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## **A Form of Corporate Social Responsibility in India: Social Entrepreneurship**

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### **ABSTRACT**

*Corporate Social Responsibility is the responsibility of the corporation towards the social, economic and environmental development of the society. This would in turn lead to creation of positive impact on the society. The social and economic hardships in India can be defeated through innovating and promoting best practices and positive models as well as by spreading good examples of social entrepreneurship and social responsibility. A major future challenge is not the proper implementation of 2% CSR mandate but to ensure contribution of businesses to reduce the problems and work towards the betterment of the society. Social entrepreneurship in simpler terms can be defined as doing business for a social cause. The paper highlights the importance of social entrepreneurship for the improvement of business climate and its contribution towards the development of the society. Social entrepreneurship is becoming a popular form of social responsibility and away to solve a variety of critical social problems. In order to boost social entrepreneurship there is a strong need for a specific environment for the emergence of such ideas and developing it into active business models. This paper aims at understanding Social Entrepreneurship and its impact on Indian society. The paper concludes that social entrepreneurship has much better impact and is more desirable as compared to Corporate Social Responsibility.*

**Key Words:** Corporate Social Responsibility, Social Entrepreneurship, entrepreneurs, economy, social

### **INTRODUCTION**

An Entrepreneur is a person who ventures into new areas with the aim of making profit out of the same. They do have the obligation of contributing to the wellbeing of the society in which they operate; but this obligation is secondary. In social entrepreneurship the obligation to contribute towards the social wellbeing is primary and in this way profit takes a back seat or is more or less secondary but essential for the survival.

In India, Number of people wants to be social entrepreneur. They want to be part of endeavor to make the world a cleaner, more-equitable, healthier, and better- educated place. This is possible by approaching for social change with business rigidity. Social entrepreneurs can play the role of change agents in the social sector.

It's an innovative form of business which combines social change with commercial practice. Currently India is trying to find a solution to the different problems that it is facing such as: poverty, changes of economic gender roles, and environmental problems. India being a young nation provides a huge opportunity for social entrepreneurs. Young people are very enthusiastic, passionate to start up their own venture in order to make sustainable changes for

the society. Social entrepreneurs can prove to be a very conducive environment, as a number of established business organizations and business tycoons want to help and invest in the social ventures. As there is the formulation of 2% Corporate Social Responsibility (CSR) mandate so here the question arises if it's because of their largesse or is it a part of the corporate social responsibility. CSR aims at encouraging positive impact on environment, society and various stakeholders. This paper aims to examine social entrepreneurship, its benefits, challenges associated with it and the measures to face the challenges in India.

### **REVIEW OF LITERATURE**

**Ana and Murdith (2006)** explained that social entrepreneurship is implemented with suitable flexibility where in some person grouped together intent at creating social value either exclusively or at least in some outstanding way and envision a capacity to recognize and take advantage of opportunities to create that particular value. They discussed about how they employ innovation, extending from complete invention to adopt originality of others, in producing and/or dispensing social value and are also prepared to handle any type of risks that have occurred or can occur. They are unusually resourceful in being relatively undeterred by scarce assets in pursuing their social ventures. They also helped to define the range of social entrepreneurship and its different characteristics.

**Cai and Sun (2012)** gave 4 prepositions that were complemented the research that was carried out. These prepositions were namely, prior knowledge, previous experience, social networks and entrepreneur alertness of social entrepreneurs in totality of having constructive and encouraging effects of opportunity recognition in the field of social entrepreneurship. Non-profits that also earned income and profit are not a new occurrence.

**Singh, Partap, Dr. (2012)** in his research paper title "Social Entrepreneurship-A growing trend in Indian economy" explained "Social entrepreneurship is the recognition of a social problem and the uses of entrepreneurial principles to organize create and manage a social venture to achieve a desired social change. While a business entrepreneur typically measures performance in profit and return, a social entrepreneur also measures positive returns to society. Thus, the main aim of social entrepreneurship is to further expand social, cultural, and environmental goals. Social entrepreneurs are commonly associated with the voluntary and not-for-profit sectors, but this need not exclude making profit.

**Doherty et al., (2014)** realized that going with the then current trends, it was noticed that the boundaries between non-profit achievements and profit making goals were getting diminished and more fluid. This aspect was thoroughly explored by them. They used comprehensive searching to select research literature to capture diversity in Social Entrepreneurship and presented an analysis of methodologies. This analysis helped them to structure the centrality of the concept of hybridity to Social Entrepreneurship management processes. Their research highlighted several concerns regarding the enactment of Social Entrepreneurship management processes.

### **OBJECTIVES OF STUDY**

1. To understand Social Entrepreneurship & its benefits.
2. To study the overall contribution of social entrepreneurship in India.
3. To list out the challenges faced by social entrepreneurship in India.

