Social Entrepreneurship and Poverty Mitigation in India

Divya Tomar¹, Sehajpreet Singh², Anand Prem Rajan³

¹,² School of Computer Science and Engineering, Vellore Institute of Technology, Vellore, Tamil Nadu, India
³ School of Biosciences and Technology, Vellore Institute of Technology, Vellore, Tamil Nadu, India

Abstract: The idea of ending poverty seemed absurd years ago, but now we have measures helping achieve the ruling. The key aim of this study is to investigate the role of social entrepreneurship in poverty alleviation in India. We aim to study previous investigations, associated with this study earlier while adopting this study method. We want to propose a conceptual framework to study the relationship between social entrepreneurship and organizational effectiveness. We also aim to explain various theories of change that social entrepreneurs have pursued in overcoming poverty in the country. The study will utilize qualitative methods to collect data of social enterprises organizations in the main cities in India. The data collected will be evaluated to determine how organizational effectiveness can help social entrepreneurship to overcome urban poverty. Although no single social enterprise venture had put a huge dent in poverty, there certainly have been many initiatives that have notable stories to tell about how they have helped poor people. The findings could benefit not only individual social entrepreneurs but also public, policy maker and firms by clarifying how much social entrepreneurship could be relied upon to help alleviate poverty as compared to government and business initiatives.

Keywords: Entrepreneurship Development, Poverty Alleviation, Social Entrepreneurship

1. Introduction

India has a top-notch problem of poverty even after being one of the quickest-developing economies within the global marketplace. It had a growth charge of about 7.11% in 2015, and a very massive financial patron area. World Bank came out with new strategies to find out the poverty index of a nation, and the globe had round 870 million people below the poverty line. India became third after Nigeria and Congo to have people residing beneath poverty in January 2019. It was 3.6% of the entire population. India believes that the issue of poverty and unemployment are concurrently related. That is why urgent step is vital by means of the Indian government to relieve this case considering poverty and unemployment have associated results on the economy of the nation. Poverty nonetheless is still there, it’s the failure of the conventional development tasks of the system and global corporations to achieve their objectives in reducing poverty that prompt the brand new rising social entrepreneurship organizations (SEOs) as an interventionist enterprise for reducing poverty.

In the combat towards poverty, one of the interesting traits in current years has come within the shape of a brand-new type of business. It might be known as social enterprise, inclusive businesses, market-based solutions to poverty etc. These enterprises create sustainable social effect by presenting the poor with beneficial products and services, even alongside creating progression in livelihood possibilities. [1] These innovative models can be determined these days in a huge variety of areas, from healthcare to schooling, sanitation to housing. The exhilaration around them is heightened by means of the perception that they’ll acquire scale by way of tapping investment capital—together with from effect investors, which deliberately installation capital to gain social effect in addition to financial go back just as mainstream, commercial agencies have accomplished.

2. Objectives

We intend to achieve these objectives at the end of the study:

- To well understand the definition of the notion “Social Entrepreneurship”.
- To investigate the role of social entrepreneurship in poverty reduction in India
- To identify government polices to promote social entrepreneurship in India.

3. Methodology

- In – depth study of the existing work related to the alleviation of poverty through Social Entrepreneurship all over the world.
- Analysing each and every factor in a Social Enterprise that helps in this regard.
- Looking into how the poverty levels have decreased with emerging Social Enterprises in the country.
- A review on the steps taken by the government on expanding the domain of social enterprises.
- Proposing a model on how a Social Enterprise can increase its impact on reducing the poverty from the country.

