

# Social entrepreneurship In India

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## Abstract

This is the objective of social entrepreneurship that entrepreneurs are now more responsible for society and its well-being than earning profits only. This research paper also includes the various challenges faced by social entrepreneurs and puts forwards its recommendations to improve the overall situation of social entrepreneurship/entrepreneurs in India. Research paper further discusses similarity and contrast between social and economic entrepreneurship along with explaining the traits for a social entrepreneur. Social entrepreneurship is not a newer concept but the positioning of the concept has risen to new heights in recent times. As government of India has made CSR a more realistic responsibility than a mere formality, corporates are now looking for their grater roles in helping the society in a way that is both economically and socially beneficial. As the definition of social entrepreneurship itself clarifies that its fine combination of entrepreneurship and societal gains. In recent times, the concept has taken new identities and shapes, and has been accepted among wider areas. Some of the prominent organizations in India has accepted this form of doing business and shaped the society in a very positive manner. The paper also explains the concepts like social needs and social innovations from entrepreneurship's point of view. Social entrepreneurship has increased its scope and importance in recent years, this paper also includes both areas as well. At last, how social entrepreneurship can change or impact on the social setup and social fibre in India and other developed nations specifically at the bottom of the pyramid level is also underlined in this research paper.

*Keywords: Growth, Development, Inclusive Development, sustainable development, UNDP.*

## Introduction

Entrepreneurship is the core force of economic growth; the economic development which one experiences is just due the prevailing force of entrepreneurship. The commonality between all the developed nations all around the world is the presence of entrepreneurship. Economic development is totally based upon the growth of entrepreneurship and more the entrepreneurship is grown, infrastructure as well as all the indicators of development has also grown. In very short span of time, government of various states all around the world, have understood and underlined the importance of entrepreneurship. Thus governments have started working on the basic ground work/infrastructure required for the systematic development of entrepreneurship in their respective countries. India also understood the importance of entrepreneurship and worked a lot in the overall development of entrepreneurship. The very basic element of overall development including social, can be contributed to entrepreneurship's detailed development. For the sake of understanding, entrepreneurship was first used for business/economic context in 18th century by a French economist Richard Contillon, who associated

entrepreneurship with business risks and uncertainty bearing. The entrepreneurship has many other types as well; it is divided on different traits and criteria, one of the criteria being Social. This type of entrepreneurship is very unique in nature and has different blends of components. The prime objective of social entrepreneurship stands different than the usual objectives of entrepreneurship; here social benefits are clubbed with economic benefits. Most of the times, social entrepreneurship is used in synonymous with social service/work. The similarities are there, but the biggest difference is existence of profits. In social work, NGOs or social workers only focus on work which is being done for the poor or deprived section; it is not for profits, but for service. On the contrary, social entrepreneurship includes profits in social service together and puts non personal benefits in focus. The Indian diasporas actually needed something like this where the society gets maximum of benefits from entrepreneurial traits. Social entrepreneurship is a very beneficial phenomenon as it addresses the bottom of the pyramid of market by offering products and services, which are both innovative and cheap. Making the goods available to deprived section of the market and earning profits from them. The consumers of social enterprises are very low income people, who have minimum income but maximum demands, social entrepreneurs device such a product or services which can address both the criteria of this market segment which is generally referred to as bottom of the pyramid market. In a nutshell, social entrepreneurship fills the gap which is left unattended by economic entrepreneurship. It makes its profits as against to social work/services by selling a unique and innovative product/services to neglected section of customers, helping them grow and develop the standards of living, while social entrepreneurs make money out of it. One can put it like this as well; social entrepreneurship is just another type of entrepreneurship with certain characteristics, including making profits, selling, and innovation. But difference is, it is not totally depended or stresses upon the profit making, rather it focuses on social changes and social gains over personal gains. Societies who are experiencing social inequalities can benefit a lot from socialist form of entrepreneurship. The entire mechanism of social entrepreneurship remains same as economic entrepreneurship, except few distinctions, which set apart this from conventional or economic entrepreneurship. India has been in need of social entrepreneurship for a very long time and could be benefited more. Some social enterprises which are established in India are changing the very face of society by balancing the social imbalance. Government of India also encourages such initiatives by motivating them and awarding them time to time along with some private institutions doing the same. There are some examples of social entrepreneurship which clears that touches the very basic of the society. The most prominent example include micro financing, educational institutions, medical institutions etc. The prime objective of social entrepreneurship is to bring changes in the society rather than earning money for themselves. But they are still financially clubbing their activities.

