



Role of Social Entrepreneurial Ventures in Social Change and Income Generation.

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ABSTRACT :

India is the seventh-largest country in the world by land area and accounts for 17.5% of the global population, making it the second most populous country after China. Additionally, it has the world's youngest population, with about two-thirds of its people under the age of 35. In terms of economic size, India ranks third in GDP, following China and the USA (CIA website). Social Entrepreneurship is a broad term used to describe the process of creating significant social change on a larger and more impactful scale than traditional Non-Governmental Organizations (NGOs). This concept is becoming increasingly important in the study of voluntary, non-profit, and not-for-profit organizations. Previously, organizations addressing major social issues were considered idealistic and philanthropic, equipped with entrepreneurial skills. The rise of Social Entrepreneurship in India is largely due to the government's strong interest in promoting it—not necessarily through funding or advice, but by enabling its development. Corporate Social Responsibility (CSR) initiatives from the private sector, with dedicated funds and comprehensive action teams, have significantly enhanced the image of Social Entrepreneurship.

This paper focuses on the growing trends of Social Entrepreneurship in India and the new initiatives undertaken by various Social Entrepreneurs. It also provides an overview of different theories related to Social Entrepreneurship. The aim is to offer information and an exploratory study on the support activities and ventures within Social Entrepreneurship in India, which may be valuable for future empirical research on the topic.

INTRODUCTION :

Social Entrepreneurs primarily focus on addressing social issues. They drive innovation by leveraging available resources to create social structures that tackle these problems (Bulsara, Chandwani, & Gandhi, 2014). Some view Social Entrepreneurship not only as a potent catalyst within society but also as change agents in the social sector. These entrepreneurs are committed to creating and maintaining social value, recognizing and vigorously pursuing new opportunities, and engaging in continuous innovation, adaptation, and learning.

Poverty and unemployment are significant political and economic challenges. Additionally, issues such as an unstable currency, infrastructural bottlenecks, complex regulations that hinder business, weak law enforcement, and heavy reliance on the slow-growing agriculture sector remain major concerns.

Given these numerous challenges such as a growing population, inadequate infrastructure, low per capita income, an aging population, widespread diseases, and high illiteracy rates. The government alone cannot meet all basic needs. This presents a prime opportunity for Social Entrepreneurs to step in and address these issues, guiding the needy and less fortunate towards a more meaningful life.

Characteristics of a Social Entrepreneur

- **Social Entrepreneurs act as a Change Agent:** Certain characteristics that are very unique to a Social Entrepreneur are as follows: Social Entrepreneurs act as a Change Agent: Social Entrepreneurs innovate by finding a new service, approach or a product to a social problem, by combining innovation, resourcefulness and opportunity.
- **Social Entrepreneurs are willing to Share their Credit:** the Social Entrepreneurs are willing to share their credit of work. This can be best exemplified by the example of Amul, under the able leadership of local farmer leader Tribhuvandas K. Patel started the cooperative society. The co-operative society further developed and nurtured by Dr. Verghese Kurien led the country's first three-tier co-operative structure which was replicated all over the country under the Operation Flood Programme, known as the "Amul Model" or Dairy Co-operatives.
- **Social Entrepreneurs Work on the Policy of Selflessness:** They intensively work towards the explicitly formulated mission to create and thus sustain the social value and benefits to the society. The George Foundation (TGF) aims to alleviate poverty, promote health and a clean environment and strengthen democratic institutions and values in India, started by the selfless motive of Dr. Abraham George.
- **Social Entrepreneurs act as Role Model:** Empowering people to change their lives. They tap inspiration and creativity in outcasts and misfits. They bring value to the disadvantaged communities. The Social Work and Research Centre (SWRC) , widely known as Barefoot

College founded by Bunker Roy with the aim of women empowerment and electrification through solar power for the up-liftmen of rural people by providing them proper education, skill development, health and drinking water.

Existing research on social enterprises

In the past decade, India has witnessed considerable growth in its social enterprise activity. The number and quality of innovative ideas and business plans has improved due to growing awareness, support, and quality training and workshops available for social entrepreneurs and social enterprise leaders. The social enterprise ecosystem has evolved with support organisations providing direct, indirect, financial, and advisory assistance to social enterprises.

