

Social Entrepreneurship: Issue For A Better World !

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Abstract

Over the past decade social entrepreneurship has emerged as a powerful way of meeting global human needs. Social entrepreneurship is a fast growing movement that uses the tools of business to create positive results for society at every level. By developing and using innovative market solutions, social entrepreneurs improve our communities and the world in which we live

Today the most remarkable young people are the social entrepreneurs, who see a problem in society and roll up their sleeves to address it in new ways. Such people neither hand out fish nor teach people to fish; their aim is to revolutionize the fishing industry. The job of a social entrepreneur is to recognize where a part of society is stuck and to provide new ways to get it unstuck. International as well as Indian businesses are now looking more and more towards how they reach a social goal in addition to their financial bottom-line:

At advanced level, social entrepreneurs need a variety of financial and structural support — new laws, less fragmented and more rational capital markets and stronger bridges with governments, business and academia. The support system in India is beginning to change, giving space to social entrepreneurship and social entrepreneurs are finding the going a bit easier these days.

We should not forget that the winner isn't the only one who will shape the world; there is no limit to the number of social entrepreneurs who can make this planet a better place.

An attempt is done in this paper to highlight social entrepreneurs in India and across the globe, their innovative initiatives and its output to remake the world for better.

Key words: Entrepreneurship, Entrepreneur, Social Entrepreneur, Social value.

Introduction:

An entrepreneur is a bundle of some qualities which makes him successful in his venture; he recognizes opportunities and organizes resources to convert opportunities through creativity and innovation into a profitable venture. Entrepreneurship has been 'embedded in the Indian genius and is a part of its tradition' To quote the renowned economist, T.N. Srinivasan, 'India has been an entrepreneurial society...we had the entrepreneurial skill but suppressed it for too long a time... and now it is thriving' The entrepreneurial spirit is an ongoing characteristic of India's history, particularly visible in a number of communities engaged primarily in trading.

Definition Of The Word Entrepreneur.

The word entrepreneur comes from a French verb of 18th century 'entreprendre' which means "to do something" or "to undertake".

Economist Jean Baptiste referred the term entrepreneur to individuals who create value in an economy by using resources for higher productivity and greater yield and they do this swiftly by moving resources out from low productivity areas to higher productivity areas.

According to Economist John Stuart Mill –The important feature of entrepreneur is that he participates in the day to day operation or management of his business .He observes and watches his business on daily basis and guards it thoroughly.

Economist Joseph Schumpeter viewed Entrepreneurship as a force of “creative destruction” and as agents of change in the economy by creating new ways of doing things.

The Entrepreneurship Center at Miami University of Ohio defines entrepreneurship as “Entrepreneurship is the process of identifying, developing and bringing a vision to life. The vision may be an innovative idea, an opportunity or simply a better way to do something. The end result of this process is the creation of a new venture formed under conditions of risk and considerable uncertainty”

Creativity And Innovation Is The Need Of The Hour.

In India, the need of the hour is dynamic entrepreneurship and the twenty first century is witnessing an entrepreneurial era.

All of us need to develop opportunities to find decent and productive work for the youth allowing them to become independent and responsible global citizens. The Indian entrepreneurs are led free in the globe, and therefore their creativity and suppressed energies are surging out in new directions like never before, where people see problems, entrepreneurs see possibilities. The single dominant force India has is versatile talent pool. Talent can be described as someone having the vision of an architect, the theoretical mindset of a physicist, the attention to details of an engineer and the financial acumen of an investment banker. The youngster's no longer want just work; they are searching for their own identity and for holistic meaning of life.

Creative brains are succeeding in the knowledge economy. Narayan Murthy and Mr Azim Premji are some among the noted others who helped to get down India's fiscal deficit to some extent. Mr Subhash Chandra built a worldwide media empire, we have Ranbaxy, Dr Reddy's Lab and Cipla making

waves world over with their generic drugs. In the wake of new millennium, the BPO bug has bitten us. A McKinsey study projects that this will grow to a million jobs earning a \$50 billion in revenue by 2010.

