

**Social Entrepreneurship**

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**ABSTRACT**

There is a saying: "give a man a fish you feed him for a day. Teach a man to fish you feed him for a lifetime" Globalization has changed the world around us. The perception toward social problems is changing in young and talented people. Business and society are interrelated and cannot be separated. A new wisdom is forming a new concept of business operations that link business and society. Through means of innovation, a new generation can be creating by blending new untapped market segmentation. It is possible to create social change via modes of entrepreneurial actions. Therefore; new emerging organizations are taking the shape of what is known today as Social Entrepreneurship. It deals with social problems by using business theme. It covers both social intelligence and leadership skills. Social entrepreneurship is creating a fresh age group of entrepreneur and also new entrepreneurial opportunities, new market breaks, and new arrangements of value creation. This concept is still, an instrument of social change within developing countries. This paper aims to throw lights on different aspects of social entrepreneurship. It will cover how different social entrepreneurs use business skills and strategies to bring social change.

**Keywords:** Social Entrepreneur and Social Entrepreneurship, Transform Societies, Social change

**Social Entrepreneurship****Introduction**

“Each human being has the enormous power to change the world”. Social Entrepreneurships can provide creative solutions to address social problems. Social Entrepreneurs act as engine for social change.

Social entrepreneurship is a broad and diverse practical social change movement that deploys innovative business skills and technologies to address the needs of those living in poverty. Social entrepreneurs are people or organizations that use economic and technological innovation to achieve social goals. They use entrepreneurial skills to create organizations that, instead of seeking profit, pursue a more just and humane society. Social entrepreneurship addresses essential human needs of the poor, such as those described by the UN Millennium Development Goals.

Social entrepreneurs drive social innovation and transformation in various fields including education, health, environment and enterprise development. They pursue poverty alleviation goals with entrepreneurial zeal, business methods and the courage to innovate and overcome traditional practices. A social entrepreneur, similar to a business entrepreneur, builds strong and sustainable organizations, which are either set up as not-for-profits or companies. Social entrepreneurship is about applying practical, innovative and sustainable approaches to benefit society in general, with an emphasis on those who are marginalized and poor.

A variety of definitions of social entrepreneur exist. Here we provide some examples of existing Definitions. In 2009 the Schwab Foundation defined a social entrepreneur as someone who “builds strong and sustainable organizations, which are either set up as not-for-profits or companies”.

According to Ashoka, social entrepreneurs “are individuals with innovative solutions to society’s most pressing social problems. They are ambitious and persistent, tackling major social issues and offering new ideas for wide-scale change”.

In 2001, the Director-General of the International Labour Organization (ILO) noted that social entrepreneurs shared the vision, creativity and determination of business entrepreneurs to create new products and services and even entirely new industries, and that social entrepreneurs use these qualities to create sustainable market-based solutions to social problems.

While business and social entrepreneurs share the same drive to create viable and sustainable businesses, the social entrepreneur uses his/her business to find solutions to problems in communities.

Thus, social entrepreneurs focus on creating social value in addition to economic value. Social entrepreneurs are change agents and the driving force behind sustainable social innovation, transforming fields such as education, health, environment and enterprise development. It is important to understand that despite this focus, social entrepreneurs differ from social activists and advocates. They use entrepreneurial skills and business methods to build concrete and sustainable for profit or not-for-profit organizations which become the vehicles to achieve their social objectives.

The range of social problems that social entrepreneurship can work on is huge. However, typically social problems fall into broad categories.

- Welfare and humanitarian activities;
- Health care;
- Land and housing;
- Education and development;
- Religion, belief and philosophy;
- Cultural activities;
- Conservation, environment and animal welfare;
- Research and consumer rights;
- Sport;
- Providing of funds, assets or other resources; and
- General activities

The ability to change your own world can be very rewarding – a social entrepreneur gets the satisfaction of tackling the social problem that is significant to him or her. In addition, many social enterprises provide the opportunity to employ local people, perhaps creating jobs for people who would ordinarily find it difficult (if not impossible) to find work. The opportunities for developing new skills can be even more significant than simply finding employment. Different types of people can benefit from a social enterprise, including people who have been unemployed for a long time, people with disabilities, ex-offenders, ethnic minorities, women and young people. The social enterprise might have an impact that benefits society at large rather than a particular group or community

### **Characteristics of Social Entrepreneurs**

Social entrepreneurs are entrepreneurs with a social mission. The social mission is central to what they do and everything they do is proscribed by this considerations. For entrepreneurs, wealth is a measure of their success; for social entrepreneurs, wealth is only a means to an end, the end being social change. Following are the characteristics of social entrepreneurs

