

Relevance and Importance of Social Entrepreneurship in India: A Survey based Analysis

¹Jitendra Singh Chauhan, ²Mr. Sachin Ghai

¹Asst. Professor, School of Management Studies, Graphic Era Hill University, Dehradun 248002,

²Assistant Professor, Department of Management Studies, Graphic Era Deemed to be University, Dehradun, Uttarakhand, India, 248002

Abstract

An ideal society is one in which both problems and solutions coexist. Without efforts made by every industry on which a society stands, such problems cannot be implemented. One such industry is the social entrepreneurship industry. This practice uses business strategies and innovative approaches to address social problems and create positive change in communities. The social entrepreneurship industry has the potential to bring about significant change in society by tackling social problems with a business mindset. It can create a sustainable impact and help build a better future for everyone. In India, social entrepreneurship has become increasingly relevant and important in recent years. With a population of over 1.3 billion, India faces a range of complex challenges acting like a menace to the society, including poverty, inequality, pollution, climate change, and access to basic services like healthcare and education. Social entrepreneurs in India are therefore working to tackle these issues by developing innovative solutions that address the root causes of these problems. This paper aims to review the relevance and importance of social entrepreneurship in India.

Keywords- Social Entrepreneurship, Business Models, Indian Enterprises, Social Problems, Positive Social Impact

Introduction

India is a member of the 'BRIICS', a group of developing economies expected to leave a remarkable impact on the global economy in the coming years. The other countries in the "BRIICS" group are Brazil, Russia, Indonesia, China, and South Africa. While these countries are often grouped together based on their economic potential, they also share a common interest in social entrepreneurship, and are increasingly taking steps to promote and support social entrepreneurship within their borders (Sengupta, Sahay, & Croce, 2017). In India specifically, the "Atal Innovation Mission" and the "National Skill Development Corporation", provide funding, training, and other resources to social entrepreneurs working to create positive social impact. Having said that, in India, social enterprises have not yet been granted legal identity by the central and state governments. While companies can register under Section 8 of the Companies Act, which allows them to promote charitable causes and reinvest income and profits, this does not outrightly define social business groups as a legal entity. Therefore, a lack of government support in this regard has to be recognised (Sengupta & Sahay, 2018).

Because of the said lack of existence of social entrepreneurship as a legal entity in India, there may be a difference of opinion in the actual meaning of the term. Pless (2012) argues that social entrepreneurs are motivated by a desire to cause positive social changes, and often work with a range of stakeholders, including government, non-profits, and the private sector, to achieve their goals. However, how much of this can be achieved in a fast-growing corporate setting? Bringing in another perspective are authors Agrawal and Sahasranamam (2016); according to them, social entrepreneurship in the corporately cut-throat India refers to the integration of social and

environmental objectives with business goals, to create positive social impact while also generating economic value. They also emphasise the importance of stakeholder engagement and collaboration and highlight the potential benefits of social entrepreneurship for both businesses and society. Reputation building, brand image creation, identification of new markets, and opportunities for growth are all benefits that can be reaped by businesses. These aspects of social entrepreneurship and more are discussed in detail below.

Literature Review

While the meaning of social entrepreneurship may change from region to region, the numerous benefits and relevance factors are indisputable. Gandhi & Raina (2018) emphasize the need for social entrepreneurs to have a strong understanding of both the social and economic aspects of sustainable development. They also highlight the potential benefits of social entrepreneurship, such as job creation, income generation, and the promotion of social and environmental sustainability. These benefits put into perspective the cause behind a business wanting to start socially sustainable activities. It is not just altruistic behaviour but also has added practical advantages. They also highlight the difference between social entrepreneurship and activism. Social activists may or may not establish businesses or organisations to advance the changes they seek. It is simply a matter of their whim or fancy. Activism can result in various improvements to extant setups and even a new equilibrium in the industry, but its strategic nature is unique in its emphasis on influence rather than direct action, unlike social entrepreneurship.

With a large population of India residing in rural areas, it is imperative to thoroughly analyse the benefits of social entrepreneurship in rural growth and urbanisation. According to Bencheva et al. (2017), social enterprises are often focused on addressing local social and environmental issues, such as water scarcity, energy access, and agricultural productivity. These social enterprises are creating a new form of urbanisation in rural areas, by promoting economic growth and attracting new investment and talent to previously underserved communities. This is leading to the creation of new industries and businesses and helping to build more resilient and sustainable rural economies. Sushmita Ghosh and Sanjit "Bunker" Roy are two social entrepreneurs working in rural welfare. Ghosh contributes to the excellence of Rangasutra and retails from FabIndia by selling local-made products. Roy founded the Social Work and Research Center in 1972, which trained locals to maintain water pumps, provide medical training, and encourage the use of solar power. He is also the founder of The Barefoot College, which provides training in various fields to over 3 million people (Rawal, 2018).

