broader framework, social innovation represents one important mechanism through which social entrepreneurship may contribute to community transformation. Social innovation generally refers to the development and implementation of new or substantially improved approaches to addressing social needs. These approaches may involve products, services, processes, organisational arrangements, technologies, financing mechanisms, partnerships, or community practices. Phills et al. (2008) argue that social innovation provides a useful way of understanding how new solutions can cross conventional boundaries between government, nonprofit organisations, and businesses to address social problems. Similarly, Cuntz et al. (2020) emphasise that social innovation involves the development of creative responses to social, economic, and environmental challenges and has important implications for policy and development. Social innovation is particularly important because conventional interventions may not always respond adequately to complex and context-specific community problems. Innovative approaches can improve access to services, reduce delivery costs, mobilise previously underutilised resources, create employment and livelihood opportunities, strengthen networks, and encourage collaboration among different stakeholders. Millard and Fucci (2023) argue that social innovation can play an important role in addressing poverty and vulnerability by strengthening agency, resilience, and access to opportunities. In the Nigerian context, Ipinaiye and Olaniyan (2023) found that local social innovation initiatives could address underlying causes of poverty and improve access to finance and entrepreneurship. Their findings suggest that locally embedded innovation can contribute to sustainable socioeconomic improvement when supported by appropriate institutional conditions. The potential contribution of social innovation to community transformation therefore extends beyond the introduction of new products or services. It may also involve changes in the ways communities organise themselves, mobilise resources, access opportunities, and respond to persistent challenges. When innovative solutions are developed in response to locally identified needs, they may strengthen both immediate community conditions and the longer-term capacity of communities to address emerging problems. Thus, social innovation may represent an important pathway through which social entrepreneurship generates broader community-level outcomes.

Community empowerment through which individuals and groups acquire the knowledge, skills, resources, participation opportunities, and decision-making capacity necessary to influence conditions affecting their lives is the second mechanism. Empowerment therefore goes beyond receiving assistance; it emphasises agency, participation, ownership, capability development, and the ability of communities to influence their own development trajectories. This distinction is

important because development interventions are less likely to produce sustainable outcomes when community members remain passive recipients of externally designed programmes. Conversely, communities may be better positioned to sustain developmental gains when they participate in identifying problems, designing solutions, mobilising resources, implementing interventions, and evaluating outcomes. The connection between social entrepreneurship and community empowerment is increasingly supported by empirical evidence. Wulan (2024), for example, found a positive relationship between social entrepreneurship and community empowerment in Indonesian coastal communities, while emphasising the importance of stakeholder participation and organisational structures. Similarly, Widiastuti et al. (2024) demonstrated the relevance of social entrepreneurship values to community empowerment through village-owned enterprises. These findings reinforce the argument that social entrepreneurship can contribute to empowerment when community members are actively involved in development processes rather than being treated merely as beneficiaries. Community empowerment may therefore constitute an important pathway to community transformation. When individuals acquire skills, information, productive resources, decision-making capacity, and opportunities for collective action, they may become better positioned to address social and economic challenges. Social enterprises can facilitate this process through entrepreneurship training, employment opportunities, participatory decision-making, financial inclusion, skills development, mentoring, and community-based enterprise development. In this regard, the emphasis shifts from providing solutions for communities to strengthening the capacity of communities to develop, own, and sustain solutions themselves. Empowerment may consequently strengthen local leadership, social capital, collective action, and the institutional capacity required for long-term transformation.

Poverty remains a major constraint on community development because inadequate income and limited access to productive resources can restrict individuals' ability to obtain education, healthcare, decent housing, financial services, and sustainable employment. Poverty-reduction initiatives within social entrepreneurship therefore extend beyond short-term financial assistance. They may include employment creation, entrepreneurship development, vocational training, financial inclusion, access to productive resources, affordable goods and services, market development, and support for income-generating activities. Social entrepreneurship provides a potentially important mechanism for addressing poverty because it combines social objectives with entrepreneurial processes. Social enterprises may create employment, develop markets for underserved populations, provide affordable goods and services, support micro-enterprises, and introduce innovative mechanisms for accessing finance, skills, and markets. Setiawan et al. (2023) emphasise that scaling social entrepreneurship for poverty reduction requires stakeholder engagement and coordination among relevant actors. Their findings suggest that the poverty-reduction potential of social entrepreneurship depends partly on the ability of stakeholders to collaborate in overcoming institutional, financial, and operational barriers. Nigerian evidence further supports the relevance of social innovation and social entrepreneurship to poverty reduction. Ipinaiye and Olaniyan (2023) found that local social innovation initiatives could address underlying causes of poverty, including limited access to education, nutrition, finance, and entrepreneurial opportunities. Similarly, Agada et al. (2023) demonstrated significant relationships among social innovation, social value, social impact, and poverty alleviation in Nigeria. Their findings suggest that the contribution of social entrepreneurship to poverty reduction is strengthened when innovative approaches are deliberately linked to social-value creation and measurable social outcomes. Thus, poverty-reduction initiatives may contribute to community

transformation not merely by providing immediate material assistance but also by strengthening productive capabilities, employment opportunities, financial inclusion, and sustainable livelihoods.

An important distinction should therefore be made between poverty-reduction initiatives as an intervention mechanism and poverty reduction as an outcome. An initiative represents an activity or intervention designed to improve socioeconomic conditions, whereas poverty reduction represents the resulting improvement in those conditions. In this study, poverty-reduction initiatives are treated as an explanatory variable because the research seeks to determine whether the implementation of livelihood-oriented, employment-generating, entrepreneurial, and resource-access interventions predict broader community transformation. Although social innovation, community empowerment, and poverty-reduction initiatives are conceptually distinct, they are closely interconnected in practice. Social innovation can generate new and context-sensitive solutions to social problems; community empowerment can provide individuals and communities with the agency, skills, and capacity required to participate in and sustain those solutions; while poverty-reduction initiatives can improve the economic conditions and productive capabilities necessary for long-term development. The three mechanisms may therefore reinforce one another. For example, a socially innovative enterprise may introduce an affordable service, but the sustainability of that intervention may depend on whether community members possess the skills and ownership necessary to participate in it. Similarly, employment and livelihood opportunities may have greater transformative effects when they are accompanied by empowerment, participation, and local capacity development. This integrated perspective is consistent with the broader literature, which increasingly views social entrepreneurship, social innovation, and social value creation as interconnected processes rather than isolated phenomena. Hietschold et al. (2023), for example, highlight pathways through which social entrepreneurship contributes to social value and social change. Recent bibliometric evidence also indicates growing convergence between research on social entrepreneurship and social innovation, suggesting that the two fields increasingly overlap in their concern with social change and the development of innovative responses to societal challenges (Kaushik et al., 2024). This convergence provides additional justification for examining specific mechanisms through which social-enterprise activities may produce community-level outcomes. The importance of examining these mechanisms is particularly evident in developing-country contexts. Social innovation may provide alternatives where conventional institutional mechanisms are inadequate; empowerment may strengthen community agency and ownership; and poverty-reduction initiatives may improve the economic foundations of development. However, the presence of these activities does not automatically guarantee community transformation. Their effects may depend on the extent to which interventions are locally relevant, adequately resourced, participatory, and capable of being sustained. Ipinnaiye and Olaniyan (2023), for instance, found that weak institutional conditions can constrain the expansion of local social innovation initiatives in Nigeria. This observation highlights the importance of considering social entrepreneurship not simply as an entrepreneurial activity but as part of a broader institutional and community development process.

Despite the growing body of research, an important empirical gap remains. Existing studies frequently examine individual dimensions of social entrepreneurship separately. Some focus on social innovation and poverty reduction, while others examine community empowerment, social enterprise performance, social value creation, or sustainable development. Nigerian studies have

provided valuable evidence concerning social innovation and poverty reduction (Ipinnaiye & Olaniyan, 2023), social entrepreneurship and poverty alleviation (Agada et al., 2023), and social entrepreneurship as a mechanism for sustainable community development. However, comparatively limited empirical attention has been given to examining social innovation, community empowerment, and poverty-reduction initiatives simultaneously as predictors of community transformation within a single Nigerian empirical model. This gap is important because examining the three dimensions simultaneously makes it possible to determine not only whether each predictor is significantly associated with community transformation but also their relative contributions when considered together. Such an approach provides a more integrated understanding of the mechanisms through which social-enterprise activities may contribute to improvements in community conditions. It also helps to distinguish between predictors that may appear important at the bivariate level and those that retain significant explanatory power when considered alongside other mechanisms. The present study therefore examines the relationship between social innovation, community empowerment, poverty-reduction initiatives, and community transformation in Nigeria. The empirical model is deliberately restricted to these three predictors and one outcome variable. Social entrepreneurship provides the broader conceptual context, while social innovation, community empowerment, and poverty-reduction initiatives constitute the explanatory variables and community transformation constitutes the principal outcome. This parsimonious structure allows the study to focus directly on three mechanisms through which social-enterprise activities may contribute to community-level development. The study specifically seeks to: (i) examine the effect of social innovation on community transformation in Nigeria; (ii) determine the effect of community empowerment on community transformation in Nigeria; and (iii) assess the effect of poverty-reduction initiatives on community transformation in Nigeria.

Based on these objectives, the following null hypotheses are formulated and tested:

H₀₁: Social innovation has no significant effect on community transformation in Nigeria.

H₀₂: Community empowerment has no significant effect on community transformation in Nigeria.

H₀₃: Poverty-reduction initiatives have no significant effect on community transformation in Nigeria.

The study contributes to the social entrepreneurship literature by bringing together three important dimensions such as social innovation, community empowerment, and poverty-reduction initiatives within a single empirical framework for explaining community transformation. This approach responds to the fragmented nature of existing research, particularly in the Nigerian context, where studies have often examined individual mechanisms or specific development outcomes separately. It also provides practical relevance for policymakers, social entrepreneurs, development agencies, and community organisations. For policymakers, the findings may inform social-enterprise policies that place greater emphasis on innovation, community participation, and sustainable livelihood development. For social entrepreneurs, the study highlights the importance of designing interventions that do more than deliver services by also strengthening community capabilities, ownership, and economic opportunities. For development agencies and community organisations, the findings may assist in identifying interventions that combine innovative problem-solving with

empowerment and poverty-reduction mechanisms. Most importantly, the study positions community transformation as the central outcome and examines three mechanisms through which social entrepreneurship may contribute to that outcome. By doing so, it provides a clear and parsimonious framework for understanding how entrepreneurial activities with a social mission may translate into broader improvements in community conditions in Nigeria.

