



INSTITUTE OF AGRICULTURAL SCIENCES

MOOCS on Entrepreneurship Development

Social Entrepreneurship

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Introduction

- ❖ India has made significant progress in recent years, with increasing access to education, healthcare, and technology but, many social problems persist.
- ❖ Use of Not-for-profit organisations or NGOs having better grassroots penetration to help people to address these problems and use of Corporate Social Responsibility (CSR) by various private or commercial entities were mostly used strategies but not sustainable ones.
- ❖ But both of these widely used methods could not solve the ever-present societal problem efficiently and instead have created a syndrome of dependency.

The Problems and Solution

- ❖ **Increasing demands for social services especially by disadvantaged groups throughout the world (individuals with disabilities, homeless, marginal farmers, agricultural labourers.**
- ❖ **Chronic un(der)employment**
- ❖ **Costs of public services climb**
- ❖ **Decreasing availability of governmental and charitable funds**
- ❖ **The dominant economic model of self-correcting free markets has no incentive to correct considerable economic and social harm**
- ❖ **Increasing level of social disparity and economic stratification**

**Social Entrepreneurship:
The emerging solution**

Historical Evolution

- ❖ **The concept of social entrepreneurship emerged in the 1980s and at present it has become a most vibrant term in social sciences.**
- ❖ **The term social entrepreneurship was first time used in literature in 1953 by Howard Bowen in his book “Social Responsibilities of the Businessman” in the USA.**
- ❖ **US Senator Michael Young was a leading promoter of social entrepreneurship in the 1980s. He established the School for Social Entrepreneurs (SSE) in the UK, Australia, and Canada.**
- ❖ **The present popularity of the concept of "social entrepreneurship" among society and academic research happened after the publication of the book "The Rise of the Social Entrepreneur" by Charles Leadbeater.**

Historical Evolution

❖ In Indian context the work of Vinoba Bhave, founder of India's Land Gift Movement exemplifies the modern definition of “social entrepreneurship”.

ACHARYA VINOBA BHAVE

Vinayak Narahari “Vinoba” Bhave was an Indian advocate of nonviolence and human rights.

❖ The role of the third sector concerning people’s institutions was highlighted in the Eighth Five-Year Plan (1992-97).

SOME IMPORTANT EVENTS

1940

Chosen as the **First Satyagrahi** by Mahatma Gandhi.

1951

Bhoodan Movement asking landowners to donate land to the poor.

1958

Won **1st Int’l. Ramon Magsaysay Award** for Community Leadership.

1983

Awarded the **Bharat Ratna** posthumously.

“IF WE WISH OUR NATURE TO BE FREE AND JOYOUS, WE SHOULD BRING OUR ACTIVITIES INTO SAME ORDER.”

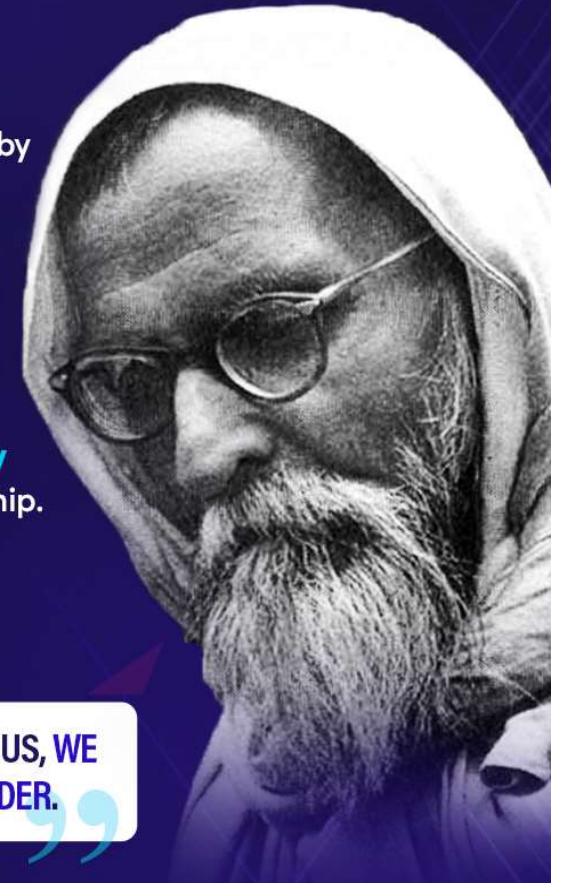


Image courtesy: testbook.com/mpsc-preparation/vinoba-bhave

Concept

- ❖ **Social entrepreneurship is a multidimensional concept.**
- ❖ **The term has a slightly distinct identity within a range of three interrelated discourses *i.e.*, civil society, government, and the private sector.**
- ❖ **“Process by which citizens build or transform institutions to advance solutions to social problems, such as poverty, illness, illiteracy, environmental destruction, human rights abuses and corruption, to make life better for many.” (Davis 2010)**
- ❖ **Thus, for civil society, social entrepreneurship is a set of activities for achieving systemic social change by empowering individuals as “changemakers”.**

