

## SOCIAL ENTREPRENEURSHIP-GATEWAY TO SERVE AND UPLIFT THE SOCIETY

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**Dr. Anil Sardana**

Associate Professor, Department of Commerce, Shaheed Bhagat Singh College (University of Delhi)  
E-mail: [anilsardana107@gmail.com](mailto:anilsardana107@gmail.com)

**Abstract:** Social entrepreneurship is a buzz-word in India as well as in other parts of the world. Social entrepreneurship is a mixture of entrepreneurship and serving the social causes with the primary objective of adding social values and wellbeing of marginalized and weaker sections of the society. It enables individuals and organizations who want to identify and bring about transformative societal changes. The concept of social entrepreneurship addresses needs of the society as well as social innovations. It deals with identification of social needs which can be fulfilled through unique social innovations. Social entrepreneurs are motivated to transform the society by working on educational, environmental, economic and social issues. Often, social entrepreneurship is mission driven.

The aim is social improvement and not to earn more money. Generally, social entrepreneurs are driven by emotional desire and they seek to get the best solutions for solving the problems and set this as a guiding point to be followed by others. Social entrepreneurs believe in improvement of goods and services to be offered to the community without getting the profit. But the endeavor must also be financially sustainable. This paper will discuss about the conceptual framework and meaning of social entrepreneurship. While highlighting the scope and importance of social entrepreneurship, it will also discuss the impact on social fabric of the countries particularly India and most specifically working at the bottom of the pyramid and serving the poor people. We understand that social entrepreneurship is borne by social mission and theory of change. Achieving this is not an easy task. The paper will discuss the various challenges faced by the social entrepreneurs and in the last part of the paper certain measures to overcome these challenges are recommended.

**Keywords:** Social Entrepreneur, Social Entrepreneurship, Social Issues

### INTRODUCTION

The entrepreneurs play a very important role in the society. The aim of a business entrepreneur is to generate profits from the risks and opportunities he or she is willing to take. The prime motive is profit. The focus is on cultivating and converting new ideas for prosperity and financial growth. Strategic management is applied to avoid failures and ensure continuity in the business.

On the other hand, social entrepreneurship has different objectives to fulfill, which are concerned with the needs of the society to promote social betterment and well-being of the society. User-friendly ideas with

high degree of ethics, with the help of innovative ideas, are applied which are backed by emotions and passion to improve the social and economic condition of the people, and not just to earn the profit. Social entrepreneurs try to seek best solutions and wish that other should also follow that. The purpose of social entrepreneurship is to create the social value by offering goods and services to the community on non-profit basis. Social entrepreneurship is unique in nature and the prime objective stands different from the usual business entrepreneurship. Most of the time social benefits get clubbed with economic benefits. Organizations which are set up to pursue these objectives are generally known as

NGOs who work for poor or deprived sections of the society.

The objective is to work and serve at the bottom of the pyramid through making available products and services by using innovative means and keeping the cost of the product or service at lower level. Social entrepreneurship tries to fill the gap which is not attended by the economic entrepreneurship. It attempts to do social work or services by providing innovative products and services to the deprived sections of the society. There is a concept of making profit in the social entrepreneurship but the difference between the economic entrepreneurship and the social entrepreneurship in this regard is that, in the case of economic entrepreneurship the primary objective is to make the profit as well as personal gains. On the other hand, in the case of social entrepreneurship the primary objective is social change or creation of social value and bringing social gains over the personal gains. Profit takes a back seat or is more or less secondary but essential to the survival.

There are organizations in our country which are trying to change the very face of our society by bridging the gap created by the economic entrepreneurship and by balancing the social imbalances. There are a number of individuals, institutions working for poor and deprived in the field of education, micro-financing, women and child care, primary education, water and sanitation, medical aid, rural development and so on. Such enterprises are working with the objective of bringing change in the society rather than earning money for themselves.

### **OBJECTIVES**

This paper is being attempted to fulfill certain objectives keeping in view the importance and rationality of the research titled in mind. This particular paper will attempt to achieve the following objectives:

1. To understand and study the concept of social entrepreneurship and its basic framework.
2. To study the importance of social entrepreneurship as a way to serve the needs of the society through special innovations.

3. To understand and explain the challenges faced by social entrepreneurship.
4. To make certain recommendations through various suggestions to meet these challenges.