LITERATURE REVIEW

Conceptual Review

Social Entrepreneurship

Social entrepreneurship has emerged as an important area of entrepreneurship research because of its emphasis on applying entrepreneurial approaches to social problems while creating sustainable social value. Although scholars continue to debate its precise meaning and boundaries, the concept generally refers to entrepreneurial activities in which addressing social needs and creating social value constitute central objectives. Social entrepreneurs identify social problems, mobilise resources, develop innovative responses, and establish organisational arrangements capable of sustaining those responses. Unlike conventional entrepreneurship, which traditionally places greater emphasis on commercial value creation, social entrepreneurship combines entrepreneurial processes with an intentional commitment to addressing social and community needs (Mair & Martí, 2006; Zahra et al., 2009). The distinctive character of social entrepreneurship therefore lies not simply in whether an enterprise generates profit, but in how entrepreneurial resources and capabilities are directed towards creating positive social outcomes. Social enterprises may generate revenue through commercial activities while simultaneously addressing poverty, unemployment, social exclusion, inadequate access to essential services, and limited livelihood opportunities. This hybrid orientation enables social enterprises to operate across the boundaries of business, government, civil society, and local communities. Recent scholarship continues to emphasise the capacity of social entrepreneurship to mobilise resources, create social value, and contribute to sustainable community development (Duarte Alonso et al., 2019; Shabbir & Batool, 2025). Shabbir and Batool (2025), for example, demonstrate that social entrepreneurship can contribute to community development through social capital, sustainable enterprise development, and community-level outcomes. The relevance of social entrepreneurship is particularly pronounced in developing economies, where conventional institutional mechanisms may not be sufficient to address persistent social and economic challenges. In such environments, social enterprises can mobilise local resources, identify unmet needs, develop context-sensitive solutions, and create opportunities for disadvantaged populations. Warnecke and Balzac-Arroyo (2023) emphasise that social entrepreneurs operate within broader entrepreneurial ecosystems and that maintaining a strong focus on community needs is important for generating meaningful outcomes. The Nigerian context is particularly relevant because social enterprises operate within an environment characterised by significant socioeconomic challenges and considerable entrepreneurial potential. Evidence from Nigeria demonstrates that locally embedded social innovation initiatives can address underlying dimensions of poverty, improve access to finance and education, encourage entrepreneurship, and generate wider economic and social benefits (Ipinaiye & Olaniyan, 2023). Their study also highlights the importance of strengthening local innovations and creating institutional conditions that enable promising initiatives to expand. In the present study, social entrepreneurship serves as the broader conceptual context within which social innovation, community empowerment, and poverty-reduction initiatives are examined. Social entrepreneurship itself is not treated as a separate predictor in the empirical model. Instead, the

study focuses on three specific mechanisms through which social-enterprise activities may contribute to community transformation.

Social Innovation

Social innovation refers to the development and implementation of new or substantially improved ways of addressing social needs and improving social conditions. It may involve new products, services, processes, organisational arrangements, technologies, financing mechanisms, partnerships, or community practices. Unlike innovation directed primarily towards commercial competitiveness, social innovation places greater emphasis on addressing social problems and producing socially valuable outcomes. Its transformative potential arises when innovative practices alter existing relationships, institutional arrangements, or patterns of participation and resource distribution (Avelino et al., 2019; Castro-Arce & Vancley, 2020). Social innovation is particularly important where existing institutional arrangements are unable to respond adequately to complex social problems. Innovative approaches can improve access to essential services, reduce delivery costs, mobilise previously underutilised resources, create employment opportunities, and strengthen cooperation among communities, entrepreneurs, government institutions, civil society organisations, and private-sector actors. Avelino et al. (2019) argue that transformative social innovation may challenge or alter established social relations and institutional arrangements, thereby creating possibilities for broader social change. The transformative character of social innovation is also evident in rural and community development. Castro-Arce and Vancley (2020) demonstrate that social innovation can contribute to sustainable rural development when local initiatives are connected with broader governance structures and when decision-making and power are shared among relevant actors. Their findings suggest that social innovation becomes more transformative when communities can participate meaningfully in shaping development processes. In Nigeria, the relevance of social innovation is particularly evident in initiatives addressing poverty, exclusion, and limited access to productive resources. Ipinnaiye and Olaniyan (2023) found that locally developed social innovation initiatives addressed underlying causes of poverty, including poor nutrition and inadequate access to education, while culturally embedded practices such as rotational savings and apprenticeship schemes improved access to finance and encouraged entrepreneurship. Similarly, Arejiogbe et al. (2023) found significant relationships among social innovation, social value, social impact, and poverty alleviation in Nigeria. Their findings reinforce the argument that social innovation can become an important mechanism through which entrepreneurial activities generate broader social and economic benefits. In the present study, social innovation is therefore conceptualised as the capacity to develop and implement creative, locally appropriate, and socially valuable solutions to community problems. Its relevance to community transformation lies in its potential not only to improve immediate community conditions but also to strengthen the ability of communities to respond collectively to persistent and emerging challenges.

Community Empowerment

Community empowerment refers to the process through which individuals and groups acquire the knowledge, skills, resources, participation opportunities, and decision-making capacity necessary to influence conditions affecting their lives. Empowerment therefore involves more than receiving assistance; it emphasises agency, participation, ownership, capacity development, and the ability of communities to influence their own development trajectories. Speer et al. (2001) associate empowerment with active participation and the ability of individuals and groups to influence and shape their social environments. Within social entrepreneurship, empowerment may occur through skills development, employment opportunities, entrepreneurship training, access to finance,

participation in decision-making, community ownership of enterprises, and the development of local organisations. Social enterprises can therefore serve as platforms through which individuals develop productive capabilities while communities strengthen their organisational and institutional capacities. Warnecke and Balzac-Arroyo (2023) similarly emphasise the importance of community capabilities and entrepreneurial ecosystems in determining the effectiveness of social entrepreneurship for community development. Empirical studies also support the relationship between social entrepreneurship and community empowerment. Wulan (2024), for example, found a positive relationship between social entrepreneurship and community empowerment in Indonesia's coastal communities. The study further highlighted the importance of stakeholder participation and organisational structures in strengthening the positive effects of social initiatives on community empowerment. Similarly, Aguzman et al. (2024) reported that social entrepreneurship orientation significantly influenced community empowerment in tourism villages. Their findings showed that social entrepreneurship orientation contributed to community empowerment and, through empowerment, supported the sustainability of rural tourism. The study consequently reinforces the argument that meaningful community participation is an important pathway through which entrepreneurial initiatives can produce sustainable community outcomes. Evidence from Nigeria also demonstrates the importance of community empowerment. Adebayo and Butcher (2022), examining community empowerment in Nigeria's tourism industry, found that empowerment is closely connected with local participation, agency, and the extent to which communities can influence decisions affecting development. Their findings further suggest that meaningful empowerment requires a shift away from exclusively top-down approaches towards arrangements that give communities greater control and decision-making influence. These findings suggest that community transformation is more likely to be sustained when community members are not merely beneficiaries but active participants in development processes. Accordingly, this study conceptualises community empowerment in terms of increased participation, capability development, access to resources, decision-making influence, collective action, agency, and local ownership.

Poverty-Reduction Initiatives

Poverty-reduction initiatives refer to organised activities intended to improve the economic and social circumstances of disadvantaged individuals and communities. Within social entrepreneurship, such initiatives may include employment creation, entrepreneurship development, financial inclusion, vocational training, skills acquisition, access to productive resources, affordable services, and support for income-generating activities. A distinction should be made between poverty-reduction initiatives as an intervention mechanism and poverty reduction as an outcome. An initiative represents an activity or intervention designed to improve socioeconomic conditions, whereas poverty reduction represents the resulting improvement in those conditions. In this study, poverty-reduction initiatives constitute an explanatory variable used to predict community transformation. This distinction is important because sustainable poverty reduction requires more than temporary material assistance. Effective interventions should strengthen productive capabilities and enable individuals and communities to create and maintain economic opportunities over time. Evidence from Nigeria strongly supports this perspective. Ipinnaiye and Olaniyan (2023) found that local social innovation initiatives could contribute to sustainable poverty reduction by addressing underlying causes of deprivation and improving access to finance, education, nutrition, and entrepreneurship. Their findings suggest that locally grounded initiatives can provide alternatives to conventional approaches that focus primarily on short-term assistance. Arejiogbe et al. (2023) similarly found significant relationships among

social innovation, social value, social impact, and poverty alleviation in Nigeria. Their study indicates that social entrepreneurship can contribute to poverty alleviation through employment creation, access to goods and services, and economic opportunities. More recent Nigerian evidence further reinforces this relationship. Olota (2026) examined social entrepreneurship and poverty reduction in selected Nigerian states and reported that social innovation, social mission, social capital, and social change were relevant to poverty-reduction outcomes. The study also associated social entrepreneurship interventions with improvements in living standards, household income, education, and healthcare access. Poverty-reduction initiatives are therefore particularly relevant to community transformation because poverty affects not only household income but also access to education, healthcare, finance, employment, infrastructure, and other resources required for sustainable development. In the present study, poverty-reduction initiatives are conceptualised as deliberate social-enterprise interventions aimed at strengthening livelihoods, employment, entrepreneurship, financial inclusion, productive capacity, and access to socioeconomic opportunities.

Community Transformation

Community transformation represents the principal outcome examined in this study. It refers to sustained improvements in the economic, social, institutional, and developmental conditions of communities. Such improvements may include enhanced livelihoods, greater social inclusion, improved access to essential services, increased community capacity, stronger participation, improved economic opportunities, and greater resilience in responding to social and economic challenges. Community transformation should be distinguished from isolated programme outputs. For example, the number of individuals trained by a social enterprise represents an immediate programme output, whereas improvements in employment opportunities, economic participation, community capacity, social inclusion, livelihoods, and living conditions represent broader transformational outcomes. Transformation therefore implies changes that extend beyond the immediate delivery of services to improvements in the conditions and capabilities that enable communities to address challenges over time. The literature on transformative social innovation supports this broader understanding. Avelino et al. (2019) argue that transformative social innovation can involve changes in social relations and institutional arrangements, while Castro-Arce and Vanclay (2020) demonstrate that social innovation can support sustainable rural development when local initiatives are connected to participatory governance and broader institutional structures. Similarly, Shabbir and Batool (2025) demonstrate that social entrepreneurship can contribute to community development through social capital and sustainable enterprise development. Their findings reinforce the view that social entrepreneurship should be evaluated not only in terms of enterprise-level outcomes but also in relation to broader community development. For the present study, community transformation is therefore treated as a multidimensional outcome reflecting improvements in community livelihoods, social inclusion, access to services and opportunities, participation, capacity, resilience, and related developmental conditions.

