

The Future Of Social Entrepreneurship In India

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ABSTRACT

Social Entrepreneurship is an involvement of social work appellations to describe the system of social changes on a major impactful scale compared to traditional NGO's. Social entrepreneurship has become the buzz word in India & around the World. Researchers have found that this new Concept is the study of Voluntary Non-profit Organizations. Social entrepreneurship in India is emerging primarily because the government is very keen not only on its awareness, funding, advising but also by enabling it. Social entrepreneurs differ from economic entrepreneurship as its basic objectives is not to earn profit but for providing creative solutions to meet social needs.

The focus of this research paper is to study the new trends of Social entrepreneurship in India. This will also give a brief Idea of different theories of Social Entrepreneurship, challenges faced by Social Entrepreneurs in India. This paper will support activities of Social Entrepreneurs & Social Entrepreneurship ventures in India.

This may be advantageable in future empirical studies on the subject.

Keywords: *Entrepreneurship, Social Entrepreneurship, Social Entrepreneur, NGO, Corporate Social Responsibility, India.*

Introduction

Social entrepreneurship is an emerging trend in India, even though there are diversities in culture societies and economies. The Narendra Modi Government has implemented many schemes which benefit all the business sectors, but there are certain schemes which are implemented exclusively for the benefit and encouragement of Social entrepreneurship in India. India is divided into 2 parts Urban & Rural as well as Public Sectors & Private Sectors. All the metropolitan cities are mostly been captured by Private sector & all the Govt. business entities fall in Public sectors. Therefore, these Public sectors have golden opportunities to construct Social entrepreneurs in Rural Areas thereby bridging the gap between rich & the poor. So also, such entrepreneurs will become the blood line for the economic development of the Country. Social entrepreneurship is one of that aspect which can solve minor as well as major problem of the society by inculcating social culture which will bring about their entrepreneur as well as organizational growth. The communities, corporations, Govt entities, civil societies as well as individual can also undertake Social entrepreneurship practices to address different social problems faced by them.

This paper is structured with specific parameters like Nature, Opportunity, Challenges etc. of Social entrepreneurship in India. The paper also depicts the future of Social entrepreneurship in India in its crudest form.

Objectives of Research Paper

- To understand future of social entrepreneurship in India
- To analyse contribution of social Entrepreneurs in India.

- To list out challenges faced by and opportunity available to social entrepreneurs in India.

Importance of a topic

- Social entrepreneurship is for welfare of society and entrepreneurs are solving the problem of society and make development of country.
- Social entrepreneurs are not only making profit to the organization but also giving benefits to the people and keeps value of society.
- Social entrepreneurs not only providing opportunities for employment but also providing welfare work to their employees.
- Social entrepreneurship responds to customer needs.

Hypothesis to be used in study :

- Hypothesis 1: Social entrepreneurship will contribute for the development of society in India.
- Hypothesis 0: Social entrepreneurship will not contribute more for the welfare of society in India.

Research Methodology

- Research Methodology is based on secondary Data such as-
- 1. websites and articles.
- 2. Research papers available online

Literature Review

- Mr. Mahesh Daru, and Mr. Ashok Gour in their research paper “Social entrepreneurship - A way to bring social change” (2013) wrote that, “In the developing world, the Millennium Development Goals (MDG) might provide a valid operationalization of social needs. The MDG include goals such as eradicating extreme poverty and hunger, achieving universal primary education, promoting gender equality and empowering women, reducing child mortality,
- In the developed world, opportunities for social entrepreneurs might arise, from gaps in the social welfare system.
- However, more empirical studies are needed to map this opportunity space for social entrepreneurs and to examine whether and how the nature of social opportunities affects the entrepreneurial process.

What is Social Entrepreneurship?

Social Entrepreneurship is a phenomenon in which new applications are applied to solve Social Problems by taking high risk & effort. It is a process of bringing positive changes in the society by helping people to find the purpose of their lives while carving out their own living.

In Social Entrepreneurship, people undertake to do a particular act like even starting a small business it is done with an intention to provide solution to the problems present in society, it is not mandatory that the problem has to be a far-reaching problem, the problem can even be that of a small sector.

The COVID-19 Pandemic resulted in unemployment in various sectors. The most impacted sector were the transport service providers. The Transport Providers be it the School, colleges or Public Transport all are severely hit by this pandemic. In search for their livelihood these People made their own guilds & started helping each other by mutually sharing the vehicle servicing charges. This gave rise to small social associations. These Social associations are Pioneering, & if systemically supported can be converted into Social Entrepreneurships.