### **SOCIAL ENTREPRENEURSHIP- CONCEPT**

Robinson (2006) viewed social entrepreneurship as an emerging and global phenomenon that influences the society through innovative approaches for solving social problems. (Robinson, 2006). The term social entrepreneurship was first coined in 1980 by Built Drayton of Ashoka, a global association in which world leading social entrepreneurs are members. Another crusader of social entrepreneurship, David Gergen, Professor in Harvard University describes the purpose of social entrepreneurship as user-friendly, understandable following the ethical ideas to support the enormous number of citizens. According to Austin, Stevenson, and Wei-Skillern (2006) Social entrepreneurship is still evolving as an area in the field of academic research. Social Entrepreneurship is somewhat a recent concept. Though the practice of social activities has been around for many years but the concept of social entrepreneurship has received attention of researchers and management practitioners very recently.

Activities performed by social entrepreneur may fall into two broad categories: 1. Identifying new and innovative ways of performing established social services and 2. Creating new startup organization that operates on the principle of non-profit.

As per Austin, Stevenson, & Wei-Skillern, (2006) "Social entrepreneurship is not defined by legal form, as it can be pursued through various vehicles. Indeed, examples of social entrepreneurship can be found within or can span the nonprofit businesses or governmental sectors".

Roberts and Woods (2005, p.49) define social entrepreneurship as: "the construction, evaluation and pursuit of opportunities for transformative social change carried out by visionary, passionately dedicated individuals."

Some scholars believe social entrepreneurship as a multi-dimensional concept. The social entrepreneurs will

stand up for their ideas and for their implementation. Social entrepreneurs look for more people of their type who work as change agents or role models, who will channelize their energies and convert their ideas into action to achieve the objectives of social entrepreneurship. Social entrepreneurs have a mission to achieve with the objective of sustaining social values. They work selflessly to serve the people and continuously keep adopting and learning various ways to achieve their objectives. They draw ideas from the world of business as well as non-profit businesses. Such entrepreneurs work in different kinds of organizations whether they are small or large, comparatively new or old, whether they are pursuing secular or religious goals, whether working for profit or non-profit or in hybrid structure. They have one particular aim in their life to change the society. While they are visionary, they are realistic too. Their aim is to implement their vision and change the direction of the society for its betterment and solving of various social problems. Entrepreneurial principles are also followed to manage the venture. There are systems to organize and manage the organization, through measurement of performance of human and non-human resources. But the focus of the social entrepreneur always is to assess the success in terms of social benefit and social betterment.

### **CHARACTERISTICS OF SOCIAL ENTREPRENEURSHIP**

The social entrepreneurs have the basic purpose of addressing social issues and problems in a more innovative manner following the principles of entrepreneurship. The traits of economic entrepreneurship and social entrepreneurs are not very different as both follow systems, management principles, have objectives and work on the basis of expertise, experience and professional support.

However, following are the distinct traits of social entrepreneurship commonly found:

1. Social entrepreneurship deals with risk and uncertainties in setting up of the organizations by the social entrepreneurs.
2. Vision and foresight are the basic principles on the basis of which organizations are set up but

they look into the various problems and solutions which others are not able to foresee.

3. Social entrepreneurship help those who are working to achieve social objectives by providing them leadership and direction.
4. Creativity is the unique feature of social entrepreneurship to solve the problems of the society.
5. Social values are the core and distinct traits of social entrepreneurship. However, economic values are also embedded but the primary objective of pursuing the social value principle is to provide social benefits to all.
6. Social entrepreneurship believes in unique solutions to manage social inequalities and challenges.
7. Social entrepreneurship focuses on non-personal gains and aim for social gains.
8. In Social entrepreneurs motive is not profit and the profit comes as a secondary objective.

### **WHO IS A SOCIAL ENTREPRENEUR?**

Social entrepreneur is a person who is ambitious, innovative, passionate, driven, committed and interested and involved in social causes. He works with a non-profit motive to primarily serve societal needs associating himself in social purpose ventures, with the mission of driving and generating social values. Focus is not on creating the wealth but promoting systematic social changes. Since profit making is a secondary objective, therefore they are the people who are passionate and determined about what they do. The actual term entrepreneur was first coined by Irish economist Richard Cantillon. Social entrepreneur like business entrepreneur is also strategic, creates new solutions and approaches, looks for the opportunities to invent new ideas, focusing and working hard with a social vision in mind. He is resourceful though do not have too much access to the capital as well as prevalent market support systems. However, he possesses skills and perseverance to mobilize resources from various sources in the society.

Social entrepreneur is result oriented, aims at to produce measurable returns, looks for opening up new

ways, works for the marginalized and disadvantaged people in the society and unlocks various potentials to have positive effects for social change. Social entrepreneurs have many areas to work which are community driven, to improve the economic well-being of the society through chasing various opportunities, working in measurable and transparent manner. He is a reliable person, does all appropriate activities to help the society at large. He is a change maker, lays the foundation for peace and human welfare, tries to transform on short term and long term basis for different kind of people in the society. Social entrepreneurs are purpose-driven and work in such areas of society like education, employment, improving water quality, sanitation, child labor, women and child development and microfinance among others.