Social Innovation and Community Transformation

Social innovation can contribute to community transformation by introducing new approaches through which communities identify, understand, and address social problems. Its transformative potential arises because persistent community problems often require responses that differ from conventional institutional approaches. Innovation can improve the accessibility and affordability of essential services, create employment opportunities, strengthen financial inclusion, facilitate knowledge transfer, and develop new forms of community collaboration. The theoretical literature

suggests that social innovation becomes particularly transformative when it changes established relationships and institutional arrangements rather than merely introducing isolated products or services. Avelino et al. (2019) conceptualise transformative social innovation as a process through which social innovations can challenge, alter, or replace dominant institutional arrangements. This perspective is important because community transformation involves changes in the broader conditions under which people live, work, participate, and access resources. Similarly, Castro-Arce and Vanclay (2020) demonstrate that transformative social innovation can support sustainable rural development when local initiatives connect bottom-up community action with broader governance structures. Their findings emphasise the importance of knowledge sharing, resource mobilisation, bridging organisations, participatory decision-making, and power sharing. In Nigeria, Ipinaiye and Olaniyan (2023) found that local social innovation initiatives addressed several underlying dimensions of poverty and created pathways for improving access to finance, education, nutrition, and entrepreneurship. Their findings indicate that social innovation can extend beyond individual beneficiaries and influence wider socioeconomic conditions. Arejiogbe et al. (2023) similarly provide empirical evidence that social innovation, social value, and social impact are associated with poverty alleviation in Nigeria. These findings suggest that innovative approaches can contribute to broader community outcomes when they are designed around locally relevant needs and supported by appropriate institutional and community structures. Consequently, social innovation represents an important mechanism through which social entrepreneurship may generate community-level outcomes. When innovations are appropriately adapted to local needs and supported by meaningful community participation, they can improve the capacity of communities to solve problems, mobilise resources, and create new economic and social opportunities. Based on this conceptual and empirical reasoning, the first hypothesis is stated as follows: Ho1: Social innovation has no significant effect on community transformation in Nigeria.

Community Empowerment and Community Transformation

Community empowerment represents another important mechanism through which social entrepreneurship may contribute to community transformation. Empowered communities possess greater capacity to participate in decision-making, mobilise resources, develop skills, influence development processes, and sustain initiatives after external support has declined. The underlying argument is that development interventions are more likely to produce sustainable outcomes when communities have meaningful ownership and participation. Speer et al. (2001) emphasise that empowerment is connected with active participation and the ability of individuals and groups to influence their social environments. Similarly, Hardina (2006) highlights citizen participation and empowerment as important objectives in community development and community-based organisations. Social enterprises can promote such ownership by involving community members in identifying problems, designing solutions, implementing programmes, monitoring activities, and evaluating outcomes. Wulan (2024) found that social entrepreneurship and social initiatives were positively associated with community empowerment in Indonesian coastal communities, while stakeholder participation and organisational structures strengthened these relationships. Aguzman et al. (2024) similarly reported that social entrepreneurship orientation had a significant influence on community empowerment in tourism villages. Their findings suggest that community empowerment can serve as an important mechanism through which social entrepreneurial activities generate broader sustainable outcomes. Evidence from Nigeria further strengthens this argument. Adebayo and Butcher (2022) found that community empowerment within Nigerian tourism development was associated with community participation, agency, and the ability of local actors to influence decisions affecting their communities. These findings suggest that social

entrepreneurship becomes more transformative when community members develop the capacity to participate actively in development processes. Empowerment can strengthen local leadership, collective action, social connections, resource mobilisation, and community ownership. Consequently, social enterprises that focus only on delivering services without strengthening local capabilities may generate less sustainable outcomes than those that deliberately build community agency. Community empowerment may therefore constitute an important pathway through which social entrepreneurship contributes to broader community transformation. The second hypothesis is therefore stated as follows: Ho2: Community empowerment has no significant effect on community transformation in Nigeria.

Poverty-Reduction Initiatives and Community Transformation

Poverty reduction constitutes an important dimension of community transformation because persistent poverty restricts access to resources and opportunities required for sustainable development. Communities experiencing high levels of poverty may face interconnected constraints involving employment, education, healthcare, finance, infrastructure, and entrepreneurship. Social enterprises can potentially address these constraints through poverty-reduction initiatives that create employment, facilitate access to finance, develop entrepreneurial capabilities, and provide affordable products and services. Such interventions may contribute to community transformation by improving household livelihoods and strengthening local economic activity. The Nigerian evidence is particularly relevant. Ipinnaiye and Olaniyan (2023) demonstrated that local social innovation initiatives could address structural dimensions of poverty by improving access to finance, education, nutrition, and entrepreneurship. Their findings also indicate that locally developed initiatives can contribute to sustainable poverty reduction when they address underlying causes of deprivation rather than focusing exclusively on temporary relief. Arejiogbe et al. (2023) similarly found significant relationships among social innovation, social value, social impact, and poverty alleviation in Nigeria. Their study reinforces the argument that social-enterprise activities can contribute to poverty-related outcomes when entrepreneurial processes are combined with deliberate social-value creation. The relationship is also supported by more recent Nigerian evidence. Olota (2026) found that social innovation, social mission, social capital, and social change were associated with poverty-reduction outcomes in selected Nigerian states. The study further reported improvements in living standards, household income, education, and access to healthcare, suggesting that social entrepreneurship can influence poverty through multiple socioeconomic pathways. The mechanism can be understood through livelihood improvement. When social enterprises create employment, improve access to productive resources, facilitate entrepreneurship, or expand financial opportunities, individuals may increase their capacity to generate income. As these benefits extend across households and local economic networks, broader improvements in community conditions may emerge. Poverty-reduction initiatives may therefore contribute to community transformation not simply by reducing material deprivation but also by strengthening the economic foundations upon which other dimensions of community development depend. This argument is consistent with Arejiogbe et al. (2023), whose Nigerian study highlights the capacity of social entrepreneurship to address poverty through job creation, improved access to goods and services, and economic opportunities. Poverty-reduction initiatives may consequently constitute an important mechanism through which social entrepreneurship contributes to community transformation. When such initiatives combine employment creation, entrepreneurship development, financial inclusion, skills acquisition, market access, and livelihood development, their effects may extend beyond individual beneficiaries to households and communities. The third hypothesis is accordingly formulated as

follows: Ho3: Poverty-reduction initiatives have no significant effect on community transformation in Nigeria.

Theoretical Review

Social Innovation Perspective

The Social Innovation Perspective provides an appropriate theoretical foundation for understanding how innovative solutions can address community problems. The perspective emphasises the development of new ideas, practices, relationships, organisational arrangements, and institutional approaches capable of responding to social needs. The perspective is particularly relevant to the first hypothesis because social innovation constitutes one of the principal explanatory variables in the study. Social problems such as poverty, exclusion, inadequate access to finance, and limited access to essential services may require approaches that differ from conventional solutions. Evidence from Nigeria supports this theoretical reasoning. Ipinnaiye and Olaniyan (2023) identified locally developed practices that improved access to finance and entrepreneurship and demonstrated the potential of social innovation to contribute to sustainable poverty reduction. The Social Innovation Perspective therefore provides a theoretical explanation for why communities exposed to stronger and more appropriate social innovation activities may experience greater transformation.

Resource-Based View

The Resource-Based View (RBV) provides another theoretical foundation for the study. The RBV suggests that organisational outcomes depend partly on the resources and capabilities available to an organisation and on its ability to deploy those resources effectively. In the context of social entrepreneurship, relevant resources include financial capital, human capital, knowledge, technology, social networks, entrepreneurial capabilities, organisational competencies, and community relationships. The RBV is particularly relevant to community empowerment because empowerment involves developing capabilities and improving access to resources that enable individuals and communities to act more effectively. Social enterprises can contribute to this process through training, employment, access to finance, knowledge transfer, and participatory activities. The perspective therefore helps explain why social enterprises that successfully mobilise and deploy resources within communities may contribute more effectively to community transformation. It also reinforces the argument that social outcomes depend not merely on the existence of a social mission but on the ability to convert resources and capabilities into meaningful community outcomes.

Participatory Development Perspective

The Participatory Development Perspective provides a complementary theoretical foundation for understanding community empowerment. The perspective emphasises the involvement of local people in identifying problems, determining priorities, implementing interventions, and evaluating development outcomes. Its central assumption is that development is more sustainable when communities possess ownership of development processes. Participation can strengthen agency, accountability, local knowledge, collective action, and institutional capacity. This perspective is particularly relevant to the second hypothesis because community empowerment is fundamentally concerned with increasing people's ability to participate in decisions affecting their lives. Evidence from social entrepreneurship research, including Wulan (2024), supports the importance of stakeholder participation in strengthening community empowerment. The Participatory Development Perspective therefore provides a theoretical explanation for why higher levels of community empowerment may be associated with stronger community transformation.

Empirical Review

Empirical research has increasingly examined the ways in which social entrepreneurship and its associated mechanisms contribute to social and community-level outcomes. However, the evidence remains diverse in terms of research context, methodology, variables examined, and measures of social impact. A major strand of the literature focuses on social innovation, particularly its capacity to address social needs, improve livelihoods, and generate sustainable solutions to persistent community problems. Another strand examines community empowerment as a pathway through which social-enterprise activities can strengthen participation, agency, capacity, and local ownership. A further body of research focuses on poverty reduction, particularly through employment creation, entrepreneurship development, access to productive resources, and financial inclusion. Although these strands provide important insights, relatively limited empirical attention has been given to examining social innovation, community empowerment, and poverty-reduction initiatives simultaneously as predictors of community transformation.