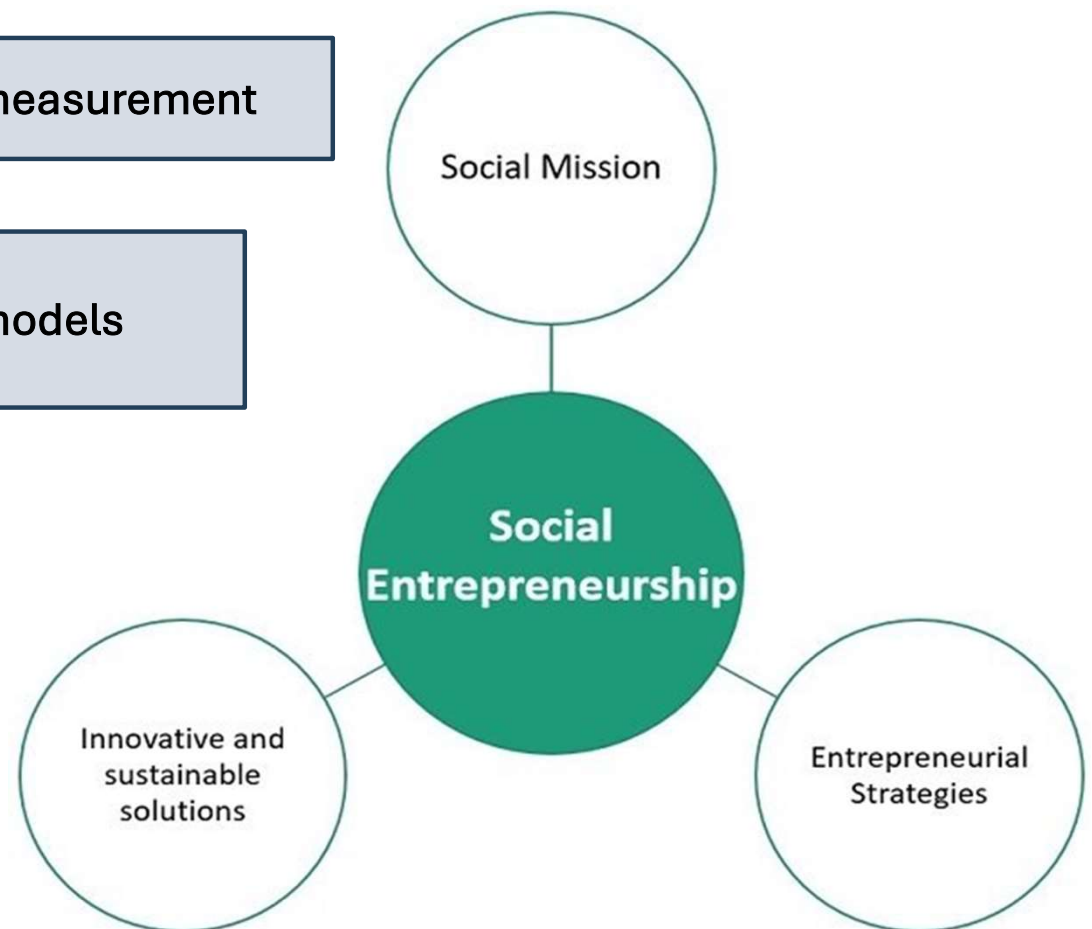
Concept

- ❖ For the government, social entrepreneurship (for-profit social enterprise model) offers an attractive approach to marketizing social welfare programs in a financially sustainable way thus working efficiently under fund shortage.
- ❖ “Social entrepreneur is a person who recognizes a social problem, uses entrepreneurial principles to organize, create and manage a venture to make social change”.
- ❖ For the private sector, social enterprise provides a model to access otherwise inaccessible market opportunities such as the poor at the Bottom of the Pyramid movement; state welfare budgets; and a growing body of “ethical” consumers.

