

An Evolution of New Concept in India: Social Entrepreneurship

Frena Patel

Assistant Professor,
V M Patel College of Management Studies,
Ganpat University, Gujarat, India
Email:
frena.patel@ganpatuniversity.ac.in

Kamal Vyas

Research Scholar,
Faculty of Social Sciences & Humanities,
Ganpat University, Gujarat, India
Email: kdv01@ganpatuniversity.ac.in

Abstract

Every Person in the society is bind with the responsibility that he/she must contribute to the society, which he takes from the society from his/her birth. This type of ideology not only helpful to a particular class of people but also to the whole nation in the long run.

In India, social entrepreneurship is at an infant stage. People in India are still suffering from problems like pollution, malnutrition, illiteracy etc. This concept also helps in the development of the nation. In these days, the Government of India also supports in becoming an entrepreneur which, in the long run, will be helpful to the nation to solve the problem of unemployment up to some extent.

Key Words

Entrepreneurship, ideology, development, social responsibility.

Citation:

Patel, F. & Vyas, K. (2017). An Evolution of New Concept in India: Social Entrepreneurship, *Ganpat University Journal of Applied Research In Social Sciences & Humanities*, 6 (1&2), 40-47.

1. Introduction

For the longest time, the impression of entrepreneurs derived by the collected wealth in more private sectors constructs a company. Hiring manpower, manufacturing product and running a business with high technology machinery was the best approach to be a successful entrepreneur in earlier days. Social entrepreneurship is a type of entrepreneurship creativity that goals at taking up a social problem for bringing about a change in the same. The person who is ready to take the challenge is called a social entrepreneur and he/she follows the principle of entrepreneurship with the concentration on generating social capital and not being essentially profit centered.

Social entrepreneurship is somewhat a new term. It came into notice a few decades ago. But its usage can be found throughout history. In fact, there were several entrepreneurs who established social enterprises to eliminate social problems or bring positive change in society. Vinoba Bhave, the founder of India's Land Gift Movement can be included in this category. To eradicate social evils, many entrepreneurs endeavoured for the last so many years. On top of it, there are many societies and organizations that work for child rights, women empowerment, save the environment, etc. Apart from addressing the social issues, social entrepreneurship also includes acknowledging and addressing the environmental problems and financial issues for rural as well as urban poor.

Social Entrepreneurship has a new concept in recent years. The concept is that every person has an equal opportunity to become an entrepreneur to start something for themselves as well as society. It is a new idea in which all persons are entrepreneurs, whereas all the others should work for those others.

To understand what differentiates the two sets of entrepreneurs from each other, it is important to shatter the notion that the difference can be recognized simply to inspiration with entrepreneurs prompted by money and social entrepreneurs driven by humanity. The truth is that entrepreneurs are rarely motivated by the prospect of financial gain because the odds of making lots of money are clearly stacked against them. Instead, both the entrepreneur and the social entrepreneur are strongly motivated by the opportunity they identify, pursuing that vision relentlessly, and deriving considerable psychic reward from the process of realizing their ideas.

At the end of the year, every entrepreneur asks himself or herself the following question, 'How much profit I earned this year?', while a social entrepreneur asks, 'How much the society is benefited by my efforts?'. It is very difficult to think, not to earn a profit for any form of entrepreneurship and make progress or sustain in society.

Mahatma Gandhi who saw a vision for the poor people of India for weaving khadi and assisted them to be self-employed. This entrepreneurship which later got expanded and developed as a "Khadi Gramodhyog Bhandar".

In spite of continued debates, one of the most commonly used definition was provided by Dees (1998, revised 2001):

“Social entrepreneurs play the role of change middleman in the social sector, by:

- Accepting a mission to create and sustain social value (not just private value),
- Recognizing and continuously pursuing new opportunities to serve that mission,
- Engaging in a process of continuous innovation, adaptation, and learning,
- Acting boldly without being limited by resources currently in hand, and
- Exhibiting a heightened sense of accountability to the constituencies served and for the outcomes created” (2001:4)

2. Literature Review

E. Gordon; M.Frank Peter (2010) said that the function of entrepreneurship is all pervasive and can be seen in human action. It is not associated with any group or men. They said that entrepreneurship is general while social entrepreneurship is specific.

L.Tack; M.Simon.;& R.Jiang (2017) found that there are mainly deep dependence, deep interdependence and shallow interdependence forms of trust which are associated with social entrepreneurship initiatives. They found that Trust is a key component for the success of social entrepreneurship.

