

# A STUDY OF SOCIAL ENTREPRENEURSHIP IN INDIA - OPPORTUNITIES AND CHALLENGES

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## ABSTRACT

Although social enterprises occupy themselves with the usual business aspects: an appealing product or service, good customer service, ensuring customers return; they can still be regarded as somewhat rebellious in the business milieu. As a social entrepreneur, your market is society and the product you are providing is innovation and transformation within this society. Though social enterprises have a lot in common with standard for-profit business models, maximizing financial returns is not the main aim. Here, the objective is social and environmental enhancement.

Social entrepreneurship is, at its most basic level, doing business for a social cause. It might also be referred to as altruistic entrepreneurship. Social entrepreneurs combine commerce and social issues in a way that improves the lives of people connected to the cause. They don't measure their success in terms of profit alone – success to social entrepreneurs means that they have improved the world, however they define that.

Social entrepreneurs are individuals who try to tackle society's most pressing problems and attempt to drive social innovation in fields such as healthcare, agriculture, education, environment and human rights, using new approaches and products and more rigorous applications of known technologies or strategies. The way they pursue these goals is what makes them distinctive. Similar to a business entrepreneur, a social entrepreneur operates with entrepreneurial determination and business methods to create financially-sustainable organisations that often have an income-generating stream built into the business model. A couple of keywords that are applicable to social entrepreneurs are: Innovation, Sustainability, Reach and Social Impact.

## INTRODUCTION

In the “earned income” model – where the social entrepreneur makes money by selling something – the company's customers know that their purchase will help support a stated cause, whether it's providing soap to children in need so hand washing can protect them from diseases or selling whistles to help promote peace in the Congo. People are often attracted to businesses that use a social entrepreneurship model because they're helping to solve a social problem when they spend money on something they need or want.

The economic development of a Nation depends on its industrial development. The industrial development is based on the entrepreneurial competencies of the people. Entrepreneurs are innovative, highly motivated, and critical thinkers. When these attributes are combined with a drive to solve social problems, a social entrepreneur is born. Social enterprises are the organizations

which aim their efforts toward improving the general welfare of society and they apply market based strategies to achieve a social purpose.

Social entrepreneurs and social enterprises share a commitment of going ahead with a social mission of improving society. There is a great difference between social entrepreneurs and nonprofit organizations on the basis of their goals and objectives. Social entrepreneurs are driven by social as well as financial goals whereas nonprofit organizations work purely for social purpose. An understanding of whether and how social entrepreneurship differs from processes and activities by political actors or social activists who also aim to bring about social change or alleviate social problems. In a nutshell, the concept of social entrepreneurship is still poorly defined and its boundaries to other fields of study are still fuzzy. While to some this may appear to be a problem, we see it as a unique opportunity for researchers from different fields and disciplines, such as entrepreneurship, sociology and organizational theory, to challenge and rethink central concepts and assumptions.

## **WHO IS A SOCIAL ENTREPRENEUR?**

Social entrepreneurs are those entrepreneurs who basically undertake social entrepreneurship. They have all the traits of economic entrepreneur, except the motivational force they have which is derived from social inequalities and social insufficiencies. Social entrepreneurs are the people who undertake any social problem or short coming and convert that into a solution cum product. They aim for non-personal profits rather than a profit, the primary objectives of their existence is to serve the society rather than earning profits. They also innovate; their innovation is referred as “Social Innovation” ‘Social entrepreneurs are not content to just give a fish or teach how to fish. They will not rest until they have revolutionised the fishing industry.

## **THREE TYPES OF SOCIAL ENTREPRENEURSHIP**

### **Leveraged non-profit ventures**

This is a non-profit type of venture. The entrepreneur engages a cross section of society, including private and public organisations, to realise a particular social innovation. Leveraged non-profit ventures depend on outside philanthropic funding, but since their partners have a vested interest in their continuation, longer-term sustainability is often enhanced.

### **Hybrid non-profit ventures**

A non-profit type organisation as well, but this model includes some cost-recovery by means of selling goods and services. To be able to sustain their activities, entrepreneurs must mobilise other sources of funding besides public or philanthropic sectors. Grants or loans offer a solution to money shortages. These loans, however, need to be paid back at a certain point.

### **Social business ventures**

Social business ventures are for-profit entities that provide a social or ecological product or service. Although financial profits are an underlying goal here, accumulating wealth is not the main objective. The focus of the enterprise is to grow as a social venture in order to reach more people in

need and positively impact one or multiple sectors of society. Hence, a great deal of the profits is reinvested in the enterprise to fund expansion. The entrepreneur of this type of venture seeks investors who are interested in combining financial and social returns on their investments.