These Entrepreneurial miracles are a showcase of creativity and innovation for the post-reform India. The new millionaires did not inherit wealth; they have risen on their sheer creativity, talent, hard work and innovative skills.

Sabeer Bhatia, Sunil Mittal of Bharati telecom, Srinija Srinivasan of Yahoo mail, Harsh Mariwala of Merico and Ranganathan of Cavin Care are just a few examples of creative and systematic minds.

Creativity and innovation should be an ongoing job of a progressive firm. Research and development have become indispensable fact of the very existence of an organization.

What Is Social Entrepreneurship?

Today, Social Entrepreneurship has become a buzzword. Much is being written and said about social entrepreneurship, but what is it really about? Ashoka describes social entrepreneurship as “individuals with innovative solutions for important social problems.” The relevant terms therefore include 'social problems' and 'solutions'. In short, social entrepreneurs solve social problems (such as poverty, inequality and unemployment) by effecting social change, without being guided by profit as the (only) objective. According to the Stanford Social Innovation Review, social entrepreneurship is driven by the need for social change and it is that potential payoff, with its lasting, transformational benefit to society that sets the field and its practitioners apart.

“Social entrepreneurship is the work of a social entrepreneur. A social entrepreneur is someone who recognizes a social problem and uses entrepreneurial principles to organize, create, and manage a venture to

make social change. Whereas a business entrepreneur typically measures performance in profit and return, a social entrepreneur assesses success in terms of the impact s/he has on society." – Wikipedia

There are 3 key components that emerge out of this definition are –

- * The problem.
- * A sustainable solution.
- * Social change.

Social entrepreneurs are to social change what business entrepreneurs are to the economy. They are the driven, creative individuals who question the status quo, harness new, often overlooked, opportunities, refuse to give up and remake the world for the better; they are filling the void left by the failures of governments and bureaucracies

A social entrepreneur identifies and solves social problems on a large scale. Just as business entrepreneurs create and transform whole industries, social entrepreneurs act as the change agents for society, seizing opportunities others miss in order to improve systems, invent and disseminate new approaches and advance sustainable solutions that create social value.

Unlike traditional business entrepreneurs, social entrepreneurs primarily seek to generate "social value" rather than profits. And unlike the majority of non-profit organizations, their work is targeted not only towards immediate, small-scale effects but sweeping, long-term change.

Why "SOCIAL" Entrepreneurs'?

Each social entrepreneur presents ideas that are user-friendly, understandable, ethical and extend widespread support in order to maximize the number of local people that will stand up, seize their idea, and implement it. In other words, every leading social entrepreneur is a mass

recruiter of local change makers—a role model proving that citizens who channel their passion into action can do almost anything.

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.

"Social entrepreneurs identify resources where people only see problems. They view the villagers as the solution, not the passive beneficiary. They begin with the assumption of competence and unleash resources in the communities they're serving."

"Social entrepreneurs are entrepreneurs with Soul Appeal. They invest their innovative genius and business savvy to create the kind of world where every human being has the opportunity to develop and thrive." – According to Quincy Jones

"Social entrepreneurs plug the gap between the roles that governmental and philanthropic efforts play, often solving societal problems not in opposition to or even at the charity of corporations but rather in collaboration and mutual benefit to the private sector." According to Schwab.

Significance of Social Entrepreneurship for Development.

1. Development of Employment:

Entrepreneurship creates job opportunities through new businesses and enterprises and hence apart from being self employed, entrepreneurs provides livelihood to more and more people

2. Creation of New Goods and Services:

The social enterprises progress and implement new creations which are significant for social and monetary progress and lead to the creation of new goods and

services. Problems brought to notice and attempted to tackle in a creative manner comprise a number of largest common obstacles like HIV, mental illness, illiteracy, crime and drug abuse.