### **LITERATURE REVIEW**

Literature review on social entrepreneurship contains about the work done by the other researchers in this area. The aim is to understand the nature of the topic of social entrepreneurship. The literature review is as under:

- “Social Entrepreneurship – A way to bring social change to common cause” by Daru, Mahesh and Gaur, Ashok (2003) associated with project Millennium development goals (MDGs) for eradicating poverty, hunger to promote education, gender equality and focus on empowering women and improving maternal and children health. They advocate for working to fill social welfare system gaps.
- Reputed organization in the area of social entrepreneurship defined social entrepreneur as one who “combines the characteristics represented by Richard Branson and Mother Teresa” (Schwab, 2009).
- Singh (2012) through his research paper underlines the importance of using entrepreneurial principles to achieve social, cultural and environmental codes. He advocates the recognition of problem and following of entrepreneurial principles to create and manage a setup to achieve social development goals.

- Granovetter (1985) concluded that while working for further social cause, economic activities, also take place and social entrepreneurship can be studied in line with the business entrepreneurship.
- According to Dees (2001), “The entrepreneur always searches for change, responds to it (entrepreneurship), and exploits it as an opportunity”.
- Peredo and McLean (2006) speak about flexibility in social entrepreneurship, employment of innovation, extending innovations to be adopted by others to produce social value.

### **RESEARCH METHODOLOGY**

Research methodology applied in the present paper is descriptive in nature. The data has been collected from various secondary sources. Books on entrepreneurship and social entrepreneurship have been referred along with reports and studies conducted by various researchers available online. Data has been collected through various web sources. Websites of various social enterprises working in India and abroad have been referred. Published matter on social entrepreneurship by various researchers and scholars has been referred for building conceptual framework and due recognition and credits have been given to sources so referred. It is a general concept paper describing social entrepreneurship and its contribution. After reading various articles, the data has been collected and represented. Literature review is around objectives of the study.

### **SOCIAL ENTREPRENEURSHIP: ISSUES INVOLVED AND GAPS IN EXPECTATIONS AND REALITIES**

As we know that social inequalities are extreme in the developing countries. Any entrepreneur working as a social entrepreneur has lot of responsibilities to uplift the society and adding to social value creations and bringing social changes. It can only be achieved by the efforts of selfless people who use their entrepreneurial and managerial skills for the benefit of the society by foregoing their individual and personal benefits and comforts.

There are certain issues which emerge during the course of pursuing the objective of social entrepreneurship. They are at concept level, operations level, and at implementation level. When we talk about the concept level, the issues are different and issues and challenges are different at the managerial level. Some of the issues being faced by social entrepreneurship are being discussed as under:

1. **Support System for Social Entrepreneurs:**

The notion of social entrepreneurship is relatively new and finding individuals to embrace social entrepreneurship is relatively very difficult. People who believe in understanding social problems and solving them by using their talent and drive are not that easy to find. Very few people embrace the notion of social entrepreneurship and there is a need for systematic intervention at different levels of development to improve the thinking and efforts for philanthropic work. There is a strong need to find potential donors and people who are interested to work for social change. The society has to motivate the people to stimulate innovation and change the thought process towards the benefit of those who do not have enough by setting up organizations, which will support the social and economic wellbeing of the people and create the right environment by working together through private as well as government setups.

2. **Capacity and competence of Social Entrepreneurs:**

One of the major issues regarding social entrepreneurs is capacity and competence building through training to improve their competence and expertise. It is necessary to determine how these skills can be taught at individual level to different people who are ready to work in the non-profit sector. Business and management skills are common. The idea is to use them for creative and innovative purposes which focus on creating and training entrepreneurial talent to harness for social purposes. These are difficult challenges. It is easier to develop skills when the objective

is to earn money through business and profit. There is a shortage of tools, training centers, resources which can work to improve the full potential and which can help social entrepreneur from starting to sustainability.

There is a need for setting up of such centers which can work to improve leadership and management skills particularly in the area of social entrepreneurship. We need to propagate the system of mentoring and models of good practices so that entry into social entrepreneurship comes by choice. The capacity building for the social sector also needs to be done on non-profit basis and the institutional support is needed to create, nurture and develop leaders to bring social change. It is necessary that institutionalized training process should be followed at the organizational levels to do social actions and bring change in the society.