## **AREAS WHERE SOCIAL ENTREPRENEURSHIP IS MAKING AN IMPACT**

Social ventures are scattered around the world, active in the fields of healthcare, education, human rights, culture and environment, among others.

### **Healthcare**

One key area where social entrepreneurship is playing a big role is ensuring people's access to healthcare. This can be done by setting up new hospitals and affordable health clinics, providing medicine, but also by educating patients, who in turn can help out in understaffed clinics. The social enterprise Mothers2mothers (m2m), for instance, identifies HIV-positive mothers and engages them in in-depth training programmes. This way, they learn how to take care of themselves, and are trained to work alongside doctors and nurses as paid Mentor Mothers. Working as mentors, they support and educate their peers, empowering other mothers to access lifesaving treatment for their babies and themselves.

### **Education**

Another field of work in which social entrepreneurship fares well is education. The emphasis here is not on generating revenue and many organisations in this sphere operate as some sort of non-profit venture. Since access to proper education remains a global problem, many social entrepreneurs set out to tackle this. Decreasing drop-out rates, helping students on their educational pathway, boosting attendance, training teachers, providing course materials or infrastructure; a lot can be done by social ventures to enhance education worldwide.

### **Human Rights**

When it comes to human rights, social enterprises strive to safeguard matters such as liberty, pursuit of happiness, living free from discrimination, freely exercising religion, freedom of speech, fair trial and more. Educating people, negotiating with governments, providing safe havens, raising public awareness; these are all strategies employed by social enterprises and in doing so, they often help out those who live under the most worrisome circumstances.

### **Culture**

An enterprise might use culture to promote social transformation and community integration but it may also boost culture simply for culture's sake. For social enterprise Artscape culture is more a goal than a means to an end. This Toronto-based organisation generates spaces that emphasise culture and creativity (think event spaces, studios and residential areas) and provides viable living areas for artists. An agreeable side-effect of this creative placemaking is the vibrancy that the artists add to city districts. This, however, often triggers the so-called "SoHo effect", a phenomenon when artists move into low-rent neighborhoods, make these desirable, but are eventually forced out due to rising real estate values. To prevent this from happening, Artscape establishes trust relationships between real estate developers, government housing agencies, the arts and culture community, and local community groups.

## Environment

Social entrepreneurs have plenty of possibilities to focus their attention on with regards to the environment: developing businesses that supply sustainable products or services, distributing resources responsibly, waste disposal management, emissions reduction, preserving land and wildlife or even negotiating with municipalities, companies and governments to decrease their ecological footprint.

### **THE FUTURE OF SOCIAL ENTREPRENEURSHIP**

Faced with overwhelming social and environmental challenges, the world is seeing an ever-increasing number of social enterprises. Even though these enterprises certainly do not make up the majority within the corporate sector, social entrepreneurship is already a field of study in many management courses and some experts even believe the phenomenon is on the verge of hitting a tipping point. A determining factor in this context is Generation Y (millennials), regarded as a more socially-conscious generation, demonstrated by the products they buy and the companies they seek to work for. The field offers them independence, the possibility to experiment and the freedom to integrate their own values in their future career.

### **OBJECTIVE OF THE STUDY**

The present study is based on specific objectives, which it justifies also. The objectives have been selected to keep the importance and rationality of the research title in mind. Following are the objectives which this research study intends to achieve-

- ✓ To study social entrepreneurship with its basic framework.
- ✓ To underline the roles and responsibilities of social entrepreneurs in India society.
- ✓ To list out the challenges faced by social entrepreneurship in India.
- ✓ To give suggestions to face prevailing challenges for social entrepreneurship in India

### **LITERATURE REVIEW**

**Earnest and Young in their report title “Social entrepreneurship-Emerging business opportunities” (2014)** states that “Creating value for society in many countries the role of the government in the socio-economic domain is shifting towards privatization of public responsibilities. As a result, charities receive less public funds and social entrepreneurship is gaining momentum worldwide. Research in the fields of activity of social enterprises in Europe shows that social entrepreneurs focus on social services, employment & training, the environment (including cleantech and bio-systems), education and community development.

**A report title “Young Social Entrepreneurs in Canada” prepared by Canadian Centre for Social Entrepreneurship (2003)** states that “Social entrepreneurship is characterized by an emphasis on ‘social innovation through entrepreneurial solutions. Socially entrepreneurial activities blur the traditional boundaries between the public, private and non-profit sectors, and emphasize hybrid models of for profit and non-profit activities. Cross-sectoral collaborations are implicit within this model, as is the development of radical new approaches to address long-standing and complex social/economic problems.