3. Social Capital:

Social entrepreneurship creates social capital which may not be necessarily monetary in nature. Some stunning instances of the same are the success of the financial-system of Germany and Japan which are deep rooted in the long-term relations and the principles of cooperation in innovation and industrial advancement

4. Promotion of Equity:

Social entrepreneurship helps in promoting equality by addressing communal concerns and engaging in all round development of society.



Source: allaboutsociaientrepreneurship/Home/SE5.

In a nutshell, social enterprises should be taken up as an optimistic force. They should be viewed as the foundational stone to address various social problems but for this to happen, the following attributes are desired:

a) Focus: Laser like focus and clarity on the objectives of the entity - market focus and

social. Example: "We will build a profitable branded national children's garments business with revenues of Rs 1000 crore in 10 years" is a market focus while "We will positively impact 250,000 producer groups in these 10 years by ensuring that 90% of profits are ploughed back into these groups" is the social focus.

b) Scale: Inherent in the goals above is scale viz, Rs 500 crore, 100,000 producer groups.

c) Transparency & Integrity.

d) A well rounded, passionate, relevantly experienced and qualified management and advisory team.

e) Measurement systems and processes.

f) Leveraging of technology to drive scale and bring in efficiencies.

g) Partnerships with providers of complementary goods and services.

h) Developing a unique value proposition for its offering based on design, quality, and price competitiveness.

The above will harness entrepreneurial energy of producer groups, socially sensitive management teams and other stake holders for a new paradigm in social entrepreneurship. Capitalism is an efficient creator of wealth while socialism ensures more equitable distribution of this wealth. A marriage of the two is surely desirable but needs integrity, capability, efficiency and transparency. Such ventures, like Amul (which was created by government initiative and by the passion of people like Dr Kurien.) are already being conceptualized even in India and the day is not far off when we will see the creation of many 21st century Amul's in different sectors.

Some of the **Organizations That Promote Social Entrepreneurship as an Important Way to Address Today's Social Problems.**

- The modern social entrepreneur movement began in 1981 when social entrepreneurial pioneer Bill Drayton founded Ashoka: Innovators for the Public to identify and support social entrepreneurs.
- Nidan, Founded by Arbind Singh in 1995 builds profitable businesses and 'people's organizations' that are led by asset less, informal workers. A range of cooperatives, Self Help Groups (SHGs), trade unions, and individual and community businesses launched by Nidan have positioned unorganized workers as legitimate competitors in globalizing markets of India. Nidan works in Bihar, Jharkhand, Delhi and Rajasthan. Nidan taps into the wealth of the poor—primarily their numerical strength—and then aggregates them into economies of scale. These processes of 'collectivizing' generates social capital, representation and 'voice' for the unorganized poor, which they then leverage to launch their own businesses and shift policy to be recognized as wealth-creators.
- Youth Action Net and Youth Venture promote social entrepreneurship as a way to empower youth who wish to help build a more peaceful, just, prosperous and sustainable world.
- The Skoll Foundation, started by eBay's first president Jeff Skoll, awards a million dollar annual prize to a number of social entrepreneurs.
- The Schwab Foundation for Social Entrepreneurship created by World Economics around the world and helps connect them to investors and to each other. The Schwab Foundation supports social entrepreneurs in three ways. The

first is to highlight the most accomplished social entrepreneurs within a country to provide credibility and attention to their efforts. The second is to build a community of 'late stage' social entrepreneurs' agnostic of legal status that can learn from one another. The final manner of support is providing a platform for social entrepreneurs to interact with business and government leaders among other luminaries in World Economic Forum Activities.

- The George Foundation's Women's Empowerment program empowers women by providing education, cooperative farming, vocational training, savings plan, and business development. In 2006 the cooperative farming program, Baldev Farms, was the second largest banana grower in South India with 250 acres (1.0 km²) under cultivation. Profits from the farm are used for improving the economic status of the workers and for running the other charitable activities of the foundation.
- National Entrepreneurship Network (NEN) Founded in 2002, is a not-for-profit organization working to inspire, educate and support new and future entrepreneurs in India. The organization's goal is to help launch thousands of new entrepreneurs in India, who will then create hundreds of thousands of jobs in the country. NEN's initial focus is on students and young people, and it is working with several of India's top education institutions to help create world-class and high-impact entrepreneurship programmes on their campuses.

