

Social Entrepreneurship and Its Impact on Economy

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Abstract: This is a conceptual research article, on the topic '*Social Entrepreneurship and its impact on economy*'. The data collected for the research was mainly from secondary sources. The various aspects of Social Entrepreneurship such as its introduction, history, the concept of Social Entrepreneurship, its needs, characteristics, importance, historical examples of leading Social entrepreneurs, the major organization in social entrepreneurship, The types of Social entrepreneurship organizations, their role in economic development, their economic benefits, two cases of various Social enterprises, top ten Social entrepreneurs from India and the challenges faced by Social enterprises are being conveyed through the research article.

I. INTRODUCTION

Social entrepreneurship in modern society offers an altruistic form of entrepreneurship that focuses on the benefits that society may reap. Simply put, entrepreneurship becomes a social endeavor when it transforms social capital in a way that affects society positively. It is viewed as advantageous because the success of social entrepreneurship depends on many factors related to social impact that traditional corporate businesses do not prioritize. Social entrepreneurs recognize immediate social problems, but also seek to understand the broader context of an issue that crosses disciplines, fields, and theories. Gaining a larger understanding of how an issue relates to society allows social entrepreneurs to develop innovative solutions and mobilize available resources to affect the greater global society. Unlike traditional corporate businesses, social entrepreneurship ventures focus on maximizing gains in social satisfaction, rather than maximizing profit gains. Both private and public agencies worldwide have had billion-dollar initiatives to empower deprived communities and individuals. Such support from organizations in society, such as government-aid agencies or private firms, may catalyze innovative ideas to reach a larger audience.

This concept may be applied to a variety of organizations with different sizes, aims, and beliefs. Conventional entrepreneurs typically measure performance in profit, revenues and increases in stock prices, but social entrepreneurs also take into account a positive "return to society". In the 2010s, social entrepreneurship is facilitated by the use of the Internet, which helps people who are not geographically close yet who share the same goals to collaborate to achieve social goals and facilitates the dissemination of information.

There are continuing arguments over which individuals can be defined as social entrepreneurs. Thus far,

there has been no consensus on the definition of social entrepreneurship, as so many different sorts of fields and disciplines are associated with social entrepreneurship. Philanthropists, social activists, environmentalists, and other socially oriented practitioners are referred to as social entrepreneurs. The fact that social entrepreneur's fall under various career types is part of the reason it is difficult to determine who is truly a social entrepreneur. David Bornstein has even used the term "social innovator" interchangeably with social entrepreneur, due to the creative, non-traditional strategies that many social entrepreneurs use. For a clearer definition of what social entrepreneurship entails, it is necessary to set the function of social entrepreneurship apart from other voluntary sector and charity-oriented activities and identify the boundaries within which social entrepreneurs operate. Some have advocated restricting the term to founders of organizations that primarily rely on earned income—meaning income earned directly from paying consumers. Others have extended this to include contracted work for public authorities, while still others include grants and donations.

II. HISTORY

Social entrepreneurship is distinct from the concept of entrepreneurship, yet still shares several similarities with the classic concept. Jean-Baptiste Say, a French economist, defined an entrepreneur as a person who "undertakes" an idea and shifts perspectives in a way that it alters the effect that an idea has on society. An entrepreneur is further defined by Say as someone who "shifts economic resources out of an area of lower and into an area of higher productivity and greater yield." The difference between "entrepreneurship" and "social entrepreneurship", however, stems from the purpose of a creation. Social entrepreneurs seek to transform societies at large, rather than transforming their profit margin, as classic entrepreneurs typically seek to do. Social entrepreneurs use a variety of resources to bring societies into a better state of well-being.

The concept of "social entrepreneurship" is not a novel idea, but it recently has become more popular among society and academic research, notably after the publication of "The Rise of the Social Entrepreneur" by Charles Leadbeater. Many activities related to community development and higher social purpose fall within the modern definition of social entrepreneurship. Despite the established definition nowadays, social entrepreneurship remains a difficult concept to define, since it may be manifested in multiple forms. A broad definition of the concept allows interdisciplinary research efforts to understand further and constantly challenge the notion behind social entrepreneurship. No matter in which sector of society certain organizations are (i.e. corporations or unincorporated associations and societies, social entrepreneurship focuses on the social impact that an endeavor carries. Whether social entrepreneurship is altruistic or not is less important than the effect it has on society.

