

**SOCIAL ENTREPRENEURSHIP:
A MODERN APPROACH TO SOCIAL VALUE CREATION**

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ABSTRACT

Social entrepreneurship is the use of the techniques by startup companies and other entrepreneurs to develop, fund and implement solutions to social, cultural, or environmental issues. This concept may be applied to a variety of organizations with different sizes, aims, and beliefs. For-profit entrepreneurs typically measure performance using business metrics like profit, revenues and increases in stock prices, but social entrepreneurs are either non-profits or blend for-profit goals with generating a positive "return to society" and therefore must use different metrics. Social entrepreneurship typically attempts to further broad social, cultural, and environmental goals often associated with the voluntary sector in areas such as poverty alleviation, health care and community development.

The Internet, social networking websites and social media have been pivotal resources for the success and collaboration of many social entrepreneurs. In the 2000s, the Internet has become especially useful in disseminating information to a wide range of like-minded supporters in short amounts of time, even if these individuals are geographically dispersed. In addition, the Internet allows for the pooling of design resources using open source principles. Using wiki models or crowd sourcing approaches, for example, a social entrepreneur organization can get hundreds of people from across a country (or from multiple countries) to collaborate on joint online projects (e.g., developing a business plan or a marketing strategy for a social entrepreneurship venture). These websites help social entrepreneurs to disseminate their ideas to broader audiences, help with the formation and maintenance of networks of like-minded people and help to link up potential investors, donors or volunteers with the organization. This enables social entrepreneurs to achieve their goals.

Keywords- *Social, Entrepreneurship, Technology, Globalization.*

INTRODUCTION

Entrepreneurship is the process of designing, launching and running a new business which is often initially a small business and the people who create these businesses are called entrepreneurs.

Entrepreneurship has been described as the "capacity and willingness to develop, organize and manage a business venture along with any of its risks in order to make a profit".^[3] While definitions of entrepreneurship typically focus on the launching and running of businesses due to the high risks involved in launching a start-up, a significant proportion of businesses have to close due to "lack of funding, bad business decisions, an economic crisis, lack of market demand – or a combination of all of these.

Social entrepreneurship is the use of the techniques by startup companies and other entrepreneurs to develop, fund and implement solutions to social, cultural, or environmental issues. This concept may be applied to a variety of organizations with different sizes, aims, and beliefs. For-profit entrepreneurs typically measure performance using business metrics like profit, revenues and increases in stock prices, but social entrepreneurs are either non-profits or blend for-profit goals with generating a positive "return to society" and therefore must use different metrics. Social entrepreneurship typically attempts to further broad social, cultural, and environmental goals often associated with the voluntary sector in areas such as poverty alleviation, health care and community development.

In the 2010s, social entrepreneurship is facilitated by the use of the Internet, particularly social networking and social media websites. These websites enable social entrepreneurs to reach a large number of people who are not geographically close yet who share the same goals and encourage them to collaborate online, learn about the issues, disseminate information about the group's events and activities, and raise funds through crowd funding.

ELEMENTS OF ENTREPRENEURSHIP

Entrepreneurs act as managers and oversee the launch and growth of an enterprise. Entrepreneurship is the process by which either an individual or a team identifies a business opportunity and acquires and deploys the necessary resources required for its exploitation. The exploitation of entrepreneurial opportunities may include:^[5]

- Developing a business plan
- Hiring the human resources
- Acquiring financial and material resources
- Providing leadership
- Being responsible for both the venture's success or failure

- Risk aversion

HOW CAN SOCIAL ENTREPRENEURS CONTRIBUTE TO SOCIETY?

An entrepreneur is often defined as someone who sees a social problem in his community and comes up with a new idea, method or business to respond to it. But the truth has more to it than this; their impact is really important and more significant than we can imagine.

A social entrepreneur, similar to a business entrepreneur, relies on his innovation and creativity, and is driven by his willingness to bring solutions; he builds a strong and sustainable organization that puts mission before profits. That is the different thing about these social enterprises that creates a special appeal for them because this is the way you do good business; you help others and make a difference in their lives, unlike most (though not all) corporations that pursue CSR (corporate social responsibility) for marketing purposes or to reduce costs and increase profits.

Entrepreneurs have got much to give to society; They can contribute to the wellbeing of a nation in several ways that improve the living conditions of the people by:

-Adopting a mission to create and sustain social value: as they are mission-driven enterprises, they pick a pressing social problem and make it their job to address it.

-Recognizing and relentlessly pursuing new opportunities to serve that mission: They constantly look for opportunities to develop their enterprise and bring what's best for their target beneficiaries.

-Engaging in the process of continuous innovation, adaptation, and learning: Innovation is what drives entrepreneurs as they always have to adapt with the market's needs.

