



Social Entrepreneurship In India – A Study

Dr. Ram Bajaj^{1*}

^{1*}RNB Global University-RNB Global City, Ganganagar Road,, Bikaner, Rajasthan 334601
e-mail-chairman@rnbglobal.edu.in

***Corresponding Author:** Dr. Ram Bajaj

*RNB Global University-RNB Global City, Ganganagar Road,, Bikaner, Rajasthan 334601
e-mail-chairman@rnbglobal.edu.in

Abstract:

The concept of social entrepreneurship has gained significant popularity in recent years, both in India and around the world. It has captivated people's interest due to its unique blend of social service and entrepreneurial spirit, making it an attractive and distinctive concept. Traditional entrepreneurship often revolves around economic pursuits and a relentless focus on profit, sometimes neglecting its impact on society's well-being. In today's era of rapid industrialization and economic growth, societal benefits have often taken a back seat or been disregarded in many countries.

The concept of social entrepreneurship has reverberated globally, particularly in India, as it offers a way to serve society in a more meaningful manner while fully embracing the entrepreneurial ethos. While the idea of social entrepreneurship has reached new heights recently, it is not a new concept. The Indian government has made corporate social responsibility (CSR) a genuine responsibility rather than a mere formality, and companies are now seeking ways to benefit both society and their bottom line.

Social entrepreneurship can be defined as a harmonious fusion of entrepreneurship and societal well-being. It is evolving and taking on various forms, gaining acceptance in a broader range of areas. Indian organizations have embraced this approach to doing business and have made significant positive contributions to society. This signifies a shift towards entrepreneurs assuming greater responsibility for society's welfare, rather than solely pursuing profit.

This concept also addresses social needs and innovations comprehensively. According to experts, social entrepreneurship is essentially the identification of social needs and the creation of unique social innovations to address those needs. This distinguishes it from traditional economic entrepreneurship, which primarily focuses on financial needs.

This research paper delves deeply into various aspects of social entrepreneurship, including its conceptual framework and the process involved. It also highlights the challenges faced by social entrepreneurs and proposes recommendations to enhance the overall landscape of social entrepreneurship in India. The paper explores the similarities and differences between social and economic entrepreneurship, elucidates the trends in social entrepreneurship, and examines the key factors such as social needs and social innovations from an entrepreneurial perspective.

Social entrepreneurship has expanded its scope and significance in recent years, and this paper covers both emerging and established aspects of the field. Finally, it discusses how social entrepreneurship can bring about changes and impact the social fabric in India and other developed countries, particularly at the grassroots level.

Keywords: Social Entrepreneurship, Social Responsibility, Entrepreneurship

1. INTRODUCTION:

Entrepreneurship serves as the fundamental driving force behind economic growth, with economic development largely attributed to the impetus provided by entrepreneurship. The common thread among developed nations worldwide is the presence of entrepreneurship. Economic growth is intricately linked to the expansion of entrepreneurship, and as entrepreneurship flourishes, so do infrastructure and all the indicators of development. In a relatively short span, governments across the globe have recognized and emphasized the significance of entrepreneurship, actively working on the foundational groundwork and infrastructure necessary for its systematic development within their respective nations. India, too, has grasped the importance of entrepreneurship and has made significant strides in fostering its overall growth. Indeed, entrepreneurship's unique development contributes significantly to overall progress, including social advancement.

For context, the term "entrepreneurship" was initially employed in an economic and business context in the 18th century by the French economist Richard Cantillon, who associated it with assuming business risks and bearing uncertainty. Entrepreneurship, as a concept, encompasses various forms and facets, one of which is social entrepreneurship. This particular type of entrepreneurship possesses distinctive characteristics, diverging significantly from the typical goals of entrepreneurship by harmonizing social benefits with economic gains. Often, social entrepreneurship is used interchangeably with social service or work. While similarities exist, the primary distinction lies in the presence of profits.

In social work, NGOs or social workers primarily focus on activities aimed at benefiting the underprivileged or disadvantaged, driven by a sense of service rather than profit.

In contrast, social entrepreneurship integrates profit into social service efforts, prioritizing both non-monetary and monetary benefits. The Indian community greatly needed such a model where society derives substantial benefits from entrepreneurial advancements.