The terms social entrepreneur and social entrepreneurship were used first in the literature on social change in the 1960s and 1970s. The terms came into widespread use in the 1980s and 1990s, promoted by Bill Drayton, Charles Leadbeater, and others. From the 1950s to the 1990s Michael Young was a leading promoter of social entrepreneurship and in the 1980s, was described by Professor Daniel Bell at Harvard as 'the world's most successful entrepreneur of social enterprises' because of his role in creating more than sixty new organizations worldwide, including the School for Social Entrepreneurs (SSE) which exists in the UK, Australia, and Canada and which supports individuals to realize their potential and to establish, scale, and sustain, social enterprises and social businesses. Another notable British social entrepreneur is Andrew Mawson OBE, who was given a peerage in 2007 because of his regeneration work including the Bromley by Bow Centre in East London.

Although the terms are relatively new, social entrepreneurs and social entrepreneurship may be found throughout history. A list of a few noteworthy people whose work exemplifies the modern definition of "social entrepreneurship" includes Florence Nightingale, founder of the first nursing school and developer of modern nursing practices; Robert Owen, founder of the cooperative movement; and Vinoba Bhave, founder of India's Land Gift Movement. During the nineteenth and twentieth centuries some of the most successful social entrepreneurs effectively straddled the civic, governmental, and business worlds. Such pioneers promoted ideas that were taken up by mainstream public services in welfare, schools, and health care.

III. SOCIAL ENTREPRENEUR

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 often seem to be possessed by their ideas, committing their lives to changing the direction of their field. They are visionaries, but also realists, and are ultimately concerned with the practical implementation of their vision above all else. Social entrepreneurs present user-friendly, understandable, and ethical ideas that engage widespread support in order to maximize the number of citizens that will stand up, seize their idea, and implement it. Leading social entrepreneurs are mass recruiters of local change makers—role models proving that citizens who channel their ideas into action can do almost anything.

IV. SOCIAL ENTERPRISE

Arguably social enterprise should be about a fairer way of exchanging goods and services for the benefit of all – not just the few. Social enterprise should provide an alternative way of exchanging goods and services and have an impact on people (social), the planet (environment) and the society structures in which it operates (culture). social enterprise should not be just a business with some social objectives, but rather a way in which people can work together in order to create more equal, fairer and sustainable communities. traditionally, social enterprises have existed to produce social, environmental and economic impacts ('triple bottom line'). however, economic impact can be understood as the means to an end and not an end in itself. in the following diagram economic activities are in the centre as a set of means to achieve social, environmental and cultural impacts. Environmental impacts: all organizations have an impact on the environment. a social enterprise has to ensure that its impact does not have an adverse or negative effect. Social impacts: a social enterprise would want to ensure that it impacts on people and their livelihoods in a positive way ensuring prosperity and well-being for all. Cultural impacts: culture is about traditions, norms, values, languages, beliefs, arts, skills, lifestyle, laws, attitudes; etc. social enterprise should have a positive impact on culture. There is a connection between social, environmental and culture impacts and the importance of a social enterprise's value base - the way social enterprises do business. A social enterprise should be explicit about its values and how it is living up to them. this recognition of distinct shared social values makes a social enterprise different from other forms of enterprise. it could be considered that social enterprise has the following characteristics:- formally established and autonomous- value-

based enterprise (around social justice, fairness, equity, etc.)- the economic activity of social enterprises is the means to achieving social, environmental and cultural objectives - working not-for-private-profit and re-investing the surplus in the overall objectives - organizational structures based on cooperative or collective principles.

A. *Social Enterprise in CHINA*

With the economic development, people have started to pay more attention to social responsibility rather than business profit this recent years in China. As a new concept, social enterprise which is a new hybrid corporation model would have a big impact on Chinese charity business. Thus, this paper will analysis the superiority of social enterprise and their development in China. "In 2011, a high-profile scandal in which a young woman named Guo Meimei posted online photos of herself enjoying a lavish lifestyle funded in part by the Red Cross hurt China's charities," BBC news reported. Because of this scandal, the Red Cross and other Chinese common charities were suffering from serious credibility crisis in that period time. The scandal has struck the public trust for Chinese charitable organizations especially the Red Cross. Thus, it is really urgent to develop a new model to mend China's charity business.

Social enterprise, which is a new type of corporation model. It uses the methods and disciplines of business and the power of the marketplace to advance its social, environmental and human justice agendas. This creative corporation model has develop for many years in western countries, and it achieved an outstanding goal in those countries. The success of development of social enterprise gives China a brilliant inspiration, and the success precedents in western country would also encourage China to mimic. In the past few years, China as a developing country, always pay attention on economic improvement. Chinese government and Chinese corporations focus on business profit more than social responsibility. In recent years, corporations' social responsibility have raised lots of issues. Government had tried to promulgate some policies to encourage corporations to make some contribution in social good fields, however, most of policies did not work, both of government and corporations did not gain any benefit from those policies. Under this circumstance, social enterprise seems like an effective attempt, it not only would improve China's charity business, but also proceed economic development in China.

