

Social Entrepreneurship In Emerging Indian Economies: Boon Or Bane.

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ABSTRACT

Social Entrepreneurship is an all-encompassing nomenclature, used for depicting the process of, bringing about social change on a major and impactful scale compared to a traditional Non-Governmental Organization (NGO). It is an increasingly important concept in the study of voluntary and not-for-profit organizations. Earlier, organizations addressing key social issues were assumed to be idealistic, philanthropic with entrepreneurial skills. Social Entrepreneurship in India is emerging primarily because the government is very keen on its promotion, not necessarily by funding it or by advising on it but by enabling it. The Corporate Social Responsibility (CSR) of the private sector with clearly earmarked funds and full-fledged action teams have played an important role in sprucing up the image of Social Entrepreneurship. The focus of the paper is to study the growing trends of Social Entrepreneurship in India and the new initiatives taken by various Social Entrepreneurs. Efforts are made to provide information related to Social Entrepreneurship and Social Entrepreneurial ventures in India. This may be beneficial in future empirical studies of the subject.

Keywords: Entrepreneurship, Social Entrepreneurship, Social Entrepreneur.

INTRODUCTION

Many of us would really want to start up our own business. We admire the spirit of entrepreneurship. But we're afraid to take risks related to starting and running a business. We're scared to lose our money in a seemingly empty business venture. Yet there are persons who're taking risks and succeeding in their business. But what's the secret to starting and succeeding in your entrepreneurship? One important way is through learning from other people. This is an unchangeable fact of life. He that is willing to learn from others will succeed in starting and running his business.

Whom can you learn from? From people who have an entrepreneur spirit and have successfully made it. Let's try to listen to one these winning people. 'You need to be patient to attain something in future,' says Gupta. And as for the future of businesses he continues saying, 'The future lies in the hands of the entrepreneurs who will create jobs.' What makes this dude to talk with such optimism and confidence? Because he speaks from experience since he has a tremendous CV behind him for his young age. This is his CV below:

- He is an IIT graduate from Roorkee
- He is Prason Gupta, co-founder
- He co-founded Sattviko in 2014
- Plus education venture, Techbuddy Consulting in 2009 while he was still a student at IIT

If he could do all this despite being young, you too can do it. Granted, there will be some problems along the way. But despite these growing challenges, entrepreneurship will still be the key pillar of development world-wide and indeed in India. So it's worth taking the risks. There's one main way in which a big number of Indian entrepreneurs, such as Gupta, are trying to succeed. They are trying to look into the productive and promising domestic Indian market. Yes, a good entrepreneur sees business opportunities in connection with the services and goods that people domestically need in his area. He sees these services or goods and finds a way to sell them to people. In this regard, Gupta sees business innovation opportunities in domestic fields like these below:

- Clean water
- Better agricultural practices.

On the other hand, Suja Chandy, Vice President, Invest India sees business opportunities in growth in connection with the following domestic things:

- Infrastructure
- Renewable energy
- Automotive sector
- Education
- Health care
- Tourism

Clearly, both these two guys are able to see business opportunities in the India domestic market that you too can take advantage of. What else? India has a huge economical goal. India aims to have an economy that is worthy \$10 trillion in the coming 10 years or so. To achieve this goal, there are certain rock-solid things that are fuelling this huge change in India. Namely:

- Some enabling policies of the government
- Focusing on infrastructure development
- Emergence of a digital economy
- The demographic dividend
- And the rise of the entrepreneurs and start-ups

What about the future? There's belief that there's going to be some exciting and good things in future for entrepreneurship. Murugavel Janakiraman, CEO, Matrimony.com, says that what is being presently seen in India is the first stage of entrepreneurship. He's predicting that there's something more that's coming in future just after this great boom in the first stage of entrepreneurship. It's predicted that after this first stage of entrepreneurship, there is going to be a boom in the following good things:

- Businesses leap frogging into the mobile ecosystem
- Internet will dominate
- And IoT, AI and automation is set to change the way businesses work in the future
- When the per capita income touches \$4,000, consumer spending will increase significantly and growth will follow
- Many billion dollar companies will emerge.

WHO IS AN ENTREPRENEUR?

According to Wikipedia, an entrepreneur is an individual who organizes or operates a business or businesses. In my own definition, an entrepreneur is an individual who sets up business or businesses, identifies and solves problems, creative, innovative, opportunist, risk-taker, self-starter and open-minded with the hope of making a profit from the enterprise.

TYPES OF ENTREPRENEURS

The major types of entrepreneurs include; social entrepreneurs, serial entrepreneurs and lifestyle entrepreneurs.

