

Emergence of social entrepreneurship in 21 St Century

A ray of hope for The Underserved

Dr. Sangeeta Mohan & Krishna Mohan Sharma

Muhammad Yunus, 2006, Nobel Peace Prize winner and founder of Grameen Bank says, "Poverty is an artificial state. It does not belong to human civilization and we can change that, we can make people come out of poverty. The only thing we have to do is to redesign our institutions and policies".

INTRODUCTION

A social entrepreneur is someone who recognizes a social problem and uses entrepreneurial principles to organize, create, and manage a venture to make social change. Whereas a business entrepreneur typically measures performance in profit and return, a social entrepreneur focuses on creating social capital. Thus, the main aim of social entrepreneurship is to further social and environmental goals.

Social entrepreneurship is about creating business models revolving around low cost product and services to resolve social inequities. And also, the realization that social progress and profit are not mutually exclusive has led to many social ventures take root in India. When Amul, SEVA, Lizzat Papad and many others were launched, the word entrepreneurship proved to be a total misfit, so intellectuals were bound to coin a different terminology which will do justice to the idea and intentions behind setting up such Organizations, hence the term, "Social Entrepreneurship." The whole gamut of Social Entrepreneurship revolves around bridging the rift between the bottom of the pyramid and the peak of the pyramid. This calls for a radical change in the ideologies and strategies of various govt. as well as Non govt. Organizations, Educational Institutions and also those who believe in painting an unconventional picture of the society where everybody is professionally and practically trained and developed to earn his living, where the business of business is not just business!

In its attempt to respond to emerging challenges of post-cold war world, India initiated a process of reforms in its economic policy during the early 1990s. These reforms proved to be an important turning point for the country in many different ways. Under the new regime, the state began to withdraw from its direct involvement with the economy. Private enterprise was allowed and encouraged to expand into areas of economic activity that were hitherto not open to it. Though some scholars have pointed to the fact that the growth of private capital in India began to

accelerate during the early 1970s (Kohli 2006: 1361-70), it is during the post-1991 period that the private capital in India experienced expansion at an unprecedented rate. The quotas or reservations in government sector jobs and state-funded educational institutions were the core of the state policy for development of the underserved.

India, as a ground for entrepreneurship, is fast developing owing to one of the largest youth population in the world. Today India is ranked fourth (2.72) on the entrepreneur friendly index amounting heavily to quantum of IT start-ups in cities like Ahmadabad, Kochi, Baroda, Coimbatore, Visakhapatnam and Kolkata. The economic slowdown forced many companies to freeze campus placements, incentivizing entrepreneurship further. A majority of the Indian population today is aggressively exploring options to start something of its own. Each little company started by an entrepreneur is an experiment, and a great deal of experimentation is necessary to produce the occasional firm that can transform a nation's economy – or even rise to international significance

WHY SOCIAL ENTREPRENEURSHIP?

Before we make an attempt to answer these questions, we must first distinguish between an entrepreneur and a social entrepreneur. Just as entrepreneurs change the face of business, social entrepreneurs act as a change agent for the society. Each social enterprise presents ideas that are user friendly, understandable, ethical and engage widespread support in order to maximize the number of local people that will stand up, seize their idea and implement it. In other words, every leading social entrepreneur is a mass recruiter of local change makers – a role model proving that citizens who channel their passion into action can do anything.

Over the past two decades the citizen sector has discovered what the business sector learned long ago. There is nothing as powerful as a new idea in the hands of a first class entrepreneur.

Distinct from a business entrepreneur who sees value in the creation of new markets, the social entrepreneur aims for value in the form of transformational change that will benefit disadvantaged communities and, ultimately, society at large. Social entrepreneurs pioneer innovative and systemic approaches for meeting the needs of the marginalized, the disadvantaged and the disenfranchised – populations that lack the financial means or political clout to achieve lasting benefit on their own.

Problems, fundamentally improving the lives of countless individuals. Throughout history, such individuals have introduced solutions to seemingly intractable social problems by changing the way critical systems operate. Florence Nightingale and Maria Montessori offer two prominent historical examples. Muhammad Yunus, recipient of the 2006 Nobel Peace Prize, is a more recent example. He began offering microloans to impoverished people in Bangladesh in 1976, thereby empowering them to become economically self-sufficient and proving the microcredit model that has now been replicated around the world. While social entrepreneurship isn't a new concept, it has gained renewed currency in a world characterized by a growing divide between the haves and the have-nots. With this heightened visibility, social entrepreneurs at the forefront of the movement are distinguishing themselves from other social venture players in terms of ultimate impact. Microfinance helps poor people better cope with financial shocks that often upend their lives (Kathleen Odell, 2010).

