STATUS OF SOCIAL ENTREPRENEURSHIP IN INDIA

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ABSTRACT

The present paper entitled ‘Status of Social Entrepreneurship in India’ briefly focuses on the meaning, concept and present status of Social entrepreneurship in India. Social entrepreneurship is the use of techniques by startup companies and other entrepreneurs to develop, fund and implement solutions to social, cultural, or environmental issues. In order to solve the social problems of the country or to reach the needs of people social entrepreneurship an integration of social mission with entrepreneurial actions are very much essential. Having financial support is one of the fundamental aspect to every entrepreneurship. But in India, the entrepreneurship faces number of challenges like capital, skilled and well trained man power, access to modern technology, etc. as a result entering into competitive world with the social objective/s has become uneasy. Facing the competitive world with the low budget would reduce the enthusiasm of entrepreneurs to serve for social problems. But even then when we look back into the history, pioneering efforts have brought some changes in the lives of people as well as the scenario of social problems. Swadesi and Bhudaan movement’s effort in making Indian villagers to move towards economic stability is an example of it. Presently there are well known entrepreneurs like Ela Bhatt, whose SEWA has made a mark of its own by providing employment and service to many people, especially women..

Keywords: Entrepreneurship, Social Entrepreneurship and Status of Social Entrepreneurship

INTRODUCTION ABOUT INDIA

In the current globalised era India identified itself with number of socio-economic developments. India is one of the fastest developing countries as witnessed through stride in space research, higher education, industrialization and modern method of agriculture. It has 17.5% of the world’s density of population. As a result it stands second next to China with respect to population and third in relation to largest economy as measured by GDP. The country is primarily dependent on agriculture which has 18% of GDP and 49% of the population is purely dependent on it. Apart from this the country is trying to identify itself in the globalised world by supplying talented and skilled human resources to the field of medicine, science and technology, and art. It has become a hub of IT and BT companies. The well-known companies like Infosys, Wipro, TCS, Biocon, Serum Institute of India, Dr.Reddy Lab, etc. have grabbed successfully the attraction of the world through their software services. Besides these developments the country is facing numerous challenges like poverty, unemployment, illiteracy and many social blind beliefs in relation with caste and creed. The gender based bias is also one of the drawbacks towards socio intellectual level of the population. The very drawback is interlinked with many social problems such as illiteracy of women, dowry system and suppression of feminine folk by masculine.

SOCIAL ENTREPRENEUR

‘A social entrepreneur is somebody who takes up a pressing social problem and meets it with an innovative or path breaking solution’
Social entrepreneurs are great people recruiters who present their ideas or solutions in a way that many people, who are either part of the problem or surrounding it, recognize a need for change and get onboard the change bandwagon.

SOCIAL ENTREPRENEURSHIP

Social entrepreneurship is a kind of entrepreneurship initiative that aims at taking up a social problem for bringing about a transformation in the same. The aim of social entrepreneurship is to promote the cause of social and environmental goals that have an impact in either in the present or the times to come. Such entrepreneurs are generally a part of or associated in some way with some nonprofit organizations. The industrialization development and entrepreneurship acts like two faces of the same coin towards the development of the country. Both go hand in hand in order to achieve stable economic condition. Entrepreneurs are characterized by good innovative skills, which they make use for attainment of short and long term goals of their business venture along with keeping good pace/image in the society. Social entrepreneurs are the one who aimed at solving social problems by making use of their skills. The various skills like innovative qualities, high critical thinking and also motivation to bring social welfare of the society. They make use of market based strategies to reach their business goals, such as profit maximization, business expansion, etc. along with activities contributing social welfare. Social entrepreneurship is the one wherein generally the context is based on an unequal equilibrium in a social environment and the entrepreneurs identify an opportunity to create social value. This peculiar form of entrepreneurship is fundamentally associated with opportunity identification which is considered as the beginning point of the process of social entrepreneurship. Ashoka foundation describes social entrepreneurship that “produces small changes in the short term that reverberate through existing system to catalyse large changes in the longer term.

STATUS OF SOCIAL ENTREPRENEURSHIP

Mahatma Gandhi’s Swadeshi Movement gave a platform for poor people of India are able to bring sustainable economy in rural areas along with giving value to ancient things. It is a platform made Indian poor villages to show their skills and talents.

Vinobha Bhave’s Bhudaan Movement also identified as a social entrepreneur. Thus, Swadeshi and Bhudaan Movement have taken their own role in making the lives of social entrepreneurs in a progressive way. Ashoka created a forum for social entrepreneurs with the list of 2145 members in it and Dr. Sudharshan from Karuna Trust is the first person to be nominated.