**1. Willingness to Self-Correct.**

*It is said that 90% of successful ventures start out with the wrong business plan. The ones that succeed, therefore, must alter course. Social Entrepreneur must have ability to learn from thier past mistake and they must have of self-correct action for the attachment to a goal.*

**2. Willingness to Share Credit.**

One person cannot bring change. Change is the result of team work and cooperation of others. Social entrepreneur must have ability of giving credit to others

**3. Willingness to Break Free of Established Structure.**

The word “entrepreneur” comes from French, originally meaning “to take into one’s own hands.” Excellent social entrepreneurs, therefore, do not depend on traditional avenues for creating social impact (e.g. government, religious institutions) and blaze their own paths for creating impact.

**4. Willingness to Cross Disciplinary Boundaries.**

Highly successful social entrepreneurs not only escape established structures, they also combine thinking and resources from different disciplines to achieve their intended goal. one of the primary functions of the social entrepreneur is to create new opportunities ,ideas, experiences, skills, and resources for the benefits of the society.

**5. Willingness to Work Quietly.**

Many social entrepreneurs are recognized only after working for years on their ideas in relative obscurity. They do not believe in advertising their work or get publicity. They work without any expectation for self interest. There are those who want to “do something” and those who want to “be someone.” Those few who create deep impact more often fall into the former category.

**6. Strong Ethical Impetus.**

Highly-successful Social entrepreneurs aren’t fueled by a drive to become famous or build a fortune, but a desire to restore justice in society, to address social problems. And this motivation comes down to a clear sense of what is right and what is wrong. This “ethical impetus” is not only evident in the work of successful social entrepreneurs, but also in how they live their lives.

**7. Solution orientated**

Social entrepreneurs are constantly striving to create change with limited resources. This can best be accomplished through innovation and creativity. These are constant themes – innovative or disruptive solutions, creative imagination, unconventional ideas and solutions. To be effective, the solutions need to be practical.

**8. Strong self-belief**

Enterprise is not for the shrinking violets of the world. You need to have a strong belief in yourself and what you are doing. This will arm you against all the rejections and setbacks that you will encounter. The self-belief is what inspires and often frustrates others, but without it no enterprise would take off.

**9. Tenacity**

You need to refuse to give up. You need the ability to keep going against the odds. You should be able to be able to pick yourself up after every knock down and continue as if nothing has happened.

**10. Innovative**

Entrepreneurs have the ability to challenge the status quo and come up with new and better solutions to address social or environmental problems. They have the ability to shrug off constraints and are not tied down to specific ideologies or disciplines.

**11. Opportunistic**

Entrepreneurs often see and exploit opportunities that others miss. You need the ability to challenge everything and every way things are done – the questioning often generates an opportunity possibly a new way of delivering a service or creating a product. The successful entrepreneur will pursue an opportunity regardless of the resources currently available to them.

**12. Passionate**

By their very nature social entrepreneurs are passionate about what they do. Entrepreneurs are driven people. It is this passion, which engages and motivates people around them. Successful social entrepreneurs are infectious with their ideas. They have a zeal for what they do and they carry others with them. They are naturally optimistic. They believe in the vision they have created.

**13. Calculated risk takers**

Entrepreneurs tend to be risk takers. Generally, the existence of risk does not deter an entrepreneur, where others may well decide to walk away. However, blind risk taking is normally a recipe for disaster in an entrepreneurial setting. Successful entrepreneurs understand how to measure (intuitively or formally) the balance between risk and reward and, on the basis of this, will make their calculated decision.

#### 14. Expertise

Social entrepreneurs are usually experts in their field. This allows them the ability to know when there is a time for change and also allows them to spot the opportunities.

#### 15. Focused

Successful entrepreneurs remain focussed on the change they want to create. They do not give up. They are constantly seeking to improve the system.

Apart from the above, social entrepreneurs must have good communication skills, leadership, patient and resourceful.

#### The Challenge for Social Entrepreneurship

The greatest challenge to social entrepreneurship today lies in the fact that all other actors that should be reinforcing and supporting social entrepreneurs – including governments, businesses, multilateral and bilateral institutions, foundations, philanthropists, and academia – have not caught up with this emerging field. Most are still stuck in that fragmented world that dichotomizes the public and private sector, the non-profit and for-profit sector, donors and their beneficiaries, and so on. The focus is still on short term thinking and the search for instant results. Following are the challenge before social Entrepreneurship

1. The first challenge has to do with **governments**. The majority of them have yet to recognize social entrepreneurship as a legitimate field of endeavor. This recognition is the sine qua non for finding ways to promote it through fiscal and legislative incentives, including the review of tax laws, the elimination of burdensome regulations, arbitrary decision-making and other onerous requirements and inefficient practices that hamper social entrepreneurs.

