

SOCIOENTREPRENEUR - A NEED OF EMPLOYMENT GENERATION IN INDIA

Dr.Mohd Farhan* Shivani Dhand**

*Assistant professor, Mittal School of Business, Lovely Professional University, Punjab

**Shivani Dhand, Assistant professor, Mittal School of Business, Lovely Professional University, Punjab

ABSTRACT

India is facing a serious problem of unemployment. Unemployment is increasing among educated youth probably on account of lack of skill based employment opportunities in India. Apart from financial impact, unemployment has many social impacts like theft, violence, drug taking, crime as well as it leads to psychological issues. Aim of this paper is to discuss the concept of socio entrepreneurship and determine its role in employment generation. Social Entrepreneurship has the prospective to meet and take in hand the most challenging and composite issues of un-employments.

INTRODUCTION

In this era of fast growing economies, there are many problems that keep on arising in today's world. It is related to our society, culture, and environment. The rate at which the tribulations have been generating, it is not in the vicinity of the government to overcome or resolve it. Our society has converted into that era where people are self centered. If we talk about the corporate they are exploiting every component of this nature, whether it is air, water, soil, natural resources, human capital but what they are giving in return is devastating like air pollution, water pollution, soil pollution and number of diseases. The youngsters are looking for good opportunities, good career and better future about themselves only. We are going to explore a new field that is emerging as a big hope for everyone. Aim of this paper is to discuss the concept of socio entrepreneur and it determines its role in employment generation. Social Entrepreneurship has the prospective to meet and take in hand the most challenging and composite issues of unemployment. A Sociopreneur recognizes a social problem and uses entrepreneurial principles to organize, create and manage a venture to achieve social change. An entrepreneur typically measures performance in profit and return but social entrepreneur starts a venture not merely for profits but for inclusion of the communities that so far have been left out of the main stream. We are facing opulent crisis in the country, out of which unemployment is one of the major issue. In September 2015, around 23 lakh people applied for 368 peon vacancies in Uttar Pradesh. Among these, 255 candidates were doctorate and more than two lakh were B. Tech, B. Sc, M.Com and M. Sc degree holders. (The Economic Times, Sep16, 2015). To know depth of the situation, we must see the unemployment reports given by various agencies (Table 1).

Table1: Unemployment (% of total labor force) (National Estimate)

Country/years	2013	2014
India	4.5	4.9
Bhutan	2.9	2.6
Srilanka	4.4	4.3

China	4.1	4.1
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Source : (The World Bank IBRD.IDA) <http://data.worldbank.org/indicator/SL.UEM.TOTL.NE.ZS>

According to World Bank report percentage of unemployed people in India is higher than its neighboring countries. In the report of CII National Conference on Skill Development, Prof Laal ram Gujar indicated that only 34% people were found employable out of about 1,00,000 candidates due to lack of skills. As per the findings of India Skill report out of about 10 sectors surveyed, majority of the sectors like BFSI, BPO/ITES, Manufacturing etc., are not expecting a major boost in their hiring numbers. (INDIA SKILLS 2015) According to Annual Employment & Unemployment Survey report released by The Labour Bureau under Union Ministry of Labor and Employment for 2012-13, overall unemployment rate of the country is 4.7%. For rural area it is 4.4%, whereas for urban area it is 5.7%. Creating new jobs is a crucial task for the large population of India with about 66% of the population under the age of 35. Though education level among youth increased but skill development is not increasing in the same way and less number of opportunities lead to unemployment. This decline in job creation is revealed by Monster.com through its Monster Employment Index India and Naukri Job Speak Index of Naukri.com. According to Silver Lining Institute report, number of workforce in agriculture sector has gone down and for the first time it is below 50%. The farm sector now has 49% of the workers whereas manufacturing sector has 24% and services sector has 27% workforce. The education loans in India are increasing but there is a rise in the number of defaulters of education loan that clearly indicates the unemployment state in India. According to the reports by NSSO, illiterate population has the lowest unemployment rate because this segment of the society is ready to do low paying jobs. Educated youth is facing the most of unemployment that shows lack of skill based employment opportunities in India. Apart from financial impact, unemployment has many social impacts like theft, violence, drug taking, crime as well as it leads to psychological issues. Long term unemployment can actually ruin the family and the society. Question arise that what is the reason behind this horrible situation and what could be the possible solution. This is very critical situation and we need to search an effective solution. From the above mention problems, issues and challenges that our society is facing are at the culmination point, we actually need to look upon not only solutions but sustainable solutions. The concept of Sociopreneurship is one of the ways that can give us relief from the various problems that we have been facing. Socio entrepreneurs try to determine the problem of society and provide sustainable solution that leads to social changes. Social entrepreneurship comprises of the activities related to the community progress and elevated social purpose. It puts emphasis on the generation of businesses and other activities related to social duty and social value formation.

