



## DEVELOPMENTS IN SOCIAL ENTREPRENEURSHIP: INDIAN PERSPECTIVE

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### ABSTRACT

It is an increasingly important concept in the study of voluntary, non-profit and not-for-profit organizations. Social entrepreneur identifies practical solutions to social problems by combining innovation, resourcefulness and opportunity. Committed to producing social value, these entrepreneurs identify new processes, services and products, or unique ways of combining proven practice with innovation to address complex social problems. Whether the focus of their work is on enterprise development, health, education, environment, labour conditions or human rights, social entrepreneurs are people who seize on the problems created by change as opportunities to transform societies. The paper focuses on social entrepreneurs and entrepreneurship. The objective of the paper is to study about the different challenges of social entrepreneurship. How social entrepreneurs work for the benefits of the society. This paper focuses on different challenges faced by the social entrepreneurs while doing something for the welfare of the society.

**KEYWORDS** : Challenges, Entrepreneurship, Transform Societies, Social.

### I - INTRODUCTION:

#### Social Entrepreneurship:

The social entrepreneur's main focus is the social and/or environmental well-being. When they see a problem in the community, environment, or ways of the people, they take actions toward helping solve that problem. The main goal for the social entrepreneur is not wealth or money. Rather, they prioritize more on serving the needs and wants of the community in a more resourceful way. Sometimes, they will engage in their projects with little funds and resources, while still making an impact on society. Social entrepreneurs try to make the world a better place to live in. They focus more on the greater good. Their projects may or may not generate value and income. Sometimes, they will invest a lot of their time and energy in changing society with little in return. Social entrepreneurs focus on many different topics, such as the economy, social disorganization, and inequality.

- Like any business entrepreneur, social entrepreneurs also find gaps and create a venture to serve the unmet 'markets'.
- The primary difference between the business and the social entrepreneurs is the purpose for setting up the venture. While the business entrepreneurs' efforts focus on building a business and earning profits, the social entrepreneurs' purpose is to create social change.
- A business entrepreneur may create changes in the society, but that is not the primary purpose of starting the venture. Similarly, a social entrepreneur may generate profits, but for him/her that is not the primary reason for starting the venture.
- Profitability - not 'profit-making' - however, is important for the social entrepreneur. Being 'profitable' helps self-sustainability of the venture, and also works as a mechanism for self-monitoring. To quote from Dr Yunus (Grameen Bank)
- Another key difference between the social and the business entrepreneur is in the meaning of wealth creation. For the business entrepreneur, 'wealth' is same as profits. For the social entrepreneur, however, wealth also encompasses creation/sustenance of the social and environmental capital. *Therefore, to be viable, a social entrepreneurship venture must show a positive Social and/or Environmental ROI.*

#### Business Entrepreneurs:

Business entrepreneurs focus more on the profit and wealth side. Their main goal is to satisfy customer needs, provide growth for shareholders, expand the influence of their business, and to expose their business to as many people as they can. Sometimes, they will overlook the environmental consequences of their actions. The main priority for this type of entrepreneur is to gain profit. They need to gain profit so they can ultimately keep providing services or goods to their customers, provide for themselves and their families, and provide for their business expansion. In the process of starting up their business, they look for gaps in the market to fill. They look for things that people need or want, and then they try to make a service or product that will satisfy that need or want. The ultimate effect is to generate profit in the form of material things.

### II - FOCUS AREAS OF SOCIAL ENTREPRENEURSHIP

Social entrepreneurs advance innovations that:

- Arrest or slow deforestation using policy, market and community-driven mechanisms.
- Enhance a person's ability to improve her or his economic well-being and personal dignity through opportunity.
- Harness aid to be more accountable, transparent and solutions-oriented, for lasting development.
- Enable access to and ensure use of reliable, affordable and appropriate healthcare in disadvantaged populations.
- Address issues of sustainable productivity not beneficiary by beneficiary, but system wide.
- Lay the foundation for peace and human security.
- Harness the capital and consumer markets that drive change by considering all costs and opportunities.
- Transform the way water is managed and provided, long-term, for both people and agriculture.

### III - SOCIAL ENTREPRENEURS IN INDIA:

Below are the top 5 social entrepreneurs of our country:

- **Harish Hande:** Founder of SELCO, he has a reputation of installing 120,000 systems in Karnataka, his aim being-making renewable resources the predominant source of energy in rural India. Stressing as an observer of minute details, he later grew into an innovator and a social entrepreneur.
- **Sushmita Ghosh:** She deals mainly with craft and restore from rural India, contributing to the present success of Rangasutra (a

for-profit venture) and retailing from FabIndia. She collects, what she calls 'priceless' products from these talented and dedicated villagers and helps them earn their living they deserve.

