

# A Study on Relevance of Social Entrepreneurship

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**Abstract:** *Social Entrepreneurship by its nature is essentially only bound by the social mission and theory of change. Social entrepreneurship can solve the problems of society which is ignored by commercial and Government Enterprises. An entrepreneurial mind set is re-emerging in India. Right from ancient times, India has been entrepreneurial. Today, non-profits and non-governmental organizations, foundations, governments, and individuals also play the role to promote, fund, and advise social entrepreneurs around the countries. The general perception of equating Social Entrepreneurship to starting Non-profit organizations probably arises out of the strong social missions that these organizations pursue. The paper focuses on social entrepreneurs and entrepreneurship. The paper attempts to shed light on the comment state of affairs on the theme of challenges and opportunities facing the social entrepreneurship scene in India.*

**Keywords:** Entrepreneurial, entrepreneurs, challenges, role.

## I. INTRODUCTION

Social entrepreneurship creates innovative solutions to immediate social problems and mobilizes the ideas, capacities, resources, and social arrangements required for sustainable social transformations. Social entrepreneurship as a practice that integrates economic and social value creation has a long heritage and a global presence. Social entrepreneurship is a growing, worldwide movement. The scope of social work is no longer limited to activism. Today, there are many opportunities in child welfare, community policing, healthcare, counseling etc. in not only NGO's but also national and international bodies as well as social enterprises. 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. Social entrepreneurs are individuals with innovative solutions to society's most pressing social problems. They are ambitious and persistent, tackling major social issues and offering new ideas for wide-scale change. Social entrepreneurs are not-for-profit executives who pay increasing attention to market forces without losing sight of their underlying missions, to somehow balance moral imperatives and the profit motives. Social entrepreneurs have been found to operate in diverse sectors (health, education, agriculture, energy, environment etc.). They deliver different kinds of products or services especially targeting the marginalized or poor sections of the society.

## II. LITERATURE REVIEW

Granovetter (1985) concluded that economic activities take place within a social context and consequently a firm's economic activities are affected by the cultural context in which it is rooted. Social entrepreneurship can be mapped to business entrepreneurship in one way, of which opportunity identification is one of the major components of the description. Ana and Murdith (2006) proposed that social entrepreneurship is implemented with suitable flexibility where in some person or a group of people intent at creating social value either exclusively or at least in some prominent way and envision a capacity to recognize and take advantage of opportunities to create that particular value.

## III. ROLE OF SOCIAL ENTREPRENEURS IN SOCIETY

Social entrepreneurs play the role of change agents in the social sector, by:

Social entrepreneurs are intensely focused and hard-driving in their pursuit of a social vision.

Adopting a mission to create and sustain social value (not just private value).

Recognizing and relentlessly pursuing new opportunities to serve that mission, Engaging in a process of continuous innovation, adaptation, and learning,

Social entrepreneurs are like the catalysts for society just in the same way as entrepreneurs change the face of business. Social entrepreneurship consists of improvising systems, devising new approaches, grasping opportunities others miss and generating solutions to change society for the better. Several parameters differentiate social entrepreneurship from the present ways of traditional business ventures.

- **Strategy-** In social entrepreneurship, strategy followed is cooperative rather than competitive owing to the social mission of entrepreneurs, poor working capital and market orientation.
- **Financing-** Funding for business enterprises is accomplished through issuance of ownership shares-stocks or incurrence of long term debts-bonds or short term debt-loans.
- **Market-** Business entrepreneurs function in a marketing environment where the supply and demand indirectly influence the price and quantity of the product sold or service rendered.
- **Governance-** Business entrepreneurship is administered by a Board of Directors accountable to the owners and the stakeholders. Non-profit social entrepreneurship ventures have the possibility of a different governance structure. They can form a subsidiary organization managed by a business enterprise board if they want to run a part of their enterprise for profit.
- **Market Failure-** One theory articulated behind the existence of social purpose organizations is that they emerge when there is a social-market failure, i.e., the commercial market forces do not fulfill a social need, such as in the case of public goods or in contract failure.
- **Mission-** The essential purpose of social entrepreneurship is creating social value for the greater public good whereas commercial entrepreneurship targets at creating profitable operations resulting in private gain.
- **Resource Mobilization-** The non-distributive restriction on surpluses generated by non-profit organizations and the embedded social purpose of for-profit or hybrid forms of social enterprises confines social entrepreneurs from entering into the same capital markets as commercial entrepreneurs.
- **Performance Measurement-** The social aim of the social entrepreneur endures greater challenges for measuring performance than the traditional entrepreneur who can count on relatively tangible and quantifiable measures of performance such as financial indicators, market share, customer satisfaction, and quality.

#### IV. CONCLUSION

Social entrepreneurship has emerged to a greater extent and is well appreciated. Social entrepreneurship is the work of a social entrepreneur. The social entrepreneur needs to be innovative, socially aware and ready to take risk. A social entrepreneur is someone who recognizes a social problem and uses entrepreneurial principles to organize, create and manage a venture to make social change. There are many challenges faced by the social entrepreneurs like conveying the business idea, working remotely, getting fund, government approval, competition from others, acquiring technologies, promoting awareness and getting skilled workers. Though these challenges exist there are many successful examples of social entrepreneurial ventures like Lijjat Pappad, Amul & Gramin Bank. There is lot of scope for social entrepreneurs in India.

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