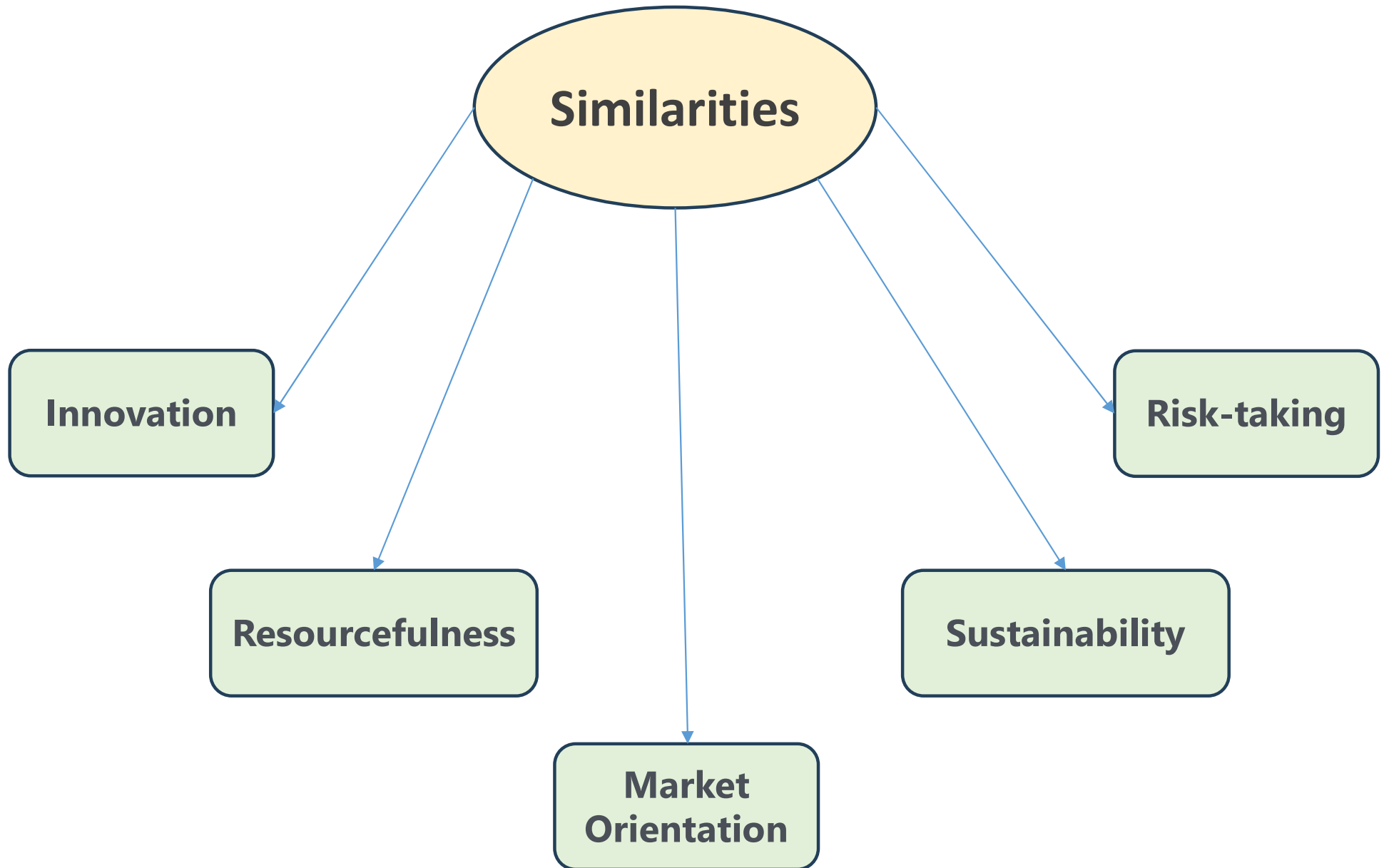
Source: Nicholls, A & Collavo, T. in The Social Innovation Landscape – Global Trends

Core Characteristics

- Focused on innovation and novelty either in the organizational models and processes that are developed or in the products and services that are delivered
- Strategic focus on social or environmental outcomes instead of other managerial considerations such as profit maximization.
- Strong emphasis on performance measurement
- Blends logic and organizational models



Differences and Similarities: Social Vs. Commercial/Traditional entrepreneurship



Differences and Similarities:

Social Vs. Commercial/Traditional entrepreneurship

Key Areas	Business Entrepreneur	Social Entrepreneur
Goal	Capture market securely	Fill the market gap, social transformation
Objective	Build an enterprise, earn profit	Create sustainable solutions for social change
Profit Motive	Maximizes stakeholder values, profit is an end	Advances social aims, profit is a means of financial sustainability
Risk	Basic business risk	Business and social risk
Links to social problems	Indirect	Direct
Competition	Win for one business over others in market	Fill the gap when no one else adequately solving problem, Win for society
Growth	Competitive	Collaborative
Capital	Benefit from robust financial and managerial services	Mostly unpredictable and fragmented financing

Types of Social Entrepreneurship

❖ Community social entrepreneurs

- These entrepreneurs work at the grassroots level to serve the social needs of a community within a small geographical area.
- Social entrepreneurs on this scale are usually individuals or small organizations.
- Microfinance loans are one example - offering financial solutions to local people with no access to banking.

❖ Non-profit organization

- They are focused on social, not material gain. They prioritize social well-being over traditional business needs.
- Any profits reinvested into the business to facilitate the further expansion of services.
- These entrepreneurs are usually more likely to meet their stated goals due to readily available funding.

