

Emerging Trends in Entrepreneurship & Challenges in Changing Global Scenario

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Introduction

We all know that entrepreneurship is a concerted effort at attempting to assemble resources including innovations, finance and business acumen in an effort to transform opportunities into economic goods. This may result in new organizations or may be part of revitalizing mature organizations in response to a perceived opportunity. The most obvious form of entrepreneurship is that of starting new business. However, in recent years, the term has been extended to include social and political forms of entrepreneurial activity. Entrepreneurship ranges in scale from solo projects to major undertakings creating many job opportunities. Many kinds of organizations now exist to support would-be entrepreneurs, including specialized government agencies, business incubators, science parks, and some NGOs. Lately more comprehensive approaches to entrepreneurship as a specific mindset have emerged resulting in entrepreneurial initiatives in the form of social entrepreneurship, political entrepreneurship, or knowledge entrepreneurship. Social entrepreneurship is not merely an extension of Corporate Social Responsibility (CSR) as some people would want us to believe, rather, it is a conscious effort to contribute to a Social cause and the business enterprise is merely a medium for achieving the end results.

Early beginnings

The story of the entrepreneurship in India is full of ups and downs. During the early British era, the entrepreneur was seen more as a broker or money lender, bound by caste affiliations, religious, cultural and social forces right from the philosophy of dharma

down to the joint family system. Entrepreneurship as we understand it today was not initially developed from this social segment. In addition, a number of political, economic factors too had an inhibiting effect on the spirit of enterprise among Indians in those times. Some of these were a lack of political unity and stability, the absence of effective communication systems, the existence of regulatory barriers and oppressive tax policies, and the prevalence of varied currency systems – all these combined together to restrict the growth of entrepreneurship until around the third decade of the 19th century. The religious system of education and the low social esteem accorded to business were other potent forces that discouraged the advancement of large scale commercial ventures in pre-independence India

The growth phase

The first half of this century witnessed a gradual change for the better to the prevailing scenario. During this period, there was a growing tendency among the locals to take to business. The spread of secular education, surge in nationalist feelings and social reform movements would have given a boost to this phase of the emergence of entrepreneurship in the country. Moreover, the two world wars and the enormous business opportunities they created for the growth of industrial ventures brought about a radical change in the attitudes of the public in favor of industrial entrepreneurship and broadened the vision of Indian businessmen. Independent India could now claim to have created a conducive climate for the spread of entrepreneurship. It is in this perspective that the later evolution and growth of entrepreneurship in India has to be understood.

Contribution of the NEN and other organizations

There are various associations, tie-ups and NGOs who are doing a yeoman service to the cause of entrepreneurship both abroad and in India. Notable is our very own NEN (National Entrepreneurship Network) founded by Mr. Romesh Wadhwani, an NRI entrepreneur who is the owner of Symphony Corporation in Silicon Valley. The aim of NEN which is a non profit organization is to foster the spirit of Entrepreneurship among

the youth in India's educational Institutions and assist them in running successful businesses.

According to a KPMG TIE survey conducted in 2009 "there is potential for a new corporate landscape, steered by the spirit of the Indian entrepreneur to emerge amidst the global meltdown. The entrepreneur and the state are working together to help drive and sustain the growth of the country. In India, the relationship between the State and the entrepreneur is an important factor in the success of a business."

The importance of networking in entrepreneurship

Neither entrepreneurship nor the phenomenon of innovation can be fully understood without getting a perspective on the concept of networking. Entrepreneurship is best understood as a process of innovation, one which requires stakeholder engagement, cultivation, and continual management. The emergence of innovation depends on the ability of entrepreneurial leaders to identify and mobilize the necessary resources from willing participants chiefly those who bring information, skills, perspectives, funds, materials, buildings and equipment to create the change in product or process design.

What is Social Entrepreneurship?

A social entrepreneur is someone who recognizes a social problem and uses entrepreneurial principles to organize, create, and manage a venture to make social change. Whereas a business entrepreneur typically measures performance in profit and return, a social entrepreneur assesses success in terms of the impact s/he has on society as well as in profit and return. While social entrepreneurs often work through nonprofits and citizen groups, many now are working in the private and governmental sectors and making important impacts on society.

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. 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 take new leaps. The main aim of social entrepreneurship as well as a social enterprise is to further social and environmental goals for a good cause. Although social entrepreneurs often are associated with nonprofits, this need not be incompatible with making a profit. Social enterprises are for ‘more-than-profit,’ using business models that combine a revenue-generating business with a social-value-generating structure or component. Social entrepreneurs in the twenty-first century will redefine entrepreneurship as we know it, due to their progressive business models.

Rather than maximizing shareholder value, the main aim of social enterprises is to generate profit to further their social and or environmental goals. This can be accomplished through a variety of ways and depends on the structure of the social enterprise. The profit from a business could be used to support a social aim, such as funding the programming of a non-profit organization. Moreover, a business could accomplish its social aim through its operation by employing individuals from disadvantaged backgrounds or lending to micro-businesses that have difficulty in securing investment from mainstream lenders.

