

The Process of Social Entrepreneurship: Opportunities and Challenges

Priya Pandey and Roshan Shukla

M.com- Business Administration

Symbiosis College of Arts and Commerce

Abstract

Social entrepreneurship has become a recent trend in India and around the world. Generally, entrepreneurship is associated with economic activities conducted with a profit motive by ignoring social benefits. Social entrepreneurship is a combination of social wellbeing and entrepreneurship. In today's era of modernization, globalization and industrialization, social gains have been side-lined all around the world, including India. The recent rise of social entrepreneurship globally is giving entrepreneurship a new definition by adding value to its cause. Social entrepreneurship is an older concept, but it has come into the limelight recently. The corporate sector is now taking various corporate social responsibility initiatives, not just for formality but also to aid society to a larger extent. Social Entrepreneurship's definition signifies that it is a combination of catering to societies problems with the help of innovation.

Keywords - *Social Entrepreneurship, Innovation, Societal Needs, Youth Entrepreneurs.*

1. Introduction

"Social entrepreneurs identify resources where people only see problems. They view the villagers as the solution, not the passive beneficiary. They begin with the assumption of competence and unleash resources in the communities they are serving" - Bornstein D.

Entrepreneurship is the core element of economic growth. The common factor between all the developed nations around the world is the presence of social entrepreneurship.

Entrepreneurial growth leads to the growth of infrastructural development and other indicators of economic development.

Recently the governments have realized the importance of entrepreneurship and started working on the systemic development of the social entrepreneurship framework. India has also understood the importance of entrepreneurship and is working to increase the trend of social entrepreneurship. Entrepreneurship was first used by French economist Richard Cantillon in the 18th century, he associated entrepreneurship with business risks and uncertainty.

There are types of entrepreneurship based on various criteria. One of the criteria defines social entrepreneurship as a unique blend of different components. The main objective of social entrepreneurship is different from the usual objectives of entrepreneurship.

Generally, social service and social entrepreneurship are considered synonyms. There are similarities but the biggest difference is the existence of profit. In NGOs, the workers facilitate social needs without any profits whereas social entrepreneurship is the combination of social service and economic gain excluding the personal benefits. For a country like India, social entrepreneurship can be very beneficial because it provides goods and services at a cheap rate with the help of innovation. To accelerate the rise of social entrepreneurship in India, this paper focuses on the youths of this nation who are available in abundance but not well equipped with skills. By educating the youth about the concept of social entrepreneurship, it is possible to aid society and accelerate the growth of the economy.

This research paper will be covering all aspects related to social entrepreneurship in India. It aims to highlight the challenges and opportunities associated with social entrepreneurship and analyze how the youth can accelerate its rise. Lastly, the paper strives to examine how social entrepreneurship can play a giant role in the development of India from the grassroots level.

2. Literature Review

According to (Rawal, 2018) social entrepreneurship is the combination of social services and entrepreneurship, which is very unique in nature with all its components. Further, the difference between social entrepreneurship from economic entrepreneurship has been stated. Research in social entrepreneurship is growing rapidly in recent years. Due to the importance of this research for the benefit and growth of society, this subject is gaining utmost importance from researchers in different streams of research. (Maniam, 2018) writes that social entrepreneurship has gained a significant amount of importance over the last two decades. Due to the economic gain and financial returns, governments and other financial institutions often ignore the social environment. The recent surge in social wellbeing and non-profit from social entrepreneurs is proving to be an efficient way of doing business for the betterment of society. The study has underlined types of opportunities and challenges associated with social entrepreneurship.

In the words of (Aggarwal, 2020) social entrepreneurship has huge potential growth in developing countries like India, where social disparities are present to a larger extent in terms of financial positions of the population. Further, the study talks about innovation and entrepreneurship.

3. Research Gap

Most existing research papers relate to social entrepreneurship and the challenges and opportunities faced by them. However, there has been little research carried out on youth involvement in social entrepreneurship and how their contribution will lead to its rise in India.

4. Objectives

The research study is based on specific objectives. The researchers have identified and studied four objectives to maintain and justify the rationality of the research title.

1. To explore the recent growth trends in social entrepreneurship.
2. To study and analyse the impact of social entrepreneurship on the development of India.
3. To determine the challenges and opportunities faced by social entrepreneurs.
4. To give suggestions for sustainable and fast-paced growth of social entrepreneurs in India.
5. To understand the role of youth in promoting social entrepreneurship.

5. Research Methodology

The present research study is of descriptive in nature and is based on secondary data analysis, the report of world Bank, world economic forum, global entrepreneurship research association, 2019 and statista data has been viewed. Various books on social entrepreneurship, articles, journals have been referred to understand the problem and find suggestions to meet the primary objective of this study.

To identify and analyse the research problem, researchers have gathered data from sources secondary sources such as research papers related to the topic, books based on social entrepreneurship, web sources related to the research topic, published journals and reports and other written material relevant to the concept of social entrepreneurship has been referred to.