Despite the developing ecosystem and valued potential of the sector, the literature on social enterprises in India is small. The number of social enterprises in India, their contribution to India's GDP and workforce, and the characteristics of social enterprise leaders are not at all clear. Moreover, a holistic understanding of the government policies that seek to support the social enterprise sector in India is lacking.

Overview of key actors supporting social enterprises in underserved areas

Social impact and entrepreneurship are deeply rooted in the Indian ethos. Cooperative and community-owned business models like Amul and Fabindia have existed in India since the 1950s, and the global social entrepreneur support organisation, Ashoka, introduced the term 'social entrepreneur' in 1981. The Indian social enterprise ecosystem is the most developed of the four countries in this study, with a wide and growing range of domestic and international investors and support organisations. This section provides a brief overview of some key actors and their activities.

Incubators and accelerators :

Social enterprise incubators like UnLtd India and Villgro provide financial and advisory support to seed-stage and early-stage social entrepreneurs who are looking to develop and pilot their social impact ideas. Villgro is further involved in evolving social enterprise ecosystems in Tier-II and Tier-III cities through its 'Unconvention' initiative.

Impact Investors

There are over 50 impact funds and investors operating in India. The ones based in India are located mainly in four metropolitan cities – Bengaluru, Mumbai, New Delhi, and Chennai. According to a 2014 study, \$1.6 billion had been invested in 220 social enterprises from 2000 to 2014 (Intelicap, 2014).

- **Multilaterals and donor agencies** Multilateral agencies operate in the social enterprise sector through impact investors, incubators and accelerators by funding and collaborating on immersion and incubation programmes, capacity building workshops, and research studies. Agencies fund programmes, organisations, events and awards to promote innovation and social enterprise. Direct support in the form of grant equity and debt to social enterprises is also on the rise.
- **Co-working spaces** The co-working culture in India is brimming with opportunities. Spaces such as Bombay Connect, 91 Springboard Ventures, Jaaga, Numa Bangalore, and Alpha Lab host young commercial and social start-ups, organise events and conduct workshops and programmes that facilitate networks and learning for entrepreneurs.
- **Online platforms and media** Online communities and platforms promote, support, and publish news about the social enterprise ecosystem. YourStory's Social Story segment is a media platform that publishes stories and updates from the social enterprise sector. Since its inception in 2008, YourStory has profiled stories of over 15,000 entrepreneurs in India. Other media platforms include The Better India, Think Change India, and The Alternative. These highlight social enterprises that are doing good work and identify emerging social enterprises to watch out for. Newspapers and magazines such as Outlook, India Today, Mint, and the Economic Times dedicate sections to social business news as well.

Areas of focus

Objectives of social enterprises

The survey asked about the overall objectives of the social enterprise (see Annex 1, Chapter 1 for details). The most commonly stated objective of social enterprises in the survey is creating employment (62%) followed by improving health (41%), protecting the environment (40%), addressing social exclusion (40%), supporting agriculture and allied activities (36%), empowering women (33%), promoting education (32%), addressing financial inclusion (31%) and supporting other social organisations (20%). Survey data also showed that organisational objectives vary with the regional location of a social enterprise. Creating employment opportunities was the highest stated objective across all five regions. In the North-East, a majority (64%) of the social enterprises stated that their key objective was to support agriculture and allied activities. In North India, the most prominently stated objective was addressing social exclusion (43%); in the West, it was empowering and uplifting women (33%); and in the South and East it was improving health and well-being (44% and 52%, respectively). Key objectives among female-led social enterprises are empowering and uplifting women (40%) and promoting education and literacy (31%). For male-led social enterprises, key objectives included supporting agriculture and allied activities (43%) and

protecting the environment (44%). Objectives that were prioritised by both male- and female-led social enterprises were improving health and well-being, creating employment opportunities and addressing social exclusion.