-Acting boldly without being limited by resources currently in hand: as they don't back down when they meet an obstacle, they work with what they have access to while looking for new ways to expand.

Today, as the world struggles with problems including poverty, violence, climate change, health, and more, social entrepreneurship is raising in popularity and gaining more importance, and we need social entrepreneurs to help us find new avenues toward social improvement as we enter the next century.

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 in creating new avenues for social innovation across sectors, such as education, healthcare, housing, agriculture and livelihoods. There is enough evidence of grass-root innovation amongst the poorest of 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. Social innovation segment in India requires support in capacity building and go-to market strategies.

#Education

The education sector in 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 an all-round development of students who are to become the knowledge and labor power of the economy.

The Indian education sector is one of the largest capitalized spaces in India with an annual Government spend of US\$ 63 billion (3.4% of GDP) and an annual private spend of US\$ 56 billion. In addition, approximately 200'000 students travel to foreign countries every year and spend about US\$ 13 billion on education. This adds up to an annual education spend of US\$ 133 billion. With the largest number of youth population in the world, Indian education sector is highly viable and promising. The sector is beginning to demand larger involvement of social enterprises and requires enhanced Public Private Partnership models (PPP) across the country.

Challenges to Education

High dropout rates: Nationally 29% of children drop out before completing five years of primary school, and 43% before finishing upper primary school. High school completion is only 42%¹². 1.4 million Children aged 6-11 in India are not even going to school.

- Inadequate school infrastructure: only 53% of schools have functional girls' toilets¹⁴ and 74% have access to drinking water.
- Inequality amongst schools: At the top end are English-language schools affiliated to the upscale CBSE (Central Board of Secondary Education), CISCE (Council for the Indian Schools Certificates Examination) and IB (International Baccalaureate) examination boards, offering globally recognized syllabuses and curricula. Those who cannot afford private schooling attend English-language government-aided schools, affiliated to state-level examination boards that struggle to maintain quality standards and do not focus on an all round development of the child.
- Teacher shortage: Teachers are paid low salaries and are not supported with incentives. The Student-Teacher Ratio in developed countries stands at 11.4, while in case of India; the ratio on an average is as high as 22.0 leading to teacher absenteeism and large number of teacher vacancies¹⁶. There is a teacher shortage of 689`000 teachers in primary schools.
- Quality of learning: The quality of learning in classroom is a major challenge too. Several reports show children are not achieving class-appropriate learning levels. According to Pratham's Annual Status of Education 2013 report, close to 78% of children in Grade 3 and about 50% of children in Grade 5 cannot yet read Grade 2 texts.

Opportunities

- Affordable private schools: A number of social enterprises are venturing into affordable private schools, creating a pipeline of budget schools which are well managed and can deliver optimal or basic quality learning environment in K-12 education ecosystem. Partnering and supporting such initiatives at different levels is one of the areas of opportunity for Swiss entrepreneurs.
- Curriculum development and pedagogy tools: Technology and other mediums are now actively used to deliver quality-learning material with digital pedagogy tools by social enterprises. There is scope for innovation in creating robust models to provide, monitor and assess the curriculum material provided to schools.
- Teacher-centric approach: Teacher training, teaching modules, improved pedagogical tools are some of the areas of intervention for social enterprises.
- Infrastructure: This is one of the most untapped areas of opportunity in current K-12 education system. Solutions can range from providing basic hygiene & safe environment such as boundary

walls, working clean toilets, safe drinking water to basic furniture, storage and other interior infrastructure for schools.

- Corporate companies/ CSR: Majority of corporations in India are investing CSR funds in education as a portfolio. The CSR funds can be invested across various themes and can provide mentorship and other capacity building support to social enterprises in the education sector.

#Agriculture

India has primarily been an agrarian economy. Post the industrial reforms in 1990s, Indian economy has witnessed loss of large-scale agricultural lands to deforestation. With automation the agriculture output per hectare has improved but has also led to larger environment degradation. If managed properly, Indian agriculture can not only cater to 1.25 billion people in India but also to many other countries. 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 2011. 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.

Challenges to Agriculture

Decline in production: In the name of industrialization, farming land is being taken away from farmers. 80% of farm subsidies go to chemical companies who push chemical fertilizers amongst farmers putting them in huge loans and debts due to crop failures. There's stagnation and a decline in production, output per hectare in the last three decades.

