



SOCIAL ENTREPRENEURSHIP IN INDIA

KEYWORDS

Entrepreneurship, Business, Employment, Visionaries

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ABSTRACT *Social entrepreneurship is the process of pursuing innovative solutions to social problems. More specifically, social entrepreneurs adopt a mission to create and sustain social value. They relentlessly pursue opportunities to serve this mission, while continuously adapting and learning. They draw upon appropriate thinking in both the business and nonprofit worlds and operate in all kinds of organizations Social Entrepreneurship by its nature is essentially only bound by the social mission and theory of change. The general perception of equating Social Entrepreneurship to starting Non-profit organizations probably arises out of the strong social missions that these organizations pursue. Although, it is not wholly inaccurate there are far many examples of for-profit sustainable revenue generating enterprises with a social value generating structure prompting us to re-think the traditional models and conceptualize new hybrid business model. They are visionaries, but also realists, and are ultimately concerned with the practical implementation of their vision above all else. Social entrepreneurs present user-friendly, understandable, and ethical ideas that engage widespread support in order to maximize the number of citizens that will stand up, seize their idea, and implement it.*

INTRODUCTION

Social entrepreneurship is a practice that integrates economic and social value creation which has a long heritage and a global presence. The global efforts of Ashoka, founded by Bill Drayton in 1980, to provide seed funding for entrepreneurs with a social vision; the multiple activities of the Grameen Bank, established by Professor Muhammad Yunus in 1976 to eradicate poverty and empower women in Bangladesh and the use of art to develop community programs in Pittsburgh by Manchester Craftsmen's Guild, founded by Bill Strickland in 1968; these are all contemporary manifestations of a phenomenon that finds its historical precedents in the values of Victorian liberalism. 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 entrepreneurs and social enterprises share a commitment of going ahead with a social mission of improving society. Bruton et al (2010) discuss in their study that the nascent field of social entrepreneurship is growing rapidly and getting immense attention among many sectors. There are several reasons behind the popularity of social entrepreneurship. Something inherently interesting and appealing about entrepreneurs is 'Why', 'How' and 'What' they do. Social enterprises are social mission-driven organizations which apply market-based strategies to achieve a social purpose. An excellent example of a "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." non-profit social enterprise in India is, Rang De which was founded by Ramakrishna and Smita Ram in January 2008. Rang De is a peer-to-peer online platform that makes low-cost micro-credit accessible to poor people in both rural and urban areas of India. Individuals invest directly with borrowers from all over India, track their investments online and receive regular repayments. In India, social entrepreneurship has been gaining ground in various sectors of the economy with more and more youth evincing interest in the field, including those from prestigious Indian Institutes of Management (IIM) and Indian Institutes of Technology (IIT).

1. MEANING

Social entrepreneurship is the process of pursuing innovative solutions to social problems. More specifically, social entrepreneurs adopt a mission to create and sustain social value. They relentlessly pursue opportunities to serve this mission, while continuously adapting and learning. They draw upon appropriate thinking in both the business and nonprofit worlds and operate in all kinds of organizations: large and small; new and old; religious and secular; non-profit, for-profit, and hybrid. Over the past two decades, the citizen sector has discovered what the business sector learned long ago: There is nothing as powerful as a new idea in the hands of a first-class entrepreneur. Social entrepreneurs often seem to be possessed by their ideas, committing their lives to changing the direction of their field. They are visionaries, but also realists, and are ultimately concerned with the practical implementation of their vision above all else. Social entrepreneurs present user-friendly, understandable, and ethical ideas that engage widespread support in order to maximize the number of citizens that will stand up, seize their idea, and implement it. Leading social entrepreneurs are mass recruiters of local change-makers—role models proving that citizens who channel their ideas into action can do almost anything.

2. DEFINITION

Social entrepreneurship generally defined as —Entrepreneurship activity with an embedded social purpose these have been numerous attempts at defining Social Entrepreneurship. 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 has on society. There are 3 key components that emerge out of this definition and are more or less common when it comes to the other variations of the definition of Social Entrepreneurship:

- The problem
- A sustainable solution
- Social change

Qualities of Social Entrepreneurs

FOLLOWING ARE THE QUALITIES OF SOCIAL ENTREPRENEURS:

Ambitious: Social entrepreneurs tackle major social issues, from increasing the college enrollment rate of low-income students to fighting poverty. They operate in all kinds of organizations: innovative nonprofits, social purpose ventures, and hybrid organizations that mix elements of non-profit and for-profit organizations

Mission driven: Generating social value —not wealth—is the central criterion of a successful social entrepreneur. While wealth creation may be part of the process, it is not an end in itself. Promoting systemic social change is the real objective

Strategic: Like business entrepreneurs, social entrepreneurs see and act upon what others miss: opportunities to improve systems create solutions and invent new approaches that create social value. And like the best business entrepreneurs, social entrepreneurs are intensely focused and hard-driving in their pursuit of a social vision

Resourceful: Because social entrepreneurs operate within a social context rather than the business world, they have limited access to capital and traditional market support systems. As a result, social entrepreneurs must be skilled at mobilizing human, financial and political resources.