One example is social entrepreneur Bunker Roy, who created the Barefoot College in rural communities in India to train illiterate and semiliterate men and women, whose lack of educational qualifications keeps them mired in poverty. Today Barefoot College graduates include teachers, health workers and architects who are improving communities across India, including hundreds of "barefoot" engineers who have installed and maintain solar-electrification systems in over 500 villages, reaching over 100,000 people. Another example is Ann Cotton, who launched the Campaign for Female Education (Camfed) in 1993 to ensure an education for young girls in Africa whose families cannot afford school fees. By establishing a sustainable model that provides community support for girls to go to school, start businesses and return to their communities as leaders, Camfed has broken the cycle of poverty for hundreds of thousands of young women in Zimbabwe, Ghana, Zambia and Tanzania. Since 1993, nearly 700,000 children have benefited from Camfed's program across a network of some 3000 schools. Over 5,000 young women have received business training and start-up grants to establish their own rural enterprises.

Social entrepreneurs are:

- **Ambitious:** Social entrepreneurs tackle major social issues, from increasing the college enrollment rate of low-income students to fighting poverty in developing countries. These entrepreneurial leaders operate in all kinds of organizations: innovative nonprofits, social purpose ventures such as for-profit community development banks, and hybrid organizations that mix elements of nonprofit

and for-profit organizations.

- **Mission driven:** Generating social value-not wealth-is the central criterion of a successful social entrepreneur. While wealth creation may be part of the process, it is not an end in itself. Promoting systemic social change is the real objective.
- **Strategic:** Like business entrepreneurs, social entrepreneurs see and act upon what others miss: opportunities to improve systems, create solutions and invent new approaches that create social value. And like the best business entrepreneurs, social entrepreneurs are intensely focused and hard-driving-even relentless-in their pursuit of a social vision.
- **Resourceful:** Because social entrepreneurs operate within a social context rather than the business world, they have limited access to capital and traditional market support systems. As a result, social entrepreneurs must be exceptionally skilled at mustering and mobilizing human, financial and political resources.
- **Results oriented:** Ultimately, social entrepreneurs are driven to produce measurable returns. These results transform existing realities, open up new pathways for the marginalized and disadvantaged, and unlock society's potential to effect social change.

Current status

One well-known contemporary social entrepreneur is Muhammad Yunus, founder and manager of Grameen Bank and its growing family of social venture businesses, who was awarded a Nobel Peace Prize in 2006. The work of Yunus and Grameen echoes a theme among modern day social entrepreneurs that emphasizes the enormous synergies and benefits when business principles are unified with social ventures. In some countries - including Bangladesh and to a lesser extent, the USA - social entrepreneurs have filled the spaces left by a relatively small state. In other countries - particularly in Europe and South America - they have tended to work more closely with public organizations at both the national and local level.

In India, a social entrepreneur can be a person, who is the founder, co-founder or a chief functionary (may be president, secretary, treasurer, chief executive officer (CEO), or chairman) of a social enterprise, which primarily is a NGO, which raises funds through some services (often fund raising events and community activities) and occasionally products. Rippan Kapur of Child Rights and You and Jyotindra Nath of Youth United, are such examples of social entrepreneurs, who are the founders of the respective organizations.

Another excellent example of a non-profit social enter-

prise in India is Rang De Founded by Ramakrishna and Smita Ram in January 2008, Rang De is a peer-to-peer online platform that makes low-cost micro-credit accessible to both the rural and urban poor in India. Individuals get to directly invest in borrowers from across India, track their investments online and receive regular repayments, with a token 2% pa. ROI.

Today, nonprofits and non-governmental organizations, foundations, governments, and individuals also play the role to promote, fund, and advise social entrepreneurs around the planet. A growing number of colleges and universities are establishing programs focused on educating and training social entrepreneurs.

Today, social entrepreneurs are working in many countries to create avenues for independence and opportunity for those who otherwise would be locked into lives without hope. They range from Jim Fruchterman of Benetech, who uses technology to address pressing social problems such as the reporting of human rights violations, to John Wood of Room to Read, who helps underprivileged children gain control of their lives through literacy. They include Marie Teresa Leal, whose sewing cooperative in Brazil respects the environment and fair labor practices, and Inderjit Khurana, who teaches homeless children in India at the train stations where they beg from passengers.

Whether they are working on a local or international scale, social entrepreneurs share a commitment to pioneering innovation that reshape society and benefit humanity. Quite simply, they are solution-minded pragmatists who are not afraid to tackle some of the world's biggest problems.