As identified by Satar & John (2019), there are many key factors that determine the success of such leaders and enterprises. Understanding the local context is one such factor that brings about the social, cultural, economic, and environmental shaping of the communities the enterprise is working in. For this, business owners can leverage technological innovations to create sustainable solutions that have a wider impact. Only effective leaders can develop partnerships and collaborations to increase the scale of their venture by many folds. Access to financial resources is also identified as a critical factor and can be obtained through impact investment, crowdfunding, grants, and other sources of funding. As mentioned earlier, government support and fixed policy frameworks are

needed for these organisations to flourish. Such a framework should include a multi-stakeholder approach involving the government, local public society organisations, the private companies, and academia. It also emphasises the requirement of legal recognition of social entrepreneurship as a separate legal entity, access to finance, and capacity building for social entrepreneurs. It is also necessary to create an encouraging environment for social entrepreneurship by providing tax incentives, government procurement support, and social impact measurement mechanisms (Satar, 2016).

Exceptional change has been brought about by women business owners in the field of social change. Women's involvement in social entrepreneurship has provided them with a platform to express their creativity and create innovative solutions for various societal issues. Tamil Nadu's SughaVazhvu Healthcare (non-profit healthcare organisation founded by Dr. Zeena Johar), and Namita Banka's Banka BioLoo, which provides an environmentally sustainable solution to human waste disposal, are key examples of how women are changing the narrative (Rosca, Agarwal, & Brem, 2020). An inspirational success story is that of “Shri Mahila Griha Udyog Lijjat Papad”, a women-led cooperative in India. Unique features of Lijjat's business model include a decentralised decision-making process, no hierarchy among members, and a focus on women's empowerment without biases of caste, creed, or social status. The cooperative has not only provided a livelihood for its members but has also offered them opportunities for personal and professional growth. This indicates how social entrepreneurship can be used as a tool for women's empowerment and socio-economic development (Datta & Gailey, 2012). Agarwal et al. (2020) suggest that factors such as access to finance, government policies and support, social networks, and education and training play a significant role in the development and sustainability of women's social enterprises. Challenges faced by women entrepreneurs, including social and cultural barriers, limited access to resources, and a lack of recognition and support, need targeted interventions and policies to promote the growth of women-led social enterprises in India.

If not legal support, at least certain educational programmes are supporting the growth of social entrepreneurs in India. These programmes provide aspiring social entrepreneurs with the necessary skills and knowledge to develop and implement their ideas effectively. These context-specific and tailored programmes should incorporate experiential learning, mentorship, and access to funding and networks to support the genesis and scaling of social enterprises. Partnerships between educational institutions, social enterprises, and support organisations can improve the effectiveness of social entrepreneurship education programmes. For instance, the “Tata Institute of Social Sciences (TISS) Social Entrepreneurship Program” provides participants with training in business planning, social impact assessment, and financial management, among other topics. Additionally, the Deshpande Foundation's Sandbox programme supports social entrepreneurship through a network of incubation centres and provides entrepreneurs with access to funding, mentorship, and other resources (Thomas & Reddy, 2013). In the future, more such programmes are expected to increase the popularity of social entrepreneurship and help inculcate this in mainstream media.

Objective of the Study

To investigate about the relevance and importance of social entrepreneurship in India

Methodology

The present study is based on a survey conducted with a structured questionnaire. In the analysis, there were 205 participants who took part. To identify the results, statistical techniques such as mean and t-test were employed. The research employed a convenience sampling method, where participants were selected based on their availability and accessibility.

Table 1 Relevance and Importance of Social Entrepreneurship in India

Serial No.	Statement of Survey	Mean Value	t-Value	Sig.
1.	Social entrepreneurship drives social innovation by promoting new and effective solutions to social problems.	4.39	11.456	0.000
2.	Social entrepreneurship empowers people and communities by giving them the tools and resources.	4.33	10.048	0.000
3.	Social entrepreneurship encourages public-private partnerships.	4.17	7.910	0.000
4.	Social entrepreneurship creates positive social impact by promoting social justice, equality, and inclusion.	4.24	7.462	0.000
5.	Social entrepreneurship may contribute to environmental sustainability by promoting green technologies.	3.80	3.175	0.001
6.	Social entrepreneurship contributes to economic growth by creating sustainable and inclusive businesses.	4.46	11.457	0.000
7.	Social entrepreneurship creates employment opportunities and generates income for people in communities that are often underserved by traditional businesses.	4.43	11.531	0.000
8.	Social entrepreneurship inspires and teaches young people about the importance of social responsibility and entrepreneurship	4.29	10.834	0.000
9.	Social entrepreneurship in India may not promote innovative solutions to social problems that can be adapted.	3.77	3.524	0.000
10.	Social entrepreneurship is important in India as it addresses various social issues that are prevalent in the country.	4.49	13.003	0.000

