

# **SOCIAL ENTREPRENEURSHIP: AN ALTERNATIVE APPROACH FOR INDIAN ECONOMY**

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## **ABSTRACT:**

Objective: Entrepreneurship creates wealth for individual where as social entrepreneurship creates wealth for society. After three decades of liberalizations and globalization, India has the maximum number of poor people in the world. The workforce dependency on agriculture has not come down even though its contribution towards GDP. Hence, the objective of the present paper is to identify the differences between entrepreneurship and Social Entrepreneurship.

Methodology: The researcher has attempted to use the available literature relevant to entrepreneurship and social entrepreneurship. The research is based on the secondary data. The required data pertaining to social entrepreneurship and economic condition of India had been sourced from journal publications, published thesis and scholarly articles as well.

Major findings: From the analysis of scholarly articles, the author could identify major differences between entrepreneurship and social entrepreneurship. It can be concluded that Government of India should take the step to inculcate social entrepreneurship among Indians. Though there is a momentum for startups, it should focus on social entrepreneurship.

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## **1.INTRODUCTION:**

Social entrepreneurship is becoming a popular form of social responsibility and a way to solve a variety of urgent social problems. Mr. Gregory Dees, who is considered to be the “father” of the concept social entrepreneurship had said that the social entrepreneurs can act as the change agents in the society by creating and sustaining social values (not just private value). Entrepreneurship creates wealth for individual where as social entrepreneurship creates wealth for society. After three decades of liberalizations and globalization, India has the maximum number of poor people in the world. It is right time to focus on developing entrepreneurs than employees. Government is trying it best by giving incentives to start ups towards accelerating entrepreneurship. But the need of the day is not mere entrepreneurship but social entrepreneurship. Entrepreneurship creates employment and supply the goods to the market. But social entrepreneurship creates employment as well as it will give boost to demand side also.

## **2. OBJECTIVE**

The Objective of research paper is to identify the difference between entrepreneurship and social Entrepreneurship. It also aims at understanding the different components of Social Entrepreneurship in Indian society.

## **3. METHODOLOGY**

The researcher has attempted to use the available literature relevant to entrepreneurship and social entrepreneurship. The research is based on the secondary data. The required data pertaining to social entrepreneurship and entrepreneurship had been sources from journal publications, published thesis and scholarly articles as well.

#### 4. REVIEW OF LITERATURE:

4.1. (Dees, 2001) had given the more elaborate definition of social entrepreneurship. According to him Social entrepreneurs play the role of change agents in the social sector first by adopting a mission to create and sustain social value (not just private value), second by recognizing and relentlessly pursuing new opportunities to serve that mission, third by engaging in a process of continuous innovation, adaptation, and learning, fourth by acting boldly without being limited by resources currently in hand, fifth by exhibiting heightened accountability to the constituencies served and for the outcomes created

4.2. Austin, Austin, Stevenson, & Wei-Skillern, (2006 ) identified the possible areas of differentiation between social entrepreneurship and commercial entrepreneurship. The different areas are on the basis of the effects of market forces on the formation and behavior of social enterprises, the relative competitive advantages, disadvantages, and interactive dynamics in the market area, the entrepreneurial process of identifying opportunities for social entrepreneurship, the means a social entrepreneur determine the optimum mix of financing , the most effective ways for a social entrepreneur to mobilize and manage volunteers. They tried to stimulate and enable further scholarly exploration of the exceptionally complex and important issues surrounding social entrepreneurship and thus there is much intellectual and social value to be created.

4.3. Omar Faruk, Hassan, & D Islam, (2016 ) identified the determinants of social entrepreneurship. Those determinants include Internal Environmental Factors ( Uncertainty & Risk, Funding & Resources, Management Efficiency), External Environmental Factors ( Non-profit organizations, New Opportunities & Innovations, Social welfare & Value, Community entrepreneurship, Social change agent, Institutional entrepreneurs, Social ventures and Social enterprises) ,Personal Factors ( Leadership Quality, Knowledge and Education, Skills and Experiences, Entrepreneurial Ability, Social innovation capabilities, Enthusiasms and Willingness)

4.4. Shaw & Carter, (2016) addressed the emerging practices of social entrepreneurship by exploring the historical and theoretical antecedents of social enterprise and its contemporary practices and drawn the comparisons between “for-profit” and social entrepreneurs. Their findings are based on in-depth interviews revealed five key themes for differentiation. These included: the entrepreneurial process, in particular, opportunity recognition; network ability; the nature of financial risk and profit; the role of individual versus collective action in managing and structuring enterprises; and creativity and innovation. Findings suggested that while the contemporary practices of social enterprises share many similarities with their for-profit counterparts, significant differences can be found when comparing these practices with extant entrepreneurship research.

4.5. Halme M., (2014) in his paper indicated that SMEs can create responsible innovations with very different resource combinations. The most common resource combination comprises equity, research and development cooperation, networks, industry knowledge and reputation. Except for financial capital in the form of equity, which appears a necessary condition for responsible innovation from SMEs, resource needs vary between technological and business model innovations. Creating business model innovations appears to be possible with scarce resources, at the very least with equity and social capital. Environmental technology innovations call for more abundant resource combinations.