However, even social enterprises have many incomparable advantages, their existing in China still meet with many criticism and doubts. Many scholars claim that

social enterprise is a special product of western country, it is difficult to grow in China's socialistic soil. Meng Zhao, one of the famous scholar in China, demonstrated the difficulties of development of social enterprise in current China in his recent article. According his article, social enterprises are faced with sever cultural conflict, political obstacle, and other barriers. Although those factors are harsh challenging to social enterprise development, I still believe social enterprise is one of the most adaptive business model to balance business profits and social responsibility in nowadays. Therefore, the time is ripe for a consideration of development of social enterprise to improve charity business in China, and this paper would analysis the superiority of social enterprise and development of Chinese social enterprise. Unlike non-profit corporation, social enterprise is a new type of corporate model for "shared and durable prosperity". They are businesses whose primary purpose is the common good. Different from traditional corporations, social enterprise not only focus on profit, but also care about social good. It must aim to be money-making and self-sustaining, but while they make money, often they make less money than regular businesses, and they re-invest the profits in a related charity, targeting social problems. Social enterprise is a new hybrid business form, which means it is a creative blend of traditional corporation and non-profit corporation, and this new corporation form gives people a fresh inspiration to balance private profit and social interest.

For the last three decades, China has experienced remarkable economic growth, lifting millions out of poverty. This economic growth, on the other hand, has also led to income disparities and environmental degradation, potentially providing a seedbed for social unrest. Social Entrepreneurs worldwide and in China are actively identifying and tackling those voids by providing sustainable solutions. Since 2004, when social enterprise first emerged in China, it has been experienced over ten years. In these ten years, social enterprises have increased a lot, and this corporation model is becoming a growing trend. However, the environment of social enterprise development in China is very different from other western countries.

In China, the corporation system is still relatively immature. In China's market, pernicious competitions, corruptions, and monopolies are emerging in endlessly. The business market in China, is lacking an appropriate supervisor. Social enterprises, as a new type of business model, they would encounter many obstacles. For example, in different states, social enterprises as a refreshed power, they would take drastic competing to those local enterprises and local charities. In consider of protecting local enterprises, states' governments would pose a big pressure on social

enterprises. It would result many restriction to social enterprises' when they deal common business affaire. Thus, the relatively immature corporation system would make many troubles to development of social enterprises.

Another apparent distinction is that China is a civil law country. Different from common law countries' flexible rule, the relative laws and relative statutes are much stricter. Under Chinese corporation law, setting up a company need apply for authorizing. The law have strict requirement in authorized capital, and different companies have different incorporated requirement. Because of these, the incorporation register process is extremely difficult to social enterprise. Social enterprise as a new concept in China, does not have particular statutes or particular rules to regulate it. The definition of social enterprise is also very vague, so that social enterprises always meet with some trouble in their incorporated process.

Furthermore, the social enterprise is a new concept in China. In most of western countries, social enterprise is a widely known concept, and it has been experienced for many years. But in Chinese people's traditional mind, an enterprise which pursue public interest should be charitable and non-profit, it is difficult to them to understand how does a profit corporation solve social problem. The idea that a business can pursue altruistic goals and profits simultaneously is still extremely foreign. This cultural difference leads an embarrass situation to social enterprises in China. In conclusion, although the development of Chinese social enterprises are still in the early stage, there are also numerous challenges to those social enterprises. I still have confidence that China would be a fertile ground for social enterprises growth. The current circumstance of China shows us a great prospect of social enterprises. The emerging of social enterprise in China satisfied market need, and it have mended the defect of traditional Chinese charity business. With China's development, the whole background of social enterprise would be improved. Numbers of real examples of successful social enterprises in China have built confidence for us. It is reasonable to believe that social enterprise would have significant impact on China's charity business and economic development. I am looking forward to see a brilliant future of social enterprises in China.

B. Need for social entrepreneur

Rather than leaving societal needs to the government or business sectors, social entrepreneurs find what is not working and solve the problem by changing the system, spreading the solution, and persuading entire societies to move in different directions

Just as entrepreneurs change the face of business, social entrepreneurs act as the change agents for society, seizing opportunities others miss to improve systems, invent new approaches, and create solutions to change society for the better. While a business entrepreneur might create entirely new industries, a social entrepreneur develops innovative solutions to social problems and then implements them on a large scale.