**Objective:**

This paper seeks

1. To study social entrepreneurship with its basic framework.
2. To underline the roles and responsibilities of social entrepreneurs in India society.

3. To study the overall contribution of social entrepreneurship and social enterprises in India.

## MEANING AND DEFINITION OF SOCIAL ENTREPRENEURSHIP

Social entrepreneurship is one of the important tributary of entrepreneurship, it is more than just philanthropy and has deeper and immense impact on social changes/upliftment in developing nations. Government has started encouraging social entrepreneurship to great extent so that the social inequalities can be handled and an ideal society can be achieved as well. Social entrepreneurship is meant by special sort of initiatives, which is both social work and economic in nature. Wikipedia defines social entrepreneurship as “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. Whereas a business entrepreneur typically measures performance in profit and return, a social entrepreneur assesses success in terms of the impact she/he has on society.” This definition of social entrepreneurship is clearly puts forward the basic components of social entrepreneurship; they are

1. It is undertaken by special group of people refereed as social entrepreneurs.
2. It is situation where social problem is identified and solved using entrepreneurial principles.
3. The main purpose stands at bringing social changes, rather than making individual profits.
4. Social entrepreneurship is successful in terms of not the big profits, but the unquantifiable social impacts.
5. The venture established by social entrepreneurs is called as social enterprise and prime focus is on social innovations for prevailing social problems. “Social entrepreneurship is the process of recognizing and resourcefully pursuing opportunities to create social value for society. Social entrepreneurs are innovative, motivated for resolving social issues, resourceful, and results oriented. They prepare a mind-set after best thinking in both the business and non-profit worlds to develop strategies that maximize their social impact by addressing social inequalities and social problems. These entrepreneurs exist in all kinds of organizations: large and small; new and old; religious and secular; non-profit, for-profit, and hybrid. Such organizations comprise the ‘social sector’”

## 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.’ Bill Drayton, CEO, Chair and founder of Ashoka. In simple terms “Social entrepreneurs Identify and relentlessly purse opportunities to create sustainable solutions

to social problems continuously innovate, adapt, and learn act boldly, not constrained by resources currently in hand, and hold them accountable for-

- Achieving their predetermined social impact; along with
- Using resources at their optimum levels, the important thing to note down is that all characteristics' are similar to economic Entrepreneur.

## **CONTRIBUTION OF SOCIAL ENTREPRENEURSHIP / ENTREPRENEURS IN INDIA**

The social entrepreneurship is most applicable in nations which have developmental issues. India being a developing nation has its own social challenges and social developmental issues. Social entrepreneurship can resolve all the social inequalities which are prevailing in India. In recent times, some startups/new ventures has developed keeping social interests in mind and providing sustainable solution to social issues and earning their profits as well. Since the nature of profit is all, this makes the difference in economic and social entrepreneurship. Social entrepreneurship in India has wider scope than economic entrepreneurship. The need of social entrepreneurship in Indian context is a very vital as well, as most of the products and services are focused at the higher end customers and the people who have limited means are deprived from their needs due to lack of resources. Social entrepreneurship takes cares of this deprived section of market and provide goods/services to them at their terms and conditions. Such society needs fulfilling becomes very challenging as well, due to no or less profits to begin with. There are many examples where people have opted for social entrepreneurship than economic entrepreneurship, government and other factors have played a lot in doing so. Where ever the societal gaps are wide and societal inequalities are persisting, social entrepreneurship becomes very relevant like in India. Following are arguments which cement the needs for social entrepreneurship in India and places like India all over the world. Following are the contribution made by social entrepreneurship in India

1. Social entrepreneurship focuses on deprived/weak section of society, India has over 27 crore people living under such conditions. So social entrepreneurship becomes relevant and it is needed the most for uplifting this section of people.
2. Social entrepreneurship sees social benefits as primary and profits as secondary. This helps in getting great products/services on quite affordable prices.
3. Social entrepreneurship address the social problems, such problems may include illiteracy, girl child abuse, financing, health, potable water etc. Social entrepreneurship helps in meeting these social problems by capitalizing the local resources and applying entrepreneurial principles. In that case we need social entrepreneurship, so that we can minimize the impacts the social problems.

4. Social entrepreneurship also innovates like any other branch of entrepreneurship, but this innovation is slightly different. This innovation is termed as social innovation, as they are focused upon the social problems. The social innovation is nothing but finding out the most innovative and unique solution of social problems.