Social Entrepreneur

This is an individual who pursues innovative solutions to social problems. A social entrepreneur adopts a style of which he/she can use to create and sustain social values. Most social entrepreneurs engage in non-profit activities and are overwhelmed by social responsibilities and conscience. They are primarily motivated to improve socio-economic well being, educational, health, fundamental, environmental and health conditions of others. Examples of great social entrepreneurs that ever lived include; Bill Drayton, Vinoba Bhave, David Brower, Maria Montessori, Florence Nightingale, and some present-day social entrepreneurs are Ibrahim Abouleish, Bill Clinton and Dr. Abraham M. George.

Serial Entrepreneur

This is an individual who continuously comes up with new ideas, start the businesses and often times sell to investors or shareholders. Serial entrepreneurs start-up several businesses with little intention to operate any of them for a long time. They are high risk-takers with lots of unique ideas and are not always interested in a career with a particular business/company. 10 top serial entrepreneurs according to Forbes include Craig McCaw, Josh Kopelman, Steve Blank, Wayne Huizenga, Michael Rubin, The Samwer brothers, Lyndon Rive, Omar Hamoui, Niklas Zennstrom and Janus Friis the Skype pair, Andy Bechtolsheim.

Lifestyle Entrepreneur

This is an individual who creates profit from personal passion. He/she put their lifestyle ahead of every opportunity. While most entrepreneurs are motivated to build a business to a certain stage and sell to shareholders or investors, the lifestyle entrepreneur chooses to build a business they are passionate about and grow the business into a long term, residual income that is sustainable. Most lifestyle entrepreneurs are completely self-employed; this is to allow them time to set up their projects. In a nutshell, a lifestyle entrepreneur is an addict of whatever they find themselves doing, they do it so well, commit their time, resources and energy to see their project completed. Examples of a lifestyle entrepreneur according to e-Commerce rules include; Tim Ferriss, Pat Flynn, and Chris Guillebeau.

A NEW HAVEN FOR WESTERN CAPITAL

Ever since the opening up of the global economy in the 1990s, several hitherto Third World countries in Asia and Africa began to liberalize and integrate themselves into the global economic system. This meant that there were more chances for entrepreneurs in these countries and from abroad to flourish because of the business friendly policies pursued by the governments in these countries. This also had the effect of spurring investment and incubating new ventures either due to venture capital investments from the West or due to internally generated or sourced avenues for investment. While the former was helped by the opening up of the financial markets of countries such as India to foreign capital, the latter was

helped by the accelerating economic growth in these countries which freed up capital of the business houses that can then spare some money for funding new startups and new ventures.

BARRIERS AND CRONY CAPITALISM

Having said that, it must also be noted that despite the liberalization and the laissez faire approach taken by these countries, several obstacles remained in the way of entrepreneurs when they ventured into the business world. For instance, though India witnessed a startup boom in the last decade, until recently, entrepreneurs had to contend with dealing with red tape and bureaucracy which meant that more often than not, they had to face delays in securing approvals and licenses to start their ventures.

Moreover, in the initial rush to open new ventures, many entrepreneurs in the emerging economies in Asia such as Indonesia, Thailand, and India resorted to “crony capitalism” which meant that they succeeded not because they had a game changing idea or because their business models were superior, but because they had the right contacts and the right connections which made it easier for them to secure licenses, funding, and other aspects.

THE COLLAPSING STARTUPS

Therefore, these ventures often started with a bang and ended with a whimper once the projected revenues did not materialize due to the deficiency in their business model or due to the fact that most of the stratospheric projections that they made to secure funding were based on flimsy and unrealistic growth and revenue expectations. Matters were also not helped by the global economic crisis of 2008 which saw many such ventures collapsing because of the funding that dried up as well as due to the fact that many of these ventures were based on dubious business practices. In addition, the regulators who by now were aware of these shenanigans quickly started to look deeper into these ventures which meant that they could not rely on their connections alone to sustain themselves. Further, the civil society and the activists fighting such practices became more aware and more conscious of these practices which resulted in greater scrutiny.

SUCCESS STORIES

Of course, this does not mean that all new ventures launched during the economic boom were necessarily based on flawed and corrupt practices. For instance, there are many Asian companies who not only became leaders in their chosen business area but also took their brands global and succeeded in winning in the global marketplace. Indeed, the fact that Asian brands were now recognized for their worth and inherent value generating capabilities is exemplified in the success of the Indian IT Industry, the success of the Chinese companies such as Alibaba, and the spectacular growth of Latin American and African companies. However, the fact remains that in the aftermath of the bust of 2008, many Western venture capitalists were wary of funding emerging market startups without due diligence and started to insist on “showing them the money” or to have robust business models.

