

# Social Entrepreneurs: New Age Businessmen

Karuna

---

## ARTICLE DETAILS

### Article History

Published Online: 15 April 2019

### Keywords

Social entrepreneur, Entrepreneurship, CSR, SEKEM, Hansiba, m.paani, Karuna Trust.

---

## ABSTRACT

The term social entrepreneurship refers to the growing number of institutions, firms or organisations satisfying those human needs that commercial institutions and markets failed to. The social environment of entrepreneurship includes taking initiative as well as the risk involved. It combines the profit-motive with social welfare. It also includes social purpose business ventures and hybrid organisations mixing for-profit and not-for-profit elements. Social entrepreneurs have always existed but did not come in limelight. It is all because of globalisation and digitalisation that they and their workings have got recognition. These are the persons who take risk to upgrade the society and never depend on government or anyone else for finding solutions to the social problems. Various Social entrepreneurs have worked hard to remove social problems of poverty, illiteracy, hunger, diseases etc. Some of them have received various awards and recognition all over the world for their contributions towards social welfare and upliftment like, Ibrahim Abouleish (Right Livelihood Award), Hanumappa Sudarshan (Indian Social Entrepreneur of the Year 2014), Akansha Hazari (Hult Prize), etc. A corporation's social responsibility is mainly classified into 4 categories-Philanthropic, Ethical, Legal and Economic. At present it has been made mandatory for the corporations, earning beyond a certain limit, to contribute towards Corporate Social Responsibility. The important questions that arise are like why an enterprise will engage in social responsibility or not-for-profit ideas, which social problem be given priority over others and why, etc. This paper undertakes the critical analysis of social entrepreneurship and the corporate social responsibility along with the study of the contributions of various social entrepreneurs from all over the world.

---

## 1. Entrepreneurship

The term "Entrepreneurship" means the ability to sense and seize the opportunity of creating and giving something new to the world. And, the Entrepreneur is the person who voluntarily takes the risk to act upon such opportunities.

## 2. Social entrepreneurs

Social Entrepreneur is that breed of entrepreneurs who work or take initiative on social problems like poverty, illiteracy, human rights, corruption etc. They are also named as Visioners, Philanthropists, Reformers or Humanitarians, who contribute to improvement of social life or society. They adopt a mission to create social value by recognising new opportunities and collecting resources to accomplish the mission. They have a sense of accountability for the outcome and also motivate the society to take initiative.

## 3. Social entrepreneurship

Every person analyses the term "Social Entrepreneurship" in his own way or sense. Some consider it as a non-profit organisation, others as business venture considering social responsibility in their workings.

Now-a-days, it holds a common and important place on global platform because of various reasons; one of those is that it seems very attractive about entrepreneurs and the stories behind their workings.

According to "Dees" social entrepreneurship includes recognition of new opportunities in order to fulfil the mission of creating social value along with continuous engagement in innovation and modification. In short it is all about finding new and better ways to create and sustain social value.

The enterprises who directly does not engage in such activities but supports other enterprises through its activities which results in social welfare also comes under the category of Social Entrepreneurs. One of the most important examples of this category is Bangladesh Rural Advancement Committee (BRAC) which not only supported the foundation of agricultural and credit ventures in order to make poor people there support themselves but also set up profit-earning enterprises- BRAC Printing Press, BEAC Cold Storage, BRAC Garment Factories- to support its core operations with the profits generated with the help of these revenue-generating ventures.

## 4. Origin of the concept of corporate social responsibility

To a layman's mind, the first question that arises is what it means for an enterprise to be socially responsible?

To this question, various authors have given their views like 'Keith Davis' suggested that social responsibility refers to the actions performed beyond the firm's direct economic and technical interest, and so others.

In today's scenario, from the performance point of view, it has become necessary for every enterprise to include social goals and programs into its agenda for its inclusive growth and to acquire a position in the industry.

## 5. Types of social responsibility

PHILANTHROPIC
ETHICAL
LEGAL
ECONOMIC

- **Philanthropic Responsibilities**

Philanthropic activities refer to those activities which are expected by the society from the business as good corporate citizens, promoting social welfare. Such activities or responsibilities need not be in ethical manner and hence are different from ethical responsibilities.

It includes:

1. Assist in performing arts
2. Assist projects which will improve society's "quality of life"
3. Perform in a manner that will fulfil society's expectations
4. Participate in charitable activities

- **Ethical Responsibilities**

These are the responsibilities or activities which consider the moral values and rights of society. It includes all those activities which are expected or prohibited by the society.