6. Data Analysis and Interpretation

Meaning and definition

Social entrepreneurship is attracting growing amounts of talent, money, and attention, but along with its increasing popularity has come less certainty about what exactly a social entrepreneur is and does (*Martin, 2007*) (*Oseberg, 2007*). To put it simply, social entrepreneurs are individuals who use business innovation and management principles to create and advance social change by generating their own financial sustainability. Social entrepreneurship is growing rapidly due to government interventions and is attracting increased attention from many sectors.

Social entrepreneur and need

The aim of social entrepreneurs is not just to gain profits and not only to earn a return on investment but to provide benefits to society. It strives to fulfil the needs of society, to analyze problems that are being faced at large and to find the solutions for them. Social entrepreneurs play the role of change-making agents who analyze the problem and grab the opportunity to discover a solution and innovate accordingly.

It represents an exciting and evolving set of new models that give hope for systemic, positive, social, and environmental change, according to the concept (*Nicholls, 2014*). What social entrepreneurs are to social change is what business entrepreneurs are to the economy. Social entrepreneurship is a cutting-edge business model in which profits coexist with social benefit.

Opportunities for social entrepreneur

The social entrepreneur has emerged as a second business model of non-profit organizations. Big companies like TATAs, Ambani's, BAJAJs, BIRLA are working as angel investors for small social entrepreneurs. Here, the entrepreneurs don't have to invest their own money and can arrange money from these big companies by sharing their ideas, innovations, their business plans and execution policies.

As for fear of failure, the rate among Indian youth entrepreneurs was third lowest at 31.9%, behind the Republic of Korea (30.8%) and Malaysia (31.5%). It further says that there is no overall difference in the perception of having the right skill set to start and run a business, but the fear of failure is the same for both age groups. The rate of self-perceived capabilities about entrepreneurship for those in the bracket of 18-34 years stands at 38.9% while the established business ownership rate for the age bracket is 4.5% and in the 25-34 bracket is 9.2%. According to the World Economic Forum, India's rank in global competitiveness is at

Country	Age Group - 18-34 Years	
	Innovation Level	Fear of Failure
India	55.0%	31.9%
China	29.0%	35.6%
Republic of Korea	29.0%	30.8%
Australia	55.0%	47.1%
Indonesia	30.0%	50.5%
Malaysia	46.0%	31.5%
Philippines	48.0%	37.9%
Thailand	44.0%	45.1%
Vietnam	29.0%	51.7%

Source: Youth Entrepreneurship in Asia and the Pacific 2018-19

58. World Bank's insights say that India's ease-of-business rating is 67.23/100 and the rating for starting a business is 80.96/100.

Fig.1 Table Showing the age-wise innovation and failure of different countries (*Global Entrepreneurship Research Association, 2019*)

Opportunities for Youth Entrepreneur

Nowadays individuals are coming up with new technologies and innovations but are unable to share them due to the lack of money and trust. For that reason, the government has come up with programs such as NITI Aayog, WEP and many others. These programs endeavour to keep the ideas and innovations at the peak of their privacy and if the idea is deemed satisfactory, the government provides the required level of funding. This is a good step for entrepreneurs to establish their project on-ground and this will, in turn, help the societal needs of the country as well as the personal needs of any individual.

For youth, many e-private corporations have taken extensive steps as they would be working as Angel investors for any start-up and help them to meet up their financial requirements. (Bornstein, 2004).

According to a study (Statista, 2019) conducted in 40 countries and territories, female entrepreneurs are particularly popular in developing countries such as Angola, as well as developed countries such as Chile and the United States. As per the report, female entrepreneurs are underrepresented in many developed European countries and have very low rates of female entrepreneurs. The researchers distinguish between necessity-driven entrepreneurship, which can be caused by a lack of formal employment opportunities in a country, and innovation-driven entrepreneurialism, which exists in countries with well-developed formal job markets.

Yet, within both types of economies, big differences exist between the rates of female entrepreneurs. While in Angola, more than 40% of adult women were engaged in entrepreneurial activity (about the same rate as men), fewer women were entrepreneurs in low-income countries like Egypt (5.4%) or Morocco (7.8%).

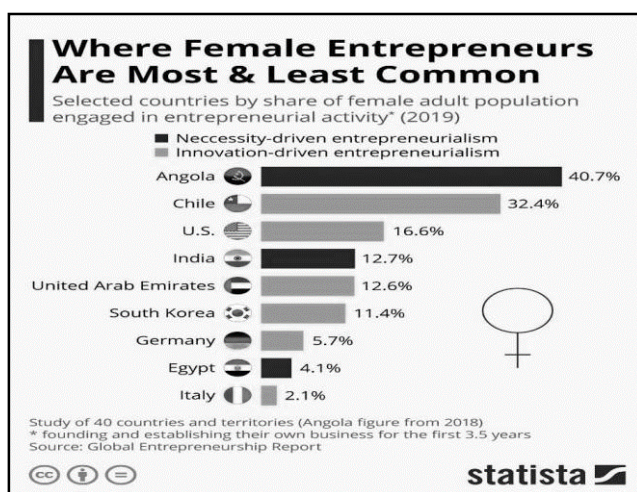


Fig 2 figure shows the opportunities for youth women entrepreneurs in the different countries. (Statista, 2019)

Challenges of Social Entrepreneur in India

When social entrepreneurs endeavour to bring out any kind of change, they are targeted by big companies and rising entrepreneurs because this may be a profit-generating innovation or it may be

considered as competition. Consequently, whenever any social entrepreneur tries to get into the market, they either get taken over by some big companies or face many problems while doing their legal frameworks.

