

A Study of Community-oriented Entrepreneurship in India

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Abstract

The concept of social entrepreneurship has become very popular among various countries and even in India. One of the major reasons behind the popularity of this concept is that, people find it similar to generosity and of fascinating nature. Social entrepreneurship has successfully able to bring together the concepts of social service and entrepreneurship, and this feature has made it an eye-catching and so unique concept in the history of entrepreneurship. The term “social entrepreneurship” is made from the combination of two words, i.e., “entrepreneurship” and “social”. As far as the concept of entrepreneurship is concerned, it is basically related to the economic activities that are performed by an entrepreneur in order to earn maximum profit without considering much on the concept of social benefits or societal wellbeing. Nowadays due to excessive focus on industrialization and economic growth, the concept of societal benefit has put on the back seat and as a result of which many social issues like environmental deterioration and many other major social problems have arisen around the world including India. The concept of social entrepreneurship is a permanent solution to all these social problems as it helps in serving the society in best possible manner than ever before and along with it, an individual can live the spirit of entrepreneurship to the fullest. The social entrepreneurship concept focuses on attaining the objective of entrepreneurship along with societal benefit. India has also embraced this mode of commerce in an effort to improve society. This article aims to define social entrepreneurship and explain its principles. The article also listed a number of difficulties that social entrepreneurs in India encounter. The research paper also outlined the recommendations that are required to enhance social entrepreneurship and entrepreneurship in India generally.

Keywords: Economic entrepreneurs, social entrepreneurs, social entrepreneurship, social innovation, social needs

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INTRODUCTION

Business enterprise is the driving force behind economic growth; any financial advancement that one experiences is solely attributable to this power. The proximity of business is a characteristic that all nations that have been formed share. Financial development is wholly dependent on business enterprise development, and as the business grows, so do the framework and all other indicators of improvement. The management of various states around the world has recognized and emphasized the importance of business in a very condensed amount of time. In this approach, governments have started to weaken the fundamental framework necessary for the systematic development of business enterprises in

their respective countries. India was another country that recognized the value of business and contributed significantly to its growth.

LITERATURE REVIEW

The literature review contains work already done in the field of scientific research. A review of the literature is also necessary for a detailed understanding of the nature of the research topic so that, in accordance with this, the researcher can formulate his approach to the research topic. The literature review for this study is as follows:

1. Earnest and Young, in their report entitled “Social Entrepreneurship: [1] New Opportunities for Business” (2014) state that “In many countries that create value for society, the role of the state in the socio-economic sphere shifts towards the privatization of public responsibilities. Because of this, philanthropic organisations receive fewer public subsidies, and social entrepreneurship is expanding globally. Social entrepreneurs in Europe place a strong emphasis on social services, employment and training, the environment (including clean technology and bio systems), education, and community development, according to research in the sector. The number of employees in Dutch social firms climbed by 12 percent between 2012 and 2014 [2]. Young professionals in particular prefer traditional businesses that solely look to maximise profits to those with a reputation for doing good.
2. According to the Canadian Center for Social Entrepreneurship’s (2003) publication, [3] “Young Social Entrepreneurs in Canada”, social entrepreneurship is distinguished by an emphasis on “social innovation through entrepreneurial decisions”. Socio-business activities stress hybrid forms of commercial and non-commercial activity and blur the lines between the traditionally distinct public, private, and nonprofit sectors. This paradigm suggests cross-sectoral collaboration as well as the creation of completely fresh methods for addressing complicated and entrenched social and economic issues. Both the idea and the practice of social entrepreneurship have gained popularity in the USA and the UK during the past ten years. Subsequently, in both of these countries, significant organizational and institutional resources were implemented to encourage and support emerging social entrepreneurs and their activities.”
3. “In the developing world, the millennium development goals (MDGs) can assure the efficient implementation of social demands”, write Mahesh Daru and Ashok Gur in their research paper, “Social Entrepreneurship: A Way to Bring Social Change”, published in 2013 [4, 5]. The MDGs are among the most pressing societal issues that require immediate attention. The eradication of extreme poverty and hunger, the attainment of universal primary education, the promotion of gender equality and women’s empowerment, the reduction of child mortality, the enhancement of maternal health, and the eradication of HIV/AIDS, malaria, and other diseases are just a few of the objectives listed on the website “Development Goals” (<http://www.developmentgoals.org>). Opportunities for social entrepreneurs may present themselves in the industrialised world due to flaws in the social security system, for instance. Research in the field of social entrepreneurship has developed rapidly in recent years. Considering its importance for society and the modern economy, this issue has received considerable attention in various areas of research.”
4. Despite the fact that non-profit organisations and for-profit social enterprises have very different types of activities and legal entities, the Swissnex India report “Social Entrepreneurship in India: Unlocking Unlimited Opportunities” (2015) [6, 7] emphasises that “Social entrepreneurship in terms of activity and leadership can be applied to both non-profit organisations and commercial social enterprises”.