It includes:

1. To perform as per the society's expectations
2. To perform as per etiquette and ethical norms
3. Respect emerging ethical norms already adopted by the society.
4. Preventing ethical norms to be violated or compromised while working to achieve business objectives.

- **Legal Responsibilities**

It means that laws and regulations framed at the centre and state level should be followed by the businesses. They should fulfil their objectives and mission within the framework of the law.

It includes:

1. To be law-abiding business enterprise.
2. To provide goods and services meeting legal requirements
3. Complying with state, centre and local laws
4. Fulfilling expectations of government and law through its operations.

- **Economic Responsibilities**

Profit earning is the basic motive of entrepreneurs. So, such responsibilities include:

1. Commitment towards Profit earnings.
2. Maintaining higher level of efficiency.
3. Earning profits in a consistent manner
4. Establish a competitive position in the industry
5. Maximising earnings per share and market value.

In spite of all these factors the major question that strike is why an enterprise will take social responsibility. Rather corporate social responsibility and were they ready to take loss that may arise while fulfilling their corporate social responsibility. The very first question that every person wants to know is that what an entrepreneur prefers, a CSR non-profit organisation or a profit-making firm.

In answer to all such questions, it can be said that CSR benefits an organisation or firm in multiple ways like it creates social value of firm, tax advantage, higher market value of firm and may result in higher profits.

Another question that arises is that- which social need should be given priority over others and on the basis of which criteria. Here it could be said that it is very difficult to decide what creates more social value, providing home to homeless, feeding to hungry people, educating illiterate or providing medical help to the, needy without deciding the objectives.

## **6. Collaboration of public institutions with social entrepreneurs**

In many areas and countries around the world public institutions work in collaboration of social entrepreneurs with the motive of spreading welfare. There are many examples illustrating or defining such collaborations, one of them is of "Development Marketplace". Develop Marketplace is a program initiated by World Bank for promoting innovative ideas of development through seed funding. The World Bank helped social entrepreneurs to collaborate with the institutions who have the resources which will help them to fulfil their vision and mission regarding upliftment and welfare of society. As per records found, World Bank awarded around US \$6 MILLION in 2003 as seed money to be shared among 47 small scale projects in 27 countries.

By building such partnerships, companies have opportunities to indulge in projects where corporate resources can be utilised fully, entrepreneurs could gain corporate knowledge, managerial skills and capabilities to implement efforts.

Another important benefit of such collaboration is that, it may seem difficult to entrepreneurs in managing the projects, initiated by them, at a certain point of time when the project has reached a high point, then companies or institutions take over its ownership and work for its smooth functioning and expansion as well. All this results in fulfilment of company's own interest while creating social value at the same time.

Some social entrepreneurs are such dare devils that they go deep into the social problems and try to find solutions for them. They do not depend on governments or anyone else for resolution of such problems, but try to change the whole system and motivate the society to take initiative on their own.

In India, we can call Dr. Varghese Kurien (AMUL) and Ela Bhatt (SEWA) as the pioneers of social entrepreneurship. Some other popular Social Entrepreneurs from all over the world and their contributions to the society is studied as under:

- **Ibrahim Abouleish**

Back in 1975, he discovered the problems of pollution, poverty, overpopulation etc in Egypt. To overcome such issues, he developed SEKEM-Vision, described as the sustainable development towards future where every single person uses his or her individual ability and skill; where all live together showing dignity; where every activity is performed keeping ecological and ethical principles in mind. For this in 1977 he bought 70 acres of desert land in Cairo where with the help of his helpers cultivated fruits, vegetables, cotton and other crops using biodynamic agricultural methods. By the time SEKEM grew having various other companies under its umbrella, like ATOS Pharma (1986), ISIS Organic (1997) to produce processed organic food, LIBRA (1988) for biodynamic

cultivation of crops, Cony Tex now known as Nature Tex (1998) to manufacture organic textiles. A school in 1989 and a Medical Centre in 1996 were also started for SEKEM employee's and nearby residents. In 2009 a vocational centre and arts school were also started to provide a direction to arts lovers and most importantly in 2012 the Heliopolis University of Sustainable Development was opened up for students. Important characteristic of SEKEM is that the whole community having people with different culture came together and worked hard to achieve the vision and mission of SEKEM.

Dr. Ibrahim Abouleish was awarded many times for his achievements and the most importantly with the Right Livelihood Award or the Alternate Noble Prize in 2003.