Today, Social Entrepreneurship has become a buzzword. Some consider buzzwords to be nothing more than marketing gimmicks. I feel buzzwords are good, period. Buzzwords help you make your point and get the message across succinctly. More important buzzwords play a role of catalysts and help propel an emerging trend to reach mass acceptability. In long term the most important factor that decides the fate of a trend is how meaningful and relevant it is. In the rest of the discussion I would like to focus on the broader definition of Social Entrepreneurship and dispel some common myths.

Examples of Social Enterprises:

Aravind Eye Hospital & Aurolab, Social Entrepreneur: Dr. Govindappa Venkataswamy (Dr. V) & David Green, Type of Organization: Trust Mission: Making medical technology and health care services accessible, affordable and financially self-sustaining

Founded in 1976 by Dr. G. Venkataswamy, Aravind Eye Care System today is the largest and most productive eye care facility in the world. From April 2007 to March 2008, about 2.4 million persons have received outpatient eye care and over 285,000 have undergone eye surgeries at the Aravind Eye Hospitals at Madurai, Theni, Tirunelveli, Coimbatore and Puducherry. Blending traditional hospitality with state-of-the-art ophthalmic care, Aravind offers comprehensive eye care in the most systematic way attracting patients from all around the world.

SKS India-Social Entrepreneur: Vikram Akula Type of Organization: For-profit, Mission : Empowering the poor to become self-reliant through affordable loans

SKS believes that access to basic financial services can significantly increase economic opportunities for poor families and in turn help improve their lives. Since inception, SKS has delivered a full portfolio of microfinance to the poor in India and we are proud of our current outreach. As a leader in technological innovation and operational excellence, SKS is excited about setting the course for the industry over the next five years and is striving to reach our goal of 15 million members by 2012.

AMUL (Anand Milk Union Limited). Social Entrepreneur: Dr. Verghese Kurien. Type of Organization: Co-operative. Amul has been a sterling example of a co-operative organization's success in the long term. It is one of the best examples of co-operative achievement in the developing economy. The Amul Pattern has established itself as a uniquely appropriate model for rural development. Amul has spurred the White Revolution of India, which has made India the largest producer of milk and milk products in the world. Grameen Bank-Social Entrepreneur: Muhammad Yunus, Type of Organization: Body Corporate

Grameen Bank (GB) has reversed conventional banking practice by removing the need for collateral and created a banking system based on mutual trust, accountability, participation and creativity. GB provides credit to the poorest of the poor in rural Bangladesh, without any collateral. At GB, credit is a cost effective weapon to fight poverty and it serves as a catalyst in the overall development of socio-economic conditions of the poor who have been kept outside the banking orbit on the ground that they are poor and hence not bankable. Professor Muhammad Yunus, the founder of "Grameen Bank" and its Managing Director, reasoned that if financial resources can be made available to the poor people on terms and conditions that are appropriate and reasonable, "these millions of small people with their millions of small pursuits can

add up to create the biggest development wonder.”

As of May, 2009, it has 7.86 million borrowers, 97 percent of whom are women. With 2,556 branches, GB provides services in 84,388 villages, covering more than 100 percent of the total villages in Bangladesh.

Shri Mahila Griha Udyog Lijjat Papad, Type of Organization: Society Shri Mahila Griha Udyog Lijjat Papad is a Women's organisation manufacturing various products from Papad, Khakhra, Appalam, Masala, Vadi, Gehu Atta, Bakery Products, Chapati, SASA Detergent Powder, SASA Detergent Cake (Tikia), SASA Nilam Detergent Powder, SASA Liquid Detergent. The organisation is wide-spread, with its Central Office at Mumbai and its 67 Branches and 35 Divisions in different states all over India.

The organization started off with a paltry sum of Rs.80 and has achieved sales of over Rs.300 crores with exports itself exceeding Rs. 12 crores. Membership has also expanded from an initial number of 7 sisters from one building to over 40,000 sisters throughout India. The success of the organization stems from the efforts of its member sisters who have withstood several hardships with unshakable belief in 'the strength of a woman'

Growing privatization of India's economy and declining avenues of employment in the state sector also meant shrinking of jobs available under the quota system for reserved categories. The expanding role of private sector in technical and professional education could similarly contract the space given to the historically marginalized groups in India's higher education system. It was in response to the growing restiveness among a section of the dalit intellectuals about this negative implication of liberalization policy that, upon coming to power at the centre in 2004, the United Progressive Alliance (UPA) proposed extension of the quota system for SCs and STs to the private sector. Apart from the proposal of extending the quota regime to the private sector, there have also been proposals of encouraging and supporting direct participation of the historically marginalized groups in the private economy as entrepreneurs and capital holders. Though the state is called upon to play an active role in the process by provision of economic support through loans and regulation of markets, the emphasis is on development of entrepreneurial culture that can enable dalits to participate in the private sector and informal economy on equal terms. However, dalits are not only poor, they also face discrimination in the labor market. Interestingly, the fact about the marginal status of dalits and their continued discrimination in the urban labor market finds recognition in an official document, the Eleventh Five-Year Plan: In

urban areas, too, there is prevalence of discrimination by caste; particularly discrimination in employment, which operates at least in part through traditional mechanisms; SCs are disproportionately represented in poorly paid, dead-end jobs. Further, there is a flawed, preconceived notion that they lack merit and are unsuitable for formal employment.

