

Social Enterprise - A New Dimension of Entrepreneurship

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Abstract: The idea of Social Entrepreneurship has got increasing attention of scholars as social problems in our complex modern society have grown tremendously. A social entrepreneur identifies practical solutions to social problems by combining new processes, services and products to address complex social problems. The objective of the paper is to bring out the development of the field over a period of time and the contribution of higher and technical education institutions to the field. This paper focuses on the opportunities and challenges involved in social entrepreneurship and the emergence of a social enterprise as an effective tool towards addressing social problems. The paper is based on exploratory research, using literature review.

Keywords: Social entrepreneurship, social enterprise, growth of field, opportunities and challenges.

1. INTRODUCTION

The idea of Social Entrepreneurship has got increasing attention of scholars as social problems in our complex modern society have grown tremendously. Social Entrepreneurship seeks to exploit the practical dynamism of the successful businessmen to enrich and help society, especially in developing countries which are overwhelmed with problems of dire poverty and lack of opportunities. As are business entrepreneurs to the economy, so are the social entrepreneurs to the society. They may, like any other business entrepreneurs, be interested in profit, but their emphasis is on social change. They are often driven, creative individuals who exploit new opportunities, question accepted norms, and refuse to give up until they have remade the world for the better. Social entrepreneurs have the same core temperament as their business peers but use their talents to solve global social problems.

2. ORIGIN AND GROWTH OF SOCIAL ENTREPRENEURSHIP

Although the terms - social entrepreneurs and social entrepreneurship- seem relatively new, the practices related to the field can be found throughout the history. Several business entrepreneurs had become the most successful social entrepreneurs by combining effectively the civic, governmental and business worlds during 19 and 20 centuries and promoted mainstream public services in welfare, schools, and health care. A few of them to mention are: Vinoba Bhave, founder of India's Land Gift Movement, Florence Nightingale, founder of the first nursing school and developer of modern nursing practices, Robert Owen, founder of the cooperative movement etc.[1].

Social Entrepreneurs and social enterprises have been in existence for many centuries, but became prominent in recent decades after the word "social entrepreneurship", was deliberately used by Ashoka, a non-profit institution. However, even before Ashoka was founded in 1981 and subsequently popularized the term, history had witnessed numerous social entrepreneurs responsible for the many social innovations.

The terms *social entrepreneur* and *social entrepreneurship* were used first in the literature on social change in the 1960s and 1970s to describe Robert Owen [2]. The widespread use came during 1980s and 1990s and promoted by Bill Drayton

[3], the founder of Ashoka Innovators for the Public and others such as Charles Leadbeater. From the 1950s to the 1990s Michael Young was a leading promoter of social enterprise. Professor Daniel Bell of Harvard was the world's most successful entrepreneur of social enterprises during 1980s as he created more than sixty new organizations worldwide, including the School for Social Entrepreneurs (SSE) which supports individuals to realize their own potential and to establish social enterprises and social businesses. Muhammad Yunus, founder of Grameen Bank, is well known contemporary social entrepreneur, who was awarded a Nobel Peace Prize in 2006. The work of Yunus and Grameen emphasize the enormous synergies and benefits when business principles are unified with social ventures. Today, nonprofits and non-governmental organizations, foundations, governments, and individuals also play the significant role to promote, fund, and advise social entrepreneurs around the planet.

J. Gregory Dees, popularly known as the “Father of Social Entrepreneurship Education”, and Beth Anderson categorize the plurality of Social Enterprise definitions into two main types namely Social Enterprise and Social Innovation [3A].

A great variety of definitions of social entrepreneurship and social entrepreneurs have been provided for the past three decades. But according to some authors like Austin *et al.* (2006) [4], Mair and Mart (2006) [5], Weerawardena and Mort (2005) [6], the theoretical underpinnings of social entrepreneurship have not yet been adequately explored. Authors such as Neck, Brush and Allen (2009, p. 15) [7], suggest that “a lack of agreement on what defines social entrepreneurship or a social entrepreneur may not be important”, what really matters is, understanding the landscape of the sector. Careful analysis of the growing literature reveals a perceived risk that the term social entrepreneurship could become very inclusive and, as a result, represent an immense tent into which all kinds of socially beneficial activities fit (Martin and Osberg, 2007)[8]. William Drayton [9], founder of the world's first organization to promote social entrepreneurship, ‘Ashoka’, is credited with coining the phrase “Social Entrepreneur”, to describe a person who recognizes logjams in society and finds ways to free them. In spite of the varying definitions of social entrepreneurship, one prominent commonality emerges in almost all descriptions is the ‘problem-solving nature’ of social entrepreneurship.

3. OPPORTUNITIES AND CHALLENGES

The market and the state cannot, on their own, regulate and solve all problems. New approaches are required to tackle major social issues, “most especially in the presence of the systematic retreat of the governments from the provision of public goods in the face of new political ideologies that stress citizens’ self-sufficiency and give primacy to market-driven models of welfare” (Nichols, 2006, p. 1)[10].

If economic globalization offers opportunities to improve living conditions, it also implies substantial and continuous restructuring and change and a renewed or new approach, not only to the new social challenges but also to the old ones that have not yet been met successfully. Keeping in view the increasing competition, all fields have to engage more strongly in innovation, both technological and social, and in entrepreneurship, both commercial and social objectives. The most urgent challenge for national governments, local authorities, policy makers and economic stakeholders is to promote sustainable economic and social development so that once the economy has recovered; the benefits can be widely diffused. Social entrepreneurship and social innovation are part of the solution, as they both explicitly aim at providing innovative solutions to unsolved social problems. Social value creation should be at the heart of their mission in order to improve individuals’ and communities’ lives and increase their well-being.