Social entrepreneurship proves immensely valuable as it addresses the bottom of the market pyramid by offering innovative and affordable products and services. It caters to a demographic with minimal income but substantial needs, often referred to as the bottom of the pyramid market. In essence, social entrepreneurship bridges the gap left unattended by economic entrepreneurship. It generates revenue by selling distinctive and innovative products or services to underserved customer segments, aiding in their growth and raising their living standards, all while social entrepreneurs profit from their endeavors. It can be described as another form of entrepreneurship with unique attributes like profit generation, marketing, and innovation. However, the key difference lies in its emphasis on social transformation and societal gains over personal profits. Societies grappling with social inequalities can benefit significantly from this socialist approach to entrepreneurship.

The fundamental mechanics of social entrepreneurship largely resemble those of economic entrepreneurship, with a few distinctions that set it apart from traditional or economic entrepreneurship. India has long awaited the emergence of social entrepreneurship and stands to gain substantially from its expansion. Several social enterprises established in India are actively reshaping society by addressing social imbalances. The Indian government actively encourages such initiatives through incentives and periodic awards, and private institutions also support these endeavours. Examples of social entrepreneurship in India include microfinance institutions, educational institutions, healthcare organizations, and more. The primary objective of social entrepreneurship is societal change rather than personal profit, yet these ventures still ensure financial sustainability.

In summary, entrepreneurship plays a pivotal role in driving economic growth, and social entrepreneurship, with its distinct characteristics, contributes significantly to societal progress. India, in particular, has embraced the concept of social entrepreneurship, recognizing its potential to bring about positive change while ensuring financial viability. Examples of social entrepreneurship in India underscore the transformative impact it can have on society.

2. OBJECTIVE OF THE STUDY

The current study is grounded in specific objectives, which are also justified in their selection. These objectives have been carefully chosen to align with the research's title and purpose. The following are the objectives that this research study aims to achieve:

- To examine the fundamental framework of social entrepreneurship.
- To assess the overall contribution of social entrepreneurship and social enterprises in India.
- To identify and enumerate the challenges confronted by social entrepreneurship in India.
- To provide recommendations for effectively addressing the challenges faced by social entrepreneurship in India.

It is crucial to emphasize that this study will comprehensively address all of these objectives with proper explanations. While this research paper outlines its objectives, it comprehensively encompasses the broader landscape of social entrepreneurship in India

3. HYPOTHESIS TO BE USED IN STUDY

The current study is built upon the following hypotheses:

Null Hypothesis (H0): Social Entrepreneurship does not play a role in the upliftment of society in India.

Alternative Hypothesis (H1): Social Entrepreneurship encounters challenges in India.

It should be noted that an alternative hypothesis (H1) suggests that social entrepreneurship does indeed face challenges in India, while the null hypothesis (H0) posits that it does not face any challenges.

4. RESEARCH METHODOLOGY

The research methodology employed in this study is primarily descriptive in nature. Data collection is conducted on a secondary basis, and the research is conducted with a clear focus on meeting the predefined objectives. The information and data presented in the study are sourced from various secondary sources. Numerous reports, research papers, and books on social entrepreneurship have been consulted for the current research. The research's objective is to establish a fundamental understanding of social entrepreneurship, and the data collection and analysis methods were chosen to align with these primary goals. The sources from which data has been gathered for this study are outlined below:

- Reports from various industrial organizations such as CII, ASSOCHAM, FICCI, etc., have been extensively referenced in the study.
- Published reports from government bodies like the Ministry of Commerce and Industries have been utilized as data sources.
- Research papers related to the subject matter have been incorporated to provide valuable insights.
- Web resources related to the topic were consulted for data retrieval.

- Websites and published materials from social institutions operating in India and globally were used as valuable sources of information.
- All relevant published materials on social entrepreneurship or entrepreneurship have been consulted and referenced throughout the research process.

