

## SOCIAL ENTREPRENEURSHIP AND SOCIAL ENTERPRISE

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### Abstract

*Today's young people are as concerned with making a positive impact on the world as they are with making money. Against this backdrop, social enterprise and entrepreneurship has taken off as a new formula for success, combining capitalism with a do-gooder mentality. These self-funding, for-profit businesses also have a mission to tackle global issues such as alleviating hunger, improving education, and combatting climate change. To achieve their high-minded goals, the companies might fund specific programs, partner with governments or existing philanthropic entities, or follow a one-for-one donation model, and work on either the local or international level.*

### Introduction

A Social Entrepreneurship is an organization that uses business methods to address a social or environmental problem in an innovative way. In this article, we will look at the social entrepreneurship meaning and also look at what defines a social entrepreneur. As a social entrepreneur for more than two decades, I have started many social enterprises. I have not only studied the nature of the work, but I have also practiced it, on my own and through clients. Drawing on my experience in the field, I have developed a simple construct to help unite us and showcase the three main approaches to social change:

- Social Enterprise is about the BUSINESS MODEL. Social enterprise is a business — whether operated by a for-profit or nonprofit — that has a double bottom line of both maximizing social and financial return. While social enterprise may use some philanthropic dollars in the start-up phase or for special projects, it is geared toward the creation of a self-sustaining, market-based business model.
- Social Entrepreneurship is about the MINDSET. Social entrepreneurs are change agents who are relentless about fashioning bold and creative solutions — through the creation of new organizations or as “intrapreneurs” within existing organizations and communities — to create social change. While they are social entrepreneurs, their organization may or may not be a social enterprise, and their idea may or may not be socially innovative. What defines social entrepreneurs are the three main principles they follow: 1) They fall in love with the problem and not the solution. 2) They believe no one owns a social solution. Instead, it should be co-created with the community to ensure sustainability and impact using a change management philosophy. 3) They know impact is the bottom line of the social sector. They don't rely on innovation and invention alone; they prove impact and pursue scale — making them both visionary and disciplined in their approach.

### Concept of Social Entrepreneurship

In today's times, social entrepreneurship is a revolution across the world. People from different walks of life are creating and implementing effective, innovative, and sustainable

solutions to battle social and environmental challenges. Now, these solutions can include services and products for both profits or for a non-profit purpose.



Usually, people leave the societal needs to the government or the business sectors. However, social entrepreneurs tend to identify areas that are not working efficiently in the current system. They try to solve the problem by changing it, spreading the awareness about the solution, and persuading people to be a part of the change.

As a common trait, social entrepreneurs are obsessed with their ideas and commit their lives to change. They are visionaries. Because they want to see a society without problems. Further, they are much practical, as they are always in the concern for the possibility of their ideas.

They also present ideas that are user-friendly, ethical, easily understandable and engage widespread support. This ensures that local people stand up, grab their idea, and implement it. In simple words, every leading social entrepreneur is a mass recruiter of people who wants a change in their society. Therefore, he is a role model who tells people that their actions can do anything. In the last two decades, social entrepreneurship has grown based on the understanding that new methods, ways, or ideas are key to the solution of problems in the society.

### **How social entrepreneurs play the role of change agents?**

- They adopt a mission to create and sustain social value, not just private value. Further, they recognize and relentlessly pursue new opportunities that serve the mission.
- Also, they engage in a process of continuous innovation, adaptation, and learning.
- Further, they act boldly without being limited by the resources in hand.

- Finally, they exhibit accountability to the ones they serve and are also accountable for the outcomes.

Moving on and based on the imminent relevance of the sector in both countries, we plan to further contribute towards development of an enabling ecosystem in India through facilitating appropriate collaborative partnerships between India and UK for the following:

- **Capacity Building** – support social entrepreneurs and social enterprises to develop, grow and scale through training, mentoring, consultancy and access to investment.
- **Education Systems** – Support social entrepreneurship to become embedded in the curricula and ethos of higher education institutions – promoting strategic research and collaboration opportunities as well as innovative schools programmes.
- **Government Engagement and Policy** – Create forums to share UK experience and best practices among key interlocutors in India towards creating an enabling environment and eco-system for social enterprises to succeed.
- **Corporate Engagement** – Leverage the success stories in India as well as in the UK in the social enterprise sector, facilitate programmes that promote and disseminate a culture of collaboration and investment for social economy

#### Social Enterprise

Social enterprise can be challenging to define, in large part because the concept has been evolving rapidly in recent years and increasingly blurs the lines of the traditional business, government and non-profit sectors.

**Social enterprises** span the spectrum of nonprofit to for-profit entities. SEA recognizes three general social enterprise models:

- **Opportunity Employment:** organizations that employ people who have significant barriers to mainstream employment.
  - Examples include **Goodwill Industries, Greyston Bakery & Nisolo.**
- **Transformative Products or Services:** organizations that create social or environmental impact through innovative products and services.
  - Examples include **Benetech, Growing Sound & Soles4Souls.**
- **Donate Back:** organizations that contribute a portion of their profits to nonprofits that address basic unmet needs.
  - Examples include **Everly, The Thx Co. & Songs Against Slavery.**

Social enterprise is not a silver bullet, but it is a promising approach to fulfilling unmet needs and fostering genuinely “triple-bottom-line” organizations – those simultaneously seeking profits, social impact, and environmental sustainability. It’s certainly not the *only* solution, but it is most definitely *a* solution.

- For traditional non-profits, social enterprise can be a powerful complement to other activities when it advances the social mission and the financial sustainability of the organization.

- For new start-ups – non-profits and for-profits – social enterprise gives entrepreneurs the ability to bake social impact and financial sustainability into the organization's DNA from its outset.
- For traditional businesses, social enterprise initiatives enable a company to integrate social impact into business operations and prioritize social goals alongside financial returns. To learn more about for-profit social enterprise, check out our **article** on B corps and public benefit corporations.

## Conclusion

Social Enterprise Alliance is the national membership organization for social enterprise in the U.S., serving as the voice and key catalyst for the social enterprise movement. To learn more about our organization. Get involved in our efforts to support and advance social enterprise by accessing:

- Hundreds of articles and studies about social enterprise in our online **knowledge center**.
- Monthly updates on social enterprise sector news, stories, events and more by subscribing to our **newsletter**.
- Connections to hundreds of individuals and organizations involved in the social enterprise ecosystem in our online **organization** and **member directory**.
- A growing network of local, grassroots **chapters**.
- Local, regional and national social enterprise opportunities posted in our online **events portal** and **job board**.
- A national platform highlighting social enterprise products and services in our **online marketplace**.

## References:

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