Significant changes occur in the field of social enterprise, including major developments in the flow of funding, growing but often untapped philanthropic resources, and a shift in the role of government. All of these changes occur against a large backdrop of demographic and economic challenges, as boundaries blur among the traditional nonprofit, for-profit, and public-sector silos. Currently, the sector remains on the verge of several possible futures, including consolidation, entrepreneurial growth, and expressive experimentation. The scenario that unfolds over the next 20 years will depend largely on the ability of social enterprise leaders to make a leap forward in thought and action to capitalize on the abundant potential for social change.

There are some challenges that Social Entrepreneurs must address in India. They often face situations that are unpredictable, constantly changing and hard to control. In 2008 for instance the terror attacks in Mumbai forced Social

Entrepreneurs to re-think their general strategies. Furthermore, although there are many opportunities in the Indian welfare sector, most social entrepreneurs still focus on traditional areas such as education and healthcare.

4. SOCIAL ENTREPRENEURSHIP AND HIGHER EDUCATION

A growing number of colleges and universities are establishing programs focused on educating entrepreneurs. As a scholarly field of inquiry, social entrepreneurship is in its embryonic stage of development. Social entrepreneurship has been a topic of academic inquiry for nearly 20 years, yet relatively little scholarly output has appeared in mainstream management and entrepreneurship journals. Future research would benefit from the incorporation of multivariate methods to complement the case study techniques that have dominated previous efforts.

Three institutes based out of Gujarat ,viz. Business Planning and Development Unit of Anand Agriculture University (AAU) in the incubator category, Axio Biosolutions for providing low cost health care solutions to the poor and Ajay Dixit, a faculty at Entrepreneurship Development Institute (EDI) are in fray for social entrepreneurship [11].

IIM Calcutta has forayed into business incubation by launching an incubation centre with a focus on social entrepreneurship. The Incubation unit of IIM Calcutta will be a part of Centre for Entrepreneurship and Innovation (CEI) of the Institute. [12].

The Entrepreneurship Development Institute (EDI) of India will start new courses on Social Entrepreneurship and Business Entrepreneurship, SME Banking and Financial Services and Development Sector Management to cater to the emerging areas of entrepreneurship.EDI Chas been roped in by the Ministry of External Affairs for setting up centers in five African countries of Sengal, Gabon, Rwanda, Namibia and Zambia, besides Uzbekistan in the central Asia. [13]

DBS Bank and Tata Institute of Social Sciences (TISS) signed a strategic partnership agreement to launch the 'DBS-TISS Social Entrepreneurship Programme' to promote the cause and purpose of social entrepreneurship and social enterprises.DBs and TISS will closely work together to provide start-up funding, growth capital for capacity building/expanding, business guidance and mentoring support through staff volunteers. The two will also initiate research and related programmes to measure social impact [14].

These are a few examples to cite; but almost all IITs, IIMs, B-Schools, Universities and their affiliated colleges in India have their own Entrepreneurial Development Cells. They are actively involved in promoting social entrepreneurial thinking among the students through conferences, seminars, symposiums and collaboration with the industry, financial institutions and banks. This is a clear indication of growing importance of social entrepreneurship.

5. SOCIAL ENTREPRENEUR

Social entrepreneurs are individuals with innovative solutions to society's most pressing social problems. They are ambitious and persistent, tackling major social issues and offering new ideas for wide-scale change. Rather than leaving societal needs to the government or business sectors, social entrepreneurs find what is not working and solve the problem by changing the system, spreading the solution, and persuading entire societies to take new leaps. Social entrepreneurs often seem to be possessed by their ideas, committing their lives to changing the direction of their field. They are both visionaries and ultimate the practical implementation of their vision above all else.

Just as entrepreneurs change the face of business, social entrepreneurs act as the change agents for society, seizing opportunities others miss and improving systems, inventing new approaches, and creating solutions to change society for the better. While a business entrepreneur might create entirely new industries, a social entrepreneur comes up with new solutions to social problems and then implements them on a large scale [15].

6. ANALYSIS OF INDIA

India has often been referred to as a hotbed of social enterprises due to the wealth of successful social enterprises that have emerged from the country. This has been made possible in large part due to the confluence of a variety of favorable conditions and environments within the country that has facilitated the development and growth of these social enterprises.

There are five factors viz. political, legal, social, cultural and institutional factors that impact the emergence of a social enterprise sector. India possesses a strongly conducive and favorable environment for the development of a social enterprise sector based on the 5 identified influencing factors derived from the historical analyses of the development of social enterprise sectors globally. Amongst these five, the social, cultural and institutional conditions present within India have been the greatest distinguishing factor between the sector's developments in India as compared to other regions. The differentiating factors from other regions therefore can be found in the social, cultural and institutional arenas. The government also correspondingly had greater expectations of the NGOs to take on the governmental role in rural development [16].

In spirituality lies the essence of happiness," says Dr Bindeshwar Pathak, founder of Sulabh International Social Service Organization, considered one of the biggest NGOs in India and a pioneer in low-cost sanitation. A quiet reformer, he believes "it's a misconception that business and ethics can't go together. Right from the inception if you decide that you will not use unfair means, your business will flourish and whatever the hardships, you'll overcome them. But if the foundation is laid on dishonesty and distrust, no business can survive for long. But money certainly can't buy peace or happiness" [17].

7. CONCLUSION

Social entrepreneurship, thus, is not arena of few industrialists or social service organizations. In order to eradicate completely the socio economic problems like illiteracy, poverty, unemployment, untouchability etc. As the field is in its early stage of development, social entrepreneurship provides highly attractive playground for research from various perspectives. In order to develop the field as a full pledged discipline, academic industry, government and nongovernmental organizations should synthesize their efforts and thereby new and relevant concepts and theory to be developed. This will pave way for developing the society that was dreamt by the freedom fighters.

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