C. Historical Examples of Leading Social Entrepreneurs:

- A. Susan B. Anthony (U.S.):** Fought for Women's Rights in the United States, including the right to control property and helped spearhead adoption of the 19th amendment.
- B. VinobhaBhave (India):** Founder and leader of the Land Gift Movement, he caused the redistribution of more than 7,000,000 acres of land to aid India's untouchables and landless.
- C. Dr. Maria Montessori (Italy):** Developed the Montessori approach to early childhood education.
- D. Florence Nightingale (U.K.):** Founder of modern nursing, she established the first school for nurses and fought to improve hospital conditions.
- E. John Muir (U.S.):** Naturalist and conservationist, he established the National Park System and helped found The Sierra Club.
- F. Jean Monnet (France):** Responsible for the reconstruction of the French economy following World War II, including the establishment of the European Coal and Steel Community (ECSC). The ECSC and the European Common Market were direct precursors of the European Union.

G. Characteristics of Social Entrepreneurs

- ❖ **Ambitious:** Social entrepreneurs tackle major social issues, from increasing the college enrollment rate of low-income students to fighting poverty. They operate in all kinds of organizations: innovative non-profits, social-purpose ventures, and hybrid organizations that mix elements of non-profit and for-profit organizations.
- ❖ **Mission driven:** Generating social value —not wealth—is the central criterion of a successful social entrepreneur. While wealth creation may be part of the

process, it is not an end in itself. Promoting systemic social change is the real objective.

- ❖ **Strategic:** Like business entrepreneurs, social entrepreneurs see and act upon what others miss: opportunities to improve systems, create solutions and invent new approaches that create social value. And like the best business entrepreneurs, social entrepreneurs are intensely focused and hard-driving in their pursuit of a social vision.
- ❖ **Resourceful:** Because social entrepreneurs operate within a social context rather than the business world, they have limited access to capital and traditional market support systems. As a result, social entrepreneurs must be skilled at mobilizing human, financial and political resources.
- ❖ **Results oriented:** Social entrepreneurs are driven to produce measurable returns. These results transform existing realities, open up new pathways for the marginalized and disadvantaged, and unlock society's potential to effect social change. The Importance of Social Entrepreneurship for Development.

V. IMPORTANCE OF SOCIAL ENTREPRENEURSHIP

1. Employment Development

The first major economic value that social entrepreneurship creates is the most obvious one because it is shared with entrepreneurs and businesses alike: job and employment creation. Estimates range from one to seven percent of people employed in the social entrepreneurship sector. Secondly, social enterprises provide employment opportunities and job training to segments of society at an employment disadvantage (long-term unemployed, disabled, homeless, at-risk youth and gender-discriminated women). In the case of Grameen the economic situation of six million disadvantaged women micro-entrepreneurs were improved.

2. Innovation / New Goods and Services

Social enterprises develop and apply innovation important to social and economic development and develop new goods and services. Issues addressed include some of the biggest societal problems such as HIV, mental ill-health, illiteracy, crime and drug abuse, which, importantly, are confronted in innovative ways. An example showing that these new approaches in some cases are transferable to the public sector is the Brazilian social entrepreneur Veronica Khosa, who

developed a home-based care model for AIDS patients which later changed government health policy of that country in recent year.

3. Social Capital

Next to economic capital one of the most important values created by social entrepreneurship is social capital. Examples are the success of the German and Japanese economies, which have their roots in long-term relationships and the ethics of cooperation, in both essential innovation and industrial development. The World Bank also sees social capital as critical for poverty alleviation and sustainable human and economic development. Investments in social capital can start a virtuous cycle.

4. Equity Promotion

Social entrepreneurship fosters a more equitable society by addressing social issues and trying to achieve ongoing sustainable impact through their social mission rather than purely profit-maximization. In Yunus's example, the Grameen Bank supports disadvantaged women. Another case is the American social entrepreneur J.B. Schramm who has helped thousands of low-income high-school students to get into tertiary education.

VI. MAJOR ORGANIZATIONS IN SOCIAL ENTREPRENEURSHIP

Groups focused on social entrepreneurship may be divided into several categories: community-based enterprises, socially responsible enterprises, social services industry professionals, and socio-economic enterprises. Community-based enterprises are based on the social ventures of an entire community that uses its culture and capital to empower itself as an entire enterprise. Socially responsible enterprises focus on creating sustainable development through their initiatives that focus mostly on societal gains. Social service industry professionals work specifically in the sector of social services to expand social capital for different individuals, communities, and organizations. Socio-economic enterprises include corporations that balance earning profits and nonprofit social change for communities. In addition, there are organizations dedicated to empowering social entrepreneurs, connecting them with mentors, strengthening their enterprise models, and preparing them for capital investments. These accelerators help take social entrepreneurs to global scale.

