

SOCIAL ENTREPRENEURSHIP IN INDIA

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ABSTRACT

The paper studies the growing trends of social entrepreneurship in India and the new initiatives taken by various social entrepreneurs. It also provides a brief idea of the different theories of social entrepreneurship. Social entrepreneurship is a term that is used to represent the whole picture of the process of social change on a larger and more impressive scale than a traditional non-governmental organization (NGO). The report highlights the significance of social entrepreneurship in the study of voluntary organizations, non-profit organizations, and sustainable development. The Indian government is also very interested in promoting social entrepreneurship, not only to finance or advise but also to license it. In addition, India's social entrepreneurship ecosystem is one of the most sophisticated in the world, giving multiple possibilities to connect with local partners, to learn, and to pursue innovative solutions to one of India's numerous social challenges in the fields of education, agriculture, healthcare, renewable energy, manufacturing and skills development. The report outlines India's social impact scenario and is intended to give the reader a succinct overview of this sector, as well as areas of opportunity and challenges. The report concludes by providing information and an exploratory study of social business support activities and social entrepreneurship companies in India.

Keywords: Social entrepreneurship; India; Initiatives; Government support; Social impact

INTRODUCTION

Social entrepreneurship is a growing trend in India, which is a new form of entrepreneurship that exhibits characteristics of non-profits, governments, and businesses. It applies traditional (private-sector) entrepreneurship's focus on innovation, risk-taking, and large-scale transformation to social problem-solving. India's social entrepreneurship ecosystem is one of the most sophisticated in the world, giving multiple possibilities to connect with local partners, to learn, and to pursue innovative solutions to one of India's numerous social challenges in the fields of education, agriculture, healthcare, renewable energy, manufacturing and skills development.

India's gig economy is flying to newer heights and modern techs, owing to the surge of innovative start-ups and young entrepreneurs who are changing the rules of how businesses function. These young people not only dream of achieving something big in life, but they also nurture their passion to resolve the social inequities holding the country back.

Being an entrepreneur in any country is challenging, and addressing a social cause through it is undoubtedly going to make the journey more difficult but a fruitful one. As a **social entrepreneur in India**, one is on a never-ending mission to generate business for a social cause. The job is to implement a low-cost business solution for socio-causes while dealing with the shortage of funds, resources, and many more. The problems and difficulties in the way are endless but the idea to change lives for good is the driving force and agenda that helps social entrepreneurs in India to navigate social entrepreneurship. Opportunities for social entrepreneurs and other social stakeholders from Switzerland in India are countless. Overall, it can be said, that the huge number of people, the relatively low cost of establishing a company, the vibrant social enterprise ecosystem, and India's challenges with poverty are the main reasons for Swiss social stakeholders to focus on the Indian market.

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. The following are the objectives that this research study intends to achieve –

- To study social entrepreneurship with its basic framework.
- To underline the roles and responsibilities of social entrepreneurs in Indian society

LITERATURE REVIEW

Social entrepreneurship can change the face of society in India, there have been many such examples and projects that 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 in 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 a firm is typically the area/region that is generally ignored by big firms of economic entrepreneurship. In a way, the product and service offerings of social entrepreneurship are unique and cater the societal requirements 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.

Social entrepreneurship as a practice that integrates economic and social value creation 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 (<http://www.ashoka.org>); the multiple activities of Grameen Bank, established by Professor Muhammad Yunus in 1976 to eradicate poverty and empower women in Bangladesh (<http://www.grameen-info.org>); or the use of arts to develop community programs in Pittsburgh by the Manchester Craftsmen's Guild, founded by Bill Strickland in 1968 (<http://www.manchesterguild.org>): Williams (1999) argued that interest in entrepreneurship as a field of study was crucially stimulated by community leaders' belief that entrepreneurship was a defining trend of the 21st century. Similarly, we observe that the rise of scholarly interest in social entrepreneurship goes hand in hand with an increasing interest in the