4. Background Study

4.1 Poverty and need for its alleviation

One of the prominent challenges facing developing and backward nations of the arena is poverty. It's been so not bizarre issue for all is that the unreasonable cost of joblessness and that has come to be the central obstruction of the developing and immature nations of the world. Although the extent and quantity of poverty and unemployment had been discovered to be exclusive within and across the nations and it nevertheless stays the foremost obstacle to the
surest utilization of human resources for each social and monetary development of the state. Poverty is one of the major urgent social issues of the 21st century. [2]

### Table 1: Indian poverty estimates (% below poverty line) (1993 - 2012)

<table>
<thead>
<tr>
<th>Year</th>
<th>Rural</th>
<th>Urban</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993–94</td>
<td>50.1</td>
<td>31.8</td>
<td>45.3</td>
</tr>
<tr>
<td>2004–05</td>
<td>41.8</td>
<td>25.7</td>
<td>37.2</td>
</tr>
<tr>
<td>2009–10</td>
<td>33.8</td>
<td>20.9</td>
<td>29.8</td>
</tr>
<tr>
<td>2011–12</td>
<td>25.7</td>
<td>13.7</td>
<td>21.9</td>
</tr>
</tbody>
</table>

Whilst poverty is stated to be absolute, it describes as a loss of sources to meet the bodily needs for survival, a loss of basic security, the absence of one or extra elements that permit households to assume basic amenities and to experience fundamental rights. On the other aspect, relative poverty may be categorized when it comes to particular corporations or regions in relation to the lucrative fame of other individuals of the society that may be seen as a lack of resources to attain a living grade that allows people to play roles, take part in relationships, and live a life that is related to society to which they belong. Poverty effects from or even includes a loss of simple securities, which isn't only financial resource, but also schooling, employment, housing, fitness care and different associated elements leading to destitution. Under such circumstances, the goal of alleviating poverty cannot be finished unless proper strategies and tools are deployed. Creative and Modern procedures are required in order to overcome these pressures and demanding situations and in flip make this global an awesome place to stay.

### 4.2 Social Entrepreneurship

Social entrepreneurship is one of the critical tributaries of entrepreneurship, it's miles extra than just philanthropy and has deeper and colossal effect on social progress in growing nations. Authorities have commenced encouraging social entrepreneurship to extremely good extent so that the social inequalities may be dealt with and an ideal society may be accomplished as well. Social entrepreneur is supposed by means of special sort of initiatives, that's both social and monetary in nature. A social entrepreneur is a person who recognizes a social hassle and makes use of entrepreneurial principles to organize, create, and manage a venture to make social exchange. Whereas an enterprise entrepreneur usually measures overall performance in earnings and go back, a social entrepreneur assesses achievement in terms of the impact she/he has on society. [5]

This diagnosis of social entrepreneurship is clearly placing forward the primary additives of social entrepreneurship which might be:

1) Social Entrepreneurs take the responsibility of running these organizations
2) Entrepreneurial principles are used to solve particular social problems.
3) The main target is not making profit, but solving the problem while making profit.
4) It is a big hit when it comes to solving big social problems and not focussing primarily on profit.

5) The undertaking established by social entrepreneurs is referred to as social entrepreneurs and prime consciousness is on social innovations for triumphing social issues.

### 4.3 Social Entrepreneurship and Indian Economy

The emerging economies comprises nearly 60% of the global GDP. They have also contributed in the direction of more than 80% of the global boom because the global economy has been hit by means of financial crisis in 2008. In this way social entrepreneurs are gambling acritical function in presenting sustainable answers and livelihood opportunities to the susceptible sections of the society. [3] Recently in Delhi a conference on smooth and inexperienced India 2016 was held. It highlighted the excess opportunities to be had for social companies in diverse sectors like waste handling water management eco-friendly shape and deep cleaning offerings as a part of the SwachhBharatCampaign. [3]

In previous few years a large quantity of investors has devised innovative era and assets for founding and establishing social entrepreneurship. As an instance Jeff Skoll the co-founding father of Ebay created a firm and donated 4.4 million pounds for establishing a study merely dedicated for social entrepreneurship. In addition, the social enterprise organization Ashoka which became based by means of the usage of Bill Drayton in 1980 build to fund the budding social marketers. Such kinds of investments are referred to as effective funding and modified into coined at the Rockefeller foundations Bellagio centre. India is the pioneer of social entrepreneurship and houses eminent social marketers like Mahatma Gandhi - father of nation, Dr. VergheseKurien - father of the milk revolution in India,Sanjit Bunker Roy - founder of barefoot university, Dr. G. Venkataswamy- founding father of Aravind eye hospital among many committed to embark change in the society via their social tasks.