4.6.Jain, (2016) identified the significance of social entrepreneurial ideas for improving business environment of the country to solve social problems of the nation. To encourage social entrepreneurship, it is necessary to ensure better awareness and promotion of the benefits and general impact of social enterprises for the economic and social development. It was highlighted that the major challenge is the formulation of a sound legislative basis for social entrepreneurship as well as the development and implementation of governmental policy to support social entrepreneurs in their efforts.

4.7.Singh, Dr. Partap Singh (2016) identified the different areas for social entrepreneurship like nutrition, education and health care. He advised that these areas should be taken up by social entrepreneurs. In the paper it was discussed the social entrepreneurship model, profitability of various social enterprises and how they had overcome the different challenges. It was quoted that social ventures should educate the consumer and set market standards by following network approach to increase the demand for their products. By encouraging social entrepreneurship regional disparities can be removed in the country.

4.8.Dr. Reena Mehta, (2016) highlighted the importance of social entrepreneurial ideas for improving the business climate in the country. They also identified gaps in CSR as there is no clear framework defined. It is suggested that social entrepreneurship can help in filling those gaps. In order to encourage social entrepreneurship, it is necessary to ensure better awareness and promotion of the benefits and general impact of social enterprises for the economic and social development. The social and economic hardships in India can be overcome through the discovery and promotion of best practices and positive models as well as by spreading good examples of social entrepreneurship and social responsibility amongst the society. Some case studies were discussed to illustrate the successful implementation of particular entrepreneurial activities, which have successfully solved a number of social problems. They also highlighted the importance of social entrepreneurial ideas for improving the business climate in the country. In future, challenge is the formulation of a sound legislative basis for social entrepreneurship as well as the development and implementation of governmental policy to support social entrepreneurs in their efforts.

4.9.Bulsara, P. Bulsara, Gandhi, & Chandwani, (2015)discussed various social entrepreneurship case studies in India, including Aravind hospital, AMUL, SEWA, SELCO, and found that they are ready to share their expertise to the society for the benefit of the social development. This paper had given an insight into the meaning of Social Entrepreneurship in India along with some examples of Social Entrepreneurship in India. It highlighted the possible reasons for a transition towards social entrepreneurship and how it is the way to future. Some Indian entrepreneurs like Ela Bhatt, Bunker Roy, Parag Gupta, Rajesh Sinha, Harish Hande etc. have come forward and successfully tackled and continue to tackle some of the globe's most complex challenges in India. Social impact assessment will no longer be an alternative to the organizational tool for assessment, but an integrated and essential feature of any product or service analysis. The Indian entrepreneurs are made aware of their social responsibility as an important business segment but CSR in India has yet to receive widespread recognition.

4.10 British Council,(2016). Had surveyed 258 social enterprises and made a report namely “ Social value economy A Survey of the Social Enterprise Landscape in India” Their findings were classified into two categories - those relating to economic value creation and those related to employment and beneficiary characteristics. Social enterprises had employed 19 employees on an average while MSME had employed only 2 people on an average. It was observed that 42 institutions are offering higher education in social enterprise related courses, indicating an interest in positive change from young people and their career choices.

After analyzing the above literature on social entrepreneurship the researcher could draw the following differences between entrepreneurship and social entrepreneurship.

<b>Entrepreneurship</b>	<b>Social entrepreneurship</b>
Entrepreneurs refers to the practice of combining innovation, resourcefulness and opportunity for wealth creation	Social entrepreneurs focus on transforming systems and practices that are the root causes of poverty, marginalization, environmental deterioration and accompanying loss of human dignity and for financial inclusion.
Entrepreneurs focus is on Corporate Social Responsibility and the prime objective is to create value	Social entrepreneurs focus is on Scientific Social Responsibility and the prime objective is to create sustainable systems change
Entrepreneurs adopt a mission to create and sustain commercial value.	Social entrepreneurs adopt a mission to create and sustain value (not just commercial value)
Entrepreneurs act calculatedly (calculated risk) with being limited by resources currently in hand, and	Social entrepreneurs act boldly without being limited by resources currently in hand, and Exhibit a heightened sense of accountability to the constituencies served and for the outcomes created
Entrepreneurs focus is on economically advantage people to market its products and services.	Social entrepreneurs focus is on economically disadvantage people to serve through affordable products and services.
Price is fixed by adding profit margin to the total cost for products and services	Price is fixed keeping in the mind the purchasing power of the customer for its products and services.
Entrepreneurs focus is on niche market for its products and services.	Social entrepreneurs focus is on mass market for its products and services
Entrepreneurs focus is on short term	Social entrepreneurs focus is on long

solutions for limited customers

term solutions for large number of customers

**CONCLUSION:**

After reviewing the literature, one can understand the importance of social entrepreneurship and it is going set trend in future for Indian economy. Social entrepreneurs can handle better the various issues like nutrition, education and health care and many are still blighted by unemployment and illiteracy by helping those less fortunate towards a worthwhile life. Successful social entrepreneurs should be involved in development of curriculum of higher educational institutions to create social entrepreneurial quotient among the students. In addition to that social ventures should educate the consumers and set market standards by following network approach which may increase demand for their products and services. With the growth of social entrepreneurship the regional disparities can be minimized and thus social entrepreneurship will be alternative approach for development of Indian economy

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