5. LITERATURE REVIEW

The literature review in this research draws upon existing work in the field under investigation. A literature review serves the purpose of gaining a comprehensive understanding of the research topic, which, in turn, informs the research approach. The literature review for the present study is outlined as follows:

- In their research paper titled "Social Entrepreneurship - A Way to Bring Social Change" (2013), Daru, Mahesh, and Gour emphasize that in the developing world, Millennium Development Goals (MDGs) serve as a valid operationalization of social objectives. They highlight the urgency of addressing pressing social issues, including poverty eradication, universal primary education, gender equality, healthcare improvements, and disease prevention. The authors also note that opportunities for social entrepreneurs may arise from gaps in the social welfare system in developed countries, underscoring the need for empirical research to map these opportunities.
- In the report titled "Social Entrepreneurship - Emerging Business Opportunities" (2014), Earnest and Young state that social entrepreneurship is gaining momentum globally as governments in many countries shift toward privatization of public responsibilities in the socio-economic domain. This shift results in reduced public funding for charities, making social entrepreneurship more crucial. The report suggests that social entrepreneurs focus on various areas, including social services, employment and training, the environment, education, and community development. It also highlights the potential for social enterprises to contribute significantly to public budgets and emphasizes the growing appeal of social enterprises as employers, particularly among young professionals.
- The report titled "Young Social Entrepreneurs in Canada," prepared by the Canadian Centre for Social Entrepreneurship (2003), defines social entrepreneurship as emphasizing social innovation through entrepreneurial solutions. It notes that socially entrepreneurial activities break down traditional sector boundaries and emphasize hybrid models that blend for-profit and non-profit activities. The report discusses the emergence of social entrepreneurship in the United States and Britain, highlighting significant organizational and institutional support for nascent social entrepreneurs and their initiatives in these countries.
- Dr. Pratap Singh, in his research paper titled "Social Entrepreneurship - A Growing Trend in the Indian Economy" (2012), defines social entrepreneurship as the identification of a social issue and the application of entrepreneurial principles to create and manage a social venture aimed at achieving a desired social change. He emphasizes that, unlike business entrepreneurs who primarily measure performance in terms of profit and return, social entrepreneurs focus on delivering positive outcomes for society. The paper also introduces the concept of global social entrepreneurship and cites Muhammad Yunus, the founder of Grameen Bank, as an exemplary social entrepreneur.
- The report by Swished India titled "Social Entrepreneurship in India - Unveiling the Endless Possibilities" (2015) highlights that social entrepreneurship applies to both non-profit and for-profit social organizations, albeit with differences in activities and legal structures. The report discusses various models of social entrepreneurship in India, including social for-profit enterprises, non-profit organizations, and hybrid models. It also touches on philanthropy and corporate social responsibility as ways to create social impact in India, noting the recent rise in local contributions from high-net-worth individuals and corporations.

In summary, the literature review draws upon diverse sources to provide insights into social entrepreneurship, its global and Indian context, and its various models and potential for social impact.

6. WHO IS A SOCIAL ENTREPRENEUR?

Social entrepreneurs are individuals who engage in social entrepreneurship, exhibiting all the characteristics of traditional entrepreneurs, with the key distinction being their motivation, which stems from addressing social inequalities and deficiencies. Social entrepreneurs are those who identify social problems or shortcomings and transform them into solution-oriented products or services. Their primary aim is to benefit society rather than seeking personal profit. They are driven by a commitment to serve society and are dedicated to innovation, often referred to as "Social Innovation."

In the words of one observer, "Social entrepreneurs do not settle for merely providing a fish or teaching how to fish. They persist until they have transformed the entire fishing industry."

7. CONTRIBUTION OF SOCIAL ENTREPRENEURSHIP / ENTREPRENEURS IN INDIA

Social entrepreneurship holds particular relevance in countries facing developmental challenges, and India, as a developing nation, confronts its own social and developmental issues. Social entrepreneurship has the potential to address the prevalent social inequalities within India. Presently, there are startups and new ventures that prioritize social interests, offering sustainable solutions to social problems while also generating profits. The distinction between economic and social entrepreneurship lies in the nature of profit. Social entrepreneurship, in the Indian context, has a broader scope than economic entrepreneurship.

The need for social entrepreneurship is crucial in India, primarily because many products and services primarily cater to affluent customers, leaving those with limited means underserved due to resource constraints. Social entrepreneurship

aims to bridge this gap by providing goods and services to these marginalized segments on their terms and conditions. Meeting the needs of such disadvantaged groups is challenging, particularly in the absence of substantial initial income. In many cases, both government initiatives and various factors have encouraged individuals to choose social entrepreneurship over purely economic pursuits. Social entrepreneurship becomes especially relevant in regions where societal gaps are pronounced, and social inequalities persist, as is the case in India.