phenomenon among elites. Entrepreneurship played a significant role in economic growth, innovation, and alleviating poverty. And awareness regarding entrepreneurship is needed. In many of the developing countries is questionably the least studied. Entrepreneurship may affect economic growth in various ways. They may introduce important innovations by entering markets with new products entrepreneurship as a practice that integrates economic and social value creation 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 (<http://www.ashoka.org>); the multiple activities of Grameen Bank, established by Professor Muhammad Yunus in 1976 to eradicate poverty and empower women in Bangladesh (<http://www.grameen-info.org>); or the use of arts to develop community programs in Pittsburgh by the Manchester Craftsmen's Guild, founded by Bill Strickland in 1968 (<http://www.manchesterguild.org>): Williams (1999) argued that interest in entrepreneurship as a field of study was crucially stimulated by community leaders' belief that entrepreneurship was a defining trend of the 21st century. Similarly, we observe that the rise of scholarly interest in social entrepreneurship goes hand in hand with an increasing interest in the phenomenon among elites. Entrepreneurship played a significant role in economic growth, innovation, and alleviating poverty. And awareness regarding entrepreneurship is needed. In many of the developing countries is questionably the least studied. Entrepreneurship may affect economic growth in various ways. They may introduce important innovations by entering markets with new products.

Social entrepreneurs can include a range of career types and professional backgrounds, ranging from social work and community development to entrepreneurship and environmental science that is why sometimes it is very difficult to determine who is a social entrepreneur. Social entrepreneurship in modern society offers an altruistic form of entrepreneurship that focuses on the benefits that society may reap. Entrepreneurship becomes a social endeavor when it transforms social capital in a way that affects society positively. The world of social entrepreneurship is relatively new, there are many challenges facing those who delve into the field. Challenges like, it is very difficult to predict future social problems and also still there is a lack of eager investors in India. Social entrepreneurship in terms of operation and leadership could apply to non-profit organizations as much as for-profit social enterprises although in terms of activities and legal entity, they are very different. The model for social entrepreneurship in India is a Social for-profit enterprise, non-profit, and hybrid mode. In addition to the above-mentioned models, other ways of creating impact in India are through philanthropy and Corporate Social Responsibility. The practice of Corporate Social Responsibility (CSR) in India remains within the philanthropic space but has moved from institutional building (educational, research, and cultural) to community development.

CONTEXTUALISING INDIA

India is a complex and diverse country that can be considered as big as the continent of Europe. In modern times, India can best be understood in two eras: pre-liberalization India and India post-liberalization (i.e. 1991 onwards). While there is cultural unity in India, there is diversity of seasons and vegetation, histories of people, genetics, features and skin color, cuisine, customs and costumes, language and literature, religions and social attitudes, and arts. Each region is distinct and evolved and the communities feel proud of their roots. India has two distinct contexts, namely rural and urban, which are essential in understanding the country.

Since the globalization of the Indian economy, distinct patterns have emerged in urban metro cities as compared to smaller cities, towns, villages, and rural/low-accessible regions in the country. People in Indian tier 1 metro cities (population of +100'000 inhabitants with an increasing middle, upper-middle, and upper economic class) can be benchmarked with major global cities across the world.

Socio-cultural background

India is among the world's oldest civilizations that began about 4'500 years ago. Many sources describe it as "Sa Prathama Sanskrit Vishva Vara" — the first and the supreme culture in the world. Early on, Indians made significant advances in architecture (the Taj Mahal and many other monuments), mathematics (the invention of zero), and medicine (Ayurveda). Today, India is a very diverse country, with more than 1.25 billion people. 29 states and seven territories. Each state is much like a Swiss canton and has its separate state policies, taxation rules, and plans aligned with the central (federal) government except for certain subjects such as defense/ military. Contrary to popular belief, there is no official language in India. Though many people speak Hindi in India, 59% of India's residents speak something other than Hindi. Bengali, Telugu, Marathi, Tamil, and English are also widely used, with approximately 26% of men and 14% of women reported to speak fluent English.

Economic Background and its impact

The reforms in the 1990s impacted the social, cultural, and economic face of urban India with the advent of globalization. Globalization of the Indian Industry opened up its economy for trade, investments, talent, and knowledge exchange. Major global companies continue to focus on capturing the imagination of Indian consumers. This brought large amounts of foreign investments into industries such as information technology/ business processing outsourcing (IT/ BPO), pharmaceutical, petroleum, fast-moving consumer goods (FMCG), and manufacturing sectors. During this period access to television grew from 20% (1991) to 88% (2012) of the urban population, with the satellite television market penetrating as deep as rural areas of the country.