#### • **Muhammad Yunus**

Being an Economics Professor, he founded a Grameen bank in 1976 in Bangladesh. Main motive of this bank was to provide loan to such people who do not get loan from the established banks of the country due to any reasons of ineligibility. This bank was different from others as its priority is designing a system that will help borrowers in repaying the loan on time and the eligible borrowers are the poorest and landless villagers. Women were the priority of the bank. The borrower has to show that the family assets are below a certain limit. He is not required to put a collateral rather has to join a group of 5 members and 40 members centre, where each member is responsible for the loan granted to any other member of the group. A global micro-credit movement was inspired by the Grameen Bank which was spread to 65 developing countries and approximate 17 million borrowers.

#### • **Hanumappa Sudarshan**

In 1986 he founded "Karuna Trust" to support integrated rural development in the sector of health. With the help of his team he succeeded in bringing down the incidence of leprosy from 17 to 0.3 per 1000. Then the trust indulged into public-private partnerships to strengthen primary health care in 6 states- Karnataka, Odisha, Arunachal Pradesh, Manipur, Meghalaya and Rajasthan. For his welfare activities in 2014 he was awarded with "Indian Social Entrepreneur" by the then Finance Minister Sh. Arun Jaitley.

#### • **Hansiba**

It is a store near Connaught Place in New Delhi. It was named after its first artisan. It sells the branded clothes, accessories and bags of Sewa Trade Facilitation Centre

(SFTC), a for-profit arm of Self Employed Women's Association (SEWA) which is a female trade union. All its artisans have equal share or stake in the firm, which make products for retailers from Shopper's Stop to Fab India. In this way the artisans directly own and manage the company because they are the most important part of the company.

#### • **Anita Ahuja**

She started an entrepreneurial model "Conserve" to tame plastic from New Delhi. According to a study, releases by the Canadian International Development Authority, New Delhi is imbued with solid waste of which nearly 3/200% comprises plastic. Taking this as an issue she started working with the rag pickers to convert the waste plastic into products like- diaries, bags, raincoats, umbrellas- which are then supplied to the likes of Benneton and UNICEF. She also trained rag pickers to set up their own fabrication groups using her patented technology.

#### • **Akansha Hazari**

She is a businesswoman and peace-negotiator. In 2009, she volunteered with TechnoServe, an organisation that fights against poverty, while serving as a consultant there he came to know that rural people did not have access to basic services like clean drinking water but they did have access to mobile phones. Her such experience led her establish m.paani, a data company that harnesses the power of technology to help people earn rewards for in-network shopping that can be traded for other vital things like water or school fees support. For such efforts Akansha and her team won the Hult Prize and \$1 million as seed money.

## 7. Conclusion

On studying the concept of social entrepreneurship, it could be said that the enterprises or ventures not willing to accept reduction in profits as a result of fulfilment of social obligations cannot be termed as social entrepreneurs. At one end are the enterprises who extremely aim at producing social welfare while at other end are the enterprises who engage in some other profit-making business as well on the condition that the profits so drawn are used to achieve the social obligations. Therefore, being a social entrepreneur means an individual, or a member of a group, who/which carries out the work of pursuing a social goal. Social Entrepreneurship is yet to enter as a mainstream profession and probably be the first one which does not work for money or profits but for social welfare.

## References

1. Dees, J. G. (1998). The meaning of "social entrepreneurship". Stanford University: Draft Report for the Kauffman Center for Entrepreneurial Leadership, 6pp.
2. Archie B. Carroll, The Pyramid of CSR
3. Israel Kirzner, quoted in William J. Baumol, "Return of the Invisible Men": The Microeconomic Value Theory of Inventors and Entrepreneurs." [http://www.aeaweb.org/annualmtgpapers/2006/0107101503\\_01.pdf](http://www.aeaweb.org/annualmtgpapers/2006/0107101503_01.pdf).
4. Roger L. Martin & Sally Osberg, Social Entrepreneurship European Commission. (2002). Corporate Social Responsibility: A business contribution to sustainable development. Luxembourg Office for Official Publications of the European Communities.
5. Seelos, C., & Mair, J. (2004). Social entrepreneurship: The contribution of individual entrepreneurs to sustainable development. IESE Business School. Working Paper 553.
6. J. Gregory Dees, The Meaning of "Social Entrepreneurship"
7. <http://bharatentrepreneurship.blogspot.in/20080706archie.html>
8. <http://selcofoundation.org/sewing-machine/>
9. <http://mashable.com/2016/03/11/mobile-technology-rural-india/?utmcid=mash-prod-nav-sub-st#1fEYyJlcFuqw>