### **RESEARCH METHODOLOGY**

This paper is a conceptual paper based on descriptive analysis using various secondary data and includes different literature reviews, published sources of data collected from various research papers. Various reports and studies, books on social entrepreneurship have been referred in the present research. The objective here is to have the very basic idea regarding social entrepreneurship

### **SOCIAL ENTREPRENEURSHIP**

Social entrepreneurship can be explained as the integration of social mission with entrepreneurial actions. It usually focuses on bottom of the pyramid. The purpose of social entrepreneurship is to ease social status quo and solve or relieve social problems.

According to Gregory Dees, who is considered to be the “father” of the concept social entrepreneurship, the social entrepreneurs can act as the change agents in the society by creating and sustaining social values (not just private value). This can be done by recognizing and relentlessly carrying out new opportunities to serve the society. Social Entrepreneurs need to relentlessly and persistently innovate, learn, and adapt through new challenges. They need to act audaciously by managing efficiently the scarce resources. Also, they need to be accountable to the social sector served and the outcomes created.

Social Business does not interfere with the normal Profit Making Businesses (PMB) rather adds a revolutionary dimension to it. It prospers expert business management, competitiveness etc. The Social business is a non-loss, non-dividend business. It aims at social objectives like education, health, environment which need to be addressed on urgent basis. The profit earned is used to grow the business further. The entrepreneurs need not be motivated and influenced by the profits they personally make, but should also be propelled by social goals and cherish success with equal satisfaction.

### **BENEFITS OF SOCIAL ENTREPRENEURSHIP**

- To create a stable level of employment
- Implementing social change
- Creating inspiring and innovative solutions
- No boundary to work on
- Creating Jobs and Income Streams

### **CONTRIBUTION OF SOCIAL ENTREPRENEURSHIP/ENTREPRENEURS IN INDIA-**

- The social entrepreneurship is most applicable in countries where most of the developmental issues are faced.
- India being a developing country has got its own societal challenges and developmental issues, which can be resolved by Social entrepreneurship.
- In recent times, some startups/new ventures has developed keeping social interests in mind and providing sustainable solution to social issues and earning their profits as well. The nature of profit is all that makes the difference in economic and social entrepreneurship.
- Social entrepreneurship in India is of wider scope as compared to economic entrepreneurship. The need of social entrepreneurship in Indian context is vital as well, as most of the products and services are focused at the higher end customers and the people who have limited means are deprived from their needs due to lack of resources.

- Social entrepreneurship takes care of this deprived section of market and provides goods/services to them at their terms and conditions. Such society needs fulfilling becomes very challenging as well, due to no or less profits to begin with.
- There are a number of examples where people have chosen social entrepreneurship over economic entrepreneurship, government and other factors have played an important role for this. In India social entrepreneurship becomes very relevant where ever the societal gaps are wide and societal inequalities are persisting.
- Following are arguments which fulfill the needs for social entrepreneurship in India and places;
  - 1) Social entrepreneurship focuses on the upliftment of the deprived/weaker section of the society and in a country like India which has over 27 crore people living under such conditions, social entrepreneurship becomes relevant in India.
  - 2) Social entrepreneurship gets products/services on quite affordable prices as it sees social benefits as primary and profits as secondary.
  - 3) Social entrepreneurship helps in meeting societal problems like illiteracy, girl child abuse, financing, health, potable water etc by capitalizing the local resources and applying entrepreneurial principles. Hence, social entrepreneurship helps in minimizing the impacts of the social problems.
  - 4) As social entrepreneurship focuses upon the social problems, it keeps on checking for the most innovative and unique solution available for social problems.

#### **CHALLENGES FACED BY SOCIAL ENTREPRENEURSHIP IN INDIA**

Social entrepreneurship is slightly distinctive as compared to economic entrepreneurship, so are the challenges of social entrepreneurship. In India particularly social entrepreneurship is subjected to a number of challenges. These challenges prevent the growth and spread of social entrepreneurship in India as compared to other regions and nations.

Some of the major challenges faced by social entrepreneurship in India are given below:

1. **Confusion with social work**-Social entrepreneurship is mostly confused with social work in India; as a result it is unable to make a mark as an individual entity in India.
2. **The problem of creativity**-The next problem which is faced by social entrepreneurship is lack of creativity regarding thinking great ideas for betterment of society and earning profits as well.
3. **Arranging finance**-One of the major challenge for entrepreneurship in India is the lack of financial sources. The social entrepreneurs suffer to get financial aid from the established financial institutes due to their unique product and set of services. This is a very dire situation and a considerable reason for the underdevelopment of social entrepreneurship in India.
4. **Shortage of talented/dedicated workforce**-This is a very unique challenge faced by social entrepreneurship exclusively. Generally people get into jobs to get good salary and perks, but with social entrepreneurship this comes a bit harder. Since the main motive of social entrepreneurship is to get social benefits rather than personal benefits. Under these conditions it is very hard to get people to work for the firm.
5. **Lack of an ethical framework**-Since social entrepreneurs are very concerned about the societal changes and upliftment of people, sometimes they adopt a less ethical way of conducting their business.