TOP SOCIAL ENTREPRENEURS IN INDIA

Jeroo Billimoria

Jeroo Billimoria is one of the accomplished and renowned social entrepreneurs and the founder of several international NGOs who supervises the betterment of society. She even initiated the Childline Program which aims to provide help in the form of healthcare and police assistance, especially to abandoned children. Jeroo, from her childhood, had a vision of giving back to the underprivileged in society. She also believed in the concept of self-empowerment and the employment of women in India. **She was felicitated with the Skoll Award for Social Entrepreneurship and a holder of Ashoka Fellow as well.**

Ria Sharma

Ria Sharma, born in New Delhi, is a social activist who graduated from Leeds College of Art, UK. She is the founder of the world's first rehabilitation center for acid attack survivors. Ria also founded **Make Love Not Scars** NGO in 2014, which is a rehabilitation center for acid attack survivors which are mostly women in India. It is a crowd-funded organization where it teams up to reach volunteers and funders through a social media platform. Ria was awarded the British Council's Social Impact Award in the year 2016.

Sunil Bharti Mittal

Sunil Bharti Mittal is known as the founder of Airtel, which is one of the largest social enterprises that put the power of telecommunications in the hands of the poor society in the country. His efforts were to bring down the costs of mobile telephones and it has assisted millions of Indian farmers to receive regular and instant updates on crops and weather. In the year 2000, Sunil Bharti Mittal established the Bharti Foundation to perform philanthropic work in the area of education besides empowering young members of low-income communities through entrepreneurship.

Hanumappa Sudarshan

Hanumappa Sudarshan is one of the most admired tribal rights activists. His dedication and pursuits towards assisting the poor section of Indian society made him an honorable recipient of the prestigious Padma Shri and the Right Livelihood Awards. **Hanumappa also founded the Vivekananda Girijana Kalyana Kendra** in the year 1980 for the integrated development of the tribal population in the state of Karnataka. He is the Secretary and Founder of the Karuna Trust which is focused on promoting development in rural areas in Karnataka and Arunachal Pradesh. Hanumappa Sudarshan is one of the most admired tribal rights activists. His dedication and pursuits towards assisting the poor section of Indian society made him an honorable recipient of the prestigious Padma Shri and the Right Livelihood Awards.

Social Innovation & Entrepreneurship in India

Social innovation helps in solving some of the most pressing problems with new solutions such as fair trade, distance learning, mobile money transfer, restorative justice, and zero-carbon housing. The process of creating solutions is also profoundly changing beliefs, basic practices, resources, and social power structures. Social innovation provides a unique opportunity to step back from a narrow way of thinking about social enterprises, business engagement, and philanthropy. For social innovation in India, a developmental model needs to be designed, keeping in mind the diversity of culture and abundance of its resources, people's aspiration levels, and the ecological limitations of nature. Indians are making efforts to create new avenues for social innovation across sectors, such as education, healthcare, housing, agriculture, and livelihoods. There is enough evidence of grassroots innovation amongst the poorest of the poor who live with or without any access to technology. These innovations are not only relevant in India but could also be applied globally, highlighting the universal elements of innovation such as ecological sustainability practices, low cost, scalability, and optimization

of resources. The social innovation segment in India requires support in capacity building and go-to-market strategies

Education

The education sector in the Indian social enterprise ecosystem is one of the largest and most promising sectors for investment. India faces challenges in multiple areas of providing quality education and all-round development of students who are to become the knowledge and labor power of the economy.

Agriculture

Agriculture provides livelihood to more than 70% of India's rural population and has a large number of social enterprises, with 44% of enterprises launching in the sector in 2010 or 2011¹⁹. One-third of agriculture enterprises provide some kind of service to farmers such as teaching organic farming practices. More than 10% of enterprises also offer financial services to low-income clients or producers—primarily access to credit. Yet agriculture enterprises tend to have low penetration across many communities.

Agriculture social enterprises can be broadly categorized into:

- Those supporting the value chain pre-harvest to increase agricultural yield in an economically and environmentally sustainable manner. They are structured as both for-profit and not-for-profit entities. Aakruthi Agricultural Associates and Janani Agriserve²⁰ are two such enterprises. They collectivize small/ marginal farmers, distribute information and advisory services, supply farm equipment, ensure access to quality inputs, and teach organic farming practices.