One well-known contemporary social entrepreneur is Muhammad Yunus, who founded the Grameen Bank in 1976. He is known as the "father of microcredit," and established the microfinance movement, which aims to help millions of people rural communities access small loans. For his work, he was awarded a Nobel Peace Prize in 2006. The work that Yunus did through Grameen Bank has been described as a major influence on later social entrepreneurs. Larger countries in Europe and South America have tended to work more closely with public organizations at both the national and local level.

VII. TYPES OF SOCIAL ENTREPRENEURSHIP ORGANIZATIONS

In *The Power of Unreasonable People*, John Elkington and Pamela Hartigan describe social entrepreneurs' business structures as falling under three different models, applicable in different situations and economic climates:

1. **The Leveraged Non-Profit:** This business model leverages resources in order to respond to social needs. Leveraged non-profits make innovative use of available funds, in order to respond to a need. These leveraged non-profits are more traditional ways of dealing with issues, though are distinguished by their innovative approaches.
2. **The Hybrid Non-Profit:** This organizational structure can take on a variety of forms, but is distinctive because the hybrid non-profit is willing to use profit to sustain its operations. Hybrid non-profits are often created to deal with government failures or market failures, as they generate revenue to sustain the operation outside of loans, grants, and other forms of traditional funding.
3. **The Social Business Venture:** These models are set up as businesses designed to create change through social means. Social business ventures evolved through a lack of funding. Social entrepreneurs in this situation were forced to become for-profit ventures. There are also hybrid profit models, where a conventional business invests some portion of its profits on socially, culturally or environmentally beneficial activities. The term "Philanthropreneurship" has been applied to this type of activity. Corporate employees can also engage in social entrepreneurship, which may or may not be officially sanctioned by the company. This has been described as corporate social entrepreneurship.

VIII. THE ROLE OF SOCIAL ENTERPRISE IN ECONOMIC DEVELOPMENT

Non-profit organizations provide vital resources to communities everywhere. Their presence in those areas where public services are poor or lacking is particularly important. These agencies fill, at times, massive social service gaps in regions where resources are exceedingly scarce, populations are dense, and in-depth individualized need must be met to prevent exacerbation of societal ills.

Non-profits in all sectors, be it health care, workforce development, substance abuse, child care, etc. are many a time fully dependent on public and private monies and thus, must modify the quantity and quality of their services based on the available levels of these resources, which vacillate considerably at times. This system offers little insurance against public policy changes, government budget cuts, or shifts in private preferences and corporate restructuring. By generating profits that can be directed toward supporting the bottom-line services of a non-profit, social enterprise can serve as an innovative means for non-profits to safeguard themselves from these public and private sector fluctuations.

Moreover, social enterprises seek to add to economic development through the creation of jobs and entrepreneurial ventures this in addition to the social services they already provide, which support the economy by improving quality of life for the local workforce (e.g. health care for the poor, vocational job training for high school graduates, substance abuse counselling for ex-offenders, etc.). The economic development benefits that social enterprises provide to society is also many a time directed to the very poor.

IX. CASE OF GREYSTON BAKERY

Consider the case of Greyston Bakery in Yonkers, NY, an established gourmet bakery that has been in business since 1982. Since the mid-1980s, the Bakery has dedicated itself to hiring the chronically unemployed, offering on-the-job training, housing, child care, and health care to displaced workers and the homeless. Under the guidance and vision of an award-winning chef, the Greyston Bakery is now the second highest rated bakery in New York City and one of Ben & Jerry's largest suppliers. All after-expenses revenues from the Greyston Bakery go to the Greyston Foundation, a non-profit organization dedicated to helping the poor and afflicted.

Case of Rubicon Programs Inc

Rubicon Programs Incorporated is a non-profit organization that, since 1973, has built and operated affordable housing and provided employment, job training, mental health, and other supportive services to individuals who have disabilities, are homeless, or are otherwise economically disadvantaged. Its primary vehicle for doing so however has been through two successful social enterprise ventures which employ Rubicon clientele: Rubicon Landscaping Services and Rubicon Desserts. The profits for these businesses are funnelled back into Rubicon's social service programs, which aim to support the very individuals that work for them.