Thus, we can say that the concept & idea of Social Entrepreneurship is far reaching & is not at all limited to any particular sector or strata of the Society.

The development of different mobile apps to identify & solve the needs of a particular community is another way social entrepreneurship is expressed.

Ex: 112 India – This app is designed for the safety & security of society

Characteristics of Social Entrepreneurship

1. Social Entrepreneurship strives to achieve large scale change
Ex: Arvind Eye Care Hospital
2. Social Entrepreneurship focuses on the social or ecological change which it wants to bring while earning money to support the change
Ex: The Amul Model
3. Social Entrepreneurship Means Innovating while looking for a solution to a social problem
Ex: TOMS
4. Social Entrepreneurship symbolises Equality
Ex: SEWA (Self-Employed Women's Association)
5. Social Entrepreneurship is Selfless in nature
Ex: The George Foundation of India

Theories of Social Entrepreneurship

Structuration Theory: According, to this theory, it is not possible to separate the social Entrepreneur from the society, because the act which a social entrepreneur does in the capacity as a member of the society & therefore cannot be detached from it. But we all know that while living in society, certain rules & regulations, behavioural standards need to be observed. So, this theory, helps us to understand the process of Social Change.

Entrepreneurship Development: Entrepreneurship Development is essential for the economic growth of country. There are many entrepreneurships in India:

1. Adaptive Entrepreneurs
2. Innovative Entrepreneurs
3. Drawn Entrepreneurs

4. Industrial Entrepreneurs
5. Agricultural Entrepreneurs
6. Service Entrepreneurs

7. Technical Entrepreneurs
8. Non-Technical Entrepreneurs
9. Professional Entrepreneurs
10. Rural & Urban Entrepreneurs
11. Social Entrepreneurs

Social Entrepreneurs are purely devoted for the welfare & the development of the society but rest other Social Entrepreneurs are helping society through Corporate Social Responsibility.

As per the new Corporate Social Responsibility guidelines in Section 135 of Companies Act 2013, organizations have to spend at least 2% of their average net profit of last 3 years on CSR activities. Currently these guidelines prohibit investment in for-profit business models. However, this will still result in availability of an estimated USD 2.5-3.3 billion of CSR funds every year for Indian social ventures. With an estimated finance demand of INR 32.5 trillion (USD 650 billion) as of 2010, The Indian social good sector is grossly underserved and points to a humongous potential for impact investors in India and all over the world. As per the Companies Amendment Act 2017, the limit of CSR contribution is increased from 2% - 20%.

Commercial Entrepreneurs participating in Social Entrepreneurship through CSR Initiative

| Sr.No. | Name of the Company | CSR Initiative |
|---------------|----------------------------|--------------------------------------------------------------------------------------------------------------------|
| 1. | Reliance Industries | Reliance Foundation |
| 2. | Infosys | Sudha Murti foundation |
| 3. | Persistent | Persistent foundation |
| 4. | Patagonia | Advocates the use of environment friendly grassroots |
| 5. | All good Products | Known for reef friendly Sun Screen |
| 6. | Klean Kanteen | The first Company to replace plastic bottles with Multi-use Steel Bottles |
| 7. | Mahindra & Mahindra | Project Nanhi Kali in 1996 A Project for Girl Child Education 2018-2019 93.50 Crores spent on CSR Initiative |
| 8. | WIPRO Limited | Through Wipro Foundation a separate Trust was setup in April 2017 for primary |

| | | |
|-----|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | health care needs of people in society. It contributed during Karnataka floods, Bihar Floods & Odisha Floods & the Japan tsunami. |
| 9. | Tata Chemicals | The Prescribed CSR for the calendar year 2019-20 was 21.39 crores for community development project. This amount was distributed at three places. Mithapur in Gujrat, Haldia in West Bengal & Babrala in Uttarpradesh |
| 10. | Birla Industries | CSR of Grasim includes managing & operating Hospitals & schools in the surrounding communities. |

Social Capital: In Indian Scenario, the social capital which is mostly found is caste based. It has been decades now, that this capital has resulted in the growth of Entrepreneurial culture in different parts of India. Due to globalization & Urbanization, different communities based in villages came to cities in search of livelihood. In cities, these people started living in guilds or clusters. These clusters were based on mutual trust, as all of them belonged to the same caste. Small enterprises developed through these clusters & they received boost from the Community financiers. In case of failure, these social enterprises receives financial support from the family members in the guilds.