Healthcare

In addition to a health care system, India has several safety net health insurance programs for the high-risk population such as the Community Health Insurance program for the population below the poverty line and Life Insurance Company (LIC) policy for senior citizens. All such programs are monitored and controlled by the government-owned General Insurance Corporation. There are additional plans offered to government employees, and a handful of private companies sell private health insurance to the public. Yet many urban and rural poor to middle-class people are not aware of these schemes and programs.

Skill development

Skills development as a sector has gained prominence in the social enterprise ecosystem with several skills development and vocational training enterprises rising in the social sector in the last 5 years. Skill Sonic India Pvt Ltd.⁵⁷ was born with this vision with support from the Swiss Federation. This sector is also closely interlinked with the manufacturing sector.

CHALLENGES FOR ENTREPRENEURS

1. Diversity

India is a very heterogeneous society, with 29 states, 7 union territories, 23 recognized languages, rich culture, numerous sub-groups, ethics, and religious beliefs. It is important for Swiss social entrepreneurs seeking growth opportunities in India to fully appreciate the diversity and layers of India and to have a long-term vision, which requires time and patience.

2. Cultural Differences

Indian culture is different from the European. The general national tendencies can be identified, especially when compared with a Western country, such as Switzerland. The following five themes capture these tendencies.

3. Finding the Right People & Building

A Network Building the right team is a challenge in every country. India differs in the sense, that a lot is based on referrals and your own opinion. You need to spend time building your network to differentiate honest referrals from others. It is essential to find the right people through research and networking at the right venues.

4. Underestimating the Existing Ecosystem

India has one of the most sophisticated social entrepreneurship ecosystems, with a long history of civil struggle. The challenge lies in the exploration of the countless movements in this sector and understanding the already existing ecosystem. It is important to come as much with a mind to learn, and not just with a mind to give.

OPPORTUNITIES FOR ENTREPRENEURS

Opportunities for social entrepreneurs in India are countless. Overall, it can be said, that the huge number of people, the low-cost levels, the vibrant social enterprise ecosystem, and India's challenges with poverty are the main reasons for Swiss social stakeholders to focus on the Indian market. Out of India's current population of 1.3 billion people, 55 percent are deprived, suffering a severe and damaging lack of basic material and cultural benefits. 67.6% live in rural areas, with agriculture being their major occupation. Swiss Entrepreneurs India, being a country with some challenges, offers at the same time endless opportunities to tackle and provide a solution for each one of them. Swiss entrepreneurs can use their sector-specific expertise and strengths, especially in the fields of vocational education (see 4.2), healthcare (see 4.4), and renewable energy (see 4.5). By establishing collaborations and partnerships with local organizations, Swiss entrepreneurs could share their expertise and learn about sociocultural context. In India, numerous opportunities lie in low-tech approaches, with a low need for maintenance and locally sourced components, making it affordable. Swiss entrepreneurs can use India as a market with low entry costs to build and test prototypes with innovative ideas, gather feedback from different and diverse communities, and scale the successfully tested solution across the world.

FUTURE OUTLOOK

The report highlights the challenges and opportunities for social innovation in India concerning education, agriculture, healthcare, renewable energy, manufacturing, and skills development. Startups and other social impact stakeholders from Switzerland should learn the Indian way of conducting business and understanding the Indian market, rather than imposing global business models and practices. As the social challenges, that India is facing, are numerous, it has presented a vast range of opportunities for entrepreneurs and startup companies to grow in India. There is no doubt that social entrepreneurship is subject to many challenges and these challenges are growing with time and the 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 complete, 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 a few steps/measures that can be practiced to face the prevailing challenges of social entrepreneurship in India.

Proper training and development institutions: The government must open some specialized councils and institutions for the 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 masses aware of social entrepreneurship so that people do not get confused between social entrepreneurship and social work. Media, social media, and other vehicles can be deployed for the same.

Providing infrastructure and basic facilities: The government and other stakeholders must work on the basic facilities for social entrepreneurship. These facilities can attract people towards becoming social entrepreneurs, thus the spread of social entrepreneurship will increase to multi-folds.

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.

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