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Social Entrepreneurship: Opportunities and Challenges in Indian Context

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Abstract: Entrepreneurial quality builds from Innovations. Not only do businessperson have an idea that they must implement, but they know how to implement it and are realistic in the vision of instrumentality it. Besides this, entrepreneurs are not happy with the status quo; they want healthy change. This change making process has been described as the creation of market in the disequilibria through the conversion of antagonistic assets into complementarities.

Social entrepreneurship is all about recognizing the social problems and achieving a social change by employing entrepreneurial principles, processes and operations. It is all about making a research to completely define a particular social problem and then organizing, creating and managing a social venture to attain the desired change. The change may or may not include a thorough elimination of a social problem. It may be a lifetime process focusing on the improvement of the existing circumstances.

Social Entrepreneurs play a big role in changing the way people live their lives. Whether it is the people they work with or the causes they espouse, social enterprises are game changers and very welcome in today's complex world:

Keywords: *Social, Entrepreneurship, Change, Society, Innovator.*

Objectives of the Study:

- 1) To ascertain the role and importance of social entrepreneurship in India.
- 2) To know the challenges faced by social entrepreneurs, to know the scope and opportunities of social entrepreneurship.
- 3) To understand 'Social Capital & it's Applications.

Research Methodology Used:

- 1) **Primary Research:** I spoke with several leading social entrepreneurs, all of whom are incredibly enthusiastic about what they do for a living because it allows them to live their passion, embracing a career with meaning. In addition to this I myself on a panel of trustees of the NGO called 'Sahyog Pratishthan'; so I tried to contribute through my experiences in this field while writing this paper.

- 2) **Secondary Research:** The study is based on secondary data. Secondary data is collected mainly from the articles and related websites.

Background:

I am on the panel of a Non-Governmental Organization named ‘Sahyog Pratishthan’ which works majorly on higher education of the youth and especially skill based programs. I personally know the challenges which our organization is facing. So a thought came to my mind to choose the topic like this “**Social Entrepreneurship: Opportunities and Challenges in Indian Context**”

When we think of Social Entrepreneurship, first thing that comes to our conscience is social responsibility towards society. Yes social Entrepreneurship is nothing but developing social platform and implement solutions to social, cultural and environmental issues. The concept of Social control emerged in late 80s, and then it has gained more momentum in the society. It generates employment and creates social innovators. Social entrepreneurship in modern society offers an altruistic form of entrepreneurship that focuses on the benefits of society.

According to the World Population Prospects Report, the world population stands at 7.3 billion (UN 2017). With the growth in population, the demand to address for social needs is also increasing – particularly the problems such as inadequate education and healthcare systems, environmental threats, poverty, homelessness, unemployment, hunger and high crime rates. Approximately 1.2 billion people live in extreme poverty (which forces them to live in environments without access to decent shelter, clean water or sanitation), 101 million children under the age of five are underweight, and more than a million people die from AIDS-related causes each year (Kickul & Lyons, 2016; Singh, 2016).

I. INTRODUCTION

What exactly is Social Entrepreneurship???

Social entrepreneurship is the process of recognizing and resourcefully pursuing opportunities to create social value. Social entrepreneurs are innovative, resourceful, and results oriented. They draw upon the best thinking in both the business and nonprofit worlds to develop strategies that maximize their social impact. Against this backdrop, social enterprise has taken off as a new formula for success, combining capitalism with a do-gooder mentality. These self-funding, for-profit businesses also have a mission to tackle global issues such as alleviating hunger, improving education, and combatting climate change. To achieve their high-minded goals, the companies might fund specific programs, partner with governments or existing philanthropic entities, or follow a one-for-one donation model, and work on either the local or international level.

Social entrepreneurship mainly focuses on creating social capital without measuring the performance in profit or return in monetary terms. The entrepreneurs in this field are associated with non-profit sectors and organizations. But this does not eliminate the need of making profit. After all entrepreneurs need capital to carry on with the process and bring a positive change in the society.