2. The second challenge is to encourage businesses to discover the **competitive advantages** offered by working in partnership with social entrepreneurs. From a **financial perspective**, reaching untapped markets can be greatly facilitated by linking with social entrepreneurs who have spent decades designing, implementing and refining innovative ways of bringing previously excluded groups into the marketplace. From a **human resources perspective**, the ability to attract top talent is a major challenge for companies. But the best and the brightest today are looking for more than impressive salaries and stock options. They want something more – something that gives meaning to their work and their lives. Supporting social entrepreneurs in different ways shows that companies care about more than the bottom line. Finally, corporate social responsibility is not about setting up separate corporate

foundations to reach excluded populations through top down programs that compete with social entrepreneurs. Nor is corporate social responsibility about relegating the “social” work to the corporate foundation while the corporation carries on its business as usual. Working with social entrepreneurs should be part of the core business strategy of every company.

3. The third challenge for social entrepreneurs relates to **foundations and philanthropists** who should be the ones catalyzing social transformation by supporting the social innovators. Foundations and high net worth individuals are certainly well placed to engage in that process, as they are free of two forces that dominate the decisions of governments and business respectively – the voting booth and the financial bottom line. But many foundations and philanthropists seem content to fund demonstration projects that they hope will produce dramatic results in 24 months.

No social entrepreneur transforms a system in that time! It takes years – even decades. We don’t need more demonstration projects...we need support for scaling up successful social innovations.

Social entrepreneurs have developed the metrics to prove what they do has results. So stop reinventing the wheel.

4. Then there are **multilateral and bilateral organizations**. Over the last decade there has been a strong call for their reform to render these organizations better equipped to respond to the challenges of the 21st century. Strong criticism has been leveled at multilateral financial institutions, particularly those responsible for finance, development and trade, for their failure to engage civil society and interest groups in consultations on their policies. Some institutions have responded by devoting time and energy to dialogue with non-state actors. But more needs to be done.

5. The **academic sector**, too, presents a challenge for social entrepreneurship. No doubt there have been important strides, particularly in the context of university education. But we are barely scratching the surface of instilling entrepreneurial thinking in students from a young age. And while we all know that entrepreneurship is not something to be learned out of a book, it must be cultivated. The entrepreneurial mindset has been described by the following six characteristics: commitment and determination; leadership; opportunity obsession; tolerance of risk, ambiguity and uncertainty, creativity; self-reliance and ability to adapt; and motivation to excel. How well are our schools doing to instill these characteristics?

Finally, social entrepreneurs must work together to build the field through the establishment of a **professional esprit de corps** that moves them beyond their own goals and initiatives to a larger common purpose – one that is none other than working across sectors to create the renewed institutions that can respond to our unprecedented global challenges

Other challenges includes following

- Getting Fund and Raising Money
- Family and Friends Support
- Business People Support
- Government Approval
- Innovative Ideas
- Promoting Awareness
- Expert's Assistance
- Technologies
- Skilled Employees

### **Social Entrepreneurship in India**

Some well known social entrepreneurship heroes who have shaped India's tryst with social entrepreneurship

#### **1) Mahatma Gandhi:**

Why Gandhi? The Mahatma was a man obsessed with sustainability, being environment friendly, making the best use of local resources, growth of villages, power of cooperatives, promoting local industry and community-driven initiatives. If social entrepreneurs can be described as visionaries who solve old problems with new ways of thinking Gandhi certainly fits the bill. He always spoke of growing local cottage industry, like Khadi, being self-reliant and having the community own enterprises. The best example of his insistence of leveraging local resources and not being depending on imports is his 'Salt March' to Dandi, where he called for local production of salt, after there was salt tax levied by the British. Gandhi's love for Panchayat Raj, empowerment of women and ban of imports can be looked at as seeds of social transformation, sustainability and self-sustaining local communities.

#### **2) Dr Verghese Kurien, father of the India's milk revolution:**

Tribhuvandas Kishibhai Patel might have founded The Kaira District Co-operative Milk Producers' Union (now better known as Amul) in 1946. But if it wasn't for Varghese Kurien- who had just arrived from the US after pursuing a Master's Degree- the co-operative would never have become a household name. Kurien's contribution to the social entrepreneurship movement in India is monumental. Thanks to Kurien's foresight, planning and execution, India through the 'white revolution', went from a milk importing country to the world's largest producer. In a career spanning close to 60 years, Kurien



founded around 30 institutions of excellence like Gujarat Co-operative Milk Marketing Federation (GCMMF), Institute of Rural Management, Anand (IRMA) and The National Dairy Development Board's (NDDB).