Following are cases of few very prominent leading Social Entrepreneurs, Change makers in the Modern Era, scattered across the globe:

- A recent example is **Vikram Akula** founder **CEO of SKS Microfinance**, the

McKinsey alumnus who started a micro lending venture in villages of Indian state of Andhra Pradesh. Though this venture is for profit, it has initiated a sharp social change amongst poor women from villages. In 2006, Vikram was named by TIME Magazine as one of the world's 100 most influential people and has been featured in media ranging from the front page of the Wall Street Journal to CNN. Vikram Akula was born in Hyderabad and moved to the US when he was only 3 years old. He witnessed India's poverty on numerous family visits to India and made a promise to himself to do something to eradicate poverty. After college, he returned to India and worked as a community organizer. During this time, he realized the most important initiative for the poor was economic development and that microfinance made a tremendous impact on poverty eradication but he felt that the microfinance sector was not scaling rapidly enough, so he launched SKS to overcome problems of scaling... SKS Microfinance, an NGO-turned-for-profit company, applies global business best practices to the field of microfinance. It was launched in 1997 to address a fundamental flaw in microfinance—namely, its inability to scale to large numbers. SKS identified these scaling constraints as the three “Cs”—lack of capital, capacity constraints, and the high costs of delivering micro-loans. SKS has overcome this challenge by applying three innovative principles:

(1) Using a profit-oriented model to overcome capital constraints.

(2) Leveraging best practices for scaling from the business world to overcome capacity constraint.

(3) Using technology to automate processes and lower costs.

- Another great example is **Brent Freeman**, a University of Southern California alumnus, who co-founded MARCSMovement.com with Norma LaRosa and Nick Reder, which is an online

shopping website that exclusively sells products from socially responsible businesses at a discount, while donating 10% of their profits to fund college scholarships for underprivileged youth in the US. As a for profit venture, this team has set out to prove you can make a difference and make a profit in social entrepreneurship.

- Aravind Eye Hospital, founded by Dr **Govindappa Venkataswamy and Thulasiraj D. Ravilla** in 1976, has treated over 2.3 million outpatients and performed over 2.7 lakh surgeries in 2006-07, almost two-thirds of them for free. Dr Govindappa Venkataswamy & David Green from Madurai, India, made medical technology and health care services accessible, affordable and financially self-sustaining by blending traditional hospitality with state-of-the-art ophthalmic care. Aravind offers comprehensive eye care in the most systematic way attracting patients from all around the world.

- Professor **Muhammad Yunus**, the founder of “Grameen Bank” (GB) has reversed conventional banking practice by removing the need for collateral and created a banking system based on mutual trust, accountability, participation and creativity. GB provides credit to the poorest of the poor in rural Bangladesh, without any collateral. At GB, credit is a cost effective weapon to fight poverty and it serves as a catalyst in the overall development of socio-economic Conditions of the poor who have been kept outside the banking orbit on the ground that they are poor and hence not bankable. In the words of Muhammad Yusuf 'I firmly believe that we can create a poverty-free world if we collectively believe in it. **In a poverty-free world, the only place you would be able to see poverty is in the poverty museums. When school children take a tour of the poverty museums, they would be horrified to see the misery and indignity that some human beings had to go**

through. They would blame their forefathers for tolerating this inhuman condition, which existed for so long, for so many people'.

- **Aruna and Prashant.** are Co Founders of Bamboo House India.

'Bamboo House India' is a social enterprise with an aim of providing sustainable livelihood opportunities to rural and tribal artisans in the bamboo sector through business models designed to work at base of the economic pyramid and promote bamboo as an eco friendly substitute to wood, steel, iron & plastic.

