



Social Entrepreneurship

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Why in News

Recently, the **Confederation of Indian Industry** (Southern Region) has announced a **competition on social entrepreneurship**.

- The competition is for existing early stage social enterprises and students with entrepreneurial ideas that are socially focused and with significant social impact.
- The **Confederation of Indian Industry (CII)** works to create and sustain an environment conducive to the development of India, partnering industry, Government and civil society, through advisory and consultative processes. It is a **non-government, not-for-profit**, industry-led and industry-managed organization.

Key Points

- **Social Entrepreneurship (Meaning):**
 - 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**. 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 (SRI) and ESG (Environmental, Social and Governance) investing**.
 - **Examples of social entrepreneurship** include educational programs, providing banking services in underserved areas and helping children orphaned by epidemic disease.

- **Need in India:**

India needs numerous social entrepreneurs with innovative solutions to the **society's most pressing social problems** in the areas of **sanitation, education, water conservation, gender bias, primary health, female foeticide, carbon emissions** and other environmental problems. These problems are persistent in nature and need urgent resolutions.

- **Examples in India:**

- **Pravah and ComMutiny:** The two organizations that train the youth for leadership roles, Pravah and ComMutiny, have **won the Social Entrepreneur of the Year (SEOY) 2020 award** instituted by the Schwab Foundation and Jubilant Bhartia Foundation.
 - Established in 1993, **Pravah** has been facilitating the **development of a generation of empathetic, sensitive youth change-makers in India** through psycho-social interventions, helping them build more inclusive identities and societies.
 - **ComMutiny** which was formed in 2008, works on the idea of making collectives out of organizations like Pravah.
- **Dr. Govindappa Venkataswamy's Aravind Eye Hospitals:** Its business model is highly social, yet sustainable. It runs on its own revenue. The founder's mission was to **eradicate blindness amongst the poor in India**, especially in rural India living with a minimum daily wage and who can't afford medical treatment.

- **Challenges:**

- **Business Plan:** The rigor of building and following a plan that is based on market realities and customer insight is critical; social entrepreneurs need support of lawyers, chartered accountants, senior entrepreneurs to help them develop a good business plan.
- **Limited to Specific Geographies:** Due to lack of funds or the founders' limited bandwidth.

- **Suggestions:**

- The **2013 Companies Act** in India which **mandates companies to donate 2% of their average net profits to CSR (Corporate Social Responsibility)** has catalyzed investment in social ventures but to truly achieve benefits of scale, it **needs to be done in a much more coordinated manner.**

A big service that a **venture philanthropy firm or an ecosystem player** can provide social entrepreneurs is **organizing the world of investors** – by the size of the cheque they write, by the areas they focus on, their specific preferences and then most importantly by facilitating introductions to them.

- An organization that has to scale effectively **needs to have a deep bench of talent at all levels.**
- Further, there is a need for **‘impact-measurement’**.
 - All investors want to see outcomes but how does one measure them when cycle times of one’s intervention is much longer.
 - It can be objectively measured how many mid-day meals are provided to children in their school but it’s harder to determine the efficacy of a sports program instituted to build confidence amongst students.

- **Related Initiatives:**

- The **Securities and Exchange Board of India’s** initiative to create a **Social Stock Exchange (SSE)** will boost social and & environmental impact investing in India by creating a new platform to fund social-sector organizations, and establish a standardized framework for measuring and reporting social impact for both donors and investors.
- **Gramin Vikas Trust (GVT)** is a National Level Organization established in 1999 by Krishak Bharati Cooperative Limited (KRIBHCO) for bringing about a sustainable improvement in livelihood of the poor and marginalized communities, especially, the tribal population including women.

GVT sees social entrepreneurship as the process of bringing about social change on a major scale.

Way Forward

Social entrepreneurship has evolved over the years and has given innovative and profitable ideas that address social problems. With more ideas being incubated and funds flowing into social enterprise, the subcontinent, which already has successful examples such as Amul, Barefoot College, Grameen Bank, etc., has the ability to create many more socially relevant enterprises.