CONCEPTUAL FRAMEWORK

Bornstein and Davis (2010) defined social entrepreneurship as, “a process by which citizens build or transform institutions to advance solutions to social problems, such as poverty, illness, illiteracy, environmental destruction, human rights, abuses and corruption, in order to make life better for many.” Ghenea (2011) defined this concept as, “the entrepreneurial activity that starts from the identification of a social problem (e.g. on education, health, and on other social issues important to the community) and based on solving the social problems through entrepreneurship specific methods (by structuring organization and finding solutions for action, funding and development of this organization)”.

“An Enterprise that is owned by those who work in it and/or reside in a given locality, is governed by registered social as well as commercial aims and objectives and run cooperatively may be termed as Social Enterprise (Spreckley 1981).”

According to Alter “ A Social Enterprise is any business venture created for a social purpose – mitigating/ reducing a social problem or a market failure-and to generate social value while operating with the financial discipline, innovation and determination of a private sector business. (Alter 2011) ”.

According to Bill Drayton, Founder of Ashoka: Innovators for the Public,

“Social entrepreneurs are not content just to give a fish or teach how to fish. They will not rest until they have revolutionized the fishing industry.”

SOCIAL ENTREPRENEURSHIP IN THE WORLD

No one knew that it'll become a revolution when Florence Nightingale established her own nursing school. Similarly, Verghese Kurien, Started “White Revolution” in India and at present 750 employees are working in Marketing Arm of Amul. However, real pool consists of 3.6 million milk producing members (<http://www.amul.com/m/organisation>). Muhammad Yunus from Bangladesh popularly known as the “Banker to the Poor” was the founder of “Grameen Bank” in 1983. In Bangladesh today, Grameen has 2,564 branches, with 19,800 staff serving, 8.29 million borrowers in 81,367 villages. On any working day, Grameen collects an average of \$1.5 million in weekly installments. Of the borrowers, 97% are women and over 97% of the loans are paid back, a recovery rate higher than any other banking system.(<http://www.grameen-info.org/grameen-founder-muhammad-yunus/>). Bangladesh born, Fazle Hasan Abed was the founder and Chairperson of BRAC in 1936 start up with a campaign called “Help Bangladesh” in 1936.The primary objective of BRAC was to eradicate poverty. In three decades of his leadership, BRAC grew in terms of scale and miscellany of its involvements. Approximately 115,000 employees are working in this NGO (<http://brac.net/index.php/partnership>). Dr. Ibrahim Abouleish in 1977 started SEKEM project on the untapped area of Egyptian desert spread in 70 hectares towards the north east of Cairo. The desert land was rejuvenated using biodynamic farming methods and a go-getting agricultural business was developed. In recent years, SEKEM is looked upon as the leading social business around the world. It provides employment to more than 1500 workers.(<http://www.unccd.int/Lists/SiteDocumentLibrary/EventsAndCampaigns/Land%20for%20Life/Land%20for%20Life%202015/SEKEM%20Fact%20Sheet-EN.pdf>)

SOCIAL ENTREPRENEURS IN INDIA

In India social entrepreneurship played a very important role in employment generation, like Narayan hospital provides affordable healthcare to the masses and create employment in that area. Similarly A Little World Company provides microfinance to backward people of the society and helps them to start small businesses. Its customer base crosses more than three million. Barefoot College Company deals in solar energy, water, education, healthcare rural handicrafts and provides employment to more than 1000 people. Rang sutra provides sustainable livelihoods for artisans and farmers, by creating top quality hand-made products and employed approximately 5000 people. Lijjat papar played a very important role in woman empowerment and employed more than 43000 people. Table 2 depicts the list of various companies who played a very important role in employment generation in india.