Types of Social Entrepreneurship

❖ Social Enterprise

- **Uses commercial tactics to optimize advances in monetary, social, and environmental well-being.**
- **Intend to increase both social impact and profits for co-owners.**

❖ Social-conscious business

- **It is sensitive to and has a sense of responsibility for injustice and social issues.**
- **They care for social concerns and act accordingly.**

Government support: India

- **Securities and Exchange Board of India has recently released the framework for a Social Stock Exchange, making it possible for social entrepreneurs to raise more funds and expand their impact and reach exponentially.**
- **Gramin Vikas Trust (GVT) is a national organisation founded in 1999 by Krishak Bharati Cooperative Limited. The purpose is to enact significant social change through social entrepreneurship.**

Social Entrepreneurs: Global and Local Example

❖ Grameen Bank – Bangladesh

- **Founded by Muhammad Yunus in Bangladesh.**
- **Pioneered the concept of microfinance, providing small loans to poor individuals, particularly women, to start their own businesses.**
- **This approach helped lift countless families out of poverty and sparked a global microfinance movement.**



❖ Barefoot College– India

- **Located in Rajasthan, India, is a unique social enterprise that focuses on empowering rural communities through education and skills training.**
- **It trains illiterate and semi-literate individuals, mostly women, in various crafts, renewable energy technologies, healthcare, and other skills. Graduates then return to their villages and become agents of change, implementing sustainable solutions and creating economic opportunities.**



Social Entrepreneurs: Global and Local Example

❖ Selco Solar – India

- ❖ Bangalore-based social enterprise that provides energy solutions to rural and underserved communities. By offering affordable solar products and financing options,
- ❖ It has empowered thousands of households to access clean and sustainable energy, improving their quality of life and reducing dependence on fossil fuels.



❖ Low-cost sanitary pad– India

- ❖ Arunachalam Muruganantham (Padman) is a social entrepreneur from Coimbatore in Tamil Nadu.
- ❖ Inventor of a low-cost sanitary pad-making machine and is credited for innovating grassroots mechanisms for generating awareness about traditional unhygienic practices around menstruation in rural India.
- ❖ His machines, which can manufacture sanitary pads for less than a third of the cost of commercial pads, have been installed in 23 of the 29 states of India in rural areas.



Social Entrepreneurs: Global and Local Example

- ❖ **IIT Madras was instrumental in shaping his idea by registering his invention.**
- ❖ **He obtained seed funding and founded Jayaashree Industries, which now markets these machines to rural women across India.**
- ❖ **He refused to commercialize his venture, and self-help groups (SHGs) run by women are the main production mechanism for his venture.**

Social Entrepreneurs: Global and Local Example

❖ Ecofiltro - Guatemala

- **A social enterprise in Guatemala that provides affordable water filters to rural communities. By offering a low-cost, easy-to-use filtration system.**
- **The company has created opportunities for local entrepreneurs to distribute and sell the filters, boosting the local economy.**

❖ Husk Power Systems - India

- **Headquartered in Bihar, India, is a social enterprise that generates electricity from rice husk, a waste product from rice milling.**
- **By converting this waste into clean and affordable electricity, Husk Power Systems has brought electricity to more than 500,000 people in rural areas, improving their quality of life, and enabling economic development.**

Social Entrepreneurship: Challenges in India

- Social projects are extremely risky mostly social entrepreneurs aim to anticipate, handle, and imaginatively respond to future issues. Arranging for investors is difficult.
- Social entrepreneurship requires a rigorous business Strategy to compete with commercial products.
- Social entrepreneurs often come from non-business backgrounds entirely out of goodwill.
- Duality of Aim *i.e.*, traditional conceptualisation that, social enterprises largely with the notion of philanthropy or non-profit venture vs. it can also aim to earn profit through the innovative business model.
- As social enterprises primarily spring up from social inequity or market failure when the traditional systems but it generally lacks the ability to scale up. It is mostly due to the lack of support and structured policies affect the social enterprise to scale it up to the next level.
- Social entrepreneurs need to take more pain for a longer time than traditional entrepreneurs.

Conclusions

- ❖ On the occasion of India@75, our Prime Minister Narendra Modi said,

“India must become a developed nation before it marks the Centenary of Independence.”

- ❖ He talked about five pledges or “Paanch Pran” for India@2047
- ❖ i.e., achieving a developed India, removing any sign of servility, instilling pride in our heritage, fostering unity and fulfilling our duties.
- ❖ For achieving these our youths need to play a crucial role in a youth-abundant country like India by fostering innovation and constructing a creative environment.
- ❖ **Social entrepreneurship generates prospects, especially for youth in marginalised communities where the opportunity gap, suppressed social mobility and economic disparity are most intense.**