Economic Benefits of Social Enterprise

With regard to social enterprise's other long-term economic development benefits, areas worth mention are:

- ❖ Helping to improve the overall skills of a local workforce
- ❖ Reduction of inequalities in access to health and social care services
- ❖ Construction of good quality housing for those in sub-standard conditions
- ❖ Reduction of social exclusion for the displaced/unemployed
- ❖ Creation of wealth; added benefits due to a multiplier effect
- ❖ Improved labour productivity due to skills investment
- ❖ Increased tax revenues while reducing welfare payments
- ❖ Enabling community-led rejuvenation and renewal

X. TOP 10 SOCIAL ENTREPRENEURS FROM INDIA

1) Mahatma Gandhi:

Why Gandhi? The Mahatma was a man obsessed with sustainability, being environment friendly, making the best use of local resources, growth of villages, power of cooperatives, promoting local industry and community-driven initiatives. If social entrepreneurs can be described as

visionaries who solve old problems with new ways of thinking Gandhi certainly fits the bill.

He always spoke of growing local cottage industry, like Khadi, being self-reliant and having the community own enterprises. The best example of his insistence of leveraging local resources and not being depending on imports is his 'Salt March' to Dandi, where he called for local production of salt, after there was salt tax levied by the British. Gandhi's love for Panchayat Raj, empowerment of women and ban of imports can be looked at as seeds of social transformation, sustainability and self-sustaining local communities.

2) Dr Varghese Kurian , father of the India's milk revolution:

Tribhuvandas Kishibhai Patel might have founded The Kaira District Co-operative Milk Producers' Union (now better known as Amul) in 1946. But if it wasn't for Varghese Kurien- who had just arrived from the US after pursuing a Master's Degree- the co-operative would never have become a household name. Kurien's contribution to the social entrepreneurship movement in India is monumental. Thanks to Kurien's foresight, planning and execution, India through the 'white revolution', went from a milk importing country to the world's largest producer. In a career spanning close to 60 years, Kurien founded around 30 institutions of excellence like Gujarat Co-operative Milk Marketing Federation (GCMMF), Institute of Rural Management, Anand (IRMA) and The National Dairy Development Board's (NDDB).

3) Sanjit "Bunker" Roy, founder of Barefoot College

In 1965, Roy was a young post graduate student from St Stephen's College, Delhi, when he volunteered to spend the summer mapping 100 drought prone areas in famine-affected Palamu District, of Jharkhand (earlier part of Bihar). Roy was never the same following this experience and he made it his life's mission to fight poverty and inequality thereon. He founded Social Works and Research Centre (SWRC) in 1972 to find ways to address rural poverty by using new models and strategies.

His first initiative was to address the water situation by making the villagers self-sustainable by setting up water pumps that were maintained by the villagers. These efforts through SWRC morphed into Barefoot College. Roy through Barefoot College trains villagers to adopt solutions in solar energy, water, education, health care, rural handicrafts, people's action, communication, women's empowerment and wasteland development.

In 2010 Roy was recognized by TIME magazine in 2010 as one of the world's 100 most influential people for training 3 million rural folk to be self-sufficient by providing them training, life skills and making them literate. Roy, incidentally is married to Aruna Roy- the woman who made the Right to Information Act a reality.

4) Anil Kumar Gupta, IIM-A professor and founder of Honeybee Network:

Gupta, a professor at Indian Institute of Management, Ahmedabad since 1981, is a true advocate of the grassroots revolution. He's famous for recognizing rural innovators, helping commercializing their inventions, protecting the intellectual property rights of inventors by filing patents and creating a knowledge network at different levels for augmenting grassroots innovations and inventions. He is the founder of Honey Bee Network, fellow at the World Academy of Art and Science and is the executive vice chair of the National Innovation Foundation. Through the Honey Bee Network, and with the help of Society for Research and Initiatives for Sustainable Technologies and Institutions (SRISTI) and Grassroots Innovation Augmentation Network (GIAN) Gupta converts grassroots innovations into viable commercial products. To date, his endeavors document more than 1,00,000 ideas, innovations and traditional knowledge practices. Gupta organizes a biannual 'ShodhYatra' that takes participants into different villages to learn more about 'knowledge, creativity and inventions' at the grassroots.

5) Harish Hande, co-founder Selco Solar:

Hande, co-founded Selco in 1995, to bring renewable energy solutions to India's poor. When he first started he had problems with creating awareness about solar and had to install the first lighting solutions free of cost to demonstrate its value. Selco's impact since then? In the past 18 years more than 1.35 lakh solar home lighting systems have been installed. His stellar efforts has won him Asia's 'Nobel' prize, the Ramon Magsaysay Award in 2011, for "his pragmatic efforts to put solar power technology in the hands of the poor, through his social enterprise SELCO India." Hande's genius has been his efforts to not just sell solar lighting solutions, but creating an entire ecosystem around it, including tie-ups with banks, NGOs and farmer co-operatives for innovative financing, creation of income generation activities using solar, high-quality products and superior after sales service.