G.Othman &H.Ab Wahid (2014) focused on social entrepreneurship which must be socialized, market-oriented and more innovative. It is proved that personal traits enhance in the entrepreneurs are associated with entrepreneurial activity.

P.Heike(2014) focused on adopting responsibility for socially marginalized citizens which is a custom inside forming a strong motivating factor. Honesty and proper attention of social responsibility are the main factors of green care among farmers.

3. Scope of Social Entrepreneurship

Social entrepreneurship is a rising, global undertaking. Today, there are a plethora of openings in child well-being, public policing, healthcare, counseling etc. Apart from it there is a huge scope for social entrepreneurship and starting your own social venture. Social entrepreneurship will play a key role in fetching the growth to the rural people in India and so it becomes necessary to study the factors, like a fair trade, that will shape the social entrepreneurship philosophy. India faces problems in the following sectors:

- 1) Educated Unemployment
- 2) Rural and Urban Sanitation
- 3) Awareness of Renewable Sources
- 4) Nutritious food for the poor
- 5) Affordable Housing Facility.

Social enterprises in these sectors will not only create many opportunities but also helps in finding a solution to these problems.

4. Challenges For Social Entrepreneurs in India:

Difficult and troublesome regulatory and administrative situation is created as a result of excessive state involvement which has become the major limitation to the development of new entrepreneurship. Some of the major challenges are explained below:

1) A Gap in Education for Entrepreneurship:

India follows the traditional system of education. In education, still, there is lacking syllabus on the development of entrepreneurship in Indian Education. Due to change in era, currently, this subject is taught by many business schools and also new universities for creating entrepreneurship awareness. Still, some Business schools are not updated after introducing this subject to their curriculum and the topic of social entrepreneurship still remain untouched which is more challenging for competent and skilled promoters.

2) Shortage of Financial Assistance:

This is a second major challenge for the Indian Entrepreneurs. Social Entrepreneurs start and would like to develop their business with their own fund or sometimes from the unorganized sector which is burdensome for him. Banks are not ready to give loan many times because of some social complications attached to them.

3) Social and Cultural Effect:

In India, even after a high literacy rate, people are not much aware and sometimes they are short-sighted. The person who works for betterment does not easily trust them which is more challenging for the social entrepreneur to convince them.

4) Shortage of Skilled Manpower:

Social Entrepreneurs require manpower with carious skill. To achieve the motive to make all these groups together for the growth of the organization is a challenging task. To satisfy social mission, they employ manpower from the underprivileged sector of the society, leading to an increase in training cost as these people are uneducated and unskilled. The organizations try to fulfill the aspirations of all these groups with the best results.

5. Benefits of Social Entrepreneurship:

- Implementing Social Change: Social entrepreneurs start their business in industries with the target of the common man which has a great impact on society like health awareness, energy, and Education. The social entrepreneur works for the improvement of the quality of life of the community.
- Creating Inspiring Solution: Social entrepreneur has the freedom to create innovative solutions which can inspire the change. The social entrepreneur works on the problem in an extraordinary way.

Recommendations:

- Social enterprise should work on the basis of chain and group system. It helps them to improve and achieve the market standards. They are also aware of the customer about the same product with various business. The group of social entrepreneurs influence government and regulatory agencies to provide liberal tax policy to push up of this branch of entrepreneurship.
- Social entrepreneurs should approach the government for including it as one of the subjects, at either undergraduate or at the post-graduate level which provides good quality for managers or promoters to the society in the real sense.

The Case of The Barefoot Approach in India

The Mission of Barefoot College:

Barefoot College has committed itself to the following work in poor rural communities:

- Improve the standard of living.
- Flourish the quality of life.
- With the help of training, it improves people's existing traditional skills and knowledge.
- Gives proper advice to the community in taking responsibility for providing some of these basic services.
- Struggle and campaign for justice.
- Be keen and publicly accountable to the community for the group we receive funds.

Introduction of Barefoot College :

As an organization, Barefoot College is one of the colleges in India that works on the lifestyle and work style of Mahatma Gandhi. It is the only college built by the underprivileged, for the poor, and for the last 35 years, managed, controlled, and owned by the poor. Keeping in the mind the Barefoot approach is a firm belief in the knowledge, creativity, practical wisdom, and survival skills of the rural poor—possibly the only answer to making communities self-reliant and sustainable. For an unemployed and unemployable semi-literate rural youth to be providing vital services in a village, replacing an urban, paper-qualified doctor, teacher, or water engineer is a totally revolutionary idea. And yet, this is what happens at the Barefoot College every day. It is the only college where paper degrees, diplomas, and doctorates are not qualified because people are judged not according to their degree of literacy or academic distinction, but by their attributes: honesty, integrity, compassion, practical skills, creativity, adaptability, willingness to listen and learn, and ability to work with all sorts of people without discriminating. The term “barefoot” is both symbolic and literal.