Empirical evidence increasingly demonstrates that social innovation can generate benefits that extend beyond individual beneficiaries to wider community conditions. Ipinnaiye and Olaniyan (2023) examined local social innovation initiatives in Nigeria using semi-structured interviews with 17 key respondents. Their findings showed that locally developed social innovation initiatives addressed several underlying dimensions of poverty, including poor nutrition, inadequate access to education, unemployment, youth empowerment, social exclusion, and limited access to finance. The study also identified culturally embedded practices, including rotational savings and apprenticeship schemes, as forms of social innovation that supported access to finance and encouraged entrepreneurship. Importantly, the authors found that these initiatives generated economic, social, and environmental benefits, although weak institutional conditions constrained their ability to expand. The findings of Ipinnaiye and Olaniyan (2023) are particularly relevant to the present study because they demonstrate that social innovation can extend beyond the provision of individual products or services to influence broader socioeconomic conditions. However, the study was exploratory and qualitative, with its primary focus on sustainable poverty reduction rather than community transformation as a multidimensional outcome. This methodological and conceptual distinction is important because evidence that social innovation contributes to poverty reduction does not necessarily establish whether it produces broader improvements in community livelihoods, social inclusion, participation, access to opportunities, and community capacity. Arejiogbe et al. (2023) provide further Nigerian evidence on the relationship between social innovation and social outcomes. Their study examined social entrepreneurship and poverty alleviation using data collected from social entrepreneurs and analysed through partial least squares structural equation modelling. The findings showed that social innovation was the strongest predictor of poverty alleviation among the principal explanatory variables, with a path coefficient of $\beta = 0.376$ and a statistically significant relationship. Social value and social impact also demonstrated significant positive relationships with poverty alleviation. These findings strengthen the argument that innovative approaches within social entrepreneurship can contribute to socioeconomic improvement. Nevertheless, the study concentrated primarily on poverty alleviation and did not examine community transformation as an integrated outcome encompassing economic, social, participatory, and developmental changes. Evidence from the broader international literature also indicates that social innovation can produce transformative effects

when it changes existing social relationships, institutional arrangements, and patterns of resource mobilisation. Avelino et al. (2019) found that transformative social innovation can challenge established structures and relationships and create opportunities for broader social change. Similarly, Castro-Arce and Vanclay (2020) showed that social innovation can support sustainable rural development when community-based initiatives are connected with wider governance structures, knowledge-sharing arrangements, and participatory decision-making. These findings suggest that the influence of social innovation may extend beyond immediate programme outputs to changes in the wider conditions within which communities operate. Hietschold et al. (2023), in a systematic review of 347 articles on social entrepreneurship, further distinguished social value from social change and identified different pathways through which social entrepreneurship can generate positive societal effects. Their review identified the provision of new products and services, provision of capital and resources, and development of human and social capital as pathways to social value. It also identified mechanisms such as reducing social and environmental costs, matching demand with supply, and stimulating other market actors as pathways to social change. This evidence provides a broader basis for understanding why social innovation may contribute to community transformation. However, because the study was a systematic review rather than a primary empirical investigation, it did not establish the statistical effect of social innovation on community transformation within a specific national context. More recent evidence also supports the relationship between social entrepreneurship and community development. Shabbir and Batool (2025), using 254 survey responses and 16 interviews in Oman, found significant positive relationships between different dimensions of social capital, social entrepreneurship, sustainable enterprise development, and community development. Social entrepreneurship itself demonstrated a significant positive association with community development ($\beta = 0.39$, $p < .001$), while sustainable enterprise development had an even stronger direct effect on community development ($\beta = 0.49$, $p < .001$). Although the study was conducted outside Nigeria and focused on social capital and sustainable enterprise development, its findings demonstrate that social-enterprise activities can produce outcomes that extend to the broader community rather than remaining confined to enterprise-level performance.

Taken together, the empirical evidence indicates that social innovation has considerable potential to contribute to community-level development. However, existing Nigerian studies have largely examined poverty alleviation, social value, or specific forms of social development rather than community transformation as a multidimensional outcome. There is therefore a need for quantitative evidence that directly examines whether social innovation significantly predicts community transformation in Nigeria. The present study addresses this limitation by examining social innovation as an independent predictor of community transformation.

Empirical evidence also supports the importance of community empowerment within social entrepreneurship and community development. Wulan (2024) investigated the relationship between social entrepreneurship, social initiatives, and community empowerment in Indonesia's coastal regions. The study adopted a quantitative research design involving 150 respondents and employed structural equation modelling using partial least squares. The findings indicated a positive relationship between social entrepreneurship and community empowerment. The study further found that stakeholder participation and organisational structure strengthened the beneficial effects of social initiatives on community empowerment. The findings of Wulan (2024) suggest that social entrepreneurship can strengthen community empowerment when community members

and relevant stakeholders are actively involved in social initiatives. This is particularly important because empowerment involves more than the receipt of benefits; it requires increased participation, capability, ownership, and influence over decisions affecting community development. However, the study was conducted in Indonesian coastal communities, meaning that its findings may not be directly generalisable to the Nigerian context. In addition, community empowerment was the principal outcome rather than a predictor of broader community transformation. Aguzman et al. (2024) examined the influence of social entrepreneurship orientation on the sustainability of tourism villages through community empowerment. Using data from rural tourism activists and SmartPLS 4 for analysis, the study found that social entrepreneurship orientation had a significant effect on community empowerment. The study also found that social entrepreneurship orientation contributed to tourism-village sustainability indirectly through community empowerment, even though its direct effect on sustainability was not significant. The findings of Aguzman et al. (2024) are significant for the present study because they provide evidence that empowerment can function as an important pathway through which social entrepreneurship produces wider community outcomes. Nevertheless, their study was restricted to tourism villages and focused on sustainability rather than community transformation. The sector-specific nature of the study leaves unanswered whether community empowerment predicts broader community transformation across different social-enterprise activities. Evidence from Nigeria further demonstrates the relevance of empowerment to community development. Adebayo and Butcher (2023) examined community empowerment in Nigeria's tourism industry through stakeholder perceptions, with particular attention to participation and local influence in South-West Nigeria. Their findings indicated that community members' perceptions of empowerment were closely related to their sense of political agency and their ability to influence decisions affecting tourism development. The study also showed that empowerment was experienced differently among stakeholders, suggesting that participation and decision-making power are important dimensions of meaningful community empowerment. This Nigerian evidence is particularly relevant because it demonstrates that empowerment is not simply a matter of involving community members in development programmes. Rather, meaningful empowerment requires opportunities for participation, influence, agency, and local decision-making. However, Adebayo and Butcher's study was qualitative and focused specifically on tourism development. It therefore provides contextual evidence concerning empowerment but does not establish statistically whether community empowerment predicts a broader measure of community transformation. The evidence collectively suggests that community empowerment can strengthen the sustainability and effectiveness of social-enterprise interventions by increasing local ownership, participation, skills, agency, and decision-making capacity. Nevertheless, much of the existing research has examined empowerment either as an outcome of social entrepreneurship or as a mediating mechanism within specific sectors. Comparatively limited evidence exists on whether community empowerment independently predicts community transformation across diverse social-enterprise contexts in Nigeria. The present study addresses this gap by treating community empowerment as an independent explanatory variable and community transformation as the principal outcome.

Poverty reduction has been one of the most frequently examined social outcomes associated with social entrepreneurship, particularly in developing economies. Social-enterprise interventions can potentially reduce poverty by creating employment, improving access to finance, supporting entrepreneurship, developing productive skills, providing affordable goods and services, and

strengthening local livelihood opportunities. Ipinnaiye and Olaniyan (2023) provide particularly relevant Nigerian evidence. Their study of local social innovation initiatives found that the initiatives addressed underlying causes of poverty rather than merely providing short-term relief. The initiatives addressed areas including unemployment, illiteracy, youth empowerment, social inclusion, nutrition, education, finance, and entrepreneurship. The study also found that traditional rotational savings and apprenticeship arrangements contributed to poverty reduction by improving access to finance and encouraging entrepreneurial activity. The importance of these findings to the present study lies in the distinction between immediate poverty relief and interventions that strengthen long-term productive capacity. Poverty-reduction initiatives that improve skills, financial access, employment opportunities, and entrepreneurship may influence broader community conditions because their effects can extend from individual beneficiaries to households and local economic networks. However, Ipinnaiye and Olaniyan (2023) primarily examined sustainable poverty reduction and did not directly assess community transformation. Arejiogbe et al. (2023) also provide important empirical evidence from Nigeria. Their study used 262 valid responses from social entrepreneurs and applied PLS-SEM to investigate relationships among social innovation, social value, social impact, and poverty alleviation. The results showed that social innovation had the strongest positive relationship with poverty alleviation ($\beta = 0.376$, $p < .05$), followed by social value ($\beta = 0.314$, $p < .05$) and social impact ($\beta = 0.231$, $p < .05$). These results suggest that entrepreneurial activities that deliberately incorporate innovation and social-value creation can contribute meaningfully to poverty alleviation. Nigerian evidence provides further support for the role of community-based social entrepreneurship in poverty reduction. Abang (2025) examined community social entrepreneurship in Gwagwalada Area Council of the Federal Capital Territory, Abuja, using a cross-sectional survey design. The study obtained 89 usable questionnaires from community members who had benefited from social-enterprise interventions. The findings showed significant positive effects of community-based interventions, including a micro-grain processing machine, community solar power, and advocacy for the use of animal manure. The reported coefficients were $\beta = 0.369$ for the grain-processing intervention, $\beta = 0.323$ for community solar power, and $\beta = 0.219$ for the agricultural intervention. The study concluded that community social enterprises could serve as a complementary mechanism for poverty reduction. The findings of Abang (2025) are particularly relevant to the present study because they provide recent quantitative evidence from Nigeria showing that community-level social-enterprise interventions can generate measurable improvements in poverty-related conditions. However, the study focused specifically on poverty reduction rather than community transformation as a broader outcome. Furthermore, the research was concentrated in three communities within Gwagwalada Area Council, limiting the extent to which the findings can be generalised to other social-enterprise settings in Nigeria. The empirical evidence therefore suggests that poverty-reduction initiatives can contribute to socioeconomic improvement when they are designed around employment creation, entrepreneurship development, financial inclusion, productive resources, skills acquisition, and livelihood development. Nevertheless, an important empirical gap remains. Existing studies have generally treated poverty reduction or poverty alleviation as the principal dependent variable. Comparatively limited attention has been given to poverty-reduction initiatives as an explanatory variable alongside social innovation and community empowerment in predicting a broader construct of community transformation. The present study addresses this limitation by examining poverty-reduction initiatives as an independent predictor of community transformation. This approach recognises that the effects of poverty-reduction interventions may extend beyond reductions in material deprivation to

improvements in livelihoods, access to opportunities, social inclusion, participation, community capacity, and resilience.

The empirical evidence reviewed above demonstrates that the three explanatory variables have individually been associated with important social and developmental outcomes. Social innovation has been linked to poverty reduction, social value creation, social change, and sustainable development. Community empowerment has been associated with participation, agency, local ownership, and sustainable community initiatives. Poverty-reduction interventions have been linked to employment, entrepreneurship, financial access, improved livelihoods, and better socioeconomic conditions. However, the literature also reveals important differences between the existing studies and the present research. First, many studies have focused on single outcomes, particularly poverty alleviation, social value, sustainability, or empowerment. Second, a considerable proportion of the evidence is drawn from specific sectors or locations, such as tourism villages, coastal communities, rural development initiatives, or individual communities. Third, several studies have adopted qualitative or exploratory approaches, which provide valuable contextual understanding but do not establish the predictive relationships that can be tested statistically. Fourth, relatively few studies have considered social innovation, community empowerment, and poverty-reduction initiatives simultaneously within one empirical model. The distinction between social value and social change identified by Hietschold et al. (2023) is particularly relevant to this gap. Their systematic review demonstrates that social entrepreneurship can generate effects at different levels, ranging from individual beneficiaries to broader societal change, and through different pathways, including new services, resource provision, human-capital development, and changes in social and institutional arrangements. This suggests that community transformation should not be reduced to a single outcome such as poverty reduction or enterprise survival. Instead, it can be examined as a broader developmental outcome reflecting changes in community livelihoods, participation, social inclusion, access to opportunities, capabilities, and resilience.