The very purpose of the enterprise is to create long term, sustainable, non - migratory business model for the rural and tribal artisans in the bamboo sector by using locally available green raw material i.e. bamboo. Bamboo & its products have always suffered from poor market linkages and regulatory constraints affecting the raw material despite enormous market size. The country's natural forests are also under threat as demand for timber is expected to touch 153 million cubic meters by 2020 and country's timber import bill is boiling at Rs.4000 crores (2005-06). Today, customers are shopping for eco friendly products & Bamboo can come handy to fulfill socio, economic and environmental needs of the country. Bamboo Furniture market is estimated at Rs 3625 crores and Bamboo Housing market stands at Rs 1100 Crores, if tapped properly it can help more than 5 million of our population cross the poverty line. Bamboo also minimizes CO2 gases and generates up to 35% more oxygen than equivalent stand of trees.

What makes the venture unique and an economically feasible reality is that nobody in the country till date has tried to get the entire bamboo industry under one roof. It is very difficult for commercial entrepreneurs to venture into bamboo,

only social entrepreneurs can try this line that too with in depth grass root domain expertise, starting from tissue culture plant material to Indian Forest Act to working in high insurgency area to understanding various bamboo species and understanding tribal mindset which will all goes into making a business model. Thus they can have a first mover advantage added to the complex domain expertise to add to the merits.

- **Dr. Verghese Kurien**, the father of white revolution, Amul has been a sterling example of a co-operative organization's success in the long term. It is one of the best examples of co-operative achievement in the developing economy. The Amul Pattern has established itself as a uniquely appropriate model for rural development. Amul has spurred the White Revolution of India, which has made India the largest producer of milk and milk products in the world. (source: Wikipedia)
- One of the social entrepreneurs is **Soraya Salti**, a 37-year-old Jordanian woman who is trying to transform the Arab world by teaching entrepreneurship in schools. Her organization, 'Injaz', is now training 100,000 Arab students each year to find a market niche, construct a business plan and then launch and nurture a business. The program (<http://www.injaz.org.jo/>) has spread to 12 Arab countries and is aiming to teach one million students a year. Ms. Salti argues that entrepreneurs can stimulate the economy. Give young people a purpose and they will revitalize the Arab world. "If you can capture the youth and change the way they think, then you can change the future," she said.
- **Sri Sri Ravishankar** born on May 13, 1956, in Tamil Nadu, India. He is a spiritual leader and founder of the Art of Living Foundation (founded 1982), which aims at relieving both individual stress and societal problems and violence, and

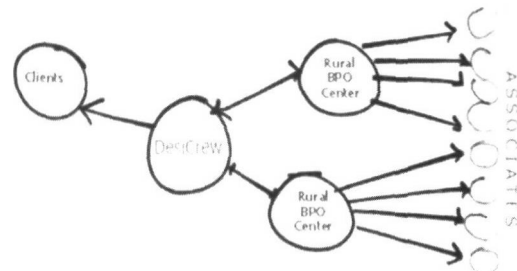
which is an NGO (non-governmental organization) with UNESCO consultative status. He also established in 1997 a Geneva-based charity, the International Association for Human Values, an NGO that engages in relief work and rural development and aims to foster shared global values.

- **The Self-Employed Women's Association of India (SEWA)** is a trade union for poor, self-employed women workers in India. SEWA was founded in 1972 by the noted Gandhian and civil rights leader **Dr Ela Bhatt**. SEWA's main goals are to organize women workers for full employment and self reliance. SEWA aims to mainstream marginalized, poor women in the informal sector and lift them out of their poverty. SEWA grew continuously from 1972, increasing in its membership and including more and more different occupations within its fold, the growth of many new co-operatives, a more militant trade union and many supportive services has given SEWA a new shape and direction.

- **Barefoot college** known as **Social Work and Research Centre** is a Non-governmental organization founded by **Bunker Roy** in 1972. It is located at Tilonia village, Rajasthan, India. The organization was established to solve grave problems like drinking water quality, girl education, health and sanitation, rural unemployment, income generation, electricity and power, as well as social awareness and the conservation of ecological systems in rural India. Bunker Roy has won many awards like the Arab Gulf Fund for the United Nations (AGFUND) Award for promoting Volunteerism, The World Technology Award for Social Entrepreneurship, The Schwab Foundation for Social Entrepreneurship, The Stockholm Challenge Award for Information Technology, The NASDAQ Stock Market Education Award, and the Tyler Prize.