This is one of the modes in which social capital contributed to the growth of social entrepreneurship in India.

1.Social Movements: In 1905, Gandhiji initiated the swadeshi movement, which aimed at making India a self-sufficient Country (Swadesh). There were many Indians joining the campaign and boycotting foreign products. During, the COVID-19 pandemic, the uncalled aggression shown by china towards India, resulted in lot of resentment of Indian people towards Chinese products or Apps. This resentment encouraged a Jaipur based Start-up to make an app named, “Remove Chinese App”. This APP detected & deleted Chinese Apps from Smart Phones.

It can be said in Indian context, that the Make in India movement is a constructive step for promoting Swadeshi Products & Swadeshi Companies in every single aspect of manufacturing., thereby making India Atmanirbhar or Self-sufficient Bharat.

Thus, the swadeshi movement started by Mahatma Gandhi promoted the spirit of Social Entrepreneurship through the Make in India initiative.

2. Social Entrepreneurship in India

In India, Social Entrepreneurship has been gaining ground in various sectors of the economy with more and more youth showing great interest in the field, including those

from prestigious Indian institutes of Management (IIM) and Indian Institutes of Technology (IIT) The orientation of ‘giving’, the need to fulfil one’s duty towards the society, as opposed to fulfilling individual needs is deep rooted in Indian social values and ethos.

A survey was conducted by Srivastava and Tandon (2002) for the Society for Participatory Research in Asia (PRIA) The survey found that:

- There are 1.2 million non-profit organizations in India, which engage nearly 20 million people as paid employees or on volunteer basis.
- However, 73.4% of these organizations were very small with one or two paid employees; in contrast, only 8.5% had more than 10 paid employees.
- While 26.5% of these NPOs were religious in nature of their activities, the rest were secular bodies focusing on social development issues such as education, healthcare, community development.
- The estimated receipts of funds by these NPOs were Rs. 179bn (1999-2000). However, 80% of this was generated from local activities, community contribution and donations; among these 51% were self-generated, while 12.9% came from donations and 7.1% from loans.

Thus, from this we can say that, Social enterprises directly influence social needs through their products and services rather than indirectly through socially responsible business practices such as corporate philanthropy, equitable wages and environmentally friendly operations, or through unrelated business activities initiated by Non-Profit organizations.

Social Entrepreneurs of India

| Sr.No. | Name of Social Entrepreneur | Contribution |
|--------|-----------------------------|-------------------------------------------------------------------------------------------|
| 1. | JerooBillmoria | Founder of Skill Foundation, Schwab Foundation, Ashoka innovations with Public |
| 2. | Ajaitha Shah | Founder of Frontier Market Innovations & winner of the Women Entrepreneur of India Award. |
| 3. | Dr. G. Venkatswamy | Founder of Aravind Eye Care Systems |
| 4. | Harish Hande | Founder of SELCO |
| 5. | Sushmita Ghosh | Founder of Rangсутra (a for profit venture for craftsman & artisans |
| 6. | Trilochan Sastry | Founder of Associations of Democratic reforms |

| | | |
|----|---------------------|-----------------------|
| 7. | Dr. Varghese Kurian | Founder of Amul Model |
|----|---------------------|-----------------------|

1. **JerooBillmoria:**JerooBillmoria is an accomplished social entrepreneur and the founder of several international NGOs. Her pursuits have earned her accolades with Ashoka Innovations for the Public, the Skill Foundation and the Schwab Foundation for Social Entrepreneurship.

Jeroobillmorialaunched childline, the support system for street children. It enables street children to seek police protection, to get medical help & much more. Childline is managed by Street Children only. It is a 24-hr emergency Telephone Service.

2. **AjaitaShah :**Business Week ranks her as the most influential leader under 30, working for a tenure of 5 years in SKS Microfinance and Ujjain Financial Services. Frontier Markets organisation is her brain child. Being a 2012 Echoing Green Fellow is to be of aid to 30 million rural households in the next 3 years.She has won many awards for her ground-breaking innovations around healthcare, mobile technology, and social performance management in the microfinance sector, including Most Influential award in Microfinance for people under 30, Business Week’s 30 under 30 award, Forbes 30 Under 30’s Social Entrepreneur of the Year, Leadership Conclave’s Women Entrepreneur of the Year (2015), CNBC’s Young Business Woman of the Year, Vodafone’s Women of Pure Strength, L’Oréal’s Women of Worth 2016, and the Global Enterprise Summit’s GIST Competition 2017 Winner.
3. **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 letter grew into an innovator and a social entrepreneur.
4. **Sushmita Ghosh-**She deals mainly with craft and artistic reserves 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 artisans and helps them earn their living they deserve.
5. **Trilochan Shastry-:** Often a simple act of bravery can move mountains. That is the story of this social entrepreneur. He filed a PIL which later turned into a judgement coaxing politicians to confess to their misdeeds. His efforts led to the form of ADR (Associations for Democratic Reform) responsible for scrutinising the elections every 5 years. Politicians now are more answerable and it is also spreading awareness among the public as to what the Fundamental Rights by the Constitution

