

Social Enterprises: Need of the Hour

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SUMMARY

With a population of more than a billion, India has a diversified population in terms of gender, culture, social class, and economic status. Despite recent improvements in the nation's access to technology, healthcare, and education, many societal issues still exist today. In India, problems including poverty, unemployment, gender inequality, and environmental degradation still exist. Social impact entrepreneurs play a significant role in this environment. This article includes the challenges faced by social enterprises and highlights the impact of renowned enterprises such as Desi Hangover and Bio Loo.

INTRODUCTION

The data shared by World Economic Forum (WEF, 2023) shows that, there has been an increase in global inequality, with the top 1% of richest taking roughly two-thirds of the \$42 trillion in new wealth created since 2020. Accumulation of wealth widens the gap between races and genders. It fuels conflict and climate change by encouraging relentless exploitation and monetization of natural resources. Climate crisis, right now, displacing people from their homes as a result of drought, fire, frequent crop failures, cyclones or floods. The World Bank estimates that roughly one in four Indians are living in poverty, and many people still struggle to get access to essential amenities like healthcare and education. However, these difficulties have also provided a chance for cutting-edge fixes that could have an impact (Yadav R. K., 2023). Social enterprises are identified by the OECD as “any private activity conducted in the public interest, organised with an entrepreneurial strategy, whose main purpose is not the maximisation of profit but the attainment of certain economic and social goals, and which has the capacity for bringing innovative solutions to the problems of social exclusion and unemployment”.

Social Enterprises

European Commission has defined social enterprise as, “an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders. It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner and, in particular, involves employees, consumers and stakeholders affected by its commercial activities”.

Social enterprises are businesses with a social or environmental goal at their core and use market-based solutions to address social and environmental issues. Social enterprises are gaining popularity as a popular strategy to combat poverty and marginalization in India (Yadav R. K., 2023). An example worth mentioning is of ‘Desi Hangover’. This social enterprise has passion for creating a business that delivers true impact. The leather used to make comfortable, stylish and durable footwear is ethically sourced by artisans and up-cycled. The skilled artisans come from families that have honed the technique of shoemaking over many centuries. Men and women contribute equally and women are in charge of a variety of duties. They ensure that the materials are ethically obtained and organic. The leather used by Desi Hangover is upcycled from trash that would have otherwise gone to landfills. This company follows the principle of "Building Rural India through Enterprise". The love for Indian crafts and craftsmen serves as the inspiration for creating a global, socially responsible "Craft to Consumer brand".

The company supports the education of 100 students from the community. They provided dignified opportunities to more than 140 artisan families. They have upcycled more than 1,00,000 sq. feet of leather from landfills (www.desihangover.in).

Banka BioLoo is another example of social enterprise that needs to be mentioned. In terms of infrastructure for water, sanitation, and hygiene (WaSH), Banka BioLoo Limited is a pioneer. They offer comprehensive human waste management solutions and services as well as sanitary infrastructure. These make use of novel and straightforward bio-digester technology that the Indian Ministry of Defence's R&D branch, the Defence Research and Development Organization (DRDO), has trademarked. Additionally, they provide sanitation operations and maintenance (O&M) services to the Indian Railways, one of the biggest rail networks

in the world, ensuring a pleasurable journey for millions of passengers every day. In the long run, Banka BioLoo's initiatives boost overall access to better sanitation and hygiene in schools, improving student health by lowering waterborne infections, which are a significant cause of mortality in children. The BioLoos also directly affect kids' education by enhancing their sense of dignity and hygiene security, which increases the likelihood that pupils will graduate from school (bankabio.com)

Despite the fact that manual scavenger employment was illegal in India since more than two decades ago, the activity still exists, especially due to 2.6 million insanitary latrines (Census 2011), which necessitate manual cleaning of human excreta. This job has killed numerous people by suffocation after exposing them to hazardous chemicals (Economic Times, 2019). Bandicoot, the robotic device designed by Genrobotics can clean any type of sewage manhole. Bandicoots are more adaptive than humans and can clean manholes more effectively in terms of time and efficiency (www.genrobotic.org). Innovation such as this can contribute to the wellbeing of the vulnerable.

Challenges faced by Social Enterprises:

Social entrepreneurs expressed that, limited access to finance, funding, maintaining the cash flow capital (Gaikwad V. et al, 2022) along with resource availability are the major issue that impede the growth and expansion of social enterprises. The creation of social innovations requires the appropriate legislative and policy frameworks (Yadav R. K., 2023). There are gaps that must be solved right now, including those related to capacity building of social entrepreneurs, access to qualified professionals, a pool of qualified human resources and training facilities (Kumar N. S. et al, 2019). Other issues include a lack of managerial and technical skills in the social enterprise sector, difficulty hiring employees when starting their social enterprise, lack of public understanding or support for social enterprises, a lack of awareness among banks, and difficulty accessing technical support and advisory services when beginning their social enterprise. The need for the government to foster and spread knowledge of social entrepreneurship and firms is growing. Young people need to be encouraged to adopt an entrepreneurial attitude, especially one that is focused on addressing social issues in communities and creating more jobs. More colleges, universities, and research institutions and think tanks are suggested do this.

It is becoming increasingly important for the government to create and promote awareness of social entrepreneurship and enterprises. More colleges, universities and research organizations, think tanks need to encourage an entrepreneurial mindset among young people, particularly one geared toward tackling social challenges in communities and generating more jobs (Gaikwad V. et al, 2022). It is essential to encourage and fund social entrepreneurship and impact investing if we are to build an egalitarian and sustainable future for India. This can be accomplished in a number of ways, including through improving funding access, advancing supporting legislative and regulatory frameworks, and fostering networks and partnerships between social entrepreneurs and impact investors. We can build a future where underprivileged groups have access to fundamental services, sustainable livelihoods, and a higher standard of living by encouraging social entrepreneurship and impact investing in India (Yadav R. K., 2023). Banks always need collateral when funding social firms, which social enterprises lack, according to the social entrepreneurs who participated in the conversation. Entrepreneurs advised that banks pay more attention to qualitative criteria such as the company's mission, the entrepreneur's motivation, social effect, social mission and goals, social innovation, etc. (Talukdar S. C., 2023) rather than focusing only on quantitative factors such as assets, liabilities, revenue, breakeven point etc.

CONCLUSION

In general, social entrepreneurship aims to address urgent social and environmental concerns in order to build a more just and sustainable society. Social entrepreneurs don't prioritize monetary success over social good. Compared to corporate charity, social entrepreneurship has a larger potential to benefit people, the environment, and the bottom line.

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