### 4.4 Steps taken by the Indian Government

In January 2016 prime minister Narendra Modi launched start up India to encourage entrepreneurship and more youthful minds to provide with progressive thoughts to find out solutions of the most intimidating problems of India. Moreover, he additionally launched the stand-up India initiative in April 2016 for advocating entrepreneurship in scheduled castes scheduled tribes and ladies via nationalized banks. The initiative will encourage them with the aid of facilitating loans of Rs. 10 lacs to Rs. A hundred lacs. In today global human beings may be task creators of coming generation. Social entrepreneurship is now not restricted to social sports instead it has emerged to be a global phenomenon. In today’s date it performs an important function in providing increase and employment possibilities to the prone sections of the society through sustainable commercial enterprise solutions. Consequently, the opportunity of revolutionizing the economic company practices and integrating them with the social impact is gaining momentum.
5. Survey

5.1 Social Entrepreneurship and Poverty Mitigation

Social entrepreneurship is regarded as a way of battling poverty, with the pursuit of an entrepreneurial approach. Many studies specified that starting of trade has a positive impact on poverty reduction. Social entrepreneurship contains a likely tactic to eradicate the causes of underdevelopment, which helps in boosting the economy. Social entrepreneurship makes projects that may be for benefits or non-profit, yet the need is seldom on developing market-oriented exercises to create background change that enhances the lives of individuals.

Social entrepreneurship contains a specific capability within the money system. According to Mead and Lieholm (1998), social entrepreneurship is a successful means of financial advancement and poverty alleviation in bankrupted and lower income areas of the world.

The significances of social entrepreneurship are wipe out of underdevelopment and poverty and will increase financial gain for the beneficiaries of microfinance are at best inconclusive. Alternatively, numerous past studies undertake an analytical critical and artificial exam of social entrepreneurship in its not unusual use thinking about each of the social and the entrepreneurship elements in the concept. On each factors there is a variety of use with full-size variations marked by using such things as the prominence of social dreams and what are idea of because the salient functions of entrepreneurship.

They discovered social entrepreneurship is exercised wherever some person or persons purpose either solely or in a few exceptional manners to supply socially really worth of a few kind and pursue that goal via a few aggregate of spotting and exploiting possibilities to create this value of employing innovation tolerating hazard and declining to accept obstacles in available assets. Some of the social enterprise that work for the poverty alleviation are discussed below:

5.1.1 ShantiLife:
The poor typically get cornered within the tedious method of taking a loan. Financial institutions often give out loans at such high rates that the poor find it nearly impossible to pay it all back. With the aim to release the poor from this vicious loan process and help them achieve sustainable living through access to necessary resources, Sheetal Mehta Walsh co-founded Shanti Life which she started it with her husband Paul Walsh. The venture helps the poor take microfinance loans at low interest, and trains them. [2]

5.1.2 Dasra
Remedy of impoverishment drives the actions of Dasra which lists provides sanitation governance to adolescent girls and strategically giving as priority regions. This employer lives up to expectation because of its call to enlightened giving via conducting in-depth studies to facilitate such giving. Their lively approach to session and mentorship has helped them build over seven hundred and thirty enterprises which in turn have impacted more than seventeen million lives. [5]

5.1.3 Upaya Social Ventures
Upaya social ventures- a hand-up and no longer a hand-out is the first-rate manner to raise families out of extreme poverty that is the belief that drives the moves of Upaya social ventures. Inside the area of poverty alleviation through profitable employment Upaya gives seed investment and business improvement support to corporations that provide employment opportunities to the poor. They consider adopting a real time approach and infrequently work with their beneficiaries for two to three years to verify that clever social initiatives meet their ability. [3]

5.2 Impact of social entrepreneurship in overcoming poverty among women.

5.2.1 Chetna Gala Sinha:
Chetna a well-known advocate of ladies’ empowerment is the president and founder of the MannDeshi foundation. She aspires to empower rural ladies through nurturing entrepreneurial talents and has the imaginative and prescient to create 1 million ladies’ marketers by 2020 in India. [6]