Table2: Number of Employees in Social Enterprises

Company	Activity	Year of foundation	Number of employee	Founder/Key person	Website/source
Narayana hospital	Healthcare Services	2000	15,500	Devi Prasad Shetty	www.narayanahealth.org
A little world	Empowering micro business through micro banking	2003	1000	Lokanath Panda and Anurag Gupta	http://www.indiamart.com/company/4103882/
Barefoot College	solar energy, water, education, health care, rural handicrafts, people's action, communication, women's empowerment and wasteland development	1972	1,000	Bunker roy	https://en.wikipedia.org/wiki/Bunker_Roy
BASIX India	Sustainable livelihoods to the rural poor and women	1996	3,500	Vijay Mahajan	www.basixindia.com
Arvind Eye Care System	Aravind Eye Hospitals is a hospital chain in India. It was founded by Dr. Govindappa Venkataswamy at Madurai, Tamil Nadu in 1976. Wikipedia	1976	10,000	Dr. G. Venkataswamy	http://www.aravind.org/content/downloads/get_file.pdf
COMAT	Empowering rural citizens by creating local economies and enabling access to information and services. Rural development	1996	Up to 3000	Mr. S. R. Rangan	http://www.vyomworld.com/companies/CompanyDetail.asp?id=108
D light	High quality solutions for families living without reliable electricity	2008	More than 200 Direct and 100 Indirect	Sam Goldman and Ned Tozun	https://www.bcorporation.net/community/dlight-design
RangSutra	Sustainable livelihoods for artisans and farmers, by creating top quality hand-made products based on the principles of fair trade	15 July 2006.	5000	Mr. Ramesh Saran	http://www.rangsutra.com/index.html
Lijjat Papad	Women Empowerment	1959	43000	Swati paradkar	www.lijjat.com

Selco Solar India	Sustainable energy solutions and services to under-served Households and businesses.	1994		Mr. Haresh	http://www.tradeindia.com/Seller-1825865-selco-solar-light-private-limited
Un ltd India	Un Ltd India is an incubator for social entrepreneurs. Our key programmers include: Incubation support - seed funding, Coaching, leadership Development programs, Access to Funders & Experts, Training, Peer Learning.	2000	90	Pooja Warier, Meenakshi Poonath	http://www.unltdindia.org/about-network
SKS Microfinance	Small loan	1998	20,000	<u>M R Rao</u>	https://www.skfindia.com/
Suminter India Organics	Internationally certified organic agricultural produce	2003	82	Sameer Mehra	www.suminterindiaorganics.com/
Vortex Engineering	Rural Solar Powered ATMs	2001	201-500	L. Kannan, Founder-CTO;	http://www.vortexindia.co.in/

CHALLENGES FACED BY SOCIAL ENTREPRENEUR

Starting, running and sustaining a business are the main problems facing by socio entrepreneur. The first challenge faced by entrepreneur is the coordination which faced they have to do with governments for recognition. Second, the overall education system of India does not promote entrepreneurship and currently, the entrepreneurship education is limited to graduates of business schools and management institutes only. Due to this gap in the Indian education system the country's entrepreneurial sector is still underdeveloped and struggling. Lack of capital is also a major challenge for the Indian entrepreneurs. Generally, the social entrepreneurs run their business with their own funds or by raising funds from the local money lenders at a high rate of interest, which sometimes becomes a financial burden on them. The reason behind this is the bank's avoidance to providing loan facilities for social entrepreneurs given the various social complications attached with them. Hence the social enterprises have to deal with the challenge of facing a hostile reaction from financial institutions and governments as far as funding is concerned.

Social entrepreneurs mainly deal with the societal problems and try to provide the solution for the welfare of the society. In order for social enterprises to fulfill their mission in a holistic manner, they must typically employ manpower from the underprivileged sector of the society, leading to increased training and developmental cost as these people are typically uneducated and unskilled. But the cost involved in these activities is mostly borne by the entrepreneur itself.

Once they find the way to earn some profit after providing the best low cost solution to the needs of the society, more traditional businesses will enter the market competing with a similar solution and technique, increasing competition for social entrepreneurs and create hurdle in their future growth.

CONCLUSION

Social entrepreneur sector is extremely important for economic and social development because it creates employment opportunities and job training mainly for poor segments of society. Social entrepreneurship has great expectations and scope of opportunities and provides an effective solution for un-employment. Social entrepreneurs come from narrow economical fronts and thus have limited resources. They use most innovative approach to provide employment to the most vulnerable section of the society. Noteworthy and assorted contributions can be made by the socio-entrepreneurs towards their societies and communities to provide practical solutions to the most dangerous problem of society that is unemployment. Social enterprises should be seen as a positive force but as it starts at the grassroots level it is often overlooked and deserves much more attention from academic theorists as well as policy makers.

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