A NEW BOOM

Finally, the situation as it stands now is that e-Commerce companies such as Flipkart, Snapdeal, and Myntra in India have attracted Billions of Dollars in funding in recent years. While one cannot paint them with the same brush and conclude that their business models are suspect, the fact remains that most of these e-Commerce companies including Uber base their revenue growth projections and estimates on future business as well as gross sales which after

discounting cannot be said to yield much in profits. Indeed, the fact that several questions are being raised about the sustainability of these companies must surely caution investors and industry analysts as to whether these companies would not meet the fate of the Dotcom ones that collapsed during the bursting of the tech bubble and other startups that collapsed in the aftermath of the 2008 crisis.

THE ROLE OF TECHNOLOGY IN SOCIAL ENTREPRENEURSHIP

Social entrepreneurs are those who use innovative approaches to social problems such as poverty, lack of access to healthcare in the rural areas, difficulties in bridging the gap between employability and unemployed youth, and problems such as lack of access to credit for women. In these and other cases, technology plays a prominent role as not only is technology inherently innovative but increasingly, it has become cost effective to deploy technology to solve social problems.

For instance, in many Third World countries, farmers need real-time updates on weather patterns as well as sowing schedules so that they can plan their harvest accordingly. Further, fisherpersons in coastal areas need to be intimated of approaching storms and hence, mobile based apps that can do this job are preferred. Apart from this, there are other examples such as having IT (Information Technology) enabled kiosks in rural areas in India wherein those people and the teenagers and the youth in particular can pick up valuable IT skills which would enhance their employability in future. Moreover, through the use of mobile apps, microcredit institutions and the people they finance can keep in touch with each other leading to better credit utilization as well as repayment.

THE MOBILE REVOLUTION

The instances quoted above are just a fraction of how technology can help alleviate social problems. It is for these reasons that in recent years, social entrepreneurs have been stressing on using technology as part of their efforts at social innovation. Indeed, the fact that the mobile revolution has empowered the poor and the underprivileged more than others has been acknowledged by the UN (United Nations) which recently stated that there are more number of mobiles in the world than toilets or in other words, there are more chances of a person owning a mobile than he or she having access to toilets and sanitation. This means that technology can indeed enable, empower, and encompass the masses in their quest for a decent income and a healthy life.

BRINGING TOGETHER ALL THE STAKEHOLDERS

To continue the points made above, it has been common in many countries for drivers, handypersons, traders, and small businesspersons to use technology to connect with their customers as well as the other end of the spectrum which are their suppliers, owners, and middlepersons. In this way, technology allows the coming together of all stakeholders in the value chain so that everyone ultimately benefits. Though there have been concerns in recent months about technology also leading to safety and security concerns because of the anonymity and the potential for misuse, it needs to be mentioned that technology per se is value neutral meaning that it can be used both for good and bad purposes and it is up to the regulators and the users to monitor and regulate.

SYNERGIES AND ECONOMIES OF SCALE

Considering the enabling and empowering role that technology plays, many nonprofits are focusing exclusively in building and creating an ecosystem for innovators, funders, thought leaders, influencers, and the regulators on one hand and the beneficiaries, the intermediaries, the users, and the owners to come together in a giant electronic and digital umbrella where social innovation can take place and value created for all and society in general. The power of technology in these cases is such that it creates synergies wherein the sum of the value created at each link in the value chain is greater than the parts. Further, technology allows social entrepreneurs to enable and empower the underprivileged to rapidly scale up thereby leveraging the benefits of the efficiencies provided by economies of scale. The twin aspects of synergy and economies of scale mean that innovation and innovative solutions can reach more people and create value that individually would take time and more resources.

For instance, before the advent of email, if you had to contact hundred people for a promotional campaign, you had to send hundred letters which even when they are typed or printed need to take into account the costs of sending them. However, with technology, all you need to do is customize the headers and the names of the persons and then with a single click of the mouse, all the people can be reached effortlessly and efficiently. In addition, you can reach anyone anywhere in the world anytime as well as everyone and everywhere and every time. This is just a basic example of how technology enables synergies and actualizes economies of scale.

SOCIETY BENEFITS

Now consider if such use of technology comes to the aid of an underprivileged person setting up his or her own venture. Using mobile and internet technologies, not only can he or she aspire to reach a global audience thereby cashing in on the scale aspect but also offer a solution that is potentially cheaper and creates more value on a per unit of cost basis. Indeed, the example of entrepreneurs such as the Nobel Laureate and Bangladeshi social entrepreneur, Mohammed Yunus who empowered rural women in his country to finance their small businesses by extending them microcredit who in turn formed groups and reached scale and leading to innovation creating value point to how a combination of technology and social innovation can feed into each other and ultimately benefit society.

CONCLUSION

Finally, the fact this article that harnesses technology and globalization and is driven by innovation and entrepreneurship can be the best example of how ventures for both social and commercial causes can scale up and create value across the value chain.

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