The following sections go into more detail on the hybrid, non-profit, social commercial enterprise, and social entrepreneurship models used in India. In addition to the approaches mentioned here, philanthropy and corporate social responsibility are other methods of gaining visibility in India. India regularly receives global charitable money. Recently, the contribution of local rich people with short-term and long-term vision has increased.” A new generation of wealthy people from the corporate sector

is looking at investing charitable money in the form of grants and investments. Currently, strategic charity in India is still in its initial stages.”

OBJECTIVES OF THE STUDY

This study is based on specific objectives, which it also justifies. The objectives were chosen taking into account the importance and rationality of the title of the study. The following are the goals that this study intends to achieve:

1. This paper tries to explain the concept of social entrepreneurship.
2. Paper also lists the challenges that social entrepreneurs face in India.
3. Paper also provides suggestions for solving the pressing problems of social entrepreneurship in India.

It is very crucial to notice that, even if the research paper indicated the objectives, it accurately captures the whole concept of social entrepreneurship in India. The study should cover all the objectives with a thorough explanation.

RESEARCH METHODOLOGY

Descriptive research methodology is employed throughout the investigation. Data gathering is done secondarily, and research is done solely to accomplish the objectives previously established for this study. Finding the central concept of social entrepreneurship is the aim of the research, and the methods for data collection and analysis have been chosen with this in mind.

CONCEPT OF SOCIAL ENTREPRENEURSHIP

One of the key types of entrepreneurship is social entrepreneurship; it goes beyond simple altruism and has a deeper and more significant impact on social transformation and progress in poor nations. To address social inequalities and create an ideal society, the government has primarily started to promote social entrepreneurship. Social entrepreneurship is described by Wikipedia as “the work of a social entrepreneur”. A social entrepreneur is someone who recognises a social issue and applies entrepreneurial concepts to plan, launch, and run a business that seeks to effect social change. A social entrepreneur analyses success in terms of the impact he or she has on society, whereas a traditional entrepreneur often measures productivity in profit and money. Clearly stated in this definition of social entrepreneurship, the key elements of social entrepreneurship are clearly outlined in this definition. They are as follows:

1. This is a situation when a social problem is defined and solved using entrepreneurial principles.
2. Social entrepreneurship is successful in terms of not large profits, but innumerable social consequences.
3. An enterprise created by social entrepreneurs is called a social enterprise, and the focus is on social innovation to solve social problems.

Entrepreneurs who focus primarily on social entrepreneurship are known as social entrepreneurs. They have all the features of an economic entrepreneur, except for the motivating force that they have, which derives from social inequality and social insufficiency. Social entrepreneurs are people who take on any social problem or its short-term solution, and turn it into a product of a solution. They are aimed not at personal gain, but not profit, the main goals of their existence are to serve society, and not to earn profit. They innovate as well, and their creativity is referred to as “social innovation”.

CHALLENGES FACED BY COMMUNITY-ORIENTED ENTREPRENEURSHIP IN INDIA

Like any other branch of social enterprise, social entrepreneurship has issues. All issues are either solvable or unsolvable, but they are all solvable. Both the issues with social entrepreneurship and how it differs from economic entrepreneurship are somewhat and somehow fundamentally different. Particularly in India, social entrepreneurship has numerous difficulties. Compared to other regions and

countries that have made social entrepreneurship a goal, these issues impede the growth and spread of social entrepreneurship in India. It is noteworthy to mention the following: The issues that social entrepreneurship deals with are all of a very distinct type. None of them are based on any physical characteristics; instead, they are all related to thinking. In India, people are mentally resistant to social entrepreneurship. Some of the main problems facing social entrepreneurship in India are listed here:

1. *Confusion with social work*: Social entrepreneurship is frequently confused with social work in India, which prevents it from standing out as a distinct entity there. The first challenge for social entrepreneurship is here.
2. *Lack of imagination*: In coming up with excellent ideas for enhancing society, and making a profit is the next challenge social entrepreneurship faces. This synthesis is very difficult to think about and implement, especially in India.
3. *Organization of financing*: The absence of financial resources is one of the issues facing entrepreneurship in India. It is challenging for social entrepreneurs to get financial support from current financial institutions because they offer a distinctive product and a variety of services. This is a highly challenging circumstance and a significant reason why social entrepreneurship in India has not developed sufficiently.
4. *A shortage of talent*: Committed labor is a unique problem that social entrepreneurship faces. Usually, people get a job to get a good salary and benefits, but with social entrepreneurship it becomes a little more difficult. Since the main goal of social entrepreneurship is to obtain social benefit, not personal benefit. It is incredibly challenging to recruit employees to work for a company in these circumstances.
5. *Establishment and transfer of values objectively*: An important task of social entrepreneurship is the establishment and dissemination of values. What usually happens is that the value may differ from society to society depending on their exceptional needs. But social entrepreneurs must establish shared values that can be easily communicated.
6. *Increase individuality*: The most visible and obvious challenge facing social entrepreneurship is to raise people from their current position, and creating positive and significant opportunities. In this process, each person must satisfy their individual needs, and not those of society as a whole. This creates a different type of problem for social entrepreneurs.
7. *Lack of an ethical framework*: Social entrepreneurs frequently operate their businesses in a less ethical manner because they care so much about social change and people's wellbeing. However, there are very extreme occurrences of this issue in India. The ethical standard varies from society to society.
8. *The commercial assumption*: Commercial viability or assumption is not prioritised in social entrepreneurship. When it comes to the assumption of facts and ideas by businesses, this is one of the major issues. Things can be acceptable socially, but they cannot be acceptable financially or commercially. As a result, social entrepreneurship in India faces a conundrum. Additionally, commercial unviability deters businesses from taking part in charitable endeavours.
9. *Lack of proof*: Unlike economic entrepreneurship, social entrepreneurship leaves fewer signs of the societal changes it has helped to bring about. People regularly relocate for a variety of reasons, making it difficult to keep track of such changes.
10. *Lack of planning and appropriate structure*: This issue has plagued entrepreneurship for many years and is still present to some degree. Planning is crucial, and lack of it is frequently the cause of social enterprises failing. In India, there is a lack of sufficient and acceptable infrastructure for social entrepreneurship, including education, funding, guidance, and research. Adequate and sufficient infrastructure, including training, finance, and counseling and research, for social entrepreneurship in India is missing.

MEASURES TO FACE CHALLENGES EFFECTIVELY

There is no question that social entrepreneurship faces many challenges, and these challenges exacerbate with time and societal dynamics. Social entrepreneurs should take care and take into account small details in order to counter the prevailing (mentioned) problems. Although the list of problems

faced by social entrepreneurship is not yet complete, there are other problems besides the ones listed here. An important pretext is how to overcome the problems faced by social entrepreneurship in India. There are several steps/measures that can be taken to counter the prevailing problems of social entrepreneurship in India.

1. *Appropriate training and development facilities*: The government should establish a number of councils and facilities with specialised functions for the methodical growth of social entrepreneurship. Some of the institutions work in the field of economic entrepreneurship; some must be open to social entrepreneurship [8–10].
2. *Incorporating social entrepreneurship into course curricula*: One of the best ways to spread knowledge about social entrepreneurship is to include a single document or subject at the graduate level.
3. *Mass awareness*: Measures should be taken to educate the populace about social entrepreneurship so that they do not mix it up with social work. You can use media, social networks, and other tools for the same purpose.
4. The government and other interested parties should concentrate on the fundamental skills of social entrepreneurship by providing infrastructure and fundamental facilities. These things can inspire people to start their own social enterprises, which will greatly expand their reach.
5. Social entrepreneurship development programmers should be established periodically to support social entrepreneurship, just like entrepreneurship development programmers. Such an organization will help increase the overall motivation of social entrepreneurs.
6. *Funding for social entrepreneurship*: The whole of the issues that social entrepreneurship faces can be fully handled if the issue of financing is resolved.
7. Government projects which should be made available to social entrepreneurs are occasionally planned for semi-urban and rural areas by some state governments. Social entrepreneurs will thrive as quickly as possible if they are given precedence in this programme allocation. Social entrepreneurship understands social problems and inequality more thoroughly than government procedures and other sophisticated methods.
8. *Awards and public congratulations*: Social entrepreneurs should occasionally be publicly recognised for their remarkable efforts as social entrepreneurs on deserving and renowned platforms.

CONCLUSION AND FINDINGS OF THE STUDY

There are numerous examples and programmes that operate under the banner of social entrepreneurship and have impacted the lives of people in this region. Social entrepreneurship has the power to change the face of society in India. Since social issues are prevalent in India, social entrepreneurship in particular has stronger chances. A special fusion of business acumen and altruism is social entrepreneurship. In social entrepreneurship, goods and services are created to benefit society as much as possible while also generating sizable profits for the business. Here, the working area of a firm is usually a region which is usually ignored by a large business enterprise. In a sense, the offerings of social entrepreneurship products and services are unique and satisfy social needs better than economic ones. This is a precise instance of applying entrepreneurial traits to a social issue or problem. Additionally, these parental business practices share all of the fundamental components of entrepreneurship. Social entrepreneurship is without a doubt the most significant weapon that can dramatically alter India's social landscape if the government and other interested parties can successfully address its issues.

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