- **Lack of infrastructure:** Infrastructure and technology support for small scale farmers is lacking. There's a shortage of good quality seeds for poor farmers, inadequate storage facilities and transportation. Lack of efficient water management, soil erosion and better irrigation systems is another big challenge. The techniques and knowhow of organic farming and local ecology is losing significance rapidly, making the farmers totally dependent on external inputs for farming.
- **Decline in interest:** Even though 54.6% of India's population is involved in farming, agriculture sector contributes only 13.9% towards GDP. The newer generations prefer to migrate to urban areas compared to farming professionally.
- **Decline in land ownership:** Landholding by farmers declined from 2.30ha in the 70s to 1.32 ha in 2000-01.

- Lack of support: More than 250`000 farmers have committed suicide since 1990.

Opportunities

Technology: Swiss innovators can provide access to knowledge, technical insights and mentorship to yield healthy crops and sustainable agriculture practices in India. Swiss innovators can also explore collaborations with grass root level organizations that require capacity building support for small-scale farmers and drought hit areas.

- Policy influence, sustainable practice advocacy: Swiss community and researchers can partner and collaborate with relevant international organizations to influence policies at government level in India. Switzerland, which has championed the idea of sustainable practices, can bring strong advocacy tools for Indian social enterprises and non-profits in the agriculture sector.
- Agricultural mechanization, supply chain, storage design: Swiss communities can bring their expertise to look at better mechanization products, supply chain system design, efficient storage design and low cost scalable solutions that can make a big difference to poor/ small scale farmers.
- Post-harvest support: Swiss entrepreneurs/investors can provide capacity building support for small scale farmers in India to help them build market linkages, eliminate middle-men and tap urban to rural markets for sales.
- Financial inclusion and support for organic and sustainable farming practices: Partnering with local organization can help Swiss enterprises to create new models of financial aid and soft loans to allow cooperatives and local farmers to create new business opportunities for themselves.

#Healthcare

India has a universal public health care system run by the constituent states and territories. Parallel to this public health sector, is the private medical sector in India that is more popular. Both urban and rural Indian households use the private medical sector more frequently than the public sector. 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 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.

Challenges to Healthcare

Rural vs. Urban Divide: A staggering 70% of the population still lives in rural areas with limited access to hospitals and clinics and relies on alternative medicines and government programs in rural health clinics. One such program is the National Urban Health Mission that pays individuals for healthcare premiums which has not been very effective. In contrast, the urban centers have numerous private hospitals and clinics that provide quality healthcare.

- **Need for Effective Payment Mechanisms:** Roughly 70% of patients pay for healthcare out-of-pocket because there are no payment arrangements. According to a newly released report by Swiss Re and Harvard's School of Public Health, 16.7% of Indians were covered by health insurance policies in 2012.
- **Demand for Basic Primary Healthcare and Infrastructure:** Basic infrastructure, especially in rural areas is still lacking, with respect to sanitation and water management.

Opportunities

Impact Investments: Healthcare is one of the most sought after sectors for impact investing with funds being channeled into a variety of area – from hospitals and clinics to innovative diagnostic tools and medical devices designed for low-resource settings. Narayana Hrudaya-laya, Arvind Eye Care³⁹ and Embrace Innovations⁴⁰ are credible organizations that have demonstrated the viability of social enterprises. After hospitals, pharmaceuticals account for the second largest percentage of total funding (13%) given the global success of Indian pharmaceuticals companies in developing low cost generics. Medical devices account for the third largest (again 13% of total investment).

- **Health Insurance:** Nearly 75-80% of Indian population is without a proper health insurance, paying their health care spending out-of-the pocket.
- **Medical devices:** According to The Economic Times⁴³, the medical devices sector is seen as the most promising area for future development by foreign and regional investors. Recently, the government has been positive on clearing regulatory hurdles related to the import-export of medical devices, and has set a few standards around clinical trials. Swiss quality high tech medical devices, made affordable, can scale rapidly in India.
- **Building centralized information and raising awareness:** Improve accessibility to information with offline and on-line Drug Database to improve health delivery system and build local champions for information distribution.

- Health care infrastructure: Standardizing diagnostic procedures, building rural clinics, and developing streamlined health IT systems and improving efficiency.

#Renewable Energy

India has the fifth largest power generation portfolio worldwide. Coal and gas are the popular sources of energy and account for 58% and 9% respectively of the total energy consumed in the country. India has been rapidly adding capacity over the last few years, with total installed power capacity growing to 223 Giga Watts (GW) in March 2013 from 98 GW in March 1998. Economic growth and increasing prosperity, coupled with factors such as rate of urbanization, rising per capita energy consumption, and a growing middle class are likely to push energy demand further in the country.

Challenges to Renewable Energy

Lack of electrification: 280 million people in rural India and 24 million people in urban India are without access to electricity. There will be a scarcity of 467 GW electricity in the next 15 years.