A government plays a dominant role in the progress of entrepreneurs, which can be seen in the form of micro, small, medium sized and like enterprises. The social entrepreneurs wish for conducive form of conditions by the government in order to have legal affiliation either public or private of their company. As a result in 2003 the Producer Company Structure is introduced by the government in order to encourage the social entrepreneur but it failed as it implies restricted goals. Again in the same year Limited Liability Partnership Act picking responsible for the gradual development of social entrepreneur and provided internal flexibility of partnership with security.

Social entrepreneurship is the integration of social mission with entrepreneurial actions. The main intension of it is to ease social status and solving social problems. Being the father of social entrepreneurship Gregory Dees opines that the social entrepreneurs act as the agents in the society by creating and sustaining social value through the inculcation of the numerous qualities and practice of it. The founder and manager of Grameen Bank named Mohammed Yunus whose contribution to the field of social entrepreneurship is immense. Being a Nobel laureate his bank is a symbol of modern entrepreneurship.

Sources of funding for social entrepreneurship are supported by investments. In majority these entrepreneurs are assisted in the form of debt, equity, grants and etc. These funds are related to the sectors like health, education, agri-business and micro-finance in which they are invested. Social entrepreneurs in general may be a founder, co founder or secretary who is able to give funds.
Individuals play a vital role in their business and to get assisted and attracted to throughout the globe by their social entrepreneurship.

The definition as well as nature of social entrepreneurship is changing from time to time according to the needs of society. Ela Bhat and S.Rajagopalan are well known social entrepreneurs in India. Ela Bhat’s Self Employed Women’s Association (SEWA) and S.Rajagopalan’s Technology Informatics Design Endeavour are the leading enterprises by giving employment to the people of the country. Meanwhile they give their best solutions to the society.

SEWA was founded by Ela Bhat in 1972. Under SEWA women earn their livelihood in different categories. These are Hawkers and Vendors, Home based producers and manual laborers and service providers. It is the largest trade union by comprising 315000 members in it. SEWA also has other institutions like Bank, Academy, Housing, Trust and Training and Research centre.

Apart from SEWA Arvind eye hospital is also established as a successful entrepreneurship by their medical service to people. This hospital is established in 1976 in India by Dr. Venkataswamy. It offers eye care services and cataract surgery, and also price for operations is being reduced based on the patient’s economic stability. Therefore it is successful in grabbing the attention of poor people towards their eye care services. Because of their popular eye care service they extended their hospitality to other countries like Nepal, Egypt, Kenya, etc.

The condition of social entrepreneurs in India is improving compared to the last decade. They inculcated entrepreneurial skills to find solutions to social problems along with profit to sustain in their social entrepreneurship endeavor. According to the study of Srivastav and Tandon for the society for participatory research in Asia found out that

1. 20 million people in India are employed in 1.2 million non-profit organizations; thereby these organizations are supporting the progress of the country and became a backbone for the livelihood of their employees.
2. Nonprofit organizations are religious based. As a result their entrepreneurship cannot be called as a complete social entrepreneurship.
3. Every social entrepreneurship has their own vision to reach the needs of society by their products and services

CHALLENGES FACED BY SOCIAL ENTREPRENEURS

Entrepreneurship in India is under the influence of traditional system. Education is the main source of promotion of social entrepreneurship. But there is lack of specific curriculum on the development of entrepreneurship in India. However, it is taught as part of entrepreneurship to the graduates of business schools and management institutions.

Encouraging business to discover the competitive advantages is also one of the challenges to social entrepreneurship. It is difficult to reach untapped markets with the available financial security. Therefore along with financial security social entrepreneurs need to spend their effort and time for a longer period in designing, implementing and to refine innovative ways to reach the success as a social entrepreneur. Henceforth any social entrepreneur should have the capacity to reach the solution by making use of his entrepreneurial skillful abilities. Meanwhile the employees are waiting for something which is more than a impressive salary i.e. meaningful work and lifestyle.

Absence of capital is also one of the challenges of all entrepreneurs including social entrepreneurs in India. In general social entrepreneurs run their business by their own fund by taking money from lenders with high interest. Social entrepreneurs have to face financial burden because of high interest. It is because they cannot able to get loan from the banks as the procedure of loan is more complicated. Therefore social entrepreneurs have to get money from lenders with high interest, which makes all the entrepreneurs to suffer.
The main aim of social entrepreneur is to bring welfare in the society. They are also keen to find and solve social problems. But to solve any particular social problem through their business activity they have to spend amount either from their pocket or by taking money from lenders.

Lack of government support is another problem, which has become a drawback to the progress of social entrepreneurship in India. The government in India is unable to support promotion of these social cause ventures due to lack of trust in private parties/ organizations.

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