



## Social Entrepreneurship

**For Prelims:** [Social Entrepreneurship](#), Social Trailblazer Programme, [ESG](#), Impact Investors Council.

**For Mains:** Need for Social Entrepreneurship in India and related Challenges.

**Source:** [PIB](#)

### Why in News?

The Union Minister of Skill Development & Entrepreneurship, while addressing a Social Enterprise Conclave organized by **Institute of Rural Management, Anand (IRMA)** in partnership with LIC Housing Finance Limited has launched the **2<sup>nd</sup> edition of the Social Trailblazer Program**, aiming to boost the **Social Entrepreneurship Ecosystem** in India.

### What is the Social Trailblazer Programme?

#### ▪ About:

- It is a programme for **Social Enterprises and Entrepreneurs Development**, which nurtures early-stage **rural, social, and collective enterprises**.
- The program aims to nurture the **evolving ecosystem of Indian Social Enterprises**.

#### ▪ Objective:

- The goal is to promote the **Social Enterprise programme** so as to promote the development of social enterprise and social investment to help address entrenched social and environmental problems.

#### ▪ Focus Areas:

- Agriculture
- Green Technology
- Finance Technology
- Education
- Renewable Energy
- Healthcare & Life sciences
- Human Resources
- Marketing
- Social Impact
- Waste Management

#### ▪ Key Incentives: A financial award Upto **INR 25,00,000 in the form of Equity Funding and upto INR 5,00,000 in the form of Grant Funding** top 10-12 selected startups

- 1 year of personalized incubation and acceleration support at IRMA ISEED Foundation
- **Top-up Incentives:** Upto INR 50,00,000 follow-on investment from IRMA ISEED'S Networks.
  - Upto USD 1000 worth of AWS (Amazon Web Services) credits and technology support.

### What is Social Entrepreneurship?

## ▪ About:

- **Social Entrepreneurship** is the **practice** of using business models **to address social and environmental problems**.
- Social entrepreneurs, also known as **social innovators**, **bring about positive change** through innovative ideas. They aim to **create social impact while also generating revenue and profits**.
- They identify **problems and create solutions to make a difference**. Social entrepreneurship aligns with trends like **Socially Responsible Investment** and **Environment, Social and Governance (ESG)** investing.
  - **Examples:** Educational programs or providing banking services in underserved areas and helping children orphaned by **epidemic** disease.

## ▪ Types:

- **Community Initiative:**
  - A community initiative is a **small-scale project** aimed at addressing a specific issue within a community. It is particularly beneficial for **marginalized and underprivileged communities** that are disconnected from the larger economy.
- **Non-Profit Organization:**
  - A non-profit organization is a group that is established with the **intention of not making a profit**, and in which no part of the organization's revenue is given to its **directors, officials, or members**.
- **Social Enterprise:**
  - An organization that uses **commercial tactics to optimize advances in monetary, social, and environmental** well-being is referred to as a social enterprise. This can entail increasing both social impact and profits for co-owners.
- **Co-Operative:**
  - A co-operative is a free-standing group of people who come together voluntarily to work for the same economic, social, and cultural goals through a democratically run, collectively owned business.
- **Social Conscious Business:**
  - Social consciousness is **regarded as having a sensitivity to and sense of responsibility for injustice** and social issues. The awareness of individuals within society is related to consciousness.

## ▪ Achievements:

- According to the **Impact Investors Council (IIC) report**, over **USD 9 billion has been invested in over 600 impact firms in India** that have a positive impact on 500 million lives.
- Besides improving education for more than 226 million children and teenagers, **these social entrepreneurs have helped reduce more than 192 million tonnes of CO<sub>2</sub>**.
- They have promoted **social inclusion for over 25 million individuals** and assisted more than 100 million people gain access to electricity.

## What is the Need for More Social Entrepreneurs?

### ▪ Tackling Social Problems:

- Social impact entrepreneurs have the **ability to drive significant social change** on a large scale. Unlike traditional approaches, they are **open to taking risks**.
- They utilize their business expertise and innovative thinking to develop sustainable solutions that benefit society.

### ▪ Promoting Inclusive Growth:

- India's economic growth has been **impressive in recent years**, but it has not been inclusive. There is a **significant gap between the rich and poor**, and many marginalized communities are left behind.
- Social Entrepreneurs can **play a vital role in promoting inclusive growth** by creating opportunities for marginalized communities.

### ▪ Tackling Environmental Challenges:

- India faces **significant environmental challenges**, including air and water pollution, deforestation, and climate change. Social entrepreneurs can create **sustainable solutions to address these challenges**.

- For example, they can create **ventures that promote renewable energy, reduce waste**, or promote sustainable agriculture. By doing so, they can help protect the environment and promote sustainable development.
- **Bridging the Gap between Public and Private Sectors:**
  - Social Entrepreneurs can work with the **government to create sustainable solutions** to social and environmental problems.
    - By doing so, they can leverage **public resources and policies to create a more significant** social impact.
  - They can also work with the private sector to access capital, technology, and expertise, leading to more innovative and effective solutions.

## What are the Challenges of Social Entrepreneurship in India?

- **Future Issues and Hypothetical Concerns:**
  - Social entrepreneurs tackle possible future issues such as overpopulation and sustainable energy sources, which makes **it harder to attract investors who are more inclined towards safer**, profit-driven projects.
- **Business Strategy:**
  - Social entrepreneurs also face the challenge of developing a strong business strategy. They need support from professionals like attorneys, accountants, and experienced entrepreneurs to create a solid business plan that aligns with market realities and customer needs.
- **Lack of Funding:**
  - Unlike traditional businesses, social enterprises often have to balance financial returns with social outcomes, which can make **them less attractive to investors or donors**. Moreover, they may face higher costs, risks, and uncertainties due to the complex and dynamic nature of the social problems they address.
- **Lack of Balance:**
  - Social entrepreneurship can be very demanding and stressful, as it involves **dealing with complex and urgent issues**, facing multiple pressures and expectations, and **making sacrifices and trade-offs**.
  - This can lead to burnout, exhaustion, or loss of motivation, which can affect their well-being and effectiveness.

## Way Forward

- Social entrepreneurship has evolved over the years and has given innovative and profitable ideas that address social problems.
  - The social entrepreneurship ecosystem in India is **among the most developed in the world**. It provides **numerous opportunities to collaborate with local partners**, learn from their experiences, and pursue creative solutions to some of the country's many social problems in the areas of education, agriculture, healthcare, renewable energy, manufacturing, and skill development.
- 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**.