The evolution of Social Entrepreneurship

Social entrepreneurs have been around since human beings started to form social Communities, but the concept of social entrepreneurship is part of a more recent and larger story. It emerged at a specific historical juncture around the 1980s as business and society reorganized along entrepreneurial lines. The four phases in the recent evolution of social entrepreneurship can be classified in the following manner:

The first phase or period was around 1980 and is best represented by the founding of Ashoka by Bill Drayton in 1980 to develop and legitimize the field of social entrepreneurship. Thanks to this initial push, a growing number of social entrepreneurs around the world started to recognize them as such, and a global fellowship started emerging.

The second phase occurred soon after the first. In a sense, the two were part of the same wave of the early 80s in which men and women around the world began coming together to respond to the increasingly visible and growing gap between the haves and the have-nots. Social entrepreneurs, like many other people who came together to address public sector shortcomings, respond to these gaps. But the difference between social entrepreneurs and other well meaning people wanting to do good to society is the way they go about it. Unlike the latter, social entrepreneurs rather than just offering simple responses to basic needs in addition, provide practical, transformational solutions to change the systems and patterns that keep people poor. They also offer solutions instead of merely joining the throngs of protesters on the streets advocating change. Social entrepreneurs are the new social architects drawing up and testing the blueprint for a different way of creating a new world – and proving that it can be done.

The third phase that fed into the evolution of social entrepreneurship is related to Corporate Social Responsibility – the concept emerging in the early 1990s that holds that the business of business is not just increasing shareholder value. Rather, companies must embody transparency and ethical behaviour, respect for stakeholder groups and a commitment to add economic, social and environmental value. CSR, as it is known, was much less the result of an internal decision on the part of companies as it was a response to the popular movement led by the organized citizen sector and consumer groups and empowered by internet technologies that forced business to acknowledge that its shareholder value was tied to its ability to measure and reduce negative environmental and social impacts, and to maximize positive impact.

Another remarkable occurrence was that some social entrepreneurs were turning the concept of Corporate Social Responsibility on its head. Rather than setting up a business to generate profit first and then trying to make it socially and environmentally responsible, they felt it would be a great idea to start out with the premise that the bottom line is social and environmental transformation, and then build for-profit activities around

making that happen. Quite a number of social entrepreneurs have done exactly that – paving the way for the Social Corporation of the 21st century.

The fourth phase began around the same time in the early 1990s. The search to prove that one non-profit was a more effective investment than another was best accomplished by the establishment of clear measurable goals, benchmarks and outcomes so that such comparisons could be made. This occurred among foundations, philanthropists and not-for-profit ventures influenced by business approaches drawn primarily from the world of venture capital. Social entrepreneurs embraced this challenge.

Over the last three decades, social entrepreneurship has continued to evolve – partly influenced by these moments, but more often than not, seizing the opportunities presented by them to further position their initiatives. By the end of the 20th century, the term social entrepreneurship had started to become synonymous with development.

Social entrepreneurship ventures in India and abroad

- The earliest example of Social entrepreneurship in our country is that of Vinoba Bhave, founder and leader of the Bhoodan Movement, which caused the redistribution of more than 7,000,000 acres of land to aid India's untouchables and landless polity. Other notable entrepreneurs from our history are JRD Tata, GD Birla, the Godrej family, and more recently, Dhirubhai Ambani.

Some examples of entrepreneurial ventures across our country are:

- “Barcamp” is an international network of user generated conferences — open, participatory workshop-events, whose content is provided by participants. It is an intense event with discussions, demos, and interaction from participants.
- “DARE” is a media platform for the Indian Entrepreneur and the Entrepreneurial Ecosystem. It is an interactive platform for enabling entrepreneurs to start and run

their own business. It analyses what businesses (and those who want to start their own) need to do, rather than report on what businesses are doing. It identifies business opportunities and success mantras for others to follow.

- The George Foundation's Women's Empowerment program empowers women by providing education, cooperative farming, vocational training, savings planning, and business development. In 2006 the cooperative farming program, Baldev Farms, was the second largest banana grower in South India with 250 acres under cultivation. Profits from the farm are used for improving the economic status of the workers and for running the other charitable activities of the foundation.
- "By Stupid Common Man" is a volunteer online association of business professionals from various industries for revival of declining industries in Andhra Pradesh. Andhra Pradesh is the biggest producer of entrepreneurs in India, but also has the largest history of entrepreneurial failure. This is an open forum with free membership and seeks the participation of a broader intellectual population. This is a unique social entrepreneurial initiative for a noble cause.
- South East Asia Pacific based Global Indian Foundation Global Indian Foundation which is headquartered in Singapore runs schools for gifted tribal or Adivasi students in Gujarat, India. The public private partnership project aims to lift the education standards of the tribal students and make them employable in public or private sector.
- Richa Pandey, a marketing MBA, was a media sales professional in New Delhi for eight years. But her calling was rural India, partly because of her roots—her grandfather was a farmer in Uttar Pradesh. The retail and BPO sectors were creating job opportunities in a big way and so she zeroed in on vocational training for rural youth in these areas. In October 2007, she approached the Rural Technology Business Incubator (RTBI) at IIT-Madras with a business plan outline. Out of this was born e-Jeevika, a unique program connected with designing course content and online training in three areas: retail sales, data entry