Along with social problems, social entrepreneurship also focuses on environmental problems. Child Rights foundations, plants for treatment of waste products and women empowerment foundations are few examples of social ventures. Social entrepreneurs can be those individuals who are associated with non-profit and non-government organizations that raise funds through community events and activities.

Social enterprises tend to operate with a purpose of creating value for the society and also generate income (if not wealth). As a thumb rule, the solutions they offer are supposed to be innovative, unique, people and environment friendly; Cost effectiveness is also a huge consideration. All of these are challenges to the sustainability of social enterprises, but the ones that

are able to scale these are the ones that are able to create a huge impact! They are the enterprises that are advantageous to the society, people and the environment.

Since social enterprises typically deal with people who live at the bottom of the pyramid, therefore they are the ones who are benefited to benefit hugely from the former. In other words social enterprises are beneficial to the poor, generally by providing them with a means of livelihood.

Since social enterprises do not work typically the way corporate setups or private firms work, they offer flexible working environment which is as per the liking of many people groups. This employment may be both short term and long term in nature or it may specially targeted to a specific workgroup or a geographic community or to people with disabilities. Self Employed Women's Association (SEWA), for example, offers various kinds of assistance to self-employed poor women.

II. CHARACTERISTICS OF SOCIAL ENTREPRENEURS

- 1) **Curiosity:** Social entrepreneurs must nurture a sense of curiosity about people and the problems they face. The best social entrepreneurs seek to truly understand the needs and desires of the people they serve. Great social ventures often start through immersive market research, an empathy-centric process through which social entrepreneurs gain knowledge in the field.

Example: The founders of Shakti Apparel launched their venture after working with villagers in rural India and learning about their lifestyles.

- 2) **Inspiration:** In order to design effective solutions, social entrepreneurs must be inspired by the people and problems they encounter. Inspiration motivates action and helps social entrepreneurs tackle challenges that others shy away from addressing.

Example: When he learned that his blind friend had no way to tell time, the founder of Eone set out on a mission to design an effective solution to his friend's problem.

- 3) **Resourcefulness:** In the world of social entrepreneurship, key resources, such as human and financial capital, can often be scarce. Successful social entrepreneurs know how to leverage the resources at their disposal and develop innovative methods to overcome obstacles.

Example: When he needed capital, the founder of Paka Apparel held an Alpaca petting zoo at a well-known restaurant/bar to raise early-stage funds for his venture.

- 4) **Pragmatism:** Changing the world takes time, effort, and experimentation. While visions for massive social change may provide their inspiration, experienced social entrepreneurs know that they need to take small steps in pursuit of their goals. Great social ventures are not born overnight!

Example: The founder of 'Be As You Wear' is working to reform systems that put youth at risk by taking small steps, such as performing small-group education interventions and selling hoodies to fund her work.

- 5) **Adaptability:** Social entrepreneurs must remain open to solutions. This includes knowing when to pivot and change their strategies if their initial methods do not succeed. Adaptability and flexibility are integral in the development of early-stage social enterprises.

Example: 'Salty Girl' initially was going to create a platform linking fisheries to chefs, but they pivoted to selling sustainable, traceable fish directly to consumers.

- 6) **Openness to Collaboration:** While embarking on a quest to change the world may feel lonely, it is important to remember that social entrepreneurship is a team sport, and other people are willing to help. Social entrepreneurs need to stay open and attentive to potential partnership and collaboration opportunities. In many cases, collaborative initiatives and joint-ventures can achieve social/business goals much more effectively than solo endeavors.

Example: Refugee Investment Network partnered with Village Capital to offer an investment-readiness tool designed for refugee entrepreneurs.

- 7) **Persistence:** Social entrepreneurs take on some of the most daunting challenges our society has to offer. This often creates a recipe for early-stage failures. However, the successful social entrepreneurs are the ones who persist past initial setbacks and persevere to deliver effective solutions. Experienced social entrepreneurs know how to learn from failures, adjust their methods, and make continual strategic improvements. Don't give up if at first you don't succeed!

III. WELL KNOWN SOCIAL ENTREPRENEURS

In the modern India, there are several well-known social entrepreneurs who have contributed a lot towards the society.