5.2.2 Chetna Gala
Chetna started the primary rural financial organization in India Mann Deshi financial institution that was run by and for girls. She is best known for her contributions to encourage extra women inside the rural regions of India to become entrepreneurs. [4]

5.2.3 Sheroes.in
Sheroes.in via her necessary firm sheroes.in Sairee Chahal is combining the 2 crucial causes of present time girl’s empowerment and employment. Sheroes is largely a platform for girl professionals who're devoted to finding success at work. It allows working women get right of entry to relevant assets and new possibilities as well as provides a platform for fruitful conversations to occur on this matter. [2]

5.2.4 REVIVAL Style
REVIVAL styles thought that the over one hundred and eighty million rural Indian women living underneath the standard poverty line residing on less than a dollar. Though being the bridge among ancient Indian craft and also the needs of a present-day consumer the enterprise facilitates and preserve Indian traditional crafts. Further to imparting the ladies with honest wages and employment REVIVAL Style reinvest inside the artisan’s communities via schooling programs. [6]

5.3 Impact of social entrepreneurship in overcoming poverty among rural areas.

5.3.1 RTBI – Rural Technology and Business Incubator
An initiative of IIT madras RTBI started working in 2006 under the aegis of the department of science and generation government of India and international banks Infodev Arm. The employer normally seeks for businesses that are working closer to rural and social inclusion. RTBI adopts a -pronged method of incubation and exploration and gives infrastructure and admin support as well as funding
alternatives and other value brought services like risk assessment service development and advertising and marketing. [4]

5.3.2 Ajaita Shah

Business Week ranks her as the most influential leader under 30, working for a tenure of 5 years in SKS Microfinance and Ujjivan Financial Services. Frontier Markets organization is her brainchild. Being a 2012 Echoing Green Fellow is to be of aid to 30 million rural households in the next 3 years. [1]

5.3.3 Sushmita Ghosh

She deals mainly with craft and restore from rural India, contributing to the present success of Rangasutra (a for-profit venture) and retailing from FabIndia. She collects, what she calls ‘priceless’ products from these talented and dedicated villagers and helps them earn their living they deserve. [3]

6. Results and Conclusion

The main goal of this paper was to recognize how social entrepreneurship has and can be used to address the issue of poverty in India. We’ve studied in in depth about what's social entrepreneurship and the way it influences the economic system. We have studied numerous social enterprises which particularly focus towards the intention of poverty mitigation. A few which includes Shati Life which offer loans to underprivileged humans at nominal loan for the cause of starting a new commercial enterprise or any other business of their choice. Upaya social ventures offer employment and schooling centers for the poor people of society. We saw that there are few social enterprises that concentrate on a specific class of poor people like women or rural poor people. A number of them are Sheroes.in, Chetna Gala, Rangasutra and so on. After reading the operation of each of these social companies we can say that social organization may be very well capable of improving the standard of people and assist in preventing poverty. From this we can say that social entrepreneurship in itself has the capability of integrating factors of business and other volunteer sectors which focus in the direction of making like of common humans better through addressing the social troubles which includes poverty. After this in-depth study we can conclude that poverty can be addressed in following ways by currently operating social organization with use of the following ideas: 1. Talk and reach out to natives in rural and sub urban regions and offer them the benefit of industrialization. 2. Offer loans to underprivileged human beings at low interest. 3. Ask people to attend school which will not only allow them to grow personally but become a self-dependent and might assist their family and now not rely on it. 4. Encouraging self-employment among rural regions that allows you to not only produce employment but also result in the development of the place in terms of heritage and culture. 5. Lessen the social gap among different parts of society by means of beginning an agency that integrate the human beings working in wealthy and backward societies. 6. Imparting vocational training to every age group of the society at low price. This can lessen illiteracy and will result in reducing social and economic problems which includes poverty.

7. Acknowledgment

We thank Vellore Institute of Technology (VIT) who provided insight and expertise that greatly assisted the research.

8. Declaration

The author(s) declare(s) that there is no conflict of interest.

References