### **3) Sanjit “Bunker” Roy, founder of Barefoot College.**

In 1965, Roy was a young post graduate student from St Stephen's College, Delhi, when he volunteered to spend the summer mapping 100 drought prone areas in famine-affected Palamu District, of Jharkhand (earlier part of Bihar). Roy was never the same following this experience and he made it his life's mission to fight poverty and inequality thereon. He founded Social Works and Research Centre (SWRC) in 1972 to find ways to address rural poverty by using new models and strategies.

His first initiative was to address the water situation by making the villagers self-sustainable by setting up water pumps that were maintained by the villagers. These efforts through SWRC morphed into Barefoot College. Roy through Barefoot College trains villagers to adopt solutions in solar energy, water, education, health care, rural handicrafts, people's action, communication, women's empowerment and wasteland development.

In 2010 Roy was recognized by TIME magazine in 2010 as one of the world's 100 most influential people for training 3 million rural folk to be self-sufficient by providing them training, life skills and making them literate. Roy, incidentally is married to Aruna Roy- the woman who made the Right to Information Act a reality.

### **4) Anil Kumar Gupta, IIM-A professor and founder of Honeybee Network:**

Gupta, a professor at Indian Institute of Management, Ahmedabad since 1981, is a true advocate of the grassroots revolution. He's famous for recognizing rural innovators, helping commercializing their inventions, protecting the intellectual property rights of inventors by filing patents and creating a knowledge network at different levels for augmenting grassroots innovations and inventions.

He is the founder of Honey Bee Network, fellow at the World Academy of Art and Science and is the executive vice chair of the National Innovation Foundation. Through the Honey Bee Network, and with the help of Society for Research and Initiatives for Sustainable Technologies and Institutions (SRISTI) and Grassroots Innovation Augmentation Network (GIAN) Gupta converts grassroots innovations into viable commercial products. To date, his endeavors document more than 1,00,000 ideas, innovations and traditional knowledge practices.

Gupta organizes a biannual 'Shodh Yatra' that takes participants into different villages to learn more about 'knowledge, creativity and inventions' at the grassroots.

**5) Harish Hande, co-founder Selco Solar:**

Hande, co-founded Selco in 1995, to bring renewable energy solutions to India's poor. When he first started he had problems with creating awareness about solar and had to install the first lighting solutions free of cost to demonstrate its value. Selco's impact since then? In the past 18 years more than 1.35 lakh solar home lighting systems have been installed. His stellar efforts has won him Asia's 'Nobel' prize, the Ramon Magsaysay Award in 2011, for "his pragmatic efforts to put solar power technology in the hands of the poor, through his social enterprise SELCO India."

Hande's genius has been his efforts to not just sell solar lighting solutions, but creating an entire ecosystem around it, including tie-ups with banks, NGOs and farmer co-operatives for innovative financing, creation of income generation activities using solar, high-quality products and superior after sales service.

**6) Dr. G. Venkataswamy, founder of Aravind Eye Hospital:**

Dr. Venakataswamy (also known as Dr V) founded Aravind Eye Hospital in 1976 as a way to provide affordable eye-care to the millions who had no access to quality healthcare. From its humble origins of a 11-bed clinic manned by 4 medical officers, it has grown into one of the world's largest facilities for quality eye-care. The story goes that Dr. Venkataswamy very nearly did not become a doctor because he developed rheumatoid arthritis when he had enrolled in the Indian Army Medical Corps, which was so severe that he was unable to hold a pen. He returned to medical school, earned his degree and ended up doing 100 surgeries a day at his peak. Aravind Eye Hospital demonstrated that you could provide quality eye-care at prices that couldn't be imagined in the past through innovation. "Intelligence and capability are not enough. There must also be the joy of doing something beautiful. Being of service to God and humanity means going well beyond the sophistication of the best technology, to the humble demonstration of courtesy and compassion to each patient," said Dr Venkataswamy of his work. To date, his hospital has attended to 32 million patients and performed nearly 4 million eye surgeries, majority of them being low-cost or free.