3. **Issues pertaining to implementation:**

It has been seen that social entrepreneurship activities are collaborative in nature and there are always challenges in the implementation of collaborative partnership. The common problem in implementation is the cultural clash between the profit and not for profit organizations and there is a manifestation of distrust between the money making activities and the non-profit sectors. Cultural differences also emerge as one of the hurdles for the implementation. Inter-cultural collaborations are not able to achieve the objectives of harmonization. Creating appropriate performance appraisal system is also a challenge. The concept of qualitative and quantitative evaluation is difficult to achieve. Various yardsticks regarding performance such as number of clients served, money raised, project completed, and social mission achieved are difficult to assess and it becomes critical to find the actual figures. The art of integration of market priorities with development agenda is difficult to achieve. Managing the different kinds of languages, with a difference of vision by

different people for social entrepreneurship is also an issue.

- 4) **Issues of Accountability:** Accountability is a complicated matter. Nobody likes to be accountable. One has to manage strategically to make people accountable for achieving the objectives by doing the activities. It is necessary to survive by serving the purpose of social entrepreneurship by doing business activities side-by-side to reap the income without which social entrepreneurship cannot sustain in the long run. The challenge is to make people accountable for their work. It becomes difficult to handle temperaments, egos, moods, swings, which can be detrimental in achieving objectives. Social entrepreneurs obviously face many of the same challenges that traditional for-profit ones do. At the same time, they truly want to focus on their social missions and to contribute something towards improving the society. For social entrepreneurs who want to be successful in their missions, recognizing and preparing for these challenges is important.

#### **CHALLENGES OF SOCIAL ENTREPRENEURSHIPS IN INDIA**

In India, the nature of challenges faced by social entrepreneurship is with regard to growth and spreading of concept in comparison to other countries. The social attitudes, religious beliefs and prevailing cultural factors are different and people do not have the leaning and orientation towards social entrepreneurship in India. There is no clarity of the concept which creates difficulties in its operations. We may discuss some of them as under:

- 1) **Concept:** There is confusion with regard to social work. Generally, people want to do social work at an individual level and do not want to be associated with the organization. The concept of creativity and capacity to think differently particularly in India is lacking. There is a shortage of talented and dedicated workforce which believes in achieving social gains and benefits rather than focusing on personal gains and advantages. It is difficult to find such people in

the society. But the concept of social entrepreneurship is slowly receiving attention in recent times particularly from young people.

- 2) **Finance:** The products and services offered by social entrepreneurs are different. The various financial institutions do not find it lucrative to finance such acts of social services which are not going to get them immediate return and are often financially not lucrative in nature. The challenge of lack of financial resources is very prominent among the social enterprises and social entrepreneurs. Such people have to depend upon their own resources or resources contributed through private efforts which create a very dire situation and it becomes a key reason for the under-development of social entrepreneurship in India. Financial institutions and banks do not come forward to finance due to commercial non-viability, lack of collaterals and unfavorable policies. It creates dilemma for the social entrepreneurship and becomes a huge challenge to sustain and carry on executing their ideas in the absence of much needed funds.
- 3) **Individual Recognition:** Each individual needs to be motivated to direct his thinking towards the cause of social entrepreneurship. It is necessary to alleviate the people from their current thinking about business and economic activities to more positive and social activities which can create substantial opportunities for them, to develop the value system in the minds of people so that they think for society needs to be fulfilled instead of focusing on their personal needs. It is necessary that the concept of societal change and upliftment of people is promoted. But it is a big challenge, to find people of helping the poor and uplifting them. People working for the society on ethical parameters are difficult to find.
- 4) **Evidence of Change and Record Management:** The challenge of lack of material evidence and proper record management is there. It is available in the case of economic entrepreneurship. The

communication systems are not perfect and are centered towards some individuals. There is lack of planning at the organizational level. Normally it is the cause of failure of social enterprise. Inadequacy of infrastructure, training and finance create a big challenge to sustain and grow in the country.

- 5) **Challenges of managing global operations:** Managing global operations is another big challenge in India. The skills, managerial capabilities, understanding the complexity of communication and management are difficult. As explained earlier, the people are not suitably trained and their capacity and competence level is not appropriate or sufficient as per the requirements.
- 6) **Issues of Identities and Stability:** Stability of the business activities is very important whether it is an economic or social organization. It is necessary to continue to stay and make efforts to achieve the results by effective management. It is also necessary that there should be system to generate the revenue by incorporating commercial realities while managing a social venture. It is a big challenge for a social entrepreneur to operate profitably while pursuing social vision. There comes a dilemma of suitable kind of leadership for social enterprises. The challenges are of amalgamating the strength and capacity to match the requirements to exploit the opportunities.

