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SOCIAL ENTREPRENEURSHIP: SUSTAINABILITY AND SOCIAL IMPACT FORMATION

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Abstract

India's economy is growing rapidly and heading towards accelerated growth in the years to come. The government has initiated interventions such as: Make in India campaign, Digital India, ease of doing business, skill mission, Swachh Bharat Abhiyan, Clean Ganga Mission etc. These initiatives would improve investment climate and further growth. A section of population are benefitting from this growth. However there are over 300 and more million poor people who are not adequately benefitted from this growth. Unfortunately, Growth and development need not be directly correlated and this is evident from rising inequality in India.

The Sustainable Livelihoods Approach (SLA) became a dominant paradigm for development interventions in the 1990s following the World Commission on Environment and Development (WCED, more popularly the Brundtland Commission), meeting in 1986 and the subsequent White Paper on International Development' by DFID (Department of International Development) in 1997. The Government of India too adopted this approach in the 11th and 12th Five Year Plans, wherein the need for training professionals who could work at different levels of organizations promoting sustainable livelihoods for the poor was articulated as a policy objective and strategy. A significant change in the livelihoods ecosystem in India occurred with the launch of the National Rural Livelihood Project (NRLP) following success in few states that got transformed into the National Rural Livelihood Mission (NRLM) in all the states of India in 2012. NRLM has opened up participation, involvement and rethinking on livelihoods across India in recent times building on experiences of several civil society organizations, academics and government programmes. Social entrepreneurship has its importance at this cross road to promote livelihoods for the vast majority of the neglected, marginalized poor population of the nation. In recent years, many non-governmental players have initiated market based solutions that can provide social benefit and be profitable. These initiatives cover a diverse range of sectors - Health, Education, Water and Sanitation, Housing, Livelihoods etc. that provide social benefit while being economically profitable. A large of number of private sector firms and social entrepreneurs have shown interest in them and are committed to market based solutions. However, very few have achieved meaningful scale. There is the need for linkage between government, funding agencies and social entrepreneurs to utilize the resources effectively and efficiently for the promotion of livelihood to address the problems of deprived society.

Keywords: Social, Entrepreneurship, Sustainability, Social Impact, Formation

Introduction

Social entrepreneurship is important for sustainable development because it creates economic growth. Social entrepreneurship creates innovative solutions to mobilize resources for sustainable development. Social entrepreneurship is a process of involving innovative opportunities to address social needs and change. Here we discuss how to begin a social enterprise to convert an idea into action and scale it up to impact a social need. Further various strategies and structures are analyzed in different areas to find out livelihood opportunities in different sectors through social entrepreneurship models. The risks, challenges and vulnerabilities also briefly touched upon to be more realistic in the social entrepreneurial approach to address the problem of sustainable livelihoods.

Begin with an Idea

An idea can change the world, is clear from the new discoveries in the electronic world. It also matters how do you formulate and transform the idea into reality that is marketable and also addressing a social need. Personal experience, social needs, social assets, and change can stimulate promising ideas, but only if the social entrepreneur can adopt an opportunity oriented mindset, actively looking for new possibilities to have significant positive social impact. Harvard psychologist



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Ellen Langer illustrates this mindset in a study of the attitudes of school children toward people with disabilities. Langer presented children in certain classrooms with a picture of a person in a wheelchair and asked, "Can this person drive a car?" The answer was an overwhelming 'no,' along with lots of reasons why not. In other classrooms, Langer asked a slightly different question, "How can this person drive a car. After a brief pause, students came up with many ideas about how a person in a wheelchair could drive a car. Successful social entrepreneurs embody this "how can" attitude, particularly in the idea generation phase. How can I translate my personal experience into broad social impact? How can I address a particular social need or make the most of existing social assets to improve society? How can I capitalize on recent changes to create new opportunities for social impact? Effective social entrepreneurs carry this orientation into the opportunity development process, engaging in continuous innovation, adaptation, analysis and learning along the way.

In order to determine whether a promising idea can be transformed into an opportunity worthy of serious pursuit, it is essential for the social entrepreneur to articulate a compelling social impact theory and a plausible business model. Developing a plausible business model requires designing an effective operating model and crafting a viable resource strategy. These pieces must fit together, and the assumptions embedded in them must be credible given the environment in which the social entrepreneur intends to operate. Finally, the requirements of the venture must fit the commitment, qualifications, and life stage of the entrepreneur considering it. When all these elements are feasible and aligned, the chances for success are relatively high and those involved can make a more informed estimate of the potential for social impact.

Program Strategy

From a programmatic perspective, social enterprise addresses one of the most pressing issues nonprofit organizations face—how to achieve ongoing sustainable impact. In some organizations social enterprise is highly compatible with the mission and hence, is a natural program fit. For example, program activities concerned with economic development revolve around work and wealth creation. The missions and objectives of social welfare and human development organizations focused on employment training and welfare-to-work transitioning also mesh neatly with social enterprise as a program methodology. Agricultural organizations offer ample opportunities to many program activities of sustainable crop cultivation and livestock rearing with social enterprises that process food or sell fair trade products, etc. In view of promoting the livelihood through social entrepreneurship models it is good to explore some of the sectors which could be utilized. Those sectors are briefed below within the framework of social enterprise development.