- Inequality in power supply: Access to energy and major inequalities in access are major challenges in India. According to the International Energy Agency⁴⁶, 77 million households in India still use kerosene for lighting.
- Dilemma with alternate energy sources: There's a lack of nuclear energy sources to meet the energy demands in India. Renewable energy sources need large investments almost prohibiting the government or public sector units from taking it up.

Opportunities

- Untapped potential: There is a scope to fulfill the gaps in the following renewable energy sectors: - Presently, solar only covers 3% of 100 GW potential capacity. Many parts of India receive 300 days of annual sunshine which presents an opportunity for constant solar power generation. - Only 3% of 4 GW potential capacity is generated through waste - Only 11% of 18 GW potential capacity is generated through biomass - Only 19% of 20 GW potential capacity is generated through small hydro - Presently 53% of 5 GW potential capacity is generated through bagasse cogeneration - Only 21% of 103 GW potential capacity is generated through wind.

#Manufacturing

Make in India is an initiative of the Government of India, to encourage companies to manufacture their products in India. It was launched by Prime Minister Narendra Modi on 25 September 2014. In a major boost to the 'Make in India' initiative, the Government has received

confirmation from technology firms such as GE, Bosch, Tejas and Panasonic regarding their decision to invest in the electronic, medical, automotive and telecom manufacturing clusters in India.

Challenges to Manufacturing

Capital-intensive: Manufacturing is capital-intensive exercise requiring access to loans. High interest rates have been impacting new investments.

- Lack of domestic demand: Lack of domestic demand has pushed the manufacturers to look at export markets with the devaluation of Rupee.
- Shortage of skilled labour: There is a large shortage of skilled labor for manufacturing and lack of investment in training of skilled labor or improving efficiency. Also the Indian youth prefer white-collar jobs in their search for upward mobility.
- Global competition: India is traditionally known for service industry, while a push for large scale manufacturing has only recently begun. There is a tough global competition from established economies, especially China.

Opportunities

Favorable regulations: The Interim Budget of 201456 presented by the government of India, proposed changes in indirect taxes to boost manufacturing, including cutting the excise duty on some goods in the capital goods and consumer non-durables sectors such as electrical and construction from 12% to 10%. Manufacturing segments are making investments to enter Tier 2 (50'000 to 99'999 inhabitants) and Tier 3 (20'000 to 49'999 inhabitants) cities in order to boost sales.

- Fair Trade: Social responsibility is deeply rooted into Indian culture. Swiss social enterprises in perishable/ non-perishable manufacturing could create or extend fair trade value chains in India.

Skills 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. Skillsonics India Pvt. Ltd.⁵⁷ was born with this vision with support from Swiss Federation. This sector is also closely interlinked to the manufacturing sector.

Challenges

- **Employability:** Number of young university graduates is rapidly increasing every year, and the industry is not sufficiently hiring these fresh graduates, leaving large numbers of individuals either unemployed or wanting skills training and development. In addition, the development of information and communication technology (ICT) is occurring at unprecedented speed, requiring workers to have more, and more complex, cognitive skills.
- **Lack of skill and training:** With 12.8 million young people newly entering the labor market every year⁵⁸, the government recognizes that the country faces a serious skills shortage, as the majority of these new labor market entrants are likely to remain unskilled.
- **No access to skill training:** Despite India's projected demographic dividend and its abundant labor supply; it suffers from a serious shortage of skilled workers, because of their limited access to education and skills training and large skills mismatch in the labor market.

Opportunities

- **Demand for vocational/ skill training:** By 2025, India will have a working population (age 15-64 years) of approximately 959 million people⁵⁹ and most of them will require vocational/ skill training.
- **National focus on skills development:** Recently, India set up Prime Minister's National Skills Development Council (NSDC) to coordinate various schemes provided by various ministries. Switzerland's expertise on vocational education and skills development is very well known and appreciated across India.
- **Advisory for skill councils:** Swiss experts and institutes could advise existing social enterprises and non-profits in India for developing policies, setting priorities and strategies and overseeing and coordinating the various stakeholder initiatives and efforts.

CONCLUSION

Social entrepreneurship implies innovative and financially sustainable activities targeted at social problems. However, its commercial activities do not necessarily need to coincide with the social mission; rather, their purpose is to create financial resources to implement social objectives. Social entrepreneurs act as the change agents for society, seizing opportunities others miss to improve systems, invent new approaches, and create solutions to change society for the better. Social entrepreneurship has quickly established itself as a dynamic field of practice and academic enquiry. Located at the interstices of the non profit, for profit and government sectors . A strong interplay between theory and practice is characteristic, also contributing to the rapid

growth and sustained interest in the research. Further research in Social entrepreneurship can be to explain and precise define the value of social effects that social entrepreneurship added to the entire society and it can also be one of research to demonstrates how commercial enterprise and established business models can be integrated with social value creation.

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