Hande has adopted an open platform for growth, and has created the Selco Incubation Centre, where he mentors other social entrepreneurs to empower them to do exactly

what he's done. To date the centre has mentored four social entrepreneurs, with another six currently going through the mentoring process.

Hande has also started Selco Foundation, the philanthropic arm of Selco, which seeks to provide the rural poor with renewable energy services, that can be leveraged for income generating activities.

6) Dr. G. Venkataswamy, founder of Aravind Eye Hospital:

Dr.Venkataswamy (also known as Dr V) founded Aravind Eye Hospital in 1976 as a way to provide affordable eye-care to the millions who had no access to quality healthcare. From its humble origins of a 11-bed clinic manned by 4 medical officers, it has grown into one of the world's largest facilities for quality eye-care. The story goes that Dr.Venkataswamy very nearly did not become a doctor because he developed rheumatoid arthritis when he had enrolled in the Indian Army Medical Corps, which was so severe that he was unable to hold a pen. He returned to medical school, earned his degree and ended up doing 100 surgeries a day at his peak.

Aravind Eye Hospital demonstrated that you could provide quality eye-care at prices that couldn't be imagined in the past through innovation. "Intelligence and capability are not enough. There must also be the joy of doing something beautiful. Being of service to God and humanity means going well beyond the sophistication of the best technology, to the humble demonstration of courtesy and compassion to each patient," said Dr Venkataswamy of his work.

To date, his hospital has attended to 32 million patients and performed nearly 4 million eye surgeries, majority of them being low-cost or free.

7) Sunil Bharti Mittal, founder of Airtel:

Wondering what telecom mogul Mittal is doing in a list of social entrepreneurs? Simple, there are many who consider his company BhartiAirtel, as India's largest social enterprise for putting the power of telecom in the hands of the poor. Mittal is the secret social entrepreneur in this top 10 list. His ingenuity lay in driving down costs of mobile telephony that allowed for the poor to use mobiles for news, information, entertainment and keeping in touch. Farmers can now receive crop and weather related information over the phone, blue-collar workers can search for new, higher paying jobs and fishermen can get a better price for their catch.

Currently Mittal's Airtel is involved in a huge push into rural areas, this will lead to more rural folk becoming part of the information revolution. His company has more than 188 million subscribers who enjoy voice and data services, out of which 84 million are based in the hinterland. Besides his

work with Airtel, Mittal also set up the Bharti Foundation in 2000, to do philanthropic work in the area of education and empowering youth from low-income communities through entrepreneurship.

8) Vineet Rai , founder of Aavishkaar:

Rai could be the most important man in the world of Indian social entrepreneurship at present. He is founder and the CEO of India's first social venture firm Aavishkaar Venture Management Service and also co-founder and chairman of Intellectap, a provider of business solutions for social enterprises. His inspiration to start Aavishkaar came when he was the CEO of Grassroots Innovation Augmentation Network (GIAN), an incubator for rural innovations and ventures.

Rai was a visionary, because when he started Aavishkaar in 2001 with a seed capital of Rs 1 lakh, there wasn't any precedent to investing in social enterprises. He has nurtured plenty of social enterprises by investing in them including rangSutra (art and craft producer), Vaatsalya Healthcare (an affordable hospital chain based in semi-urban and rural areas) and Waterlife (affordable water solutions for the poor). Besides making good investments, Rai had taken it upon himself to boost India's social entrepreneurship ecosystem through a series of initiatives.

Through Intellectap, Rai is instrumental in organizing Sankalp-Unconvention Summit, Asia's largest conference on social entrepreneurship. In recent years he helped kickstart India's first angel network of high net worth individuals and institutional investors- Intellectap Impact Investment Network (I³N) and India Impact Investor Council (IIIC) that is seeking to lay down the standards for impact investing in India so that it doesn't befall the same fate of the microfinance industry during the 'Andhra crisis' in 2010.

9) Vikram Akula, founder of SKS Microfinance:

Akula founded SKS Microfinance in 1998 to provide micro-loans and insurance, and within a period of 12 years (does not include a brief hiatus to McKinsey), had taken the company to a blockbuster IPO of \$347 million in 2010. His roots in microfinance went back to the time when as a Fulbright Scholar in India in 1994-95, Akula led a government-funded action-research project that provided micro-credit to poor farmers for food security. Prior to which he was named in Time's list of 100 most influential people in 2006.

