

A Paper On The Success Of Social Entrepreneurship In India

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Abstract: This paper will discuss about the various opportunities and challenges before the social entrepreneurs in India. Social Entrepreneurship has the direct and primary objective of serving the society along with the earning profits. So, social entrepreneurship is different from the economic entrepreneurship as its basic objective is not to earn profits but for providing innovative solutions to meet the society needs which are not taken care by majority of the entrepreneurs as they are in the business for profit making as a sole objective. So, the Social Entrepreneurs have the huge growth potential particularly in the developing countries like India where we have huge societal disparities in terms of the financial positions of the population. Still 22 percent of the Indian population is below the poverty line and also there is disparity among the rural & urban population in terms of families living under BPL. 25.7 percent of the rural population & 13.7 percent of the urban population is under BPL which clearly shows the disparity of the poor people in the rural and urban areas.

Keywords: Social & Economic Entrepreneurship, Societal gains, Social Responsibility, Social Values

1 INTRODUCTION

“Empowering women & achieving gender equality are not only moral obligations, they are also critical for creating inclusive, open & prosperous societies” To have this objective in mind, and to remove the disparities among the Indian population, we focused on the Social Entrepreneurship. Entrepreneurship basically means to start up an own business venture to earn profits and contributing to the country’s GDP but social entrepreneurship as name suggests, it’s a combination of two words “Social” + “Entrepreneurship”. So, Social Entrepreneurship means starting an own venture but with the different objective. The primary objective for the social entrepreneurship is not to earn profits but to provide innovative solutions to the needs of the society.

So, the society comes first before the profits but they are not “NGO’s” as they have to have sustainable in terms of profits also. The consumers of these social entrepreneurship firms are the low - income people who have less financial affordability but having the huge potential demand in catering the social problems like eradicating poverty & hunger, achieving educational goals, increasing gender equality, empowering women, improving health facilities etc. According to Singh Pratap, in his research paper titled “Social Entrepreneurship - A growing trend in Indian Economy” 2012 stated that “Social Entrepreneurship is the identification of a social issues and he used various entrepreneurial techniques to organize, create and manage a social venture to attain a desired social change” So, a business entrepreneur measures his performance on the basis of ROI (Return on Investments), but a social entrepreneur also measures on the positive returns provided to the society along with ROI.

2 DEFINITION

Wikipedi0061 defines Social Entrepreneurship as “Social Entrepreneurship is the use of start up companies and other entrepreneurs to develop, fund and implement solutions to social, cultural or environmental issues.

It has the following characteristics:

- Performed by the specialized group of persons with

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specific objective of societal benefits through social entrepreneurs.

- Applied in nature, where the problems faced by the society are identified first and accordingly a solution or business is proposed, catering that particular problem.
- The foremost objective of a social entrepreneurship is providing the social innovations to remove the disparities in the society rather than making money or the profits.

3 LITERATURE REVIEW

- Daru, Gaur 2013 studied the importance of social entrepreneurship and the challenges faced by the entrepreneurs in the developing countries like India, Pakistan and Bangladesh. He had analyzed the case with an excellent social entrepreneur Muhammad Yunus, founder and manager of Grameen Bank who has led a new path in the development of social entrepreneurship and become the motivation for the other similar entrepreneurs to lead the country's overall growth.
- Drucker, Peter F published a book on "Innovation and Entrepreneurship" which shared the belief in the importance of innovation and entrepreneurship in the truly entrepreneurial economy of US during the last ten to fifteen years. He had discussed Innovation & Entrepreneurship under three main categories:
 - The practice of Innovation
 - The practice of Entrepreneurship
 - Entrepreneurial strategies

So, all these phases are about identification of the innovations in the entrepreneurial activities and then suggesting the appropriate strategies to implement that entrepreneurial innovation in the society. He had researched and presented the same through the use of mini-cases, examples and illustrations, both of the right and wrong policies and practices.

- S.H Brown et. al suggested the various factors associated with social entrepreneurship that would benefit the poor and bottom of the pyramid population of the society. It proposed the innovations, leadership in the social entrepreneurship that would lead to the complete societal

transformation.

4 RESEARCH METHODOLOGY

In this paper, various success stories of the various social entrepreneurs were discussed through secondary data sources and inferences were drawn regarding the importance of social entrepreneurship in the overall development of the country and making a balanced situation among the disparities present in the Indian population. These stories explored that social entrepreneurship helped in solving the societal problems, providing employment to the population, catering needs of the remotest parts of the country and most importantly, catering to the needs of the bottom of the pyramid population which other economic entrepreneurs missed out due to their primary objective of money/profit making.