Singh, Partap, Dr. in his research paper title “Social Entrepreneurship- A growing trend in Indian economy”(2012) underlines that “Social entrepreneurship is the recognition of a social problem and the uses of entrepreneurial principles to organize create and manage a social venture to achieve a desired social change. While a Business entrepreneur typically measures performance in profit and return, a social entrepreneur also measures positive returns to society.

Report by Swissnex India title “Social Entrepreneurship in India- Unveiling the unlimited opportunities” (2015) underlines that “Social entrepreneurship in terms of operation and leadership could be applicable to nonprofit organizations as much as for-profit social enterprises although in terms of activities and legal entity they are very different.” Models for social entrepreneurship in India are Social for-profit enterprise, non-profit and hybrid model

## **ROLES AND RESPONSIBILITIES OF SOCIAL ENTREPRENEURS TOWARDS INDIA SOCIETY**

- Social entrepreneurs have the capacity to influence the society by their unique product/service aimed at the social upliftment. Their role begins with identifying the social problem which concerns everybody rather than certain sect of people in society. So identifying an appropriate social issues/problem is very important.
- Social entrepreneurs in India face certain problems related with mindset of people who do not want to change their way of doing things. The biggest role of social entrepreneurs is pursuing them to make fundamental changes, which will reflect in overall society
- Social entrepreneurship depends upon social innovations; the challenge is to create such innovations which can resolve the social problem completely by using minimum resources.
- Social entrepreneurs have the role to reach at the remotest corner of country for targeting the social sections, which are deprived to basic facilities. The responsibility of social entrepreneurs is to reach such people and serve them positively.
- Social entrepreneurs are supposed to provide employment as well with their unique approach. Providing employment to local people having minimum skills and qualifications is biggest responsibility of social entrepreneurs.
- One of the important roles which social entrepreneurs have to play in India society is to make visible changes in societies with social balancing approach.
- Social entrepreneurs have to make the society’s inequalities go away using positive methods. This can be done by doing proper and adequate research of the section of the society where the product/services have to be introduced.

## **CHALLENGES FACED BY SOCIAL ENTREPRENEURSHIP IN INDIA**

Social entrepreneurship, like any other branch of social entrepreneurship also faces challenges. All the challenges are either controllable or non-controllable, but all the challenges are manageable. Social entrepreneurship is slightly and somehow fundamentally

distinctive to economic entrepreneurship, so are the challenges of social entrepreneurship. In India particularly social entrepreneurship is subjected to many challenges.

These challenges are preventing the growth and spread of social entrepreneurship in India as against to other regions and nations, who have made the social entrepreneurship a mission. The interesting thing to note down is this; all the challenges which are faced by social entrepreneurship are very different in nature. These all are concerned with mindset rather than based on some physical attribute. People are mentally blocked towards the social entrepreneurship in India. Some of the prominent challenges faced by social entrepreneurship in India are given below-

### **Confusion with social work-**

Social entrepreneurship is mostly in India is confused with social work, hence it is unable to make a mark as an individual entity in India. This is starting of challenge for social entrepreneurship.

### **The problem of creativity-**

The next problem which is faced by social entrepreneurship is lack of creativity regarding thinking great ideas for betterment of society and earning profits as well. This fusion is very hard to think and implemented particularly in India.

### **Arranging finance-**

One of the challenges for entrepreneurship in India remains lack of financial sources. The social entrepreneurs offering a unique product and set of services make it even harder to get financial aid from the established financial institutes. This is a very dire situation and a considerable reason for the under development of social entrepreneurship in India.

### **Shortage of talented/dedicated workforce-**

This is a very unique challenge faced by social entrepreneurship exclusively. Generally people get into jobs to get a handsome salary and perks, but with social entrepreneurship this becomes a bit hard. Since the prime objective of social entrepreneurship is to get social gains/benefits rather than personal gains/benefits. Under this condition it is very hard to get people to work for the firm.

### **Setting and communicating value objectively-**

The important challenge of social entrepreneurship is to setting and communicating values clearly. Usually what happens is, value may differ from society to society based upon their exclusive needs. But social entrepreneurs have to set common values, which can be communicated easily.