- **Akansha Hazari:** A multitasker from her youth, Akansha is a social entrepreneur, peace negotiator and businesswoman. She hooks the reputation of being honored by President Bill Clinton with \$1,000,000, for her ventures in solving global water crisis in the form of m.Paani.
- **Shaheen Mistry:** She deals with the most pressing problem of India today- education, with the help of a luxury available only to middle-class children. He introduces slum children to schools which only admit students from rich backgrounds, helping to reduce illiteracy from the grass root level.
- **Chetna Vijay Sinha:** Founder of Mann Deshi Manila Sahakari Bank for rural women, she is also the winner of the 2013 India Social Entrepreneur of the Year. It aims to provide financial support to these women.

Social Entrepreneurs have become invaluable to society and are yet to enter as a mainstream profession. They are possibly the only sect of professionals who do not work for money but for the benefit and overall welfare of society. They have indeed, proved to be of great help to all people at large.

#### IV- SUCCESSFUL SOCIAL ENTREPRENEURSHIP

##### SKS India

Vikram Akula started SKS India with a mission of empowering the poor to become self-reliant through affordable loans. SKS believes that access to basic financial services can significantly increase economic opportunities for poor families and in turn help improve their lives. Since inception, SKS has delivered a full portfolio of microfinance to the poor in India and we are proud of our current outreach. As a leader in technological innovation and operational excellence, SKS is excited about setting the course for the industry over the next five years and is striving to reach our goal of 15 million members by 2012.

##### AMUL (Anand Milk Union Limited)

Dr. Verghese Kurien started a Co-operative organization AMUL. Amul has been a sterling example of a co-operative organization's success in the long term. It is one of the best examples of co-operative achievement in the developing economy. The Amul Pattern has established itself as a uniquely appropriate model for rural development. Amul has spurred the White Revolution of India, which has made India the largest producer of milk and milk products in the world.

##### Shri Mahila Griha Udyog Lijjat Papad

Shri Mahila Griha Udyog Lijjat Papad is a Women's organization manufacturing various products from Papad, Khakhra, Appalam, Masala, Vadi, Gehu Atta, Bakery Products, Chapati, SASA Detergent Powder, SASA Detergent Cake (Tikia), SASA Nilam Detergent Powder, SASA Liquid Detergent. The organization is wide-spread, with its Central Office at Mumbai and its 67 Branches and 35 Divisions in different states all over India. The organization started off with a paltry sum of Rs.80 and has achieved sales of over Rs.300 crores with exports itself exceeding Rs. 12 crores. Membership has also expanded from an initial number of 7 sisters from one building to over 40,000 sisters throughout India.

#### V- CHALLENGES FACED BY SOCIAL ENTREPRENEURS:

##### Funding:

Social enterprises can be run as for-profit or non-profit and sit somewhere in the middle of the traditional corporation and a purely charitable organization. Some organizations are able to generate sufficient income through the sale of socially beneficial goods or services, but many are not. Other funding opportunities include

corporate investment, donations and government funding. Approaching investors may not be easy, however, if the organization is perceived as more non-profit than profit-oriented and not likely to make a reasonable return for investors.

##### Communicating Value Objectively

The social enterprise delivers more than commercial value, and it is the additional social value that often ignites the passion of the social entrepreneur. This in combination with the fact that social value is not easily measured can make it difficult to communicate the bottom line to investors, donors or the community at large. It is important to stay objective to remain convincing, and to make the right decisions in moving the enterprise toward its goals.

##### Strategy and Long-Term Focus

It is important to any business to identify a long-term strategy, define appropriate goals and drive growth in a sustainable manner. Difficulties for social enterprises again stem from the fact that the purpose of the organization is to create social benefits. It is often the case that multiple social benefits can mean multiple goals, all of which must be evaluated in terms of cost of provision to ensure true value creation.

##### Remaining True to the Mission

Establishing a good strategy for the social enterprise will help to mitigate the possibility of mission creep. It is often easier to fight fires and not focus on the long-term goals of the organization, but this could result in an undesirable shift in the social value provided. A successful organization will continuously review strategy and work to improve it, but changes in the mission can cause confusion and dilute the organization's impact.

#### VI- CONCLUSIONS AND RECOMMENDATIONS

The economy has been witnessing rapid growth since the onset of liberalizations from 1991 onwards. Unfortunately social and environmental problems of the country are increasing year after year which necessitates the extensive application of multidisciplinary approaches and entrepreneurial energy in the social and environmental sectors. As discussed earlier, India is experiencing an increase in social entrepreneurship and attempts by social entrepreneurs to find affordable solutions to various social problems of society. With changes in technology and increasing competition, social entrepreneurs have to become more dynamic. Some suggestions for Indian social entrepreneurs in achieving their objectives are as under:

- Social entrepreneurs should help higher education institutes in India in developing curriculum that create social entrepreneurship habits in their students so that high quality managers and promoters can be produced.
- Social ventures should educate the consumer and set market standards by following network approach. This may increase demand for their products.

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