- According to Nasscom, the shortfall in BPO workers in India will exceed 3 lakh by 2010 and rural India is where DesiCrew plans to start bridging this gap. A startup formally registered in February 2007, DesiCrew provides training to rural youth in data entry, content building, transcription, data mining and other areas. This enables it to provide rural (and therefore cheaper) non-voice offsite support to its clients. DesiCrew Solutions Pvt Ltd is a rural BPO company incubated by RTBI of IIT- Madras. DesiCrew was started with the intention to bring new India's flagship industry – IT Enabled Services to where India really resides – Rural Areas. At DesiCrew, wealth is created in the local community, by the locals of the community and is distributed within the community.

Desicrew Business Model/Operational Flow



Source: <http://www.pluggd.in/social-entrepreneurship-interview-with-desicrew-founder-rural-bpo-297/#>

- Devi Prasad Shetty, who won the award last year, strives to make

Sophisticated healthcare available to all irrespective of their economic situation or geographic location. He founded the Narayana Hrudayalaya Hospital in

Bangalore in 2001 and previously co-founded the Asia Heart Foundation. In addition, Shetty has built a network of 39 telemedicine centers to reach out to patients in remote rural areas. Together, the network of hospitals performs 32 heart surgeries a day, with 60 per cent of the treatments being provided below cost or for free making it one of the busiest hospitals in the world. Almost half the patients are children and babies.

Thus we see, rather than leaving societal needs to the government or business sectors, social entrepreneurs find what is not working and solve the problem by changing the system, spreading the solution and persuading entire society to take new leaps and in doing so, they create heart-warming tales of social transformation.

CONCLUSION

Social entrepreneurship has quietly become a movement in India. Entrepreneurship is a critical aspect of the knowledge economy and India has a large pool of entrepreneurs, who have the ability to make a difference and need to be nurtured to achieve their potential and provide a further boost to the Indian economy. India needs entrepreneurs for two reasons – first, to create employment and wealth and second, to get the most out of existing opportunities.

Indian entrepreneurs are also often shackled by lack of skilled manpower to support their business enterprise and often have to do with average talent or limited resources. To help the growth of entrepreneurship in India, investments have to be made in training people to develop the requisite skills and an entrepreneurial mindset. It is important for India to create the right environment for building

Entrepreneurship, by providing knowledge support, skill sets, networking opportunities and forums, simplified regulations, etc. Governments also need to come with incentives for Private Equity/Venture Capital to invest in such causes. This requires the right kind of foresight and planning to create entrepreneurs from India who can go on to become world leaders and harbingers of positive socioeconomic change. The media can also play a greater role in highlighting such efforts. Something along the lines of--

- A “Social Entrepreneur of the Year” award (if one doesn't exist already).
- Probably even a reality show which showcases such efforts.

Social Entrepreneurship by its nature is thought to be essentially only bound by the social mission and theory of change, but there are far many examples of for-profit sustainable revenue generating enterprises with a social value generating structure prompting us to re-think the traditional models and conceptualize new hybrid business models.

Identifying and solving large-scale social problems requires committed persons with a vision and determination to persist in the face of daunting odds. Ultimately, social entrepreneurs are driven to produce measurable impact by opening up new pathways for the marginalized and disadvantaged and unlocking society's full potential to affect social change. Nothing is as powerful as a big new idea if it is in the hands of a first class entrepreneur.

Social entrepreneurs are not content just to give a fish or teach how to fish. They will not rest until they have revolutionized the fishing

industry. This revolution is fundamentally changing the way society organizes itself and the way we approach social problems.

Finally we can say that the importance of having the goal of making meaning for your company is more than making money because, if you make meaning, you are more likely to make money; but if your major goal is to make money, then you are unlikely to make either.

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