### **Elevating the individuals-**

The most prominent and visible challenge before the social entrepreneurship is to elevate people from their current place of standing by making positive and substantial opportunities. In this process each individual must be catered to their individual requirement rather than as a society as a whole. This poses a different type of challenge for social entrepreneurs.

**Lack of an ethical framework-**

Since social entrepreneurs are very concerned about the societal changes and upliftment of people, sometimes they adopt a less ethical way of conducting their business. This challenge is very rarely visible yet exists in some extreme cases in India. Since society to society the ethical parameter shifts.

**MEASURES TO FACE CHALLENGES EFFECTIVELY**

There is no doubt that social entrepreneurship is subject to many challenges and these challenges are growing with time and dynamics of society. Social entrepreneurs have to take care and keep note of tiny details to face the prevailing (above mentioned) challenges. Although the list of challenges faced by social entrepreneurship is not completed, some other challenges are there apart from the listed ones. The important proposition is, how to overcome the challenges which are faced by social entrepreneurship in India. There are few steps/measures which can be practiced to face the prevailing challenges of social entrepreneurship in India-

**Proper training and development institutions:**

Government must open some specialized councils and institutions for systematic development of social entrepreneurship. Some of the institutions are working in the area of economic entrepreneurship; some must be opened for social entrepreneurship as well.

**Creation of mass awareness:**

Steps should be taken to make the mass aware towards the social entrepreneurship, so that people do not get confused between social entrepreneurship and social work. Media, social media, other vehicles can be deployed for the same.

**Providing infrastructure and basic facilities:**

Government and other stake holders must work in the basic facilities to the social entrepreneurship. These facilities can attract people towards becoming social entrepreneurs, thus the spread of social entrepreneurship will increase to multi folds.

**Social entrepreneurship development programmes:**

Like entrepreneurship development programmes, social entrepreneurship programmes must be organized time to time to help social entrepreneurship. Such organization will help in increasing the overall motivation of social entrepreneurs.

## SUGGESTIONS

A few workable suggestions could help Indian social entrepreneurs in achieving their objectives:

- Social enterprise should use the network approach with other social enterprises to avail the opportunities in the market. It helps them to educate the consumer and set the market standards.
- The social enterprises should work together to educate customers about the difference between their product and those offered (possibly at lower Prices) by other businesses. This would lead to increased demand for their products by the people who support their cause.
- Social entrepreneurs should assist higher education institutes in India in developing curriculum that instills social entrepreneurship in their students and, in doing so, provides social enterprises with access to good quality managers and promoters.
- Majority of the social enterprises are operating mostly in the southern and western parts of India. This is primarily due to the jurisdictional focus of many of these enterprises and this leads to a regional imbalance in the growth of social entrepreneurship within the country.
- Social entrepreneurship is a best combination of social service and entrepreneurial skills to look for social problems.
- Social entrepreneurship has the capacity to socially innovate. These innovations are the exact and creative answer to social issues/problems which are prevailing in India.
- There are many examples of social enterprises which are working in India and changing the very face of society in India by their unique offerings, which involves the local expertise to create social values.
- The growth of social entrepreneurship has reflected upon the employment and infusion of skills among people at the bottom level. The best example in this regard is barefoot college of Rajasthan.

## CONCLUSION

Social entrepreneurship is the work of a social entrepreneur. A social entrepreneur is someone who recognizes a social problem and uses entrepreneurial principles to organize, create and manage a venture to make social change. Social entrepreneurship is a process aimed at enabling business to develop more advanced and powerful forms of social responsibility.

Social entrepreneurship can change the face of society in India, there have been many such examples and projects which run under the banner of social entrepreneurship and proved to be life altering for people of that vicinity. In India especially social entrepreneurship has better prospects as the social problems are at full swing here. Social entrepreneurship is a unique combination of entrepreneurial traits and philanthropy. In social entrepreneurship products and services are designed to make maximum social impact along with making considerable profits for the firm. Here the working area of firm is typically the area/region which are generally ignored by

big firm of economic entrepreneurship. In a way the product and service offerings of social entrepreneurship is quite unique and caters the societal requirement better than economic requirements. This is an exact situation of entrepreneurial traits being implemented for a social cause/problem. Other than that all the basic elements of entrepreneurship are similar to its parent entrepreneurship.

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## Web links

- ✓ <http://www.thebetterindia.com/topics/social-enterprise/>
- ✓ <http://www.asianentrepreneur.org/top-10-socialentrepreneurs-of-india/>
- ✓ [https://en.wikipedia.org/wiki/Bunker\\_Roy](https://en.wikipedia.org/wiki/Bunker_Roy)