



Social Entrepreneurs

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This article is based on **For the empowerment of social entrepreneurs, a five-point agenda** which was published in the Hindustan Times on 22/09/2021. It talks about social entrepreneurship and suggests ways to encourage social entrepreneurs in India.

The second **Covid-19 wave** has brought to fore the remarkable role of social entrepreneurs as last-mile responders and an effective way to bring the change in the development of the social sector.

During this time, they mobilised resources, generated awareness, distributed necessities, provided counselling, dispelled myths, ensured home care services, built community service centres, facilitated testing, and supported the vaccination drive.

Social enterprises, as distinct from **non-governmental organisations (NGOs)**, operate in an open marketplace. They could be for-profit, not-for-profit or have a hybrid model. While their numbers have grown, social entrepreneurs need urgent help from the government.

Social Entrepreneurs and Their Significance

- **Focus on Social Problems:** Social Entrepreneurs mainly focus on social problems. They initiate innovation by mobilizing the resources available to build social arrangements in response to the social problems.
- **Change Agent in Social Sector:** Social Entrepreneurs act as change makers in society who in turn influence others to contribute to the development of mankind.
They work not only as a strong catalyst in society, but as change agents in the social sector.
- **Bring the Changes:** They adopt a mission to **create and sustain social value;** recognizing and rigidly **pursuing new opportunities**, engaging in a process of **continuous innovation, adaptation and learning.**
- **Increased Accountability:** They act boldly without being limited by resources in hand and exhibit heightened accountability to the constituencies.

- **Improve People’s Lives:** People are attracted to social entrepreneurs like the **Nobel Peace Prize laureate Muhammad Yunus** for many of the same reasons that they find business entrepreneurs like Steve Jobs so compelling – these extraordinary people come up with brilliant ideas and against all the odds succeed at creating new products and services that dramatically improve people’s lives.
- **Help in Achieving Inclusive Society:** They are also playing a pivotal role in the inclusive recovery and rebuilding of communities at the grassroots level.
 - **Some Examples:** Social Entrepreneurship is the way to the future. Some Indian entrepreneurs like Ela Bhatt (**Self Employed Women's Association- SEWA**), Bunker Roy (founder of **Barefoot College**, which helps rural communities become self-sufficient), HarishHande (his pragmatic efforts to put solar power technology in the hands of the poor, through his social enterprise **SELCO India**) etc. have come forward and successfully tackled and continue to tackle some of the globe’s most complex challenges in India

Promoting Social Entrepreneurs

- **Permit Social Entrepreneurs** with less than three years of experience, as well as for-profit social entrepreneurs, to receive financial support through **Corporate Social Responsibility (CSR)** funding.
 - The ministry of corporate affairs guidelines do not allow this at the moment.
 - Since Covid-19 has had a disproportionate impact on marginalised communities, social entrepreneurs stretched their resources to serve these communities.
 - They need capital to sustain their work and scale up to expedite rebuilding and recovering efforts.
- **Define Social Enterprise:** The lack of an official definition acts as a hurdle. For example, the United Kingdom’s department of trade and industries defines them as “a **business with primarily social objectives** whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners”.
 - In India, with no specific ministry or department that addresses their issues, social entrepreneurs are unable to get focused support.
 - They need a point of reference in the government. Niti Aayog can potentially nurture this sector.
- **Encouraging Not For Profit Startups:** The **Start-up India initiative** has addressed for-profit startup social enterprises, but does not cover not-for-profits. Its inclusion could be an important step in this direction.
- **Ease the Foreign Contribution (Regulation) Act (FCRA)** provision for social enterprises, which can receive funds through international donors.
 - Unlocking the potential of large global capital, and a more inclusive, flexible and time-bound clearance approach in FCRA guidelines can help bring relief for fund-starved social enterprises, especially those who are involved in pure social and business activities.

- **Fast-track Work on Social Stock Exchange:** Announced in the 2019-20 budget, investment in social bonds as an eligibility criterion for investors who intend to access the Indian market can help fund projects.
It will also open the platform for many micro, small, and medium enterprises (MSMEs) and service sector companies to buy social bonds and comply with the CSR law.
- **Ease the Bidding Process For Social Projects:** Social entrepreneurs, especially small and micro organisations that run projects at the grassroots level and innovators who bring new solutions, are often unable to participate in the bidding process for government-sponsored schemes and programmes.
- **Recognise Their Work:** For over a decade, the Schwab Foundation for Social Entrepreneurship and the Jubilant Bhartia Foundation have nurtured social entrepreneurship through an annual **Social Entrepreneur of the Year (SEOY) India Award**.
Many such initiatives can be adopted which will encourage social entrepreneurs.

Conclusion

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.

Social entrepreneurs face many challenges. By supporting their responses, we can significantly scale up their on-the-ground relief efforts and help in India's inclusive recovery.

Drishti Mains Question

The Covid-19 wave in India has brought to fore the remarkable role of social entrepreneurs as last-mile responders. Discuss how social entrepreneurship can be encouraged in India.