of India really entail. He has won many prestigious awards like TOI Indian of the Year Award, Outstanding Young Teacher Award, IIT Alumni Award

6. Dr.Varghese Kurien: Dr.Varghese Kurian was known as the “Father of White Revolution of India”. He designed the Amul Model. He regarded himself as the servant of farmers. He started the Operation Flood. Operation Flood has helped dairy farmers direct their own development, placing control of the resources they create in their own hands. A National Milk Grid links milk producer throughout India with consumers in over 700 towns and cities, reducing seasonal and regional price variations while ensuring that the producer gets fair market prices in a transparent manner on a regular basis.

The Amul Model is a three-tier cooperative structure. This structure consists of a Dairy Co-operative Society at the Village Level affiliated to a Milk union at the District Level which in turn is further developed into a Milk Federation at the State Level. Milk collection is done at the Village Dairy Society, milk procurement and processing at the district Milk Union and milk and milk products marketing at the state Milk Federation.

OPPORTUNITIES FOR SOCIAL ENTREPREUNERSHIP IN INDIA

- India is divided into two parts rural and urban area where Social entrepreneurship has the biggest opportunity to exploit to have a sustainable business growth of in rural and urban area.
- Social entrepreneurs can apply more innovative & creative solution by providing unique product/service which will solve the social issues and create social values along with the economic development among the society and country.
- Social entrepreneurship can make possible changes in the society by focusing on average class needs in affordable prices.
- It provides an opportunity for the social entrepreneurs to developed agri-business and rural business as there is huge population under this segment and can exploit the volume by providing the products/services at affordable prices so that maximum individuals are benefitted from them.
- Social entrepreneurs can create employment opportunities among the masses therefore, it can make all-round development of the country.

Challenges Before Social Entrepreneurship in India

- Misinterpretation on the purpose: The majority of the social entrepreneurs conceive social entrepreneurship as social work which means working not for making money, but it’s a combination of both, balancing the social and economic values to have a sustainable enterprise.

- **Availability of the Funds:** Since the social entrepreneurs cater to the needs of the poorest of people in remotest and the parts of the country with primary objective of creating social values, the banks providing loans or the investors do not trust the commercial viability of the project and are reluctant to provide fund to these social entrepreneurship projects
- **Non-availability of Manpower:** Another challenge faced by the social entrepreneurs is the non-availability of the talented and dedicated workforce, as a qualified and a dedicated worker demands a huge salary which cannot be afforded by the Social Entrepreneurs
- **Motivated Employees:** The manpower working for the social entrepreneurship should be motivated and feel delighted to serve the society. They should feel happy serving the needy and imbibe a feeling of self-satisfaction which motivates them to work as an employee/entrepreneur of a social enterprise

Hypothesis Proved :

After researching on the basis of secondary data hypothesis 1 is proved. Researchers believe that the future of Social Entrepreneurship is bright in India.

Suggestions and Recommendations

- Govt. Should provide Proper training and development institutions for social enterprises.
- Inclusion of social entrepreneurship in course syllabus in higher education. • Make more awareness to the masses
- Govt. or NGO should Provide infrastructure and basic facilities
- Conduct Social entrepreneurship development programmes /workshops etc. • Need Certain schemes for Funding to social entrepreneurship
- Government Aid

Conclusion

One of the main contributions of Researcher is to define Social Entrepreneurship in Indian Context, as its description differs when compared with International Standards. Social Entrepreneurship in India can draw inspiration from Anglo-Saxon approaches. C.S.R. & Non-profit organizations in India played a vital role in the upliftment of the society.

Under the C.S.R. Act, many commercial entrepreneurs & venture capitalists had contributed towards social upliftment. The aim of this research paper is to acknowledge the efforts taken by the Venture Capitalists as well as Social Entrepreneurs in uplifting the society & to motivate the rest of the sector to embark upon a very bright Journey of Social Entrepreneurship.

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