The following arguments solidify the necessity for social entrepreneurship in India, as well as in similar regions worldwide:

Social entrepreneurship places a primary focus on addressing the needs of the disadvantaged and vulnerable segments of society, and India has a significant population, exceeding 270 million people, living in such conditions. Therefore, social entrepreneurship becomes highly relevant and imperative for uplifting this marginalized population.

Social entrepreneurship prioritizes social benefits as the primary objective, with profits as a secondary consideration. This approach facilitates the delivery of high-quality products and services at affordable prices.

8. SOCIAL ENTREPRENEURSHIP IN INDIA

Here are a few instances of social entrepreneurship initiatives in India, each operating in different domains:

- In Maharashtra, Zero Miles is in the process of establishing multi-purpose community drinking water centers, aimed at fostering community development by bringing people together.
- Aadhan is engaged in constructing classrooms, among other facilities, using repurposed shipping containers as building materials.
- Traditional Indian crafts and artistic traditions stand to benefit significantly from access to online and urban markets facilitated by social enterprises. Ziveli, for instance, is one such social enterprise working to introduce Manipur's kauna craftwork to a global audience.
- Divya Rawat is utilizing mushroom cultivation as a means to deter migration and provide livelihoods to individuals in Uttarakhand, ultimately contributing to the repopulation of several "ghost villages" in the region.
- In a country where women often have to travel long distances to fetch drinking water for their families, the Water Maker project, which generates water from thin air, is nothing short of remarkable. As one grateful recipient put it, it's like "khuda ka paani" or "water from God."

These examples showcase the diverse areas in which social entrepreneurship is making a difference in India, with a particular focus on rural and semi-urban regions. As the demand for social entrepreneurship grows, so does the emergence of social institutions dedicated to these causes. Social entrepreneurship encompasses a wide range of fields, including cottage industries, village-produced goods, farming, handicrafts, education, and healthcare, all aimed at providing affordable services and improving people's quality of life.

9. BASIC TENDENCIES/CHARACTERISTICS OF SOCIAL ENTREPRENEURSHIP

Social entrepreneurship is characterized by its primary emphasis on seeking innovative and entrepreneurial solutions to address social issues and challenges. It commences with the identification of a social problem or deficiency and then systematically delves into a thorough analysis of the identified issue, taking into account all relevant factors. Social entrepreneurs, through their social organizations, employ creative methods to solve these social problems, often leveraging local knowledge. The key attributes commonly associated with social entrepreneurship are as follows:

Risk-Taking: Social entrepreneurship, like other branches of entrepreneurship, involves a willingness to take risks and navigate uncertainties in establishing social enterprises.

Vision and Foresight: Social entrepreneurship demonstrates a capacity to perceive societal issues and envision solutions that may be unconventional or ahead of their time.

Leadership and Direction: Social entrepreneurship provides leadership and guidance to individuals working within social enterprises, uniting their efforts towards a shared objective.

Creativity: Similar to entrepreneurship, social entrepreneurship places a strong emphasis on creativity, actively seeking innovative approaches to address social problems.

Creation of Social Value: Perhaps the most significant and distinctive trait of social entrepreneurship is its focus on generating social value in addition to economic value. Unlike economic entrepreneurship, which primarily concentrates on financial gain, social entrepreneurship prioritizes the creation of social benefits, often referred to as social value. These characteristics set social entrepreneurship apart as a field dedicated to effecting positive social change while also recognizing the importance of economic sustainability.

10. CONCLUSION AND FINDINGS OF THE STUDY

Social entrepreneurship has the potential to transform Indian society, and numerous examples and initiatives under the banner of social entrepreneurship have already proven life-changing for local communities. India, in particular, offers

fertile ground for social entrepreneurship because of the pressing social issues it faces. Social entrepreneurship represents a unique fusion of entrepreneurial principles and philanthropy. In this sphere, products and services are meticulously crafted to maximize their social impact while also generating substantial profits for the organization. These endeavors primarily operate in areas and regions often overlooked by large economic enterprises.

The offerings of social entrepreneurship are distinct, prioritizing societal needs over purely economic ones. This exemplifies the application of entrepreneurial traits for addressing social issues. Nonetheless, social entrepreneurship shares fundamental aspects with its parent field of entrepreneurship. If the government and other stakeholders effectively address the challenges associated with social entrepreneurship, it undoubtedly stands as a powerful tool with the potential to significantly reshape Indian society.

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