Sectors in social entrepreneurship

This describes a number of profit sectors and some social enterprise applications in those sectors. There can be lists and social enterprise can be applied in any profit sector, particularly if it is used as a financing strategy.

Economic Development

Economic development is a sector that uses social enterprise as a sustainable program strategy to create economic opportunities and community wealth-building to enable poor people to attain economic security for themselves and their families. In many cases, business activities are "embedded" within the economic development organization; the social enterprise is the program—the means to effect social impact. Some of the possible social impact goals include increased household income, asset accumulation, investments in productive activities, job creation, increased school attendance, improved health, and quality of nutrition. To site a few examples; Across the rural areas of northern Cajamarca in Peru, Intermediate Technology Development Group (ITDG) is providing electricity through hydroelectric power, creating employment, and increasing income in these communities and the purpose is, to improve living conditions of rural communities in Peru by increasing access to electricity through the establishment of sustainable microenterprises that generate power from renewable energy sources. SKS India is yet another example. Vikram Akula started SKS India with a mission of empowering the poor to become self-reliant through affordable loans. SKS believes that access to basic financial services can significantly increase economic opportunities for poor families and in turn help improve their lives. Since inception, SKS has delivered a full portfolio of microfinance to the poor in India and we are proud of our current outreach.



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As a leader in technological innovation and operational excellence, SKS is excited about setting the course for the industry over the next five years and is striving to reach our goal of 15 million members by 2012.

Environmental Conservation

"Eco enterprises" offer a wealth of creative methods to both raise money for, and awareness of, environmental issues. Eco-tourism's growing popularity provides lucrative opportunities to social entrepreneurs interested in capturing intrepid travellers. The tourist market, unlike many nonprofit "client markets," has money; therefore this business easily marries the social enterprise's financial and social objectives. Many environmental social enterprises also sell products, such as shade-grown coffee or items made from recycled materials. In other examples, environmental social enterprises operate organic markets or home delivery food businesses to finance sustainable agriculture and education programs.

Social Welfare and Human Development

In some social welfare and human development organizations, there is crossover with employment development and job training programs, whereby the social service organization creates jobs and develops skills for clients—homeless, physically and mentally disabled, and at-risk populations—through a social enterprise. Human development organizations that target recovering drug addicts and alcoholics, former welfare recipients, or ex-convicts use social enterprises as rehabilitative programs. In other cases, the social welfare organization may commercialize its social services to a private pay market to fund its programs. For example, Aravind Eye Hospital and Auro lab by Dr. Govindappa Venkataswamy and David Green started trust at Madurai, India with a mission of making medical technology and health care services accessible, affordable and financially self-sustaining. Founded in 1976 by Dr. G. Venkataswamy, Aravind Eye Care System today is the largest and most 5 productive eye care facility in the world. From April 2007 to March 2008, about 2.4 million persons have received outpatient eye care and over 285,000 have undergone eye surgeries at the Aravind Eye Hospitals at Madurai, Theni, Tirunelveli, Coimbatore and Puducherry. Blending traditional hospitality with state-of-the-art ophthalmic care, Aravind offers comprehensive eye care in the most systematic way attracting patients from all around the world.

Arts and Cultural Preservation

Within the context of the cultural organization, social enterprise offers a range of possibilities to serve social and financial objectives. Selling cultural products through outlets such as an art gallery, cinema or theatre; or educational services such as art, drama, music, cultural history, etc. are common social enterprise examples.

Health

In the health sector, nonprofit organizations have been incorporating social enterprise for many years. Hospitals and clinics are common examples. Pharmacies, medical supply companies, and group purchasing businesses are also widely applied models. Selling health services is a growing industry in social enterprise: nutrition counseling, physical therapy, mental health counseling, care management, and alternative therapies.

Agriculture

Agricultural production, sustainable farming, food processing and animal rearing offer many social enterprise opportunities for rural communities in developing countries where few other economic opportunities exist. In the United States, social enterprises in the agricultural sector range from nonprofit or cooperative organic farms to economic development organizations that support entrepreneurs and small scale producers (cheese, jam, salsa, beer, etc.).

Education

Educational institutions have long used social enterprise as a means to diversify their income and strengthen education programs. Tuition or "fee-for-service" is the obvious method used by schools, colleges and universities. Many



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universities obtain research contracts with the government or private sector. Specialized skill or technology institutions provide an option to follow the service subsidization model by repackaging classic education to new markets for a fee.

Children and Youth

Many nonprofit organizations serving adolescents and young adults, particularly from low-income families, conduct entrepreneurship and vocational skills training, or run hands-on business programs such as youth-run enterprises or incubators. These types of program provide multiple opportunities for integrating social enterprise programs within the organization. Other children and youth organizations operate child-focused enterprises such as birthday parties, camp, after-school programs, test preparation, tutorials, classes, extracurricular activities and sports.

Program Areas or Program activities described in this section are not comprehensive, rather they relate only to social enterprise programs. All technical program areas have numerous activities not elaborated herein.

