

# A Review on Social Entrepreneurship and Challenges in India

Sh. Sachin Gupta

SOMC, Sanskriti University, Mathura,  
Uttar Pradesh, India

Email id- chancellor@sanskriti.edu.in

## ABSTRACT

Social entrepreneurship is a start-up and entrepreneurial strategy to addressing social, cultural, and environmental problems via financing and implementation. This term may be used to a broad variety of organizations of various sizes, purposes, and religious affiliations. In India and across the globe, the idea of growing social entrepreneurship has aided in serving society more meaningfully than ever before, as well as the complete expression of the entrepreneurial spirit. Although social entrepreneurship is not a new concept, its popularity has recently soared to new heights. This article provides a comprehensive examination of social entrepreneurship, covering its conceptual foundation and operations. This study report also addresses the many difficulties that social entrepreneurs encounter, as well as their recommendations for improving India's overall social entrepreneurship / entrepreneurship scenario. More study article investigates the relationship between social and economic entrepreneurship, as well as describing social entrepreneurship. The article also looks at the concepts from the perspective of an entrepreneur, such as societal demands and technical advancements. Social entrepreneurship has grown in importance and scope in recent years, and this article addresses both areas. Finally, this study shows how social entrepreneurship may change or influence the social system and social fibers in India and other developed countries at the bottom of the pyramid.

## Keywords

Entrepreneurial Approach, Economic Entrepreneurship, Social Entrepreneurship, Social Challenges.

## 1. INTRODUCTION

Entrepreneurship is the driving force behind economic progress; the rapid growth that one sees is due only to entrepreneurship's ferocious intensity. The development of entrepreneurship is a feature shared by all industrialized countries across the globe. Economic development is completely dependent on the expansion of entrepreneurship, and entrepreneurship, like infrastructure and all other development indices, is on the rise. In a very short period of time, governments from different countries have acknowledged and emphasized the importance of entrepreneurship. As a result, governments have begun to concentrate on the fundamental groundwork/infrastructure needed in their various nations to support the systematic growth of entrepreneurship. India, too, recognized the value of entrepreneurship and invested heavily in the expansion of its economy. Overall growth, including social development, may lead to the complete development of entrepreneurship. Other types of entrepreneurship exist, each with its own set of characteristics and needs, one of which is cultural. This kind

of entrepreneurship is unique in that it combines a variety of elements.

The primary goal of social entrepreneurship is to combine social and economic advantages, which differs from traditional entrepreneurship goals. Most people associate social entrepreneurship with volunteer labor or social service. There are several variations, but the most significant one is the length of time spent earning money. Charities or social workers in social work concentrate only on helping the weak or oppressed; it is not for profit, but rather for assistance. On the other hand, public entrepreneurship combines social service advantages and emphasizes non-personal rewards. Yes, the Indian Diasporas want something similar to this, in which society benefited the most from entrepreneurial characteristics[1-3].

Social entrepreneurship is a highly helpful trend since it provides innovative and low-cost goods and services to the bottom of the market pyramid. Making products accessible and profiting from the market's weak. The tool of a social entrepreneur, such as a product or service that can satisfy both the needs of this market segment, which is often referred to as the pyramid market's edge, is a product or service that can meet both the requirements of this market segment. In a nutshell, social entrepreneurship fills the need left unfilled by economic enterprise. It generates money by ignoring customers and giving them a new and creative product / service that helps them develop and better their living standards, while social entrepreneurs benefit. To put it another way, social entrepreneurship is just another kind of entrepreneurship with specific qualities such as profit, sales, and innovation. The distinction is that it isn't entirely reliant on or focused on profit, preferring instead to prioritize social reform and development above personal gain[4,5].

The socialist entrepreneurship model will be very beneficial to areas that are experiencing significant socioeconomic inequity. Except for a few differences that differentiate this from conventional or economic entrepreneurship, the whole social entrepreneurship process is the same as economic entrepreneurship. India has long needed and might benefit from social entrepreneurship. By balancing social inequity, several social businesses established in India have changed the face of society. The Indian government, as well as certain commercial organizations, supports such efforts by encouraging and rewarding them on a regular basis. There are a few instances of social entrepreneurship that demonstrate how it affects society's fundamentals. Microfinance, educational institutions, and medical institutions are just a few of the most well-known examples. Rather than making money for themselves, the primary goal of social entrepreneurship is to make a difference in society.