Harish Hande: is an Indian social entrepreneur, who co-founded SELCO India in 1995. He was awarded the Ramon Magsaysay Award for 2011 for "his pragmatic efforts to put solar power technology in the hands of the poor, through his social enterprise SELCO India.

Having installed the first 1,000 home lighting systems on his own and over 2,10,000 households now through his company SELCO India, Harish is known as a pioneer of rural energy service across the globe. He and his company have received many national and international awards, including the Ashden award (2005 and 2007), The Tech Museum award (2005), Khemka Social Entrepreneur of the Year (2007), and the Financial Times–ArcelorMittal Boldness in Business Award (2009).

Ria Sharma: When Ria came back to India as a part of her final year project at Leeds College of Arts, UK, little did she know that the trip would become more than a just a project for her. Ria came here to film a documentary on the acid victims of the country. She could have forgotten about those victims like the rest of her group did, but chose not to, and thus founded Make love not scars. This crowd funded organization supports victims of acid attacks in all ways possible. They also help these victims portray their talents and urges organization to hire them. In 2015, MLNS started a campaign called End acid sale, with the aim of putting a ban on the retail sale of acids. It became the first Indian campaign in 7 years to win the Cannes Gold Lion in film. Ria's work in the social sector has made a such a huge impact that it has been recognized on the international level. In 2016, Ria was awarded with the British Council's social impact award. In 2017, she became the first ever Indian to be awarded the United Nations Goalkeeper Global Award.

Dr. Mahesh B. Patil: Professor of Commerce in one of the top colleges in Thane; who himself came from a very poor family background recognized the need of the education founded Sahyog Pratishthan & now is one more nationally recognized social enterprise. The Organization works for Higher Education in skilled based program so that it can cater to the need of the Industry. The team Sahyog Pratishthan runs fund raising campaigns for the contribution of the fees of the students for those skill based program. It has recently launched Fund Raising Campaign is 'Many for One' Donation model for the needy students where 1-10 people can contribute to the fees of the students. Various Charitable Trusts pay funds for the scholarship of the needy students.

IV. OPPORTUNITIES IN INDIA

- Waste Management
- Deep Cleaning Services
- Green Infrastructure
- Water Management
- Making the educated youths employable
- Healthcare-affordability
- Urban and Rural Sanitation
- Making use of renewable sources of power
- Nutrition and Food for the poor
- Affordable housing
- Agriculture and many more

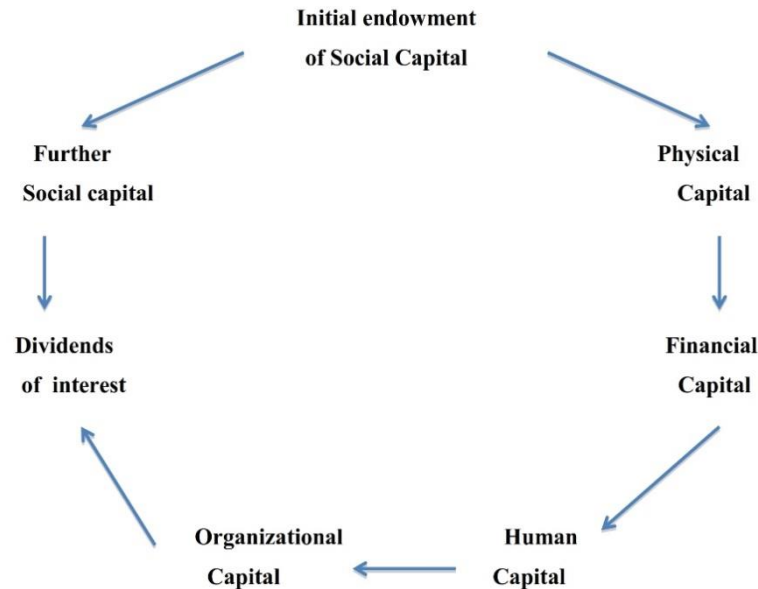
V. SOCIAL CAPITAL

Social Capital is a concept that aims at emphasizing the importance of social contacts between groups and within groups. It primarily means that social networks have a value associated and that they are not always detrimental in nature as previously thought of.