Table and Figure 1 summarizes the mean values for various statements related to the Relevance and Importance of Social Entrepreneurship in India, and the highest mean score of 4.49 was obtained by the statement “Social entrepreneurship is important in India as it addresses various social issues that are prevalent in the country”. The second highest mean score of 4.46 was obtained by the statement “Social entrepreneurship contributes to economic growth by creating sustainable and inclusive businesses”. The study found that the social entrepreneurship has an impact on employment

opportunities, as shown by the mean value of 4.43 for the statement “Social entrepreneurship creates employment opportunities and generates income for people in communities that are often underserved by traditional businesses”. Another advantage is social innovation as “Social entrepreneurship drives social innovation by promoting new and effective solutions to social problems”, which had a mean score of 4.39, and the statement “Social entrepreneurship empowers people and communities by giving them the tools and resources” had a mean value of 4.33. The mean score for the statement “Social entrepreneurship inspires and teaches young people about the importance of social responsibility and entrepreneurship” was 4.29, while the mean value of 4.24 was obtained for the statement “Social entrepreneurship creates positive social impact by promoting social justice, equality, and inclusion”. And the mean value for the statement “Social entrepreneurship encourages public-private partnerships” was 4.17. The last two statements, “Social entrepreneurship may contribute to environmental sustainability by promoting green technologies” and “Social entrepreneurship in India may not promote innovative solutions to social problems that can be adapted”, had the lowest mean scores of 3.80 and 3.77, respectively. All statements had a significant t-value, indicating a positive impact on the, with a significance value of less than 0.05.

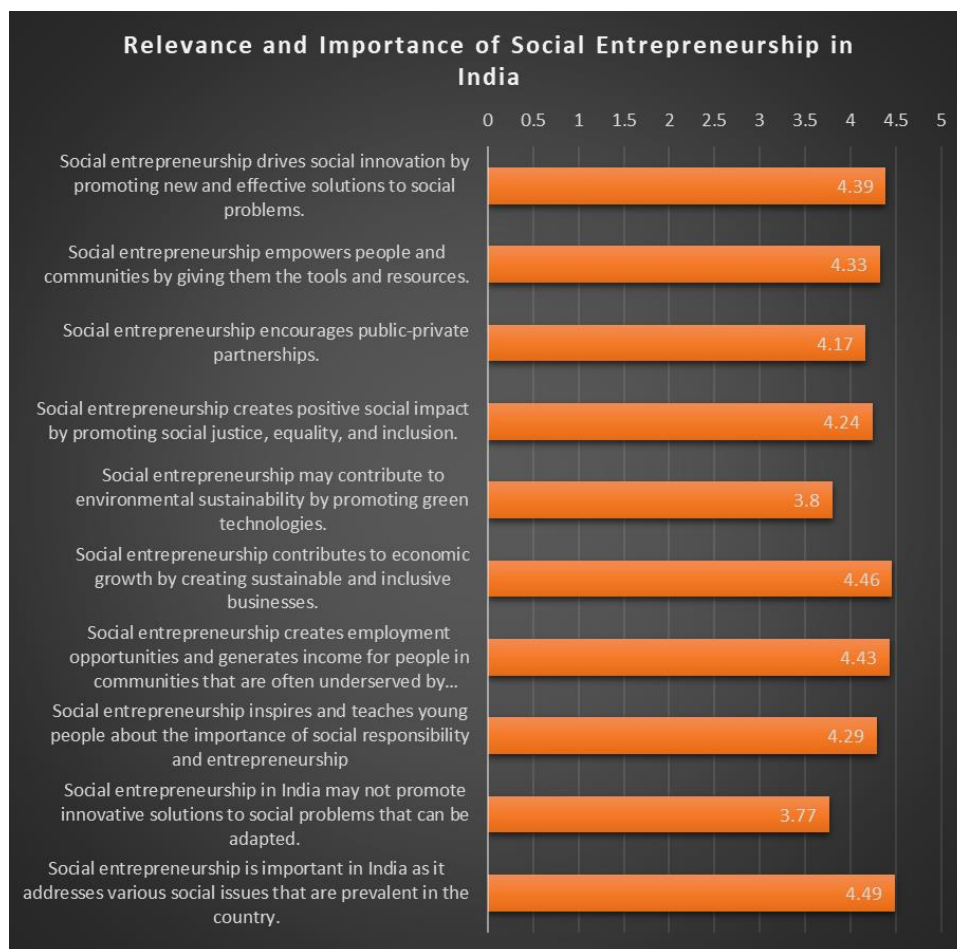


Figure 1 Relevance and Importance of Social Entrepreneurship in India

Conclusions

Social entrepreneurship is the practice of using business strategies to address social and environmental problems. It is becoming increasingly popular as more people seek to create positive change in the world. By combining business acumen with a desire to make a difference, social entrepreneurs can create sustainable solutions to some of the world's most attention-requiring issues. The need of the hour is the recognition of the distinctive needs and challenges of a particular region or community so that social entrepreneurs can develop solutions that are tailored to their specific needs. Access to financial resources and a focus on sustainability and scalability are vital factors for the expansion and success of social entrepreneurship in India. By focusing on these key success factors, India can continue to be at the forefront of the social entrepreneurship movement, creating lasting positive change in the world. From enterprises led by women to effective leadership and management, India is taking huge leaps in the aforementioned cause. This makes social entrepreneurship a rapidly growing sector that is making a huge mark on society and the economy, and there are many factors that contribute to its success as have been discussed in this paper.

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