## 2. MEANING AND DEFINITION OF SOCIAL ENTREPRENEURSHIP

India has the world's second-largest labor force of 516.3 million people, and despite the fact that hourly pay rates in India have more than quadrupled in the last decade, according to the latest World Bank data, approximately 350 million people in India are presently living in poverty. With a population of 1.2 billion people, this implies that one out of every three Indians is denied of even basic needs like nourishment, education, and health care, and many are also plagued by unemployment and illiteracy. By putting the less fortunate on a route to a meaningful life, social entrepreneurs may help alleviate these issues. Rather of outsourcing social requirements to the government or corporate sectors, this will address the issue by altering the system. The degree to which social entrepreneurs prioritize social effect above profit varies, yet financial viability is critical in all instances. To solve social problems, one strategy is to develop economic models based on low-cost goods and services. The goal is to provide a societal benefit that is not constrained by personal gain. The process of bringing about social change on a larger and more successful scale than a traditional NGO is known as social entrepreneurship[6].

A non-governmental group may also generate money through holding events, participating in activities, and selling goods. Raising funds, on the other hand, requires time and effort that might be better spent on direct working and marketing procedures. Above all, social entrepreneurs see the people who are impacted as active participants rather than passive recipients. Social entrepreneurship is one of the most important branches of entrepreneurship; it is more than charity and has a wider and deeper impact on social transformation and upliftment in underdeveloped countries. To a great degree, the government has started to promote social entrepreneurship in order to address social disparities and create an ideal society. Social entrepreneurship, which is both social and economic in character, has its own set of programs. "A social entrepreneur's profession is social entrepreneurship. A social entrepreneur is someone who recognizes a social issue and uses entrepreneurship concepts to plan, build, and operate a company to effect social change. Unlike a business entrepreneur, who typically calculates benefit and return efficiency, a social entrepreneur measures success in terms of its impact on society." The essential components of social entrepreneurship are clearly described in this idea of social entrepreneurship:

- It is carried out by a specific group of individuals known as social entrepreneurs.
- It is a scenario in which a social issue is recognized and addressed via the use of entrepreneurial concepts.
- Rather than generating individual gains, the primary goal is to bring about societal transformation.
- Social entrepreneurship is successful in terms of unquantifiable social benefits rather than large revenues.
- A social enterprise is a business founded by social entrepreneurs with a primary emphasis on social innovations to address current societal issues.

The practice of identifying and resourcefully pursuing possibilities to generate social benefit for society is known as social entrepreneurship. Social entrepreneurs are resourceful, creative, and results-oriented. They are driven to solve social problems. It has developed a mindset based on the finest thinking in both the commercial and non-profit sectors in order to create strategies that maximize social impact by tackling social inequities and issues. Large and small, new and old, religious and secular, non-profit, for-profit, and hybrid organizations all have these entrepreneurs. The 'social sector' is made up of such organizations.

## 3. CONTRIBUTION OF SOCIAL ENTREPRENEURSHIP/ ENTREPRENEURS IN INDIA

In underdeveloped countries, social entrepreneurship is particularly essential. India, being a growing country, has its own set of social and economic issues. All of India's socioeconomic inequities should be addressed via social entrepreneurship. Several new ventures/start-ups have lately emerged with a focus on social issues and long-term development. In India, the need for social entrepreneurship is critical, as most products and services are targeted at higher-end consumers, leaving people with limited means without access to basic necessities due to a lack of capital.

This underserved business sector is taken care of by social entrepreneurship, which offers products and services under its terms and conditions. Because such a community starts with no or little profit, fulfilling its requirements becomes very challenging. People have chosen social entrepreneurship over commercial entrepreneurship in many cases, and legislation and other factors have played a significant role in this. Wherever there are significant socioeconomic disparities and societal inequities, social entrepreneurship is critical, as it is in India. Then there are the factors that support the necessity for social entrepreneurship in India and other countries across the globe[7]. Then there's the function of social entrepreneurship in India:

- Social entrepreneurship is centered on the impoverished / weak part of society, and India has approximately 30 crore individuals who live in such circumstances. As a result, social entrepreneurship is critical, and this group of individuals need the greatest assistance.
- In social entrepreneurship, social benefits are considered both primary and secondary to revenue. This makes it easier to obtain high-quality goods and services at reasonable prices.
- Analphabetic, child abuse, support, sanitation, drinking water, and other social problems are addressed through social enterprise. By using local resources and applying entrepreneurial principles, social entrepreneurship aids in the resolution of various social issues. In such scenario, social entrepreneurship is needed to mitigate the negative effects of societal issues.
- Social entrepreneurship, like any other area of entrepreneurship, innovates, but in a somewhat different way. This kind of innovation is known as social innovation since it focuses on social issues. Finding the most creative and distinctive answer to social issues is what social innovation is all about.
- The bottom of the pyramid is one of the most significant requirements for social entrepreneurship. The folks at the bottom of the pyramid were those who had little money but had a high tolerance for societal changes. There are numerous social businesses who have also developed their goods and services at the bottom of the pyramid. The greatest argument for India's social entrepreneurship existence is that social entrepreneurship is the only method to satisfy the pyramid's bottom-up requirements and demands.
- Social entrepreneurship, like any other economic activity, offers employment for individuals with minimal skills. This requires social entrepreneurship in the Indian context, since India has the highest number of jobless people, and social entrepreneurship may successfully address this issue.

#### 4. ROLES AND RESPONSIBILITIES OF SOCIAL ENTREPRENEURS TOWARDS INDIAN SOCIETY

According to experience, the creation of social value, social benefits, and social transformation can only be achieved by unselfish individuals who use entrepreneurial and management abilities for social and non-personal gain. Social entrepreneurs are individuals who give of themselves without expecting anything in return[8]. With regard to society in India, social entrepreneurs' duties and obligations are as follows:

- Social entrepreneurs have the potential to change society through their innovative product or service aimed at social upliftment. Their work begins with the identification of a social issue that impacts the whole society rather than just a small number of people. As a result, selecting an appropriate societal issue or concern is critical.
- In India, social entrepreneurs confront many challenges linked to people's unwillingness to alter their ways of doing things. The most important job of social entrepreneurs is to pursue them and bring about significant changes that will affect society as a whole.
- Social entrepreneurship relies on social innovations; the goal is to create ideas that can completely address a social issue with little resources.
- Social entrepreneurs have a responsibility to play in focusing on the social segments of the nation that are lacking in fundamental services. It is the duty of social businesses to reach out to such individuals and positively represent them.
- Social entrepreneurs are expected to offer a new perspective to the employment market. It is the most important responsibility of social entrepreneurs to create employment for individuals with inadequate skills and credentials in their communities.
- Making visible improvements in communities with a social justice perspective is one of the key responsibilities that social entrepreneurs in India society must play.
- Social entrepreneurs must utilize constructive ways to eliminate the world's contradictions. This may be accomplished by determining the percentage of the population for whom the product or service must be properly and adequately implemented.

#### 5. THE KEY ROLE OF INDIA IN SOCIAL ENTREPRENEURSHIP

Some well-known Indians saw the possibilities of social business early on. Several factors have contributed to India's relatively high rates of social entrepreneurship. "India is home to some of the most technologically sophisticated and forward-thinking social entrepreneurs in the world. Many of the ideas established in India, such as rainwater collecting for schools, which was pioneered by Barefoot College, are believed to be transferred across the globe." As a result, India is a major player in the development of social entrepreneurs. UnLtd India and the National Social Entrepreneurship Forum (NSEF) are two organizations that assist individuals in becoming engaged in social entrepreneurship. Give the Social Entrepreneurship Award to a visionary Indian social entrepreneur. Brij Kothari of "World Read and Book Box," who created "River" to combat "Analphabetic," Padmanabha Rao and Rama Rao, who focused on children's primary education, and Rajendra Joshi of "Saath," who built inclusive societies by empowering the urban and rural poor in India,

were among the 2009 Social Entrepreneur of the Year Award winners.

The next recipient will be announced during a ceremony held in conjunction with the Indian Economic Summit in November 2010. AIF is a major international development organization whose mission is to accelerate India's social and economic transformation. The importance of microfinance to the impoverished is due to three factors: It lacked the funds to establish a bank account. Second, it lacked collateral or a credit history to obtain a loan, and third, it is often unable to complete the necessary documentation owing to their poor reading level. In India, self-help organizations are the most important component of microfinance.