The term social capital has been used in varied forms in various disciplines. World Bank, for example, uses it to define societal and economic development. Corporate pundits similarly use it to mean an approach of organization development. Judson Hanifan championed the use of social capital. He used it in his discussions of rural school community centers. He promoted the importance of social intercourse among people for building goodwill and sympathy among fellow members and to promote cooperation.

Later on Jane Jacobs, Pierre Bourdeiu and James S. Coleman contributed from time to time in the development of the concept. Robert D. Putnam worked extensively later and it was his work that extended the idea of social capital to research and policy making discussions.

The concept of social capital also stresses that social networks lead to increased productivity in individuals, teams and organizations. This increased productivity can be both financial and otherwise.



Source: www.simplynotes.in

Application of Social Capital

The concept of social capital has gained significant ground as a means of enhancing overall quality and effectiveness especially those that involve large scale community action. Many organizations have designed practical constructs to make the idea feasible. World Bank, for example, developed Social Capital Implementation framework (SCIF). This was designed to access how social capital could be made use of in operations.

For social capital to be practically feasible it can be broken down into 5 elements both at practical and operational level. They are

1. Groups and Networks
2. Trust and Solidarity
3. Collective action and Cooperation
4. Social Cohesion and Inclusion
5. Information and Communication

These elements are important to the development of social capital and provide guidelines in the area at various levels of operation. By effectively breaking down into these 5 layers, each one can be administered separately and incorporated into operations.

Advantages and Various Schemes of Social Enterprise:

Here are the advantages of a social enterprise that are entrepreneur specific which I personally recognized while talking with few of the Social Entrepreneur:

- 1) Social entrepreneurs find it easier to raise capital. There are huge incentives and schemes from the government for the same. Since the investment industry here is ethical, it is easier to raise capital at below market rates.

- 2) Marketing and promotion for these organizations is also very easy. Since a social problem is being tackled with a solution, it is easier to attract attention of the people and media. The degree of publicity often depends on the degree of uniqueness of the solution.
- 3) It is easier to garner support from likeminded individuals since there is a social side to the enterprise. It is also easier to get people onboard at lower salaries than compared to other industry.
- 4) **It connects you to your life purpose:** Having social impact built into your business model allows you to live your life on purpose. It's about connecting your brand's *why* with *how* it can be used authentically to serve the world. It's not a gimmick or a marketing tool.
- 5) **It keeps you motivated:** Most of the companies donates supplies such as colored pencils, staplers, and notebooks to schools in disadvantaged neighborhoods.
- 6) Helps in creating more job opportunities.
- 7) Innovative ideas to make the world a better place.
- 8) Connecting with customers beyond economical purposes.

Advantages that are specific to the environment, society and the people concerned:

- 1) Services in whichever section they may be offered are customized better to suit the needs of the individual or the problem. This is also designed in harmony with all other systems like the environment, society or the people.
- 2) Cost effectiveness is another advantage of a social enterprise. The solutions offered by these organizations in the form of either products or services are reasonable than compared to the same service provided by a profit making organization. No wonder basic amenities like healthcare, education etc. have become very affordable to people world over with the help of these institutions. Micro finance, for example, today caters not to the poor but to the poorest!
- 3) Social contacts can lead to increase in confidence, fulfillment by fostering positive relationships. The essence being that just like any other capital form (human, physical, financial) social capital is also important and beneficial to the sustenance of society.

Challenges of Social Entrepreneurship:

- 1) Certain studies have shown that our Indian business men want to invest less in our country because of regulatory environment and are ready to invest abroad.
- 2) The entrepreneurs here face challenges like limited access to finance, bureaucratic procedure, and poor infrastructure etc. (Gunjan Sharma & Kushagra Kulshreshtha, 2014).
- 3) When social; entrepreneurs endeavor to bring about a social change, they confront with numerous obstacles. Social entrepreneurship is facing following challenges; 1) Business People support, 2) Government Approval, 3) Maintaining product , 4) Sustaining employees, 5) Competition from others, 6) Promoting Awareness, 7) Conveying the Business, 8) Idea attracting Donors, 9) Working remotely, 10) Finding Time, 11) Raising Money, 12) Family and Friend Support, 13) Getting Skilled Employees , 14) Policy Challenges and Many More such...