Results oriented: Social entrepreneurs are driven to produce measurable returns. These results transform existing realities, open up new pathways for the marginalized and disadvantaged, and unlock society's potential to effect social change.

3.SOCIAL ENTREPRENEURS PLAY THE ROLE OF CHANGE AGENTS IN THE

SOCIAL SECTOR BY:

- Adopting a mission to create and sustain social value (not just private value),
- Recognizing and relentlessly pursuing new opportunities to serve that mission,
- Engaging in the process of continuous innovation, adaptation, and learning,
- Acting boldly without being limited by resources currently in hand,
- The Importance of Social Entrepreneurship for Development:

Especially since Muhammad Yunus, founder of the Grameen Bank and a renowned example of a social enterprise, won the Nobel Peace Prize in 2006 there is increasing interest in social entrepreneurship for development yet the current academic literature does not provide a sufficient link between social entrepreneurship and economic development policies. How important are social entrepreneurs for economic development? What value is created by social entrepreneurship?

3.1. Employment Development

The first major economic value that social entrepreneurship creates is the most obvious one because it is shared with entrepreneurs and businesses alike: job and employment creation. Estimates range from one to seven percent

of people employed in the social entrepreneurship sector. Secondly, social enterprises provide employment opportunities and job training to segments of society at an employment disadvantage (long-term unemployed, disabled, homeless, at-risk youth and gender-discriminated women). In the case of 'Grameen Bank' the economic situation of six million disadvantaged women micro-entrepreneurs were improved.

3. 2. Innovation / New Goods and Services

Social enterprises develop and apply innovation important to social and economic development and develop new goods and services. Issues addressed include some of the biggest societal problems such as HIV, mental ill-health, illiteracy, crime and drug abuse which, importantly are confronted in innovative ways. An example showing that these new approaches in some cases are transferable to the public sector is the Brazilian social entrepreneur Veronica Khosa, who developed a home-based care model for AIDS patients which later changed government health policy.

3.3 Social Capital

Next to economic capital one of the most important values created by social entrepreneurship is social capital (usually understood as —the resources which are linked to possession of a durable network of ... relationships of mutual acquaintance and recognition"). Examples are the success of the German and Japanese economies, which have their roots in long-term relationships and the ethics of cooperation, in both essential innovation and industrial development. The World Bank also sees social capital as critical for poverty alleviation and sustainable human and economic development. Investments in social capital can start a virtuous cycle.

3.4 Equity Promotion

Social entrepreneurship fosters a more equitable society by addressing social issues and trying to achieve ongoing sustainable impact through their social mission rather than purely profit-maximization. In Yunus's example, the Grameen Bank supports disadvantaged women. Another case is the American social entrepreneur J.B. Schramm who has helped thousands of low-income high-school students to get into tertiary education.

To sum up, social enterprises should be seen as a positive force, as change agents providing leading-edge innovation to unmet social needs. Social entrepreneurship is not a panacea because it works within the overall social and economic framework, but as it starts at the grassroots level it is often overlooked and deserves much more attention from academic theorists as well as policy makers. This is especially important in developing countries and welfare states facing increasing financial stress.

4. DIFFERENCE BETWEEN BUSINESS ENTREPRENEURSHIP AND SOCIAL ENTREPRENEURSHIP

4.1 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 them-

selves 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.

4.2 Social Entrepreneurs

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 un-served '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)
- "Grameen's central focus is to help poor borrower move out of poverty, not making money. Making profit is always recognised as a necessary condition of success to show that we are covering costs. Volume of profit is not important in Grameen in money-making sense, but important as an indicator of efficiency."
- 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.

CONCLUSION

Social Entrepreneurship has emerged to a greater extent and is well appreciated. The bottom of the pyramid is getting benefitted due to social entrepreneurship. The social entrepreneur needs to be innovative, socially aware and ready to take risk. There are many challenges faced by the social entrepreneurs like conveying the business idea, working remotely, getting fund, government approval, competition from others, acquiring technologies, promoting awareness and getting skilled workers.