Since the microfinance controversy that involved his company SKS Microfinance, and his acrimonious exit from the very company he founded, Akula has made very few

public appearances and largely stayed away from making public appearances. The reason why Akula makes this list is very simple. He showed India and the world that social enterprises can achieve enormous scale. We won't go into debating the methods that were used by SKS Microfinance in gunning for growth or the ethics of profiting from the poor. Akula, for all criticism, had his heart in the right place when he started the company.

10) Satyanarayan Gangaram Pitroda (better known as Sam Pitroda), chairman, National Innovation Council:

Pitroda is not your topical social entrepreneur hero, but he makes the cut for the work that he put in for more than 4 decades, in areas like telecom and information technology leading to him being commonly referred to as the 'Father of India's communication revolution.' He was the technology advisor in the 1980s, to the then prime minister Rajiv Gandhi, during which he heralded the telecom revolution in India. Having enjoyed an illustrious career, in the past, he has been an advisor to the Prime Minister on public information infrastructure and innovations and chairman of the National Knowledge Commission.

Currently he is the driving force behind the National Innovation Council, the council tasked with driving innovation in the country, by adopting the principles of inclusive growth. Some of the interesting initiatives that Pitroda is driving through the council is the setting up of a Rs 5,000 crore venture fund for social ventures, the open government data drive and the Planning Commission organized hackathons.

The Rs 5,000 crore India Inclusive Innovation Fund plans to invest in social enterprises that are driving innovation at addressing problems at the bottom of the pyramid (BoP). Pitroda believes that the data.gov.in (open government data) initiative will help tap the power of the developer community to build apps that will be helpful in different sectors like education, healthcare and government social welfare schemes.

Challenges Facing Social Enterprise and Social Entrepreneurs

Perhaps the most obvious challenge to social enterprise stems from the fact that the individuals that seek to begin these enterprises possess a nonprofit management background rather than a business background. Thus, many social enterprises can run into problems as soon as the start-up phase if they lack the necessary business fundamentals. This section is dedicated to highlighting the common challenges social enterprises face and general recommendations on how to best address these.

Introducing a For-Profit Entity in a Nonprofit Atmosphere

Nonprofits oftentimes find it hard to develop a for-profit mindset, as their usual modus operandi involves a commitment to administering services for free. Successful social enterprises know how to departmentalize their operations. If a workforce development agency opens up a for-profit temping service, there should be clear segmentation in the organization's management structure, so as to avoid a clash between social service delivery and competitive business activity. If a social enterprise is completely dependent on the performance of its client employees, it must develop a culture of helping those with a demonstrated commitment to help themselves.

Behaving Like a Business

For social enterprises that are 100% dependent on profit revenues (i.e. those whose annual budgets do not include a substantial amount of donations or grants) or who are aiming for complete self-sustainability, getting accustomed to a dual-environment where a) you must make money to survive and b) maintain a commitment to effectively assist clients can be challenging. Operating like an efficient business and developing a for-profit culture takes time and training. Fortunately, there are a number of organizations that offer comprehensive training and technical assistance programs geared to assist non-profit managers in creating a successful for-profit ethos within their larger organization. A handful of service providers are listed at the end of this entry.

The Absence of Business Skills and Knowledge

As has been mentioned above, the preponderance of social entrepreneurs have a non-profit background rather than a business background. These individuals thus lack knowledge and skills in a number of important, business-related areas: business plan development, marketing strategy, financial management practices, and capital sourcing. Fortunately, it is not at all necessary for non-profit managers and future social entrepreneurs to attain a business degree to accomplish their social enterprise goals. The providers of the training seminars and workshops mentioned at the end of this entry are just a handful of outfits qualified to equip social entrepreneurs with the toolkit they will need in their field.

Maintaining Competitiveness

In order to successfully compete in the open market, goods and services need to be of the highest quality while appealing to a wide audience. Because social enterprises are

socially focused and give priority to their client's needs, they often do not focus like they need to on product standards. While a handful social enterprises bring on private consultants to evaluate their operations, this option is typically not financially feasible. This area of social enterprise has been researched and written on extensively as it is a central challenge for social entrepreneurs globally.

XI. CONCLUSION

For years, social enterprises have played an integral role in local economies worldwide. These enterprises employ creative and innovative methods of helping the poor and disenfranchised. They also offer a self-sustaining means of providing a valuable social service. While the economic benefits of these entities is substantial, services and support must be available to social entrepreneurs that lack the business know-how needed to operate in a competitive marketplace. The resources below serve as valuable starting points for anyone interested in beginning a social enterprise or becoming involved in the growing worldwide

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