Similarly, Shabbir and Batool (2025) show that social entrepreneurship can be associated with community development through mechanisms involving social capital and sustainable enterprise development. Their findings demonstrate that enterprise-level activities can translate into community-level outcomes, but they also highlight the importance of the mechanisms through which such effects occur. The present study extends this line of inquiry by examining three specific mechanisms such as social innovation, community empowerment, and poverty-reduction initiatives within a single predictive framework. The Nigerian context further strengthens the need for such an investigation. Existing Nigerian evidence confirms the contribution of social innovation to sustainable poverty reduction (Ipinnaiye & Olaniyan, 2023), demonstrates significant relationships between social innovation and poverty alleviation (Arejiogbe et al., 2023), establishes the importance of community participation and agency for empowerment (Adebayo & Butcher, 2023), and provides recent quantitative evidence that community social-enterprise interventions can improve poverty-related outcomes (Abang, 2025). Nevertheless, these studies do not adequately establish whether the three mechanisms jointly and independently explain variations in community transformation. The present study therefore addresses an identifiable empirical and methodological gap by integrating the three explanatory variables into one parsimonious model:

Social Innovation → Community Transformation

Community Empowerment → Community Transformation
 Poverty-Reduction Initiatives → Community Transformation

This integrated approach makes it possible to determine whether each explanatory variable has a statistically significant effect on community transformation while also assessing its relative contribution when the three predictors are considered simultaneously. It therefore moves the analysis beyond fragmented examination of individual social outcomes and provides a more comprehensive assessment of how social-enterprise activities may contribute to community-level development in Nigeria.

Methodology

The study adopted a quantitative survey research design to examine the relationships between social innovation, community empowerment, poverty-reduction initiatives, and community transformation in Nigeria. The survey design was considered appropriate because the study sought to collect standardized data from respondents and statistically determine whether the three explanatory variables significantly predict community transformation. The study employed a cross-sectional approach, whereby data were collected from respondents at a single point in time. This approach enabled the researchers to obtain respondents' perceptions of social-enterprise activities and their perceived implications for community transformation within the period covered by the study.

The population of the study comprised approximately 3,200 social entrepreneurs, employees of social enterprises, and relevant community stakeholders across selected major cities in Nigeria. These categories were considered appropriate because they possess direct or relevant knowledge of social-enterprise activities, community participation, social innovation, poverty-reduction interventions, and community-level outcomes. The minimum sample size was therefore approximately 356 respondents using Yamane's (1967) formula. To provide an allowance for possible non-response, the calculated sample was increased. However, because the study actually administered 426 questionnaires, the study reports 426 as the actual number administered rather than presenting the adjustment as having mathematically produced that exact figure. Of the 426 questionnaires administered, 392 were properly completed and retrieved, giving a response rate of 92.0%. The 392 valid responses constituted the final dataset used for statistical analysis.

Respondents were drawn from three relevant groups: social entrepreneurs, employees of social enterprises, and community stakeholders. This approach provided perspectives from individuals directly involved in social-enterprise activities as well as those who experience or observe their community-level effects.

The study was operationalized around four constructs directly corresponding to the revised conceptual framework and the three hypotheses: Social Innovation, Community Empowerment, Poverty-Reduction Initiatives, and Community Transformation. Social Innovation was measured through questionnaire items assessing the extent to which social enterprises develop, introduce, and implement new or improved solutions to social and community problems. The items covered innovative approaches to products, services, processes, technologies, and methods of addressing community needs. Community Empowerment was measured using items assessing the extent to which social-enterprise activities strengthen community members' participation, skills, decision-making capacity, access to resources, agency, and ownership of development initiatives. Poverty-

Reduction Initiatives were measured using items assessing the extent to which social-enterprise activities contribute to employment creation, livelihood improvement, entrepreneurial opportunities, access to productive resources, financial inclusion, and other interventions designed to reduce socioeconomic deprivation. Community Transformation, the dependent variable, was measured through items assessing perceived improvements in community socioeconomic conditions, social inclusion, livelihoods, participation, access to opportunities, quality of life, and the overall capacity of communities to address developmental challenges.

All questionnaire items were measured on a five-point Likert-type scale, ranging from 1 = Strongly Disagree to 5 = Strongly Agree. Higher scores represented stronger perceptions of the presence or effectiveness of the construct being measured. The constructs social entrepreneurship, sustainable community development, community-level poverty reduction, and institutional/resource constraints were not included as independent variables in the final empirical model. Where relevant, these concepts may be discussed in the theoretical and contextual literature, but no statistical conclusions are drawn about relationships involving them. The completed questionnaires were coded and analyzed using appropriate quantitative statistical procedures. Data analysis was conducted using both descriptive and inferential statistical techniques with the aid of SPSS (Version 29). Descriptive statistics, including frequencies, percentages, means, and standard deviations, were used to summarize respondents' demographic characteristics and provide an overview of data distribution. Inferential analysis was carried out using multiple regression analysis to examine the effect of are social innovation, community empowerment, and poverty-reduction initiatives on community transformation. Hypotheses were tested at a 5% level of significance, where p-values less than 0.05 led to the rejection of the null hypotheses. Additionally, correlation analysis was conducted to determine the strength and direction of associations among variables (Field, 2018). A multiple linear regression analysis was subsequently conducted because the three explanatory variables were examined simultaneously in relation to community transformation. The regression model enabled the study to determine both the collective explanatory power of the predictors and the unique contribution of each predictor while controlling for the other variables in the model.

The regression model was specified as:

$$CT = \beta_0 + \beta_1 SI + \beta_2 CE + \beta_3 PRI + \varepsilon$$

Where:

- CT = Community Transformation;
- SI = Social Innovation;
- CE = Community Empowerment;
- PRI = Poverty-Reduction Initiatives;
- β_0 = regression constant;
- $\beta_1, \beta_2, \beta_3$ = regression coefficients;
- ε = error term.

Content validity was ensured through expert review by three academics in entrepreneurship and two practitioners in the social enterprise sector. Their feedback led to minor modifications to improve clarity and relevance. The Content Validity Index (CVI) was computed at 0.86, exceeding the recommended threshold of 0.70, indicating strong agreement on item relevance.

Exploratory Factor Analysis using Principal Component Analysis with Varimax rotation was conducted to assess construct validity.

- Kaiser-Meyer-Olkin (KMO) Measure = 0.88, indicating excellent sampling adequacy.
- Bartlett's Test of Sphericity χ^2 (df = 190) = 1987.45, $p < 0.001$, indicating suitability for factor analysis.

Four factors emerged as expected:

Construct	Factor Loadings Range	AVE
Social Innovation	0.71–0.87	0.63
Community Empowerment	0.69–0.85	0.61
Poverty Reduction Initiatives	0.70–0.86	0.62
Community Transformation	0.72–0.88	0.65

The factor loadings exceed acceptable thresholds, indicating strong representation of constructs. AVE values above 0.50 confirm convergent validity.

Convergent Validity

Construct	AVE	CR
Social Innovation	0.63	0.88
Community Empowerment	0.61	0.86
Poverty Reduction Initiatives	0.62	0.87
Community Transformation	0.65	0.89

All AVE values exceed 0.50 and CR values exceed 0.70, confirming strong convergent validity and internal consistency (Hair et al., 2010).

Discriminant Validity

Using the Fornell–Larcker criterion, the square root of AVE for each construct exceeded inter-construct correlations. All correlation coefficients were below 0.80, confirming absence of multicollinearity.

Reliability

Construct	Cronbach's Alpha	Interpretation
Social Innovation	0.82	Good
Community Empowerment	0.80	Good
Poverty Reduction Initiatives	0.83	Excellent

Construct	Cronbach's Alpha	Interpretation
Community Transformation	0.86	Excellent

The results indicate high internal consistency, confirming reliability of the measurement scales.

RESULTS

Response Rate

A total of 426 structured questionnaires were administered to social entrepreneurs, employees of social enterprises, and community stakeholders across selected major cities in Nigeria. Of these, 392 questionnaires were properly completed and retrieved for analysis, representing a response rate of 92.0%. The high response rate provided an adequate basis for the statistical analysis and enhanced the reliability of the findings.

Demographic Characteristics of Respondents

Table 1 presents the demographic characteristics of the respondents.

Variable	Category	Frequency	Percentage (%)
Gender	Male	214	54.6
	Female	178	45.4
Age	21–30 years	96	24.5
	31–40 years	158	40.3
	41–50 years	92	23.5
	51 years and above	46	11.7
Respondent Category	Social Entrepreneurs	128	32.7
	Employees of Social Enterprises	142	36.2
	Community Stakeholders	122	31.1
Experience	1–5 years	72	18.4
	6–10 years	134	34.2
	11–15 years	108	27.6
	16 years and above	78	19.8
Total		392	100.0

The demographic distribution shows that 54.6% of the respondents were male, while 45.4% were female, indicating a relatively balanced gender representation. The largest proportion of respondents was between 31 and 40 years of age (40.3%), followed by those aged 21–30 years (24.5%), 41–50 years (23.5%), and 51 years and above (11.7%). With respect to respondent category, employees of social enterprises constituted the largest group (36.2%), followed by social entrepreneurs (32.7%) and community stakeholders (31.1%). This distribution provides perspectives from the principal actors involved in social-enterprise activities and their community-level outcomes. Regarding experience, respondents with 6–10 years of experience constituted the largest group (34.2%), followed by those with 11–15 years (27.6%), 16 years and above (19.8%), and 1–5 years (18.4%). Overall, the demographic profile indicates that the respondents possessed substantial exposure to social-enterprise activities and community development issues.

Descriptive Statistics of the Study Variables

The descriptive statistics for the four variables included in the empirical model are presented in Table 2.

Variable	N	Mean	Standard Deviation
Social Innovation	392	4.28	0.64
Community Empowerment	392	4.34	0.60
Poverty-Reduction Initiatives	392	4.21	0.67
Community Transformation	392	4.39	0.56

The results indicate generally high mean scores across all the study variables. Community Transformation recorded the highest mean score ($M = 4.39$, $SD = 0.56$), indicating that respondents generally perceived substantial evidence of transformation within the communities examined.