- and security services. “e-Jeevika” subjects candidates to psychometric tests to determine where they’d fit in best and trains them accordingly.
- One of the best examples of social entrepreneurship in India however will always be remembered and revered as Amul. Amul was created by government initiative and by the passion of people like Dr Kurien. It wanted to bring out change in the way milk was produced and distributed on a massive scale. The vision was big, there was passion, there was capital (direct and indirect), and there was terrific leadership, sustained and involved engagement with the grass-roots, and the formation of partnerships to create the impact via the business.

The Role of B Schools in India

Social entrepreneurship is increasingly finding its way into B-school campuses to facilitate future managers to choose the right business strategies, keeping in mind their impact on society and the environment. With the focus on the aspect of social responsibility for business leaders of tomorrow, management institutes across the country are coming up with various initiatives to promote social entrepreneurship. According to the business schools, the initiatives help blend the entrepreneurial skills of the corporate world with the social purpose of non-governmental organizations. And the initiatives from the business schools are also luring an increasing crop of professionals preferring to take the path of becoming social entrepreneurs by shunning cushy jobs.

Challenges to social entrepreneurship

- The first challenge is from governments. A majority of them are yet to recognize social entrepreneurship as a legitimate form of enterprise. This recognition is essential for finding ways to promote it through fiscal and legislative incentives, including the, the elimination of burdensome regulations, review of tax laws ,

- arbitrary decision-making and other arduous requirements and inefficient practices that hamper social entrepreneurs.
- The second challenge is from organizations - to encourage businesses and discover the competitive advantages offered by working in partnership with social entrepreneurs. From a financial perspective, reaching untapped markets can be greatly facilitated by linking with social entrepreneurs who have spent a long time in designing; implementing and refining innovative ways of bringing excluded groups into the marketplace. From a human resources perspective, the ability to attract top talent is a major challenge for companies. But the best and the brightest today are looking for more than impressive salaries and stock options. They want something that gives meaning to their work and their lives. Supporting social entrepreneurs in different ways shows that companies care about more than the bottom line. Finally, corporate social responsibility is not about setting up separate corporate foundations to reach excluded populations through top down programs that compete with social entrepreneurs. Nor is corporate social responsibility about relegating the “social” work to the corporate foundation while the corporation carries on its business as usual. Working with social entrepreneurs should be part of the core business strategy of every company.
 - The third challenge is from foundations and philanthropists who should be the ones catalyzing social transformation by supporting social innovators. Foundations and high net worth individuals are well placed to engage in that process, as they are free of two forces that dominate the decisions of governments and business respectively – the ballot box and the bottom line. But many foundations and philanthropists seem content to fund projects that they hope will produce dramatic results in just 2 years or even less. However, no social entrepreneur can transform a system in that time. It takes years, sometimes even decades. There is a need support for scaling up successful social innovations as social entrepreneurs have now developed the metrics to prove that what they do has results.

- The academic sector presents another major challenge. Although there have been significant strides, particularly in the area of university education, we have still a far way to go as regards instilling entrepreneurial thinking in students from a young age. And this is because we all know that entrepreneurship is not something to be learned out of a book; it must be cultivated and experienced. The entrepreneurial mindset has been identified by the following six attributes, namely commitment and determination; leadership; opportunity obsession; tolerance of risk, ambiguity and uncertainty, creativity; self-reliance, ability to adapt; and motivation to excel. How well are our educational institutions doing to instil these characteristics?
- Finally, social entrepreneurs must work together to build their network through the establishment of a professional teamwork that moves everyone beyond their personal goals and initiatives to a larger common purpose – and that is working across sectors to create institutions that can work for common causes and respond to unprecedented global challenges.

Why social entrepreneurship?

What is the reason for this definite shift from merely doing your own thing and making money to doing something for a common cause and running it as a successful venture? Some suggested reasons could be

- The desire to fulfil a common social need and gain personal satisfaction as well as recognition from society at large.
- A means to serve interests of weaker and unprivileged sections of society and leverage this to existing businesses
- Today's world order realizes that greed does not pay in the longer run, but goodwill does.

Whatever the reasons, the writing on the wall is very clear that social entrepreneurship is here to stay and it is in fact the way of the future of entrepreneurship.

Conclusion

This paper has attempted to give an insight into the meaning of entrepreneurship, trace the early beginnings in our country and its evolution through history. It has also tried to bring out the emergence of social entrepreneurship as the new face of entrepreneurship, its *raison d'être*, evolution and development in the world all over. It has brought out some examples of social entrepreneurship in our country as well as in the international scene with their aims, aspirations and followers. It tells us the possible reasons for a gradual shift towards social entrepreneurship and how it is the way to the future. Lastly, it lists out certain challenges to social entrepreneurship.

References

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