VI. FINDINGS

- 1) Although lots of organizations have also made corporate social responsibility an integral part of their business functioning but not many actually mean to create a difference. It is just a means to achieve more profits; there is an increasing need to watch out for the same and help and advocate those who really aim to add value.
- 2) Social impact measures whether the idea itself will be able to cause change after the original founder is gone. If associate idea has intrinsic worth, once implemented it will cause change even without the charismatic leadership of the first entrepreneur. One reason that these entrepreneurs are unreasonable is that they are unqualified for the task they take on. Most entrepreneurs have not studied the skills needed to implement their ideas. Instead, they bring a team of qualified people around themselves.
- 3) Social Capital when utilized properly can enhance the efficacy and sustainability of projects. And can be achieved through a collaboration of communities' efforts and its ability to work together. It also promotes greater transparency in the overall system, fosters a better bonding and increases the overall accountability.
- 4) **Barriers to Creation of Social Capital:** There can be a multitude of reasons that can act as barriers to social capital creation or development. These factors vary across geographies and cultures. For example in developing or third world countries social networks remain nucleated around family and identity. There is little or no social capital creation across families and castes. This is on account of the mistrust between two families or strata that is detrimental to the very idea of social capital.
- 5) There is a strong body of evidence that goes to suggest that social capital leads societies and individuals to prosperity economically and allows the development to be stable. World Bank believes that social capital when utilized properly can enhance the efficacy and sustainability of projects. This they believe can be achieved through a collaboration of communities' efforts and its ability to work together. It also promotes greater transparency in the overall system, fosters a better bonding and increases the overall accountability.
- 6) I have met several brilliant people who have set up firms for the greater good. Whether they are spin offs from well-funded foundations or a personal dream, all of them have a great vision, dedicated core team, and amazing product/s or services. However, in spite of all this positive energy, some are unable to scale up. As a result, the society doesn't get the full benefit of these powerful ideas.
- 7) Often, social enterprises work in areas where the gestation period for new product development or behavior change is high. In this situation, investor/donor focus on short term - higher yield situations makes fund raising difficult. As a result, several social entrepreneurs end up vying for a slice of the same pie, and end up going to family and friends for money or crowdsourcing.
- 8) They are also able to stay connected with the ecosystem using digital communication interspersed with one-on-one interactions in key events. Moreover, their communication mirrors the needs of donors / investors in an explicit manner with easy-to-relate metrics of performance. In other words, there is a science to fund raising, and needs to be a key focus area for the founders.
- 9) Founders also find themselves more in tune with the market and their end customer requirements as they chase well-defined business targets and part of the scaling up process. Plus, an action-oriented team with a strong business plan instills confidence in the investor community, as eventually the social enterprise will need to become profitable.

- 10) Expensive resources don't perform in the short run (as they don't know the category) and leave because they don't meet targets. This leads to churn and re-hiring. So, founders prefer to do both operations and fund raising by themselves. Eventually, this company, which has great products, ended up stagnating and becoming limited to specific geographies.

VII. CONCLUSION

Social enterprises play a key role for the development of our country. They help alleviate poverty, bring about hope, and provide people access to a brighter future.

Since social enterprises typically deal with people who live at the bottom of the pyramid, therefore they are the ones who are benefited to benefit hugely from the former. In other words social enterprises are beneficial to the poor, generally by providing them with a means of livelihood.

But at the same time; it is important for social entrepreneurs to have a mission statement, which they review on a regular basis and stay true to the same.

However, like all organizations, social enterprises face challenges while scaling up. Most of them are related to funding, people, process, and technology. In order to grow, the founders need to acknowledge the issues and work towards addressing the same.

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