Economic Opportunities

Economic opportunities programs focus on starting social enterprises for the express purpose of creating fair-wage jobs or employment opportunities in a geographic target area. Other program activities center on developing transferable skills, job placement, or opportunities that foster self-employment. Economic opportunities programs may be single-focused on business or integrated with other social services such as insurance, literacy, health education, etc.

Community and Rural Development

Community and rural development programs develop community-based social enterprises aimed to provide local jobs, increase purchasing power, reduce urban flight, increase community wealth, and strengthen community cohesion. These social enterprises may be designed as community businesses intended to benefit the entire community by investing surplus revenue in wells, schools, libraries, community centers, gardens, etc., or as more traditional small and medium-scale enterprises (SMEs).

Market Development

Market development programs start or support social enterprises that spur and facilitate growth in underdeveloped and under-served markets. These social enterprises operate in markets that are unattractive to private companies due to high market penetration costs (often related to rural distribution and educational marketing), slim margins, or both. The objective is to provide access to vital goods and services to marginalized communities while strengthening markets to entice private sector players.

Employment Development

Employment development creates employment and vocational training for disenfranchised, disabled or at-risk populations. These so-called "hard-to-employ" people earn a livable wage and develop marketable skills through their employment in the social enterprise. For example, from a co-operative field, is AMUL (Anand Milk Union Limited). Dr. Verghese Kurien started a Co-operative organization AMUL. Amul has been a sterling example of a co-operative organization's success in the long term.

It is one of the best examples of cooperative achievement in the developing economy. The Amul Pattern has established itself as a uniquely appropriate model for rural development. Amul has spurred the White Revolution of India, which has made India the largest producer of milk and milk products in the world. Another example of successful venture is Shri Mahila Griha Udyog Lijjat Papad of Mumbai, India. Shri Mahila Griha Udyog Lijjat Papad is a Women's organization manufacturing various products from Papad, Khakhra, Appalam, Masala, Vadi, Gehu Atta, Bakery Products, Chapati, SASA Detergent Powder, SASA Detergent Cake (Tikia), SASA Nilam Detergent Powder, SASA Liquid Detergent.



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The organization is wide-spread, with its Central Office at Mumbai and it's Branches and Divisions in different states all over India.

The organization started off with a paltry sum of Rs.80 and has achieved sales of over Rs.300 crores with exports itself exceeding Rs. 12 crores. Membership has also expanded from an initial number of 7 sisters from one building to over 40,000 sisters throughout India. The success of the organization stems from the efforts of its member sisters who have withstood several hardships with unshakable belief in the strength of a woman'. These are notable stories of livelihood generation through social entrepreneurship.

Microenterprise

Development Programs that foster the growth and development of microenterprises (businesses that employ 1-10 people) and self-employed people (micro-entrepreneurs) through the provision of affordable credit or business support services (training, technology, market information, etc.). For example the Grameen Bank. Muhammad Yunus started Grameen Bank. Grameen Bank (GB) has reversed conventional banking practice by removing the need for collateral and created a banking system based on mutual trust, accountability, participation and creativity. GB provides credit to the poorest of the poor in rural Bangladesh, without any collateral. At GB, credit is a cost effective weapon to fight poverty and it serves as a catalyst in the overall development of socio-economic conditions of the poor who have been kept outside the banking orbit on the ground that they are poor and hence not bankable. Professor Muhammad Yunus, the founder of Grameen Bank and its Managing Director, reasoned that if financial resources can be made available to the poor people on terms and conditions that are appropriate and reasonable, these millions of small people with their millions of small pursuits can add up to create the biggest development wonder. As of May, 2009, it has 7.86 million borrowers, 97 percent of whom are women. With 2,556 branches, GB provides 8 services in 84,388 villages, covering more than 100 percent of the total villages in Bangladesh. Those sectors cited above are only a few among the vast majority of the sectors of social entrepreneurship that could be planned and implemented. Now we discuss a few important elements that social entrepreneurs should keep in mind while promoting livelihood activities.

Promotion of livelihood and the role of effectuation Effectuation is nothing but decision making based on the effect and not cause. There is uncertainty, risk and challenges involved in any decision making. Be ready to change the decisions as per the situation. It must be innovative and challenging. The social entrepreneur should be vigilant about the felt needs and real needs of the target group whose social problems he addresses. People are conscious about the felt need. For example a group of women who walks mile together to fetch water destroyed the water taps when it was constructed close to their homes as their felt need was the walk, socializing with other women and to be away from their harassing husbands at home although water was their real need. Market fluctuations and various trends and shocks that can come on the way should be guarded off in the growth process of social enterprise.

Conclusion

Social entrepreneurship is one of the best methods for the promotion of livelihood. As livelihood is focused on addressing the social needs of the marginalized social enterprise has the similar goal. The social and economic sustainability is the focus of both. This paper has dealt with the various sectors of livelihood promotion through social entrepreneurial activities given with examples. It is recommended to go through more case studies and to find out how the social enterprises scale up in the whole process of generating livelihoods. Sustainability and social impact creation are key areas of concentration to make lasting results in the promotional attempts.

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