These organizations usually comprise of 5 to 20 impoverished women who pool their resources into a fund from which they may borrow money as needed, sometimes for as little as 10 or 20 cents per month, according to a member. The organization is linked to a bank, where it has a joint account. After six months of 'inter-loan' repayments, the party is responsible for the loan. The bank lends to the community as a whole without collateral, depending on self-monitoring and social pressure within the group to return the loans. The cumulative loan amount is always a multiple of the community account's total money by 4:1, starting with smaller multiples (1:1 to 2:1). There are a variety of other innovative social entrepreneurs that fit this description[9,10].

#### 6. DISCUSSION

In Indian culture, there is a fascinating time of change. The shift causes the global divide between wealthy and poor to widen even further. Despite the fact that a growing number of Indians have joined the Millionaires Club, India's streets today have more impoverished and hungry individuals than ever before. Something else is going on in the middle of it all. Social entrepreneurship is starting to take form all around the globe.

Young Indians all across the nation think it has the potential to transform the country, and many of them are ready to put it to the test. There are currently more social entrepreneurs in India than ever before. Young people are no longer hesitant to take this on as a legitimate employment opportunity. While social entrepreneurship may not pay as much as other types of start-ups, it is very fulfilling. This article highlighted a few of the main difficulties that today's typical social entrepreneur faces. There are currently more social entrepreneurs in India than ever before. Young people are no longer afraid to pursue this as a viable career option. While social entrepreneurship may not pay as much as many other start-ups, it is nevertheless very gratifying. This study looked at some of the major challenges that today's typical social entrepreneur faces.

- If it does not begin by relying on contributions to find a way through, its prospects of success are low. It will have enough of contribution money for a time, but it will never know how many it will have in the future, and therefore will be unable to plan for it. That effectively lowers the odds. It's also crucial to consider financing before getting started, since if you have money, you can only accomplish something worthy.
- Lack of technical expertise: Finding volunteers is simple for any social entrepreneur. Set up a booth outside any campus and you'll have 100 volunteers in no time. The difficulty is to recruit a large number of well-trained volunteers to accomplish what is required. It's similar to, say, going out and teaching computers at an orphanage. However, if the 100 volunteers are unfamiliar with the equipment, they will not be included.

- Most small non-governmental organizations are concerned about having a skilled workforce. The necessity for dedicated, hardworking, and devoted people who believe in the concept. In general, very little training is needed to work in an NGO, therefore it's critical that the organization takes the initiative to teach its volunteers in order to get the most out of them.
- Lack of a Core Agenda: Most Indian NGOs are attempting to focus on everything at the same time. This is all part of their plan. What it didn't realize is that if it really wants to make a difference, it has to concentrate on one core goal and all of the research that surrounds it. An organization that supports children's education should concentrate only on children's education rather than attempting to advocate for rape victims.
- A lack of structure: It is critical for a business to get the most out of its workers. Because there is no way to measure the productivity of each employee in an NGO, this is even more important. As a result, it is critical to have appropriate team structure in order to get the most out of any team. The hierarchy of order within an NGO must be maintained just as it must be maintained within any other structure.
- Lack of a strategy: India wants to alter this, so it establishes an NGO with no clue how. That is the most irrational thing a person can do. If a nation wants to see this transformation, it must have a strategy. Rome was not built in a day, and neither was India. It's a time-consuming process that requires some thinking. Although there are some fantastic initiatives out there that are changing India in little ways on a daily basis, there are still many locations in the nation that can be bold and daring enough to partner with a social entrepreneur and attempt to change the world.

## 7. CONCLUSION

In India, social entrepreneurship has the potential to transform society; there have been many such instances and initiatives operating under the banner of social entrepreneurship that have proven to be life-changing for residents in the area. In India, social entrepreneurship has a greater chance since the country's social issues are in full swing. Social entrepreneurship is a rare combination of business and humanitarian characteristics. In social entrepreneurship, goods and services are intended to have the greatest social effect while also generating significant revenues for the company. The firm's operating area is usually the area/region that is normally overlooked by large economic entrepreneurship firms. In some ways, social entrepreneurship's product and service offerings are very distinctive, and they better meet societal needs than economic needs. This is a unique scenario in which undertaking traits are created to address a societal issue. Aside from it, all of the fundamental components of entrepreneurship are similar to those of its parents. If the government and other stakeholders can successfully handle the difficulties of social entrepreneurship, it is without a doubt the most essential instrument for changing the face of India's society.

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