Growth stories of successful social entrepreneurs in India:

1. **ECO WINGS:** A social venture started manufacturing wallets, stationery pouches and handbags from the used rubber tyres and tubes. Eco Wings is an innovative social startup started by Kapil Sharma, seeing that society is facing a problem of environmental pollution in disposal of the huge number of used tyres that cause immense environmental issues and health hazards. So, for reducing the same, Eco Wings entrepreneur had an idea to recycle these used tyres to some useable products that reduce the pollution problem and also provide the opportunity to earn profits by selling these products in the market, thereby creating both, economic and social values for the company.
2. **ASHWIN MAHAWADI:** Ashwin Mahawadi, a social entrepreneur blend his technical knowledge and expertise to help the farmers of India. He studied Civil Engineering from IIT Guwahati and had joined Masters in Structural Engineering from UC Berkeley. He was also associated with Association for India's Development (AID) where he understood the demographics of India's diverse cultural, social and economic sectors and saw the potential of growth in the Indian Economy. In 2016, he started a social entrepreneurship firm "Advaita Organics" which

worked towards creating more efficient and sustainable supply chain management in the agricultural sector so that the farmers' income can be increased, that ultimately will promote the organic farming, means the use of pesticide-free agricultural produce. Also, he started "Krishi Yog" in which he connected all the major players of the agricultural ecosystem getting help from each other in terms of input procurement, crop management and marketing the crop yield in the end market by supporting them technologically as well. Initially, Ashwini founded the financial requirements of the firm, but later on, Access Livelihoods Consulting India Ltd. (ALC India) mentored the social entrepreneur in discovering, dreaming, designing and developing his own enterprises. So this project helped the rural population to increase the social values among the farmer's category of the society which will ultimately lead to the overall development of the country.

3. **SMAAT INDIA PVT. LTD:** In the past, basically the rural population, India was facing two major problems of unsafe drinking water and the unemployment. So, to cater these social problems, Smaat India Pvt. Ltd. came up with an idea to provide clean drinking water solutions at affordable prices which will provide employment opportunity to the rural people living in that region. Thus, it solved both the issues. It is the brain child of Karunakara Reddy, who wanted to work for the community welfare. They had manufactured the water purifying machines which required a minimum initial investment of Rs. 99000, 300 sq. ft of space and provided the opportunity to villagers to earn Rs. 30,000-35000 per month. This project made the availability of the safe drinking water among the villagers at an affordable cost of Rs. 0.5-1 per litre, plus the opportunity to earn income and become entrepreneurs and self-sustainable. This project came under social entrepreneurship as the entrepreneur who had installed the machine had to give 20% back to Smaat India Pvt. Ltd. as a return to investment. So, this is not merely a social work but providing a business solution to cater the

societal needs.

4. **WATER MAKER INDIA:** Again, seeing and analyzing the problem of availability of safe drinking water in the society, Maher Bhandara, the founder & director of Water Maker India came up with a machine which made water from the air. Initially, everybody was astonished seeing the conversion of water from air as one lady named it as "Khuda ka Paani". Water Maker India, as social entrepreneurs, wanted to solve this problem of safe drinking water and started manufacturing "Atmospheric Water Generators" that would generate 120 to 500 litres of water per day and that too complies with WHO/BIS quality standards. Initially, as corporate social responsibility initiative of the company, the company installed the AWC in Jalimudi village in Andhra Pradesh serving safe drinking water to 600 villagers. Thereafter, they had installed the machines at Gandhigram in Gujrat and so on and also started exporting the machines to the other parts of the world. So, the Water Maker India solved the social problem prevailed in the society for the safe drinking water with the primary objective of increasing the social values apart from the economic values.
5. **YUVSHAALA:** Kshitij Mehra, founder pf Yuvshaala, had found that the students in the rural parts of India were deprived of the career opportunities available to them and wanted to provide counselling services to them to make them more aware. So, seeing this social concern, he started Yuvshaala in 2010 with an objective of providing education opportunities to the children of rural India. For the project to be financially viable, he made a minimum fee of Rs. 10 per child which was also non-mandatory to sustain the activities undertaken under this project. He adopted the four step process called "MARG" which included aptitude training, personality development, behavior understanding and ethics development. The primary objective was to make the children think about the new ideas and new professions that would help them to be more employable at the time they were ending with the school or higher

education.