Nearly two-thirds of the 16% dalits of India are either completely landless or nearly landless with virtually no employment or income generating assets of their own. Over the years, many of them have also moved away from their traditional caste occupations. In some other cases, such occupations have either become redundant or non-remunerative. With the process of mechanization, employment in agriculture has also been steadily declining. With changing aspirations and state support, larger numbers of dalits are also getting educated and looking for employment outside their traditional sources of livelihood. However, the organized sector is able to provide meaningful employment only to a small number of them. Thus, a larger proportion continues to work in the informal or unorganized sector of the economy as casual wage workers. Some of them have also ventured into self employment.

What kinds of barriers do they encounter in the process of setting up their enterprise and in carrying on with their businesses? Do they mobilize initial resources for investment and what is the nature of difficulties they encounter in getting bank loans and raising money from the market? Do they experience any kind of discrimination in the process of their interactions with different kinds of markets? Are there only a few niche areas where dalit entrepreneurship is concentrated and if so for what reasons? How do they survive in the urban setting and what kinds of support are they able to mobilize in such endeavors for employment and social/economic mobility? Does kinship and other social network or their absence play any role in successes and failures of dalit enterprises? Do the "soft" and "hard" skills acquired from their family background and upbringing help or hinder their mobility?

Now its time we turned our focus towards setting up educational institutions and business schools that will cater to the bottom of the pyramid instead of producing scholars only for the corporate. This will help us arrest the proliferating problem of unemployment and poverty at the grass root level. Like

1.Diploma/Degree Course in Gerontology –With technical, Mechanical and medical advancement average life

span of human has increased, but the body needs overhauling from time to time. It needs not only medicines but also needs help for providing medicines at right time. Students will be given education in a manner where they can trained as a connecting link between a doctor and the target person. Aging is a multidisciplinary field. This means that the study of aging combines or integrates information from several separate areas of study. Biology, sociology, and psychology are the “core” or basic areas, along with content from many other areas of study such as public policy, humanities, and economics

2. Certificate/Diploma course in Management of watch repairs. watch repair (at least) is a center for job growth. Apparently, luxury watch sales continue to do gangbusters business, reporting an 11% year over every year sales.

3.Certificate/Diploma Course in Coir and Coconut Management- It will cater to the students of rural background, particularly from coastal areas like Tamil Nadu and Kerla.

4.Certificate/Diploma course in Management of Washermen and washing hygiene handling of hospital garments. This could be a good career option especially in Metros where both husband and wife are working. Due to scarcity of electricity and time they are unable to wash, sterilize and maintain their clothing.

5.Certificate/Diploma course in kretch management- Will include the study of managing children above 6 month age. It will be aimed at catering to the needs of working women where both husband and wife are working and joint family system is not there.

6.Certificate course in Mechanical handling of sewage (A need of the hours for nation where sweepers and Government where both are reluctant.). Domestic wastewater will contain both solid and dissolved pollutants including faecal matter, paper, urine, sanitary items, food residues and a variety of other contaminants. The sewer network will usually also receive wastewaters from office and commercial properties and from industrial premises. Rainwater from roofs and roads may also drain into the sewer network. Collecting and treating wastewater has been even more beneficial to human health than the health service because it stopped water-borne diseases such as cholera and typhoid.

7.Certificate/Diploma course in Managing women health and Hygiene- This will be aimed at spreading

awareness about menstrual health and hygiene, use of Contraceptives, Family planning and easy child education.

8.Certificate/Diploma course in Managing domestic Help- Metros are in dire need of domestic help management, where every working couple is worried about management of house and children in their absence.

9.Certificate/ Diploma course in Pet care-This will include trained intermediaries at their level rather than every time going to the doctors particularly centenary doctors.

10.Certificate/Diploma course in Managing the stitching jute and Making papers bags to replace the use of polythene. With many governments trying to cut down on the use of environmentally hazardous materials to make shopping bags, jute poses as an attractive alternative raw material to plastic

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