Target Area of Barefoot College:

Barefoot focuses inward on building itself, but it primarily focused outward, to help rural communities, thrive with dignity and self-respect. This involves community input based on an assessment of their priority needs. Currently, Barefoot is focusing on six areas: education, drinking water, alternative energy, the environment, empowering rural women, and traditional communication.

Future Opportunities in Social Entrepreneurship:

This concept widely developed in a contextual way, but it is still in Infant stage for empirical research. In Western countries, this concept has been developed in last two decades while in India, it has a bright scope for further research. The researcher can compare the factors which affect the concept of social entrepreneurship in different countries.

References

E.gordon & M.Frank Peter (2010): "Virgil's Aeneas as the Quintessential Social Entrepreneur: Juxtaposing selections from Epic Poetry and Entrepreneurship Theory to teach social entrepreneurship.

Journal of small business and Entrepreneurship Regima, volume 23 pp.769-784.

L. Tack, Simon M., Jiang R (2017) "The Role of Trust in Social Entrepreneurship" New England Journal of Entrepreneurship, vol.20,, No.1,pp.3-15.

N.Othman & Ab Wahib H (2014) "Social Entrepreneurship among participants in the students in free enterprise program" Journal of Education and Training; vol.56, Issue No. 7/8,pp.852-869.

P.Heike (2014): "Green Care: Social Entrepreneurs in the agricultural sector" Social Enterprise Journal, vol.10; Issue 3, pp.268-287.

Abdullah, J., Johari, H.S.Y., Bakri, A.A. and Razak, W.M.W.A., (2015), "Students and women entrepreneurs' collaborations in a social enterprise", Procedia-Social and Behavioral Sciences, Vol. 168 No. no. 1, pp. 97-103

Agafonow, A., (2014), "Toward a positive theory of social entrepreneurship on maximizing versus satisficing value capture", Journal of Business Ethics, Vol. 125 No. no. 4, pp. 709-713

Alcantara, L.L. and Kshetri, N., (2013), "The link between societal motivation and new venture performance: evidence from entrepreneurs in Japan", Journal of Small Business & Entrepreneurship, Vol. 26 No. no. 6, pp. 623-641

Alvord, S.H., Brown, L.D. and Letts, C.W., (2004), "Social entrepreneurship and societal transformation an exploratory study", The Journal of Applied Behavioral Science, Vol. 40 No. no. 3, pp. 260-282

- Austin, J., Stevenson, H. and Wei-Skillern, J., (2006), "Social and commercial entrepreneurship: same, different, or both?", *Entrepreneurship Theory and Practice*, Vol. 30 No. no. 1, pp. 1-22
- Bacq, S. and Janssen, F., (2011), "The multiple faces of social entrepreneurship: a review of definitional issues based on geographical and thematic criteria", *Entrepreneurship & Regional Development*, Vol. 23 Nos no. 5/6, pp. 373-403
- Belz, F.M. and Binder, J.K., (2015), "Sustainable entrepreneurship: a convergent process model", *Business Strategy and Environment*, doi:
- Berman, N. and Mellon, E., (2012), "Contextualizing the self and social change-making: an evaluation of the young social pioneer's program", *Cosmopolitan Civil Societies: An Interdisciplinary Journal*, Vol. 4 No. no. 1, pp. 52-68
- Bertotti, M., Han, Y., Netuveli, G., Sheridan, K. and Renton, A., (2014), "Governance in South Korean social enterprises are there alternative models?", *Social Enterprise Journal*, Vol. 10 No. no. 1, pp. 38-52
- Bhatt, P. and Altinay, L., (2013), "How social capital is leveraged in social innovations under resource constraints?", *Management Decision*, Vol. 51 No. no. 9, pp. 1772-1792
- Bhattacharyya, O., Khor, S., McGahan, A., Dunne, D., Daar, A.S. and Singer, P.A., (2010), "Innovative health service delivery models in low and middle-income countries-what can we learn from the private sector", *Health Research Policy and Systems*, Vol. 8 No. no. 1, p. 1.
- Bhowmick, S., (2011), "Social cause venturing as a distinct domain", *Journal of Social Entrepreneurship*, Vol. 2 No. no. 1, pp. 99-111
- Bidet, E. and Eum, H., (2011), "Social enterprise in South Korea: history and diversity", *Social Enterprise Journal*, Vol. 7 No. no. 1, pp. 69-85
- Boschee, J., (1998), "Merging mission and money: a board member's guide to social entrepreneurship", available at www.socialent.org/pdfs/MergingMission.pdf.
- Bradley, T., Chakravarti, A. and Rowan, J., (2013), "What happened when the corporates met the artists of rural West Bengal? A critical analysis into art as a social enterprise in India", *Journal of South Asian Development*, Vol. 8 No. no. 1, pp. 85-104
- Chan, K., Kuan, Y. and Wang, S., (2011), "Similarities and divergences: comparison of social enterprises in Hong Kong and Taiwan", *Social Enterprise Journal*, Vol. 7 No. no. 1, pp. 33-49
- Chandra, Y., (2016), "A rhetoric-orientation view of social entrepreneurship", available at <http://dx.doi.org/10.1108/SEJ-02-2016-0003>, *Social Enterprise Journal*, Vol. 12 No. no. 2.
- Cheng, I.H., (2015), "Re-modeling and re-conceptualising skills development in Cambodia: how are social enterprises preparing young people for successful transitions between learning and work?", *International Journal of Educational Development*, Vol. 43 No. no. 1, pp. 134-141