### **RECOMMENDATIONS, SUGGESTIONS AND ROADMAP**

The concept of social entrepreneurship has received a lot of attention in recent times in our country and Indian social enterprise sector has been witnessing popularity and the growth despite the odds against it. India needs good social entrepreneurs. No doubt, there are difficulties, uncertainties, challenges associated with the social entrepreneurship in our country. Keeping in view various challenges and the expectations from the social entrepreneurs and organizations serving the cause of social entrepreneurship, the following are the certain steps

which can be practiced to face the challenges of social entrepreneurship:

- 1) **Focus:** It is necessary to focus on the goals and strike a balance to achieve the usefulness. Clarity of goals, attainable vision, knowing your strengths, doing SWOT analysis at the concept level are the need of the hour.
- 2) **Training initiatives:** The government must come forward to introduce the concept of community development along with economic development and should set up specialized training and development institutes to pursue and train people about social entrepreneurship. It is necessary to create awareness among the people about the usefulness of pursuing social entrepreneurship. It is also necessary to use media and other communication channels to try and minimize and avoid the confusion between the social entrepreneurship and the social work.
- 3) **Government and Academia Partnership:** The academic sector has significant role and responsibility in this field to include the curriculum related to social entrepreneurship at all levels whether it is elementary, secondary or higher. Inculcation of values need to be done among the young minds of the country by including social entrepreneurship in the academic courses and the syllabus. It is necessary to develop social entrepreneurship development programmes from time to time. Such programmes will help to improve the overall motivation and orientation of the people who wish to join social entrepreneurship.
- 4) **Infrastructure and Support System:** It is the duty of the government to work seriously on providing various facilities and incentives to the social entrepreneurs. Social entrepreneurs are the change makers. They must be provided all such facilities which will create a positive motivation in their minds to not only become social entrepreneur themselves but also to attract other people towards this cause.
- 5) **Financing:** As discussed earlier, finance is a big challenge for the social entrepreneurs and

awareness needs to be created among the money lending institutions to consider social entrepreneurship organizations for granting the loans, funds and advances. It is necessary to value the social contribution made by these change agents who are working for the upliftment of the poor and needy people by working in the field of education, health care, microfinance, rural development, adult education and social upliftment. Such activities improve the quality of human life which in turn promotes social and economic development of the country.

- 6) **Government Support:** Various State governments and the Central government through different policies and programmes should allocate funds and various financial facilities and incentives for the cause of social entrepreneurship. The government machinery should understand the importance of the work being done by various individuals and organizations in such areas where normally government cannot reach or is not able to contribute. Social issues of inequalities can be better assessed and managed by the private sector and people having philanthropy as an objective and purpose of their life. The government should identify and communicate with such people. Efficiency and effectiveness of the organizations can improve by a systematic monitoring system where government can play a major role.
- 7) **Recognition:** Recognition is one of the best ways of motivating people. It is necessary to create platforms for giving away awards and medals for exceptional and outstanding work done by social entrepreneurs. Their contributions should be recognized and the innovations and the creativity introduced by them to bring the social change need to be appreciated. There must be an environment to welcome new ideas and new strategies to improve the morale and the motivation to enhance the potentials of the people.
- 8) **Digital Development:** All kinds of the businesses are driven by the technology. It is

true with social entrepreneurship also. Time has come where technology needs to be embraced, adopted at different level of development. Use of technology will create enthusiasm and will attract more people. Social sector is developed with the help of social media and awareness is created. The communication becomes fast and the excitement to contribute comes through embracing digital models where the reach is far and the results are evident.

## CONCLUSION

Social entrepreneur has the capacity to innovate and contribute. Social entrepreneurship is the answer to alleviate the poverty and find the solutions through innovations which work to create the employment and infuse the skills at the bottom level. The education and health care can be grown with the help of social entrepreneurship. The developing nations can grow at a faster rate if the outreach of private organizations is in the rural areas or in such areas where economic entrepreneurs do not wish to go. The backward areas can be developed with the help of such ventures having attitudes of service and giving back to the society and this can be achieved through the concept of social entrepreneurship. There are issues related to finance. Various specialized agencies in the form of crowd funding, angel investors and venture capitalists can fill the gap. A proper organized scientific planning can take care of handling the challenges. It is necessary to work on the traits and characteristics of the entrepreneur. It is a fact that social entrepreneurship contributes in many ways for the upliftment of the society in our country though it is going through certain challenges. The government has a major role to play to find solutions and give incentives to such startups and organizations by giving them tax breaks, subsidies, land and cost effective finances. Social entrepreneurship is vital for any system that seeks to fight societal issues and challenges anywhere.

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