5. One of the most important needs of social entrepreneurship is towards bottom of the pyramid. This bottom of the pyramid referred to the people who have minimalistic income, but high acceptance for social innovations. There are many social enterprises who have prepared their products and services for bottom of the pyramid as well. Social entrepreneurship is the only way to fulfil the needs and demands for bottom of the pyramid, this argument is the strongest for the existence of social entrepreneurship in India. 6. Social entrepreneurship like any other economic activity provides employment the people having basic skills. This also makes social entrepreneurship needed in Indian context as India has the maximum number of people unemployed and this problem can be solved by social entrepreneurship effectively.

### **SOCIAL ENTREPRENEURSHIP IN INDIA**

1. In Maharashtra, Zero Miles is building multi-utility drinking water centres to bring people together for community development.
2. Aadhan builds classrooms —and a host of other spaces — from discarded shipping containers.
3. Traditional Indian crafts and artistry can benefit greatly through access to online and urban markets via social enterprises. Ziveli is such a social enterprise, bringing the kauna craft-work of Manipur to the world.
4. Divya Rawat is using mushroom cultivation as a way of curbing migration and providing livelihoods to people in Uttarakhand. This is also helping repopulate many ‘ghost villages’ in the state.
5. In a country where women often have to walk miles to find and collect drinking water for their families, the Water Maker project to produce water from thin air is no less than magical. It is, in the words of one grateful recipient, “khuda ka paani.” These are the few examples of social entrepreneurship in India, which are into different domain of working. The majority of this social entrepreneurship is focused on rural and semi urban areas. As the need for social entrepreneurship is growing, the social enterprises are growing as well. The social entrepreneurship has a wide area of coverage from cottage industry to village produced goods, farm produced to handicrafts etc. Social entrepreneurship is also spreading over education and health sector as well to provide cheap education and health care to people. It is also a way to uplift the way and conditions of living of people

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

As mentioned earlier as well, India and similar societies provide best grounds for social entrepreneurship to prevail and grow to its best. Developed societies have limited scope for social entrepreneurship, as the social inequalities are minimalistic. On the other hand, social inequalities are at its maximum in underdeveloped, developing and least developed nations. The responsibility of any entrepreneur is highly and prominent in nature, but when it comes to

social entrepreneurship or social entrepreneurs, they are inevitable for social upliftment. As our experience has told us again and again that social value creation, social gains and social changes can only be achieved by selfless people, who apply entrepreneurial skills along with managerial skills for societal gains and non-personal profits. These selfless people are termed as social entrepreneurs. The roles and responsibilities of social entrepreneurs are given as under with reference to India society<sup>1</sup>. 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. 2. 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.

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

Social entrepreneurship, like any other branch of 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

1. 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.
2. 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.
3. 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.
4. 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 these condition it is very hard to get people to work for the firm.

5. 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.
6. 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.
7. 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.
8. The commercial assumption- Social entrepreneurship does not take commercial viability or assumption as their priority. This is one of the biggest challenges when it comes to commercial assumption of facts and ideas. Since socially things may be accepted but financially/commercially they may not. This creates a dilemma for social entrepreneurship in India. Commercial non viability also makes firms less motivated for the getting in to social benefiting projects.
9. Lack of evidence- Unlike economic entrepreneurship, social entrepreneurship has fewer evidences of changes they have pioneered in society. Such changes are very hard to keep a track of, as people move from one place to another frequently for several reasons.

### **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 preposition 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

1. 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.
2. Inclusion of social entrepreneurship in course syllabus- One of the most effective way of disseminating awareness towards social entrepreneurship is to include a paper/subject on the same at higher education level.

3. 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.
4. Providing infrastructure and basic facilities Government and other stake holders must work on 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.
5. 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.
6. Funding to social entrepreneurship- If the funding issue of social entrepreneurship is resolved, the maximum level of challenges faced by social entrepreneurship can be managed properly.
7. Government projects should be given to social entrepreneurs- Governments of several states time to time plan different programmes for rural and semi urban areas. If the priority of such programme allocation is given to social entrepreneurs, they will flourish in no time. Government machineries and other sophisticated mechanism do not understand the social issues more accurately but social entrepreneurship does understand the social issues/inequalities better.
8. Awards and public felicitation- Time to time on proper and prestigious platforms social entrepreneurs must be publically awarded for their exception/distinct contribution as a social entrepreneur.

## Conclusion

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. If the government and other stake holders can work out the challenges of social entrepreneurship effectively, then social entrepreneurship is beyond any doubt is the most important tool which has the full capacity to change the very face of society in India.

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