



## Social Entrepreneurship in India

**For Prelims:** Social Entrepreneurs, Poverty, ESG (Environmental, Social and Governance) investing

**For Mains:** Social Entrepreneurship in India, Significance of Social Entrepreneurs, Issues Relating to Development, Growth & Development

### Why in News?

In order for businesses and governments to make informed decisions about global socioeconomic and environmental issues, **social entrepreneurship is becoming increasingly important.**

### Who are Social Entrepreneurs?

#### ▪ About:

- It is a **construct that blends the idea of a commercial enterprise** with the tenets of a charitable nonprofit organization.
- It is about **creating business models** revolving around low-cost products and services to resolve social inequities.
- It **helps to succeed in economic initiatives**, and all the investment focuses on the social and environmental mission.
- Social entrepreneurs are also **called social innovators** as they are the agents of change and create significant change using innovative ideas.
  - They **identify the problems and build the difference** by their plan.
- Social entrepreneurship is a growing trend alongside Socially Responsible Investment (SRI) and **[ESG \(Environmental, Social and Governance\) investing.](#)**

#### ▪ Examples:

- Educational programs, providing banking services in underserved areas and helping children orphaned by [epidemic disease.](#)

### What is the Significance of Social Entrepreneurs?

- **Focus on Social Problems:** Social Entrepreneurs **mainly focus on social problems.** They initiate innovation by mobilizing the resources available to build social arrangements in response to social problems.
- **Change Agent in Social Sector:** Social Entrepreneurs **act as change makers in society** who in turn influence others to contribute to the development of mankind.
  - They work not only as a strong catalyst in society, but as change agents in the social sector.
- **Bring the Changes:** They **adopt a mission to create and sustain social value;** recognizing and rigidly pursuing new opportunities, engaging in a process of continuous innovation, adaptation and learning.
- **Increased Accountability:** They **act boldly without being limited by resources** in hand and exhibit heightened accountability to the constituencies.
- **Improve People's Lives:** People are **attracted to social entrepreneurs** like the Nobel Peace

Prize laureate **Muhammad Yunus** for many of the same reasons that they find business entrepreneurs like Steve Jobs so compelling – these extraordinary people come up with brilliant ideas and against all the odds succeed at creating new products and services that dramatically improve people's lives.

- **Help in Achieving Inclusive Society:** They are **also playing a pivotal role in the inclusive recovery** and rebuilding of communities at the grassroots level.

## How can Social Entrepreneurs Contribute to India's Growth Story?

- **No more Not for Profit:**
  - India's development sector has undergone a rapid transformation including the **creation of social enterprises that are purely for-profit companies** and no longer restricted to "no-profit" or "low-profit" ventures.
    - These **for-profit social enterprises can generate enough funds** to run their operations without donations or grants.
- **Social Impact Investing:**
  - The **country's social entrepreneurs are being nurtured, encouraged and hailed** for being able to meet India's most challenging developmental demands.
  - According to the **Impact Investors Council (IIC)**, around 600 impact enterprises in India now affect 500 million lives, attracting over USD 9 billion in capital.
    - Impact Investors Council (IIC) is the **leading national industry association of Impact Investors in India.**
    - Its mission is to **encourage private capital to bridge the social investment gap in the country** while developing an impact investment asset class.
- **Deepening Social Innovation Movement:**
  - Today's social entrepreneurs have **become elemental innovators and dynamic problem-solvers** contributing to India's development.
  - These **enterprises are looking for strategic collaborations**, both domestic and international, to innovatively solve unique problems.
  - **Extensive use of technology and rapid digitalisation initiatives** by the government have further facilitated their innovation streak.
- **Support of Government:**
  - Government support for **startups** along with the announcement and impending launch of the **Social Stock Exchange** has paved the way for a more positive atmosphere for social entrepreneurship in India.
  - The **Securities and Exchange Board of India** has recently **released the framework for a Social Stock Exchange**, making it possible for social entrepreneurs to raise more funds and expand their impact and reach exponentially.
- **Sustainability and a Multi-Dimensional Approach:**
  - Both businesses and governments are becoming increasingly aware of the importance of sustainability.
  - **Social entrepreneurs and their business models** have always been **working on the sustainability framework.**
  - The government and corporate firms are **not only willing to take inspiration from their business models and incorporate those learnings**, but also to help these enterprises **scale up.**
  - Additionally, **in order to bridge the socioeconomic gaps prevalent in society**, one needs to adopt a multidimensional approach.
    - For example, beyond the lack of financial resources, **poverty also has cultural, social, psychological and emotional dimensions**, which manifest in the form of discrimination, exclusion, insecurity, vulnerability, powerlessness and rejection.
    - **Social entrepreneurial models offer customisation for each problem**, hence addressing all the dimensions of an issue.

## Way Forward

- In the Amrit Kaal (the 25-year period to 2047), **these enthusiasts of social causes** — driven by purpose, vision, value, and ethos to create a sizeable socioeconomic impact — **can be trusted to shoulder more responsibility** and be given a significant share of the economy.

- For over a decade, the **Schwab Foundation for Social Entrepreneurship**, a sister organisation of the **World Economic Forum**, and the Jubilant Bhartia Foundation **have nurtured social entrepreneurship in India** through their annual **Social Entrepreneur of the Year (SEOY) India Award**. SEOY Award India-2022 is the 13<sup>th</sup> edition of the award.
- The high-impact finalists of this year's award mirror the above indications perfectly and reassure us that in the next 25 years, **when India celebrates its 100<sup>th</sup> year of Independence, social enterprises will be playing a much more pivotal role in the country.**
- The need of the hour is a **nourishing ecosystem for social entrepreneurs to take up programmes**, bridge pandemic-induced gaps, scale-up existing initiatives, and be part of the mainstream response system.

**Source: HT**

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