Community Empowerment also recorded a high mean score ($M = 4.34$, $SD = 0.60$), followed by Social Innovation ($M = 4.28$, $SD = 0.64$) and Poverty-Reduction Initiatives ($M = 4.21$, $SD = 0.67$). The relatively small standard deviations, ranging from 0.56 to 0.67, indicate that responses were relatively concentrated around their respective means. These results provide preliminary evidence of favourable perceptions of social innovation, community empowerment, poverty-reduction initiatives, and community transformation. However, the descriptive statistics alone do not establish whether the independent variables significantly predict community transformation. Consequently, correlation and multiple regression analyses were conducted to test the three hypotheses.

Correlation Analysis

Pearson product-moment correlation analysis was conducted to determine the direction and strength of the relationships between the three explanatory variables and Community Transformation.

Variable	Community Transformation (r)	Sig. (2-tailed)
Social Innovation	0.72	< .001
Community Empowerment	0.75	< .001
Poverty-Reduction Initiatives	0.69	< .001

The correlation results indicate strong and statistically significant positive relationships between each explanatory variable and Community Transformation. Social Innovation was strongly and positively correlated with Community Transformation ($r = .72$, $p < .001$). Community Empowerment demonstrated the strongest bivariate relationship with Community Transformation ($r = .75$, $p < .001$), while Poverty-Reduction Initiatives also exhibited a strong positive relationship ($r = .69$, $p < .001$). The findings indicate that higher levels of social innovation, community empowerment, and poverty-reduction initiatives are associated with higher levels of community transformation. However, because correlation does not establish the unique contribution of each predictor when the other predictors are considered simultaneously, multiple regression analysis was conducted to provide a direct test of the three hypotheses.

Multiple Regression Analysis

A multiple linear regression analysis was conducted to determine the extent to which Social Innovation, Community Empowerment, and Poverty-Reduction Initiatives jointly and independently predict Community Transformation.

Dependent variable: Community Transformation

Predictors: Social Innovation, Community Empowerment, and Poverty-Reduction Initiatives
Model Summary

Model	R	R ²	Adjusted R ²	Standard Error of the Estimate
1	.81	.66	.65	.34

The regression model produced a multiple correlation coefficient of $R = 0.81$, indicating a strong relationship between the three predictors collectively and Community Transformation. The coefficient of determination, $R^2 = 0.66$, indicates that Social Innovation, Community Empowerment, and Poverty-Reduction Initiatives jointly explain approximately 66% of the variance in Community Transformation. The adjusted R^2 of .65 indicates that the model retains substantial explanatory power after taking into account the number of predictors included.

The remaining 34% of the variance is attributable to other factors not included in the present model. This suggests that although the three predictors provide substantial explanatory power, Community Transformation remains a multidimensional phenomenon influenced by additional social, economic, institutional, and environmental factors.

Regression Coefficients and Hypothesis Testing

Predictor	B	Std. Error	Beta (β)	t	Sig.
Social Innovation	.36	.05	.38	7.20	< .001
Community Empowerment	.40	.06	.41	6.83	< .001
Poverty-Reduction Initiatives	.31	.07	.33	4.43	< .001

The regression coefficients show that all three predictors have positive and statistically significant effects on Community Transformation.

Social Innovation has a positive and statistically significant effect on Community Transformation ($B = .36$, $\beta = .38$, $t = 7.20$, $p < .001$). This indicates that higher levels of Social Innovation are associated with higher levels of Community Transformation, after controlling for Community Empowerment and Poverty-Reduction Initiatives. Community Empowerment also has a positive and statistically significant effect on Community Transformation ($B = .40$, $\beta = .41$, $t = 6.83$, $p < .001$). With a standardized beta coefficient of .41, Community Empowerment represents the strongest predictor of Community Transformation among the three variables included in the model. Poverty-Reduction Initiatives similarly exert a positive and statistically significant effect on Community Transformation ($B = .31$, $\beta = .33$, $t = 4.43$, $p < .001$). Although its standardized coefficient is lower than those of Community Empowerment and Social Innovation, its effect remains statistically significant.

The regression equation can therefore be expressed as:

Community Transformation = $0.36(\text{Social Innovation}) + 0.40(\text{Community Empowerment}) + 0.31(\text{Poverty-Reduction Initiatives}) + \varepsilon$

The results provide empirical support for all three relationships proposed in the revised conceptual framework.

Summary of Hypothesis Testing

Hypothesis Tested Relationship	β	t	P-value	Decision
H ₀₁ Social Innovation → Community Transformation	.38	7.20	< .001	Reject

Hypothesis Tested Relationship				β	t	P-value	Decision
H ₀₂	Community Empowerment	→	Community Transformation	.41	6.83	<.001	Reject
H ₀₃	Poverty-Reduction Initiatives	→	Community Transformation	.33	4.43	<.001	Reject

The results demonstrate that all three null hypotheses are rejected. Social Innovation, Community Empowerment, and Poverty-Reduction Initiatives each have statistically significant positive effects on Community Transformation in Nigeria.

Among the three predictors, community empowerment recorded the strongest standardized effect ($\beta = .41$), followed by social innovation ($\beta = .38$) and poverty-reduction initiatives ($\beta = .33$). This suggests that, within the context of the present study, strengthening community participation, agency, capabilities, and ownership may be particularly important for achieving community transformation.

Discussion of the Findings

The findings of the study demonstrate that the three dimensions through which social entrepreneurship was operationalised—Social Innovation, Community Empowerment, and Poverty-Reduction Initiatives—are collectively important predictors of Community Transformation in Nigeria. The regression model produced an R value of .81 and an R² value of .66, indicating a strong relationship between the explanatory variables and Community Transformation and substantial explanatory power. The result suggests that the three mechanisms jointly explain 66% of the observed variation in Community Transformation, while the remaining 34% may be associated with other social, economic, institutional, political, environmental, and community-level factors not included in the model. The relatively high explanatory power of the model provides empirical support for the argument that social-enterprise activities can extend beyond the creation of benefits for individual beneficiaries to produce wider community-level outcomes. Community transformation is unlikely to result from a single intervention. Rather, it may emerge from the interaction of innovative responses to social problems, strengthened community capabilities, and interventions that improve livelihoods and economic opportunities. The combined contribution of the three predictors therefore provides a more comprehensive explanation of community transformation than would be obtained by examining any single mechanism in isolation. This finding is consistent with the broader empirical literature on social entrepreneurship and community development. Arejiogbe et al. (2023), for example, found significant relationships between social innovation, social value, social impact, and poverty alleviation in Nigeria. Their findings demonstrate that entrepreneurial activities directed towards social objectives can generate outcomes that extend beyond enterprise-level performance. Similarly, Shabbir and Batool (2025) reported a significant relationship between social entrepreneurship and community development, highlighting the importance of social capital and sustainable enterprise development in producing community-level outcomes. The finding is also consistent with recent evidence from Nigeria showing that social entrepreneurship can contribute to sustainable community development when entrepreneurial activities are deliberately directed towards solving social problems. Research on social entrepreneurship and sustainable solutions to social problems in South-West Nigeria similarly indicates that social-enterprise activities can contribute to sustainable community development. These findings reinforce the position that social

entrepreneurship should not be evaluated solely in terms of financial sustainability or enterprise survival but also in terms of its contribution to the socioeconomic conditions of the communities in which social enterprises operate. The strength of the present model is particularly important because previous studies have often examined social entrepreneurship through individual outcomes such as poverty alleviation, social value, empowerment, sustainability, or enterprise performance. The present study extends this literature by bringing Social Innovation, Community Empowerment, and Poverty-Reduction Initiatives together as explanatory mechanisms and examining their collective contribution to Community Transformation. In this sense, the finding provides empirical support for an integrated understanding of how social-enterprise activities can contribute to changes in community livelihoods, participation, social inclusion, access to opportunities, capabilities, and resilience.

The R^2 value of 0.66 should nevertheless be interpreted within the scope of the present model. Although the three predictors explain a substantial proportion of the variance in Community Transformation, the unexplained 34% indicates that transformation is multidimensional and cannot be attributed entirely to social-enterprise mechanisms. Factors such as government policies, institutional quality, infrastructure, access to markets, macroeconomic conditions, community leadership, social capital, education, security, and local environmental conditions may also influence the extent to which communities experience sustained transformation. The finding therefore supports the importance of the three predictors without implying that they are the only determinants of community transformation. The result provides empirical evidence that the mechanisms examined in this study constitute important components of community transformation in Nigeria. It also supports the conceptual position adopted in this study that social entrepreneurship provides the broader context, while Social Innovation, Community Empowerment, and Poverty-Reduction Initiatives represent specific pathways through which social-enterprise activities may generate community-level change. Social Innovation recorded a high mean of 4.28, indicating that respondents generally perceived innovative approaches to addressing community problems as an important feature of social-enterprise activities. Social Innovation also demonstrated a strong positive association with Community Transformation ($r = .72$, $p < .001$), while its regression coefficient was positive and statistically significant ($\beta = .38$, $p < .001$). The result indicates that Social Innovation makes a significant independent contribution to Community Transformation in Nigeria. The finding suggests that communities may experience greater transformation when social enterprises develop and implement new or substantially improved ways of responding to social needs. Social innovation may take different forms, including new products and services, improved processes, alternative financing arrangements, technology-based solutions, new organisational practices, community partnerships, and locally developed approaches to persistent social problems. These innovations can improve access to resources and services while creating opportunities for participation and economic activity. The strong correlation between Social Innovation and Community Transformation further indicates that communities in which respondents perceived higher levels of innovation also tended to report higher levels of transformation. The β coefficient of .38 indicates that Social Innovation retains a meaningful positive contribution even when Community Empowerment and Poverty-Reduction Initiatives are considered simultaneously. This is important because it suggests that the relationship is not simply attributable to the fact that innovative social enterprises may also engage in empowerment or poverty-reduction activities. The finding is consistent with Ipinnaiye and Olaniyan (2023), whose Nigerian study found that locally developed social innovation initiatives

could address several underlying dimensions of poverty and generate economic, social, and environmental benefits. Their evidence showed that local innovations could improve access to finance, education, nutrition, and entrepreneurship while also strengthening locally embedded mechanisms for socioeconomic development. The present finding extends this evidence by demonstrating quantitatively that Social Innovation is not only associated with specific poverty-related outcomes but also significantly predicts the broader construct of Community Transformation. The result also corresponds with the findings of Arejiogbe et al. (2023), who reported a significant positive relationship between social innovation and poverty alleviation in Nigeria. Their study showed that social innovation represented an important predictor of poverty-related outcomes within social entrepreneurship. While their dependent variable was poverty alleviation, the present study adopts a broader outcome perspective by examining Community Transformation. This difference is important because improvements in poverty conditions may constitute one component of transformation but do not necessarily capture changes in social inclusion, participation, access to opportunities, community capacity, livelihoods, and resilience. The present finding is further supported by Avelino et al. (2019), who argued that transformative social innovation can influence established social relations and institutional arrangements. From this perspective, the transformative value of innovation lies not merely in introducing a new product or service but in its ability to alter how communities access resources, organise activities, participate in decision-making, and respond to social problems. This provides a plausible explanation for the significant positive effect observed in the present study. Castro-Arce and Vanclay (2020) similarly demonstrated that social innovation can support sustainable rural development when local initiatives are connected with participatory governance, knowledge sharing, resource mobilisation, and power sharing. Their findings imply that innovation is more likely to produce sustainable outcomes when communities participate meaningfully in the development and implementation of solutions. The present finding is consistent with this argument because Social Innovation is significantly associated with Community Transformation rather than being limited to enterprise-level innovation. The finding also has practical implications for social enterprises operating in Nigeria. Developing innovative responses to community problems may enable social enterprises to overcome limitations associated with conventional approaches to development. In contexts where government or market-based mechanisms do not adequately meet community needs, locally appropriate innovations may improve access to finance, education, healthcare, employment, technology, and other opportunities. However, the effectiveness of innovation is likely to depend on its relevance to local needs, affordability, community acceptance, institutional support, and capacity for sustainability.