- Choi, N. and Majumdar, S., (2014), "Social entrepreneurship as an essentially contested concept: opening a new avenue for systematic future research", *Journal of Business Venturing*, Vol. 29 No. no. 3, pp. 363-376
- Copstake, J., Dawson, P., Fanning, J.P., McKay, A. and Wright-Revollo, K., (2005), "Monitoring the diversity of the poverty outreach and impact of microfinance: a comparison of methods using data from Peru", *Development Policy Review*, Vol. 23 No. no. 6, pp. 703-723
- Dacin, P.A., Dacin, M.T. and Matear, M., (2010), "Social entrepreneurship: why we don't need a new theory and how we move forward from here", *The Academy of Management Perspectives*, Vol. 24 No. no. 3, pp. 37-57
- Datta, P.B., (2011), "Exploring the evolution of a social innovation: a case study from India", *International Journal of Technology Management and Sustainable Development*, Vol. 10 No. no. 1, pp. 55-75
- Dees, J.G., (1998), "The meaning of social entrepreneurship", available at www.redalmarza.cl/ing/pdf/TheMeaningofsocialEntrepreneurship.pdf
- Defourny, J. and Kim, S., (2011), "Emerging models of social enterprise in Eastern Asia: a cross-country analysis", *Social Enterprise Journal*, Vol. 7 No. no. 1, pp. 86-111
- Doherty, B., Haugh, H., and Lyon, F., (2014), "Social enterprises as hybrid organizations: a review and research agenda", *International Journal of Management Reviews*, Vol. 16 No. no. 4, pp. 417-436
- Drucker, P.F., (1985), *Innovation and Entrepreneurship*, Routledge, London
- Etapé-Dubreuil, G. and Torreguitart-Mirada, C., (2014), "Social financing alternatives for social economy enterprises: Coop57", *CIRIEC-Espana*, Vol. 80, p. 137.
- Farmer, J. and Kilpatrick, S., (2009), "Are rural health professionals also social entrepreneurs?", *Social Science & Medicine*, Vol. 69 No. no. 11, pp. 1651-1658
- Fernandes, S., Belo, A. and Castela, G., (2016), "Social network enterprise behaviors and patterns in SMEs: lessons from a Portuguese local community centered around the tourism industry", *Technology in Society*, Vol. 44 No. no. 1, pp. 15-22
- Gawell, M., (2013), "Social entrepreneurship - innovative challenges or adjustable followers?", *Social Enterprise Journal*, Vol. 9 No. no. 2, pp. 203-220
- Goyal, S. and Sergi, B.S., (2015), "Social entrepreneurship and sustainability-understanding the context and key characteristics", *Journal of Security and Sustainability Issues*, Vol. 4 No. no. 3, pp. 269-278
- Gray, B.J., Duncan, S., Kirkwood, J. and Walton, S., (2014), "Encouraging sustainable entrepreneurship in climate-threatened communities: a Samoan case study", *Entrepreneurship & Regional Development*, Vol. 26 Nos no. 5/6, pp. 401-430
- Gunawan, A.A., (2014), "Preliminary study of classifying Indonesian entrepreneurs", *Procedia-Social and Behavioral Sciences*, Vol. 115 No. no. 1, pp. 243-250