6. **The commercial assumption**-Social entrepreneurship does not take commercial viability or assumption as their priority. This is one of the biggest challenges when it comes to commercial assumption of facts and ideas. Since socially things may be accepted but financially/commercially they may not. Commercial non viability also makes firms less motivated for the getting in to social benefiting projects.
7. **Lack of evidence**-Unlike economic entrepreneurship, social entrepreneurship has fewer evidences of changes they have pioneered in society. Such changes are very hard to keep a track of, as people move from one place to another frequently for several reasons.
8. **Lack of Planning and appropriate structure**-This is the challenge which is haunting the entrepreneurship for many decades and still does to some extent. Lack of planning is the main reason behind the failure of social enterprises. There is no proper infrastructure, no adequate training, finance, consultation, and research available for social entrepreneurship in India.
9. **Balancing the vision with business**- A lot of social entrepreneurs start off as activists. And over a period of time, create a social enterprise in line with their passion. There is a need to draw a line between volunteering for a cause and running a profitable business which is quite difficult.

#### **MEASURES TO FACE CHALLENGES EFFECTIVELY**

1. **Proper training and development institutions**-Government must open some specialized councils and institutions for systematic development of social entrepreneurship. A lot of institutions are working for economic entrepreneurship; some must be opened for social entrepreneurship as well.
2. **Inclusion of social entrepreneurship in course syllabus**-One of the most effective way of disseminating awareness towards social entrepreneurship is to include a paper/subject on the same at higher education level.
3. **Creation of mass awareness**-In order to clarify the confusion between social entrepreneurship and social work, mass awareness-step towards the social entrepreneurship should be taken by deploying Media, and social media.
4. **Providing infrastructure and basic facilities**-Government and other stake holders must work on the basic facilities to the social entrepreneurship which can attract more people towards becoming social entrepreneurs, hence it will increase the spread of social entrepreneurship to multi folds.
5. **Social entrepreneurship development programmes**-Like entrepreneurship development programmes, social entrepreneurship programmes must be organized time to time to help and motivate social entrepreneurs.
6. **Funding to social entrepreneurship**-If the funding issue of social entrepreneurship is resolved, the maximum level of challenges faced by social entrepreneurship can be managed properly.
7. **Government projects should be given to social entrepreneurs**-Governments of several states time to time plan different programmes for rural and semi urban areas. If the priority of such programme allocation is given to social entrepreneurs, they are going to flourish in no time. Social entrepreneurship does understand the social issues/inequalities more accurately than the Government machineries and other sophisticated mechanism.

**8.Awards and public felicitation-**Time to time on proper and prestigious platforms social entrepreneurs must be publically awarded for their exception/distinct contribution as a social entrepreneur.

### **CONCLUSION AND FINDINGS OF THE STUDY-**

Social entrepreneurship can change the face of society in India; In India especially social entrepreneurship has better prospects because the social problems are at full swing here. Social entrepreneurship is a unique blend of entrepreneurial traits and generosity. Social entrepreneurship aims at making products and services which causes maximum social impact along with making considerable profits for the firm. Here the working area of firm focuses on the area/region which is generally ignored in economic entrepreneurship. In a way the product and service of social entrepreneurship caters the societal requirement better than economic requirements due to its uniqueness. The entrepreneurial traits are being implemented for a social issue/problem. Other than that all the basic elements of social entrepreneurship remains similar to that of parent entrepreneurship. In order to make social entrepreneurship the most important tool to change the very face of society in India, the government and other stake holders must resolve the challenges of social entrepreneurship effectively.

The study has the following findings-

1. Social entrepreneurship is a unique blend of social service and entrepreneurial skills to look out for social issues/causes.
2. Social entrepreneurship has the capacity to socially innovate the exact and creative answer to social issues/problems which are prevailing in India.
3. There are a lot of examples of social enterprises which are working and changing the very face of society in India by their unique offerings, which includes the local know-how to create social values.
4. Social entrepreneurship is facing a lot of challenges in India and these challenges are very evident as the growth of social entrepreneurship is very low as compared to the other regions in developed nations. Government is gently realizing the worth and impacts of social entrepreneurship in India and taking proper actions to increase the aptitude of people towards social entrepreneurship.
5. Finance has been identified as one of the most important element in the growth of social entrepreneurship in India. Government is making special arrangement for it. Some venture capitalists, crowd funding etc. are being used for filling the funding gaps.
6. It has been observed during the study that social entrepreneurship is subject to challenge and those challenges can be addressed by proper and substantial planning and measure, which are mentioned in the paper.
7. The study was based on certain objectives; all the objectives have been fulfilled successfully.
8. The future potential of study can also have some suggestions to improve the overall status of social entrepreneurship in India, along with that there are several domain where the research can take place in future

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