**7) Sunil Bharti Mittal, founder of Airtel:**

Wondering what telecom mogul Mittal is doing in a list of social entrepreneurs? Simple, there are many who consider his company Bharti Airtel, as India's largest social enterprise for putting the power of telecom in the hands of the poor. Mittal is the secret social entrepreneur in this top 10 list. His ingenuity lay in driving down costs of mobile telephony that allowed for the poor to use mobiles for news, information, entertainment and keeping in touch. Farmers can now receive crop and weather related information over the phone, blue-collar workers can search for new, higher paying jobs and fishermen

can get a better price for their catch. Currently Mittal's Airtel is involved in a huge push into rural areas, this will lead to more rural folk becoming part of the information revolution. His company has more than 188 million subscribers who enjoy voice and data services, out of which 84 million are based in the hinterland. Besides his work with Airtel, Mittal also set up the Bharti Foundation in 2000, to do philanthropic work in the area of education and empowering youth from low-income communities through entrepreneurship.

**8) Vineet Rai, founder of Aavishkaar:**

Rai could be the most important man in the world of Indian social entrepreneurship at present. He is founder and the CEO of India's first social venture firm Aavishkaar Venture Management Service and also co-founder and chairman of Intellectap, a provider of business solutions for social enterprises. His inspiration to start Aavishkaar came when he was the CEO of Grassroots Innovation Augmentation Network (GIAN), an incubator for rural innovations and ventures.

Rai was a visionary, because when he started Aavishkaar in 2001 with a seed capital of Rs 1 lakh, there wasn't any precedent to investing in social enterprises. He has nurtured plenty of social enterprises by investing in them including rangSutra (art and craft producer), Vaatsalya Healthcare (an affordable hospital chain based in semi-urban and rural areas) and Waterlife (affordable water solutions for the poor). Besides making good investments, Rai had taken it upon himself to boost India's social entrepreneurship ecosystem through a series of initiatives.

Through Intellectap, Rai is instrumental in organizing Sankalp-Unconvention Summit, Asia's largest conference on social entrepreneurship. In recent years he helped kickstart India's first angel network of high net worth individuals and institutional investors- Intellectap Impact Investment Network (I<sup>3</sup>N) and India Impact Investor Council (IIIC) that is seeking to lay down the standards for impact investing in India so that it doesn't befall the same fate of the microfinance industry during the 'Andhra crisis' in 2010.

**9) Vikram Akula, founder of SKS Microfinance:**

Akula founded SKS Microfinance in 1998 to provide micro-loans and insurance, and within a period of 12 years (does not include a brief hiatus to McKinsey), had taken the company to a blockbuster IPO of \$347 million in 2010. His roots in microfinance went back to the time when as a Fulbright Scholar in India in 1994-95, Akula led a government-funded action-research project that provided micro-credit to poor farmers for food security. Prior to which he was named in Time's list of 100 most influential people in 2006.

Since the microfinance controversy that involved his company SKS Microfinance, and his acrimonious exit from the very company he founded, Akula has made very few public appearances and largely stayed away from making public appearances. The reason why Akula makes this list is very simple. He showed India and the world that social enterprises can achieve enormous scale.

**10) Satyanarayan Gangaram Pitroda (better known as Sam Pitroda), chairman, National Innovation Council:**

Pitroda is not your topical social entrepreneur hero, but he makes the cut for the work that he put in for more than 4 decades, in areas like telecom and information technology leading to him being commonly referred to as the 'Father of India's communication revolution.' He was the technology advisor in the 1980s, to the then Prime Minister Rajiv Gandhi, during which he heralded the telecom revolution in India. Having enjoyed an illustrious career, in the past, he has been an advisor to the Prime Minister on public information infrastructure and innovations and chairman of the National.

Currently he is the driving force behind the National Innovation Council, the council tasked with driving innovation in the country, by adopting the principles of inclusive growth. Some of the interesting initiatives that Pitroda is driving through the council is the setting up of a Rs 5,000 crore venture fund for social ventures, the open government data drive and the Planning Commission organized hackathons.

The Rs 5,000 crore India Inclusive Innovation Fund plans to invest in social enterprises that are driving innovation at addressing problems at the bottom of the pyramid (BoP). Pitroda believes that the data.gov.in (open government data) initiative will help tap the power of the developer community to build apps that will be helpful in different sectors like education, healthcare and government social welfare schemes

**Conclusion**

If India wants to develop a more effective and affordable problem-solving welfare system then It has to support social innovation. One of the best ways to do that is to support the work of social entrepreneurs both within and outside the public sector. A series of measures government could take to promote social entrepreneurship The value of social entrepreneurs comes in three main forms: in the short run, social entrepreneurs may bring measurable benefits to the wider economy by creating jobs, generating output or saving on public spending in the medium run, they have great value as potential models for the reform of the welfare state, if they can work more productively in alliance with the public sector their more important long run contribution is their ability to create and invest social capital.

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