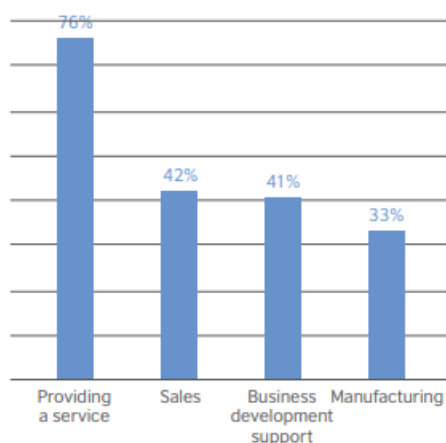
Fig: Social enterprise objectives

Objective	Respondents (%)
Creating employment opportunities	62%
Improving health and well-being	41%
Addressing social exclusion	40%
Protecting the environment	40%
Supporting agriculture and allied activities	36%
Empowering and uplifting women	33%
Promoting education and literacy	32%
Addressing financial exclusion	31%
Supporting other social enterprises and organisations	20%
Supporting vulnerable children and young persons	15%
Providing affordable housing	9%

Principal income-generating activity that social enterprises engage in

Social enterprises are achieving their objectives by engaging in a range of income-generating activities: providing a service; providing business and entrepreneurial development support; sales; and manufacturing.

Fig: Income-generating activity of social enterprises



Sectors that social enterprises work in

Over half of the social enterprises surveyed operate in the skills development sector – providing skills training to producers, artisans, and unskilled/semi-skilled labourers. Other prominent sectors are education, agriculture, fisheries, and dairy, financial services, energy and clean technology and healthcare. Social enterprises in the clean energy sector feature strongly in South India, with 75% of the sector's activity based there.

Fig: Social enterprise sectors

Sector	Respondents (%)
Skill Development	53%
Education	30%
Agriculture, Fisheries and Dairy	28%
Financial Services	26%
Energy and Clean Technology	26%
Healthcare	22%
Non-Farm Livelihood	17%
Food and Nutrition	16%
Water and Sanitation	14%
Forestry and Environment	9%
Affordable Housing	5%
Others	9%
Tourism	4%
Justice, Rehabilitation and Human Rights	3%

Social impact

Primary purpose A key aspect of social enterprise is that the venture benefits groups of people beyond those directly involved in the business. 72% of the social enterprises surveyed stated that their core purpose was to pursue profit and a social/ environmental mission jointly, while 28% focus primarily on social/environmental impact

Beneficiaries

The survey asked respondents to report how many beneficiaries they had supported, but did not specify a time frame. The survey responses indicate that approximately 150 million beneficiaries have been reached by the 258 social enterprise respondents over their lifetime. Of the 258 social enterprise respondents, 21% had a rural focus, 21% had an urban focus, and 58% worked in both rural and urban areas. According to survey findings, 2% of the social enterprises had reached over 60 million beneficiaries over their lifetime. These social enterprises were primarily last-mile distributors or other enterprises that partnered with local communities and regional organisations to carry out their functions. 70% of the surveyed social enterprises work with people from socially and economically disadvantaged communities, 82% work with women, 31% work with people with disabilities, and 46% are working with children.

Fig: Beneficiaries reached by social enterprises (N = 258)

Category of Beneficiary	% of responses
Women	82%
Youth	74%
People from backward communities	70%
Employees	60%
Organisations	58%
People from underserved regions	57%
Children	46%
People with disabilities	31%

Conclusions

Growing recognition and support for young start-ups but a lack of awareness about social enterprises: : 32% of social enterprises reported that there is a lack of understanding or awareness among banks and support organisations with regard to social enterprises. 20% also stated that there is a lack of awareness among public and customers about social enterprise goals and objectives. This lack of awareness often causes social enterprises to be neglected when they are looking to raise capital through debt funding and investments. In order to create awareness about the work done by social enterprises, especially among banks and other financial institutions, it is important to formally differentiate between commercial and social start-ups – their objectives, impact, and needs.

Large youth population but a lack of skills: There is high potential for productivity and energy to flow from a country where more than half the people are under 35 years of age. Social enterprises in India have turned their focus towards educating and keeping healthy the millions of young people who join the job market every month.

female social enterprise leaders face challenges in securing funding:

Although social enterprises perform significantly better on gender ratios than the mainstream businesses in India (24% women leaders in social enterprises versus 8.9% in mainstream enterprises) the disparity between male and female leaders is still high. Female entrepreneurs and leaders of social enterprises interviewed for the study identified challenges around gender biases when trying to source funding and investments.

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