For social entrepreneurs, there are many challenges like political and corporate interference, funding, competition and many more. Successful entrepreneurs are value creators, opportunity seekers and resource allocators.

Social entrepreneurs use new techniques and models to solve several social ills, raise capital, foster social well-being, and restore equality and justice in society. They may face extreme political, social, cultural, and economic opposition, but the challenge is to recognize institutional supports to which they can turn for funding, intelligence, and advice.

They don't start with a perfect plan; they simply have a strong desire to solve a problem. So, the challenge in the coming years will be to strike a balance between attributing "social hero" stories to social entrepreneurs and establishing a solid role associated with status in our societies. Governments face the most difficult task: maintaining the role of social entrepreneurs in economic and social life.

7. Contribution and Conclusion

The researchers, after undertaking the study, have been able to discuss and analyse the objectives as defined before. It is concluded that while a plethora of opportunities awaits a social entrepreneur, they also have to be resilient against many challenges.

The researchers also recognize that India stands to gain a lot through the rise of social entrepreneurship. Therefore, while entrepreneurship is the core element of economic growth, social entrepreneurship is the need of the hour for developing countries.

For a country like India, social entrepreneurship can play a significant role in changing the face of society. There are various examples under social entrepreneurship which have changed the lives of people to a greater extent and is working towards the upliftment of society as a whole. In the coming years, India is going to be the youngest country and to equip the youth of this nation in the right direction, social entrepreneurship can play a crucial role. Social entrepreneurship is an efficient tool for India to become a developed nation by efficiently solving social issues and facilitating the needs of society.

References

1. Ghods, M. A. (2019, May 29). Entrepreneurial marketing: the missing link in social enterprise studies. *Journal of Global Entrepreneurship Research*. https://link.springer.com/article/10.1186/s40497-019-0163-5?error=cookies_not_supported&code=090a3a3f-bd7d-41b8-beb1-3e77aa4e8809

2. Social Entrepreneurship. (2020). Centre for Spirituality and Healing - University of Minnesota. <https://www.csh.umn.edu/education/whole-systems-healing/social-entrepreneurship>
3. Maniam, B. & Engel, J. & Subramaniam, G. (2018). Examining the Significance and Impact of Social Entrepreneurship. *International Journal of Engineering & Technology*. 7. 818. 10.14419/ijet.v7i4.38.27552.
4. Bornstein, D. (2004) *How to change the world: Social entrepreneurs and the power of new ideas*. New York: Oxford University Press.
5. Bornstein, D. (2012, November 14). The Rise of the Social Entrepreneur. *Opinionator*. <https://opinionator.blogs.nytimes.com/2012/11/13/the-rise-of-social-entrepreneur/>
6. Daru, M. U., & Gaur, A. (2013). Social Entrepreneurship - A Way to Bring Social Change. *Innovative Journal of Business and Management*, 26–29. <http://www.innovativejournal.in/index.php/ijbm>
7. Aggarwal, N., Khurana, S., & Aggarwal, M. (2020). A Paper on the Success of Social Entrepreneurship in India. *International Journal of Scientific & Technology Research*, 09(01), 1702–1707. <http://www.ijstr.org/final-print/jan2020/A-Paper-On-The-Success-Of-Social-Entrepreneurship-In-India.pdf>
8. Guelich, Ulrike & Bosma, Niels. (2019). *Youth Entrepreneurship in Asia and the Pacific 2018-2019*.
9. Martin, R. L., & Osberg, S. (2007). Social Entrepreneurship: The Case for Definition (SSIR). *Stanford Social Innovation Review*. https://ssir.org/articles/entry/social_entrepreneurship_the_case_for_definition
10. Nicholls, A., and Huybrechts, B. (2016), ‘Sustaining Inter-Organizational Relationships across Institutional Logics and Power Asymmetries: The Case of Fair Trade’, *Journal of Business Ethics*, 135.4, pp. 699-714.
11. Rawal, T. (2018). A study of Social Entrepreneurship in India. *A Study of Social Entrepreneurship in India*, 05(01), 829–837. <https://www.irjet.net/archives/V5/i1/IRJET-V5I1179.pdf>
12. Social Innovation Academy. (2020, February 16). Home. SINA (Social Innovation Academy). https://socialinnovationacademy.org/?gclid=cjwkcaia1ekbbhbzeiwax3gql8przeri0cnjsqqc0fcrmou2e84zxlv-3o_pjmftuipdyg31gw0gjhoc9e0qavd_bwe