6. **ARVIND EYE CARE SYSTEM:** Dr. G Venkataswamy founded Aravind Eye Care Systems in 1976 with 11 bed clinic in Madurai with an ambition to provide affordable eye care to all, and providing the eye care services to the needy people who could not otherwise afford the expensive eye care facilities charged by the other hospitals. Today, Aravind has 3500 beds located in 12 cities in India. The 65 percent of the outpatients received free consultancy and yet the business model of Aravind Eye Care System was financially sustainable as it believed in outreach which lead to quantity and quality of the services. To make the social enterprise more sustainable in all dimensions, Dr. Venkataswamy categorized the patient fees into four categories: free, minimal payment, regular and premium. The premium fees could be charged from those patients who could afford the expensive treatments and the system could use these premium fee funds in treating the free patients and doing free cataract operations. Aravind eye Care Systems is one of the biggest/largest social enterprise in India with 100% sustainable within itself and did not having any external financial support like charity, donation etc. So, all these success stories of the social entrepreneurs revealed the objective of social entrepreneurship and their role in the overall sustainable development of the country and in creating the equal opportunities/facilities for all the individuals, creating parity among all the sections of the society in a nation.

5 OPPORTUNITIES FOR SOCIAL ENTREPRENEURSHIP:

- a) Social entrepreneurship has the biggest opportunity in the developing countries rather than in developed countries as there are more disparities in terms of financial status, educational status and like in developing countries which the social entrepreneurs can exploit to have a sustainable business growth.
- b) They can uplift the society by applying creative

solutions and the unique product/service which solve the societal issues and can create social values along with the economic value among the people of the country.

- c) Since the social entrepreneurship has the objective of addressing the societal needs, which basically cater the low-income group of the population. So, it is again an opportunity for the social entrepreneurs as there is huge population under this segment and can exploit the volume by providing the products/services at affordable prices so that maximum individuals get benefitted from them.
- d) Social entrepreneurs can make visible changes in the society as depicted in the success stories discussed above by providing the differentiated and innovative products/services to the population at affordable prices.
- e) Providing employment, and thus creating employment opportunities among the masses thereby, making the all-round development of the country.

6 CHALLENGES BEFORE SOCIAL ENTREPRENEURSHIP:

- a) Misconception on the purpose: The majority of the social entrepreneurs conceive social entrepreneurship as social work which means working not for making money, but it's a combination of both creating the social and economic values to have a sustainable enterprise.
- b) Availability of the finance: Since the social entrepreneurs cater the poorest population and the remotest parts of the country with primary objective of creating social values, the banks providing loans or the investors cannot get trust in the commercial viability of the project and are hesitated to provide capital to fund these social entrepreneurship projects.
- c) Non-availability of workforce: The another challenge faced by the social entrepreneurs is the non-availability of the talented and dedicated workforce, as a qualified and a

dedicated worker will demand a huge salary which can only be possible for the economic entrepreneurs and since the primary objective of social entrepreneurs is to provide the societal benefits, they could not attract the talented workforce to work with them. For example, a charitable hospital running under social entrepreneurship has to employ the talented doctors who are demanding the huge salaries, so this can be the other challenge before the social entrepreneurship as they cannot afford the high-salaried workforce in their overall employment scenario.

- d) Resistance to change: The another biggest challenge before the social entrepreneurs is that the individuals are not ready to adapt the changes proposed by social entrepreneur for the benefit of the society. They would like to continue with the traditional things as the rural people have the mind blocks and is very challenging for the social entrepreneurs to break that mind blocks. For example, there was a classic case of "Padman" where Arunachalam Muruganatham brought a sanitary napkin revolution in India and provided a low-cost innovative product which can improve the hygiene and health conditions of women. This revolution was initially not adapted by the people as they had their own mind blocks in using the sanitary napkins.

7 MEASURES/SOLUTIONS TO THE CHALLENGES:

- a) More awareness: The awareness regarding the importance of social entrepreneurship should be increased especially among the youth by making entrepreneurs feel motivated to address the social issues and feel delighted to help the needy people in the professional manner.
- b) Financial aids: The government should raise financial help to promote social entrepreneurship in India in terms of government funding to the projects or ease in

getting loans from the financial institutions, so that the seed money required for the installation of the business does not become hurdle for the progression of social entrepreneurship.

- c) Motivated Workforce: The workforce working for the social entrepreneurship should be motivated and feel delighted to serve the society. They should feel happy serving the needy and imbibe a feeling of self-satisfaction which motivates them to work as an employee/entrepreneur of a social enterprise. They must perceive social objective more important than the economic perspective.
- d) Introduction of social enterprise as a subject: The subject of social entrepreneurship must be introduced as a compulsory subject in the curriculum of the higher education so that the students get awarded of the importance of social values and spreading happiness among each sectors of society.

8 CONCLUSION:

It is concluded from the paper that there is a great scope of social entrepreneurship in the developing countries like India in removing the disparities present in the society and the social entrepreneurs have the huge earning profits as they have to cater the huge volume population and can exploit the profits by providing the value added services to these high volume population.

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