It is important, however, to maintain a clear distinction between the variables in the present study. Although the findings demonstrate that Social Innovation significantly predicts Community Transformation, the $\beta = .38$ coefficient does not establish that Social Innovation predicts Community Empowerment. Such a conclusion would require a separate empirical model in which Community Empowerment is specified as the dependent variable. The present result therefore supports hypothesis one being rejected, but it should not be interpreted as evidence of a direct statistical relationship between Social Innovation and Community Empowerment. The finding demonstrates that Social Innovation is an important pathway through which social-enterprise activities can contribute to broader community transformation in Nigeria. Its relatively strong regression coefficient indicates that innovative and locally responsive approaches to social problems can make a substantial contribution to improving community conditions.

The findings further indicate that Community Empowerment is an important predictor of Community Transformation. Respondents generally reported favourable perceptions of empowerment, suggesting that social-enterprise activities provide opportunities for individuals and communities to acquire skills, participate in development processes, access resources, exercise decision-making influence, and develop greater ownership of community initiatives. The regression analysis demonstrates that Community Empowerment makes a statistically significant contribution to Community Transformation when considered alongside Social Innovation and Poverty-Reduction Initiatives. This supports the argument that sustainable community transformation requires more than the provision of services or material assistance. Communities are more likely to sustain developmental gains when their members possess the knowledge, skills, resources, agency, and decision-making capacity necessary to participate actively in development processes. Empowerment therefore represents a shift from treating community members as passive beneficiaries towards recognising them as active participants and co-creators of development solutions. This is consistent with Wulan (2024), who reported a positive relationship between social entrepreneurship and community empowerment in Indonesian coastal communities. The study also emphasised the importance of stakeholder participation and organisational structures in strengthening community empowerment. Although the geographical context differs from that of the present study, the underlying finding is similar: social-enterprise activities can strengthen community capabilities when individuals and groups are actively involved in development processes. The finding also corresponds with Aguzman et al. (2024), who found that social entrepreneurship orientation significantly influenced community empowerment in tourism villages. Their study further demonstrated the importance of empowerment in supporting broader sustainable outcomes. This provides support for the argument that empowerment can operate as an important mechanism through which social-enterprise activities contribute to wider community development.

Evidence from Nigeria provides additional contextual support. Adebayo and Butcher (2023) found that community empowerment within Nigeria's tourism industry was associated with local participation, agency, and the capacity of community stakeholders to influence development-related decisions. Their findings indicate that meaningful empowerment involves more than consultation; it requires communities to have opportunities to exercise influence and participate in decisions that affect their development. The present finding extends these previous studies in an important way. Much of the earlier literature has examined Community Empowerment either as an outcome of social entrepreneurship or as a mechanism within specific sectors such as tourism and rural development. The present study instead treats Community Empowerment as an independent predictor of Community Transformation. This approach allows the analysis to determine whether communities with stronger empowerment conditions are more likely to experience broader improvements in their socioeconomic and developmental circumstances. The finding can be explained by the fact that empowered communities are better positioned to mobilise local resources, participate in collective action, identify their own priorities, monitor development initiatives, and sustain interventions beyond the period of external support. Skills development, entrepreneurship training, access to finance, participation in decision-making, employment opportunities, and community ownership can therefore create capabilities that extend beyond the immediate activities of a social enterprise. Community empowerment may also strengthen the sustainability of other interventions examined in the study. For example, a social innovation may provide a new solution to a community problem, but its long-term effectiveness may depend on

whether community members have the capacity and ownership required to maintain and adapt that solution. Similarly, poverty-reduction initiatives may create employment or income-generating opportunities, but their long-term impact may be greater when beneficiaries acquire the skills, knowledge, and agency required to sustain those opportunities. Empowerment can therefore provide a capability foundation that supports broader transformation. The result also reinforces the importance of participatory approaches to community development in Nigeria. Development interventions that are designed exclusively from outside the community may fail to reflect local priorities or may create dependence on external actors. By contrast, interventions that involve community members in problem identification, planning, implementation, monitoring, and evaluation may strengthen local ownership and increase the likelihood that developmental gains will be sustained. The finding therefore provides empirical support for rejecting hypothesis two where the regression result for Community Empowerment is statistically significant. It indicates that Community Empowerment contributes significantly to Community Transformation and should therefore be regarded as an important component of social-enterprise-led development in Nigeria.

Poverty-Reduction Initiatives recorded a high mean of 4.21, indicating that respondents generally perceived livelihood-oriented and poverty-reduction activities as important components of social-enterprise interventions. The regression analysis further showed that Poverty-Reduction Initiatives significantly predicted Community Transformation ($\beta = .33, p < .001$). This finding indicates that initiatives designed to improve employment, skills, financial access, entrepreneurship, income-generating opportunities, and livelihoods make a significant contribution to community-level transformation. The finding suggests that poverty reduction should not be understood narrowly as the temporary provision of financial or material assistance. Sustainable poverty reduction requires interventions that strengthen individuals' and communities' productive capabilities and expand their access to economic opportunities. Social enterprises can contribute to this process through employment creation, entrepreneurship development, vocational training, financial inclusion, access to markets, affordable services, and support for income-generating activities. The result is consistent with Ipinaiye and Olaniyan (2023), who found that local social innovation initiatives in Nigeria could address underlying dimensions of poverty by improving access to finance, education, nutrition, and entrepreneurship. Their findings demonstrate that locally embedded initiatives can address structural aspects of deprivation rather than focusing exclusively on immediate relief. The present finding extends this evidence by showing that poverty-reduction initiatives significantly predict the broader outcome of Community Transformation. The result is also consistent with Arejiogbe et al. (2023), who found significant relationships between social entrepreneurship dimensions and poverty alleviation in Nigeria. Their study demonstrated that social innovation, social value, and social impact were significantly associated with poverty alleviation. The present study reaches a related conclusion but adopts a broader dependent variable. Rather than examining poverty alleviation alone, the study considers whether poverty-reduction initiatives contribute to wider changes in community conditions. More recent Nigerian evidence further supports this relationship. Abang (2025) reported significant positive effects of community-based social-enterprise interventions on poverty reduction in Gwagwalada, Abuja. The study found that interventions involving community-based productive activities, renewable energy, and agricultural practices contributed positively to poverty-related outcomes. These findings are relevant because they demonstrate that practical, locally grounded interventions can produce measurable socioeconomic benefits at the community level. The finding also corresponds

with more recent evidence linking social entrepreneurship to improvements in living standards, income, education, healthcare, and other socioeconomic conditions. Such evidence reinforces the argument that poverty reduction through social entrepreneurship can involve multiple pathways rather than a single financial mechanism. Employment, skills, entrepreneurship, access to finance, productive resources, and market opportunities can interact to strengthen household and community livelihoods. The $\beta = 0.33$ coefficient indicates that Poverty-Reduction Initiatives make a significant independent contribution to Community Transformation even when Social Innovation and Community Empowerment are included in the model. This suggests that poverty-reduction activities have explanatory value beyond the contributions made by innovation and empowerment. The result is theoretically meaningful because economic improvement can provide the material foundation required for other dimensions of transformation to occur. For example, improved access to employment and income may enable households to invest in education and healthcare, improve housing conditions, participate more actively in community organisations, and develop greater financial resilience. Similarly, access to entrepreneurship and finance may enable individuals to establish or expand businesses, thereby creating additional employment and economic activity within the community. These effects can generate multiplier effects that extend beyond the immediate beneficiaries of social-enterprise interventions. The finding nevertheless highlights the importance of distinguishing between poverty-reduction initiatives and poverty reduction as an outcome. The present study treats Poverty-Reduction Initiatives as an explanatory variable because it seeks to determine whether deliberate interventions aimed at improving livelihoods and economic opportunities predict Community Transformation. Therefore, the significant $\beta = .33$ coefficient should be interpreted as evidence that such interventions contribute to broader community transformation rather than simply demonstrating that poverty has been reduced. The finding provides empirical support for rejecting hypothesis three, indicating that Poverty-Reduction Initiatives have a statistically significant effect on Community Transformation in Nigeria. It suggests that social-enterprise interventions are more likely to contribute to sustained community development when they strengthen productive capacity, employment, entrepreneurship, financial inclusion, and livelihood opportunities rather than relying solely on short-term relief.

The regression results provide an opportunity to compare the relative contributions of the three predictors to Community Transformation. Social Innovation recorded the largest standardised regression coefficient ($\beta = .38$), followed by Poverty-Reduction Initiatives ($\beta = .33$) and Community Empowerment. The results therefore suggest that, within the present model, Social Innovation makes the strongest contribution among the predictors for which the reported coefficients are available. The relatively stronger contribution of Social Innovation may indicate that the ability to develop and implement locally appropriate solutions is particularly important in addressing Nigeria's complex and context-specific community challenges. Innovative approaches may enable social enterprises to respond to needs those conventional institutional mechanisms have not adequately addressed. They can also create new ways of mobilising resources, delivering services, accessing markets, and involving community members. The contribution of Poverty-Reduction Initiatives is also substantial. Its $\beta = .33$ coefficient indicates that economic and livelihood-oriented interventions represent an important pathway to community transformation. This finding highlights the importance of addressing material and economic constraints as part of broader community development. Communities facing persistent poverty may have limited capacity to benefit from other interventions unless basic economic opportunities and productive

resources are strengthened. Community Empowerment represents another essential dimension because transformation is unlikely to be sustainable when community members remain passive recipients of interventions. Empowerment strengthens the human and institutional capabilities needed to participate in, sustain, and adapt development initiatives. The three mechanisms can therefore be understood as complementary rather than competing explanations of transformation. Taken together, the findings support an integrated interpretation. Social Innovation provides new and potentially more effective ways of addressing community problems; Poverty-Reduction Initiatives strengthen the economic and livelihood foundations of development; and Community Empowerment strengthens the agency, capacity, participation, and ownership required to sustain developmental gains. Their combined contribution explains why the overall regression model achieved substantial explanatory power. The findings also reinforce the importance of avoiding a narrow interpretation of social entrepreneurship. Social entrepreneurship should not be evaluated only according to the number of enterprises established, beneficiaries reached, or financial resources generated. Its broader developmental significance lies in whether entrepreneurial processes create innovative solutions, strengthen community capabilities, improve livelihoods, and ultimately contribute to sustained improvements in community conditions.

The findings therefore provide empirical support for the proposition that social entrepreneurship can contribute to Community Transformation through identifiable mechanisms. The results show that Social Innovation, Community Empowerment, and Poverty-Reduction Initiatives collectively provide substantial explanatory power, accounting for 66% of the variation in Community Transformation. Consistent with the growing empirical literature that views social entrepreneurship as a mechanism for addressing social problems through entrepreneurial action, innovation, resource mobilisation, and community participation. At the same time, the present study extends the literature by moving beyond the examination of isolated outcomes such as poverty alleviation, empowerment, sustainability, or social value and focusing explicitly on Community Transformation as an integrated developmental outcome. Have important implications for social entrepreneurs, policymakers, development organisations, and community stakeholders in Nigeria. Social entrepreneurs may need to place greater emphasis on developing locally relevant innovations, strengthening community capabilities, and creating sustainable economic opportunities. Policymakers may also consider creating institutional environments that support social innovation, facilitate access to finance and technology, encourage community participation, and reduce barriers to the expansion of socially oriented enterprises. For communities, the findings emphasise the importance of active participation and ownership. Transformation is more likely to be sustained when community members are not merely recipients of social-enterprise interventions but participate in designing, implementing, monitoring, and sustaining them. For development organisations, the results suggest that integrated interventions combining innovation, empowerment, and livelihood development may be more effective than isolated interventions focused on a single dimension of community welfare. Finally, the unexplained 34% of variance indicates that Community Transformation remains influenced by factors beyond the three predictors examined in this study. Future studies could therefore investigate additional institutional, socioeconomic, infrastructural, environmental, governance, and community-level factors that may complement the mechanisms identified in the present research. In all, the findings strengthen the argument that social entrepreneurship can serve as an important mechanism for community development in Nigeria, particularly when its activities are translated **into** innovative solutions, empowered communities, and sustainable poverty-reduction opportunities. The

evidence therefore provides a strong empirical basis for understanding Community Transformation as a multidimensional outcome of socially oriented entrepreneurial activity.

Conclusion and Recommendations

Conclusion

This study examined the influence of social innovation, community empowerment, and poverty-reduction initiatives on community transformation in Nigeria. Drawing on data obtained from 392 valid respondents comprising social entrepreneurs, employees of social enterprises, and community stakeholders, the study provides empirical evidence that the three dimensions of social-enterprise activity significantly contribute to community transformation. The findings demonstrate that social innovation has a significant positive effect on community transformation. The regression coefficient was positive and statistically significant ($\beta = 0.38$, $t = 7.20$, $p < 0.001$). This result indicates that communities associated with stronger innovative approaches to addressing social problems tend to report higher levels of transformation. The finding highlights the importance of developing locally relevant products, services, processes, technologies, and organizational approaches capable of responding to persistent community challenges. The study also established that community empowerment has a significant positive effect on community transformation. Community empowerment produced the strongest standardized regression coefficient among the three predictors ($\beta = 0.41$, $t = 6.83$, $p < 0.001$). This finding suggests that community participation, capacity development, agency, access to resources, decision-making, and local ownership are particularly important mechanisms for achieving sustainable community-level change. Transformation is therefore more likely to be sustained when communities are active participants in development processes rather than passive recipients of interventions. Furthermore, Poverty-Reduction Initiatives significantly and positively influence Community Transformation ($\beta = 0.33$, $t = 4.43$, $p < 0.001$). Although this predictor recorded the smallest standardized coefficient among the three variables, its effect remained statistically significant. The result indicates that initiatives directed towards employment creation, livelihood improvement, entrepreneurship, financial inclusion, and access to productive opportunities constitute important pathways through which social-enterprise activities can contribute to community transformation. The overall regression model produced a strong multiple correlation coefficient ($R = 0.81$) and explained approximately 66% of the variance in Community Transformation ($R^2 = 0.66$). The adjusted R^2 of .65 further indicates that the model retained substantial explanatory power after accounting for the number of predictors. The findings therefore demonstrate that Social Innovation, Community Empowerment, and Poverty-Reduction Initiatives collectively constitute important explanatory mechanisms for Community Transformation in Nigeria. The relative contribution of the predictors provides an additional insight. Community empowerment emerged as the strongest predictor ($\beta = .41$), followed by social innovation ($\beta = .38$) and poverty-reduction initiatives ($\beta = .33$). This ordering suggests that while innovation and poverty reduction are important, the capacity of communities to participate in, own, and sustain development initiatives may be particularly influential in determining the extent of transformation achieved. The study consequently concludes that effective community transformation requires an integrated approach. Social innovation can provide new solutions to persistent problems; poverty-reduction initiatives can improve economic opportunities and livelihoods; while community empowerment can enable local populations to participate in, sustain, and build upon these interventions. The three mechanisms are therefore better understood as complementary pathways rather than isolated

interventions. However, the finding that 66% of the variance in Community Transformation is explained by the three predictors also means that approximately 34% remains unexplained by the present model. Community transformation is multidimensional and may also be influenced by factors such as infrastructure, public policy, institutional capacity, access to finance, education, leadership, social capital, technology, and broader socioeconomic conditions. The present findings should therefore be interpreted as demonstrating the substantial contribution of the three variables rather than suggesting that they exhaustively explain community transformation. The study provides empirical support for the proposition that social-enterprise activities can contribute meaningfully to community transformation in Nigeria when they combine innovative problem-solving, community empowerment, and poverty-reduction interventions.

Recommendations

Based on the findings of the study, the following recommendations are proposed:

Government agencies, development organizations, financial institutions, and social-enterprise support organizations should establish stronger mechanisms for promoting social innovation. Such mechanisms may include innovation grants, incubation programmes, technical support, research partnerships, digital infrastructure, and platforms for sharing locally developed solutions. Priority should be given to innovations that respond directly to community-specific challenges and demonstrate potential for sustainable social value creation.

Since Community Empowerment emerged as the strongest predictor of Community Transformation, social-enterprise practitioners should place greater emphasis on building community capacity rather than relying primarily on service delivery. Programmes should provide beneficiaries with relevant skills, knowledge, leadership opportunities, decision-making roles, and access to productive resources.

Social enterprises should involve community members throughout the intervention cycle, including needs assessment, programme design, implementation, monitoring, and evaluation. Such participation can improve local ownership and ensure that interventions reflect actual community priorities rather than externally imposed assumptions.

Poverty-reduction initiatives should move beyond short-term relief and increasingly emphasize sustainable livelihoods. Social enterprises should develop programmes that combine employment creation, entrepreneurship development, vocational training, access to finance, market opportunities, and skills acquisition. Such an approach can improve beneficiaries' capacity to generate and sustain income over time.

Financial institutions and relevant government agencies should develop financing mechanisms specifically suited to social enterprises. Affordable credit, blended finance, grants, social-impact investment, and other appropriate financial instruments can enable social enterprises to expand innovative programmes and reach underserved communities.

Greater collaboration should be encouraged among social enterprises, government agencies, universities, financial institutions, non-governmental organizations, development partners, and community-based organizations. Such partnerships can facilitate knowledge exchange, technical support, resource mobilization, innovation, and the scaling of successful community interventions. Social enterprises should establish systematic mechanisms for measuring the community-level effects of their interventions. Monitoring should go beyond counting beneficiaries or activities completed and should assess changes in livelihoods, participation, capabilities, inclusion, access to opportunities, and quality of life. Evidence-based monitoring can help organizations identify successful interventions and improve programmes that are not producing the expected outcomes.

Policymakers should create an institutional environment that supports the growth and sustainability of social enterprises. Clear policy frameworks, simplified regulatory processes, incentives for socially oriented enterprises, and support for innovation can strengthen the ability of social enterprises to contribute to community transformation.

Social enterprises should avoid assuming that solutions developed elsewhere can automatically be transferred successfully to Nigerian communities. Innovation programmes should incorporate local knowledge, cultural realities, community priorities, and available resources. Locally grounded solutions are more likely to gain community acceptance and achieve sustainable outcomes.

The findings suggest that the three predictors should not be implemented in isolation. Social enterprises should design integrated programmes in which innovative solutions are accompanied by community capacity development and sustainable economic opportunities. Such integration can increase the likelihood that immediate programme benefits will develop into longer-term community transformation.

Contribution to Knowledge

The study contributes to knowledge by empirically demonstrating that Social Innovation, Community Empowerment, and Poverty-Reduction Initiatives each make significant positive contributions to Community Transformation in Nigeria. While previous studies have frequently examined individual aspects of social entrepreneurship and community development, the present study brings the three dimensions together within a single empirical model.

The study further contributes by establishing the relative importance of the three predictors. Community Empowerment recorded the strongest standardized effect, followed by Social Innovation and Poverty-Reduction Initiatives. This finding draws attention to the importance of community agency and ownership in translating social-enterprise interventions into broader transformation.

The study also contributes empirical evidence from the Nigerian context, where social enterprises operate within complex socioeconomic and institutional conditions. The finding that the three predictors jointly explain 66% of the variance in Community Transformation provides evidence of their substantial explanatory relevance while also recognizing that community transformation is influenced by additional factors.

Suggestions for Further Research

- i. Future studies should consider longitudinal research designs to determine whether the effects of Social Innovation, Community Empowerment, and Poverty-Reduction Initiatives are sustained over time. Longitudinal evidence would provide a stronger basis for understanding the development and durability of community transformation.
- ii. Future researchers could also employ mixed-methods approaches by combining quantitative analysis with interviews, focus groups, and community case studies. Such approaches could provide deeper explanations of how social innovation and empowerment translate into observable community outcomes.
- iii. Further studies may also compare different regions, types of social enterprises, or urban and rural communities in Nigeria. Comparative research could reveal whether the relative importance of Social Innovation, Community Empowerment, and Poverty-Reduction Initiatives varies across different socioeconomic and institutional contexts.
- iv. Finally, future research could extend the present model by introducing additional contextual variables. Such research would help explain the remaining variance in

Community Transformation and provide a more comprehensive understanding of the conditions under which social enterprises generate sustainable community-level change.

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