

# Social Entrepreneurship: A Critical Review of Concept

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**Abstract:** Entrepreneurship provides fresh competition and, as a result, encourages higher productivity and robust economic competition. In the area of social entrepreneurship, business owners design their operations so that they are closely related to the overarching objective of generating social value. They frequently do this with little to no thought of personal advantage in mind. Social entrepreneurship entails coming up with innovative, more efficient ways to meet societal demands. It alludes to nonprofit institutions like foundations and trusts that offer the general public, especially the oppressed and the poor, access to healthcare, education, and other public services. Social entrepreneurs look for innovative, improved, and more efficient ways to meet social problems. This paper is an attempt to highlight the 'Social Entrepreneurship'

**Keywords:** Social Entrepreneurship Concept, Types, Essential Characteristics of Social Entrepreneurship

## I. INTRODUCTION

The majority of scholars and economists agree that entrepreneurship is playing an increasingly important role in the growth and welfare of nations. Whether entrepreneurial activities are carried out in economies that are driven by factors, by efficiency, or by innovation, the end outcomes continue to show: 1) reduced unemployment rates; 2) a greater propensity to adopt innovation; and 3) quicker economic structural changes. The term "social entrepreneurship" is becoming more widely used. But it is frequently observed that there is ambiguity and uncertainty over what a social entrepreneur actually is and does. The term "social entrepreneur" is vague, disjointed, and has a clear theoretical foundation. Knowledge cannot be gathered when there is no agreement among academics on a research topic since they tend to work alone and fail to build on one another's work.

## II. CONCEPT OF SOCIAL ENTREPRENEURSHIP.

Social entrepreneurship stands for recognizing a social problem and using entrepreneurial principles, processes and operations for effecting a social change. Social entrepreneurs have innovative solutions to the most pressing social problems. Creativity and innovation are their most important tools. Social entrepreneurship mobilizes the ideas, capacities, resources and social arrangements required for long-term sustainable social transformation. "Social entrepreneurship encompasses the activities and processes undertaken to discover, define, and exploit opportunities in order to enhance social wealth by creating new ventures or managing existing organizations in an innovative manner" (zahra, 2008)

A term that describes an original strategy for tackling economic and social issues, one that cuts across disciplines and sectors and is based on certain principles and practices shared by all social entrepreneurs, regardless of whether their areas of focus have been in the fields of education, health, welfare reform, human right workers right economic and social issues, one that cuts across disciplines and sectors and is based on certain principles and practices shared by all social entrepreneurs regardless of whether their areas of focus have been in the fields of education, health, welfare reform, human rights, workers' rights, the environment, economic development, agriculture etc. or whether the organisations they established are for-profit or non-profit. The social entrepreneur differs from the other well-intentioned individuals and groups who devote their life to social change because of this strategy.

## III. SOCIAL ENTREPRENEUR.

In a variety of industries, including education, health, the environment, and business development, social entrepreneurs are driving social innovation and transformation.

Their entrepreneurial enthusiasm, business acumen, and willingness to innovate and reject conventional practises are all used to pursue their goals of reducing poverty. Similar to a business entrepreneur, a social entrepreneur creates solid, long-lasting organizations that are either corporations or not-for-profits. "A social entrepreneur is a path breaker with a powerful new idea who combines visionary and real-world problem-solving creativity, has a strong ethical fiber, and is totally possessed by his or her vision for change. "A social entrepreneur is a leader or pragmatic visionary who:

- Achieves large scale, systematic and durable social change through a novel idea, an original strategy, a more rigorous implementation of tried and true technology or tactics, or a combination of these.

- Prioritises the creation of social and/or ecological value while attempting to maximize the production of commercial value.
- Finds a novel solution to a social issue, a novel product, or a novel service.
- Constantly modifies and adapts strategy in reaction to criticism.

#### IV ESSENTIAL CHARACTERISTICS OF SOCIAL ENTREPRENEURSHIP

- Curiosity

Social entrepreneurs must nurture a sense of curiosity about people and the problems they face.

- Inspiration

In order to design effective solutions, social entrepreneurs must be inspired by the people and problems they encounter. Inspiration motivates action and helps social entrepreneurs tackle challenges that others shy away from addressing.

- Resourcefulness

In the world of social entrepreneurship, key resources, such as human and financial capital, can often be scarce. Successful social entrepreneurs know how to leverage the resources at their disposal and develop innovative methods to overcome obstacles.

- Pragmatism

Changing the world takes time, effort, and experimentation. While visions for massive social change may provide their inspiration, experienced social entrepreneurs know that they need to take small steps in pursuit of their goals. Great social ventures are not born overnight!

- Adaptability

Social entrepreneurs must remain open to solutions. This includes knowing when to pivot and change their strategies if their initial methods do not succeed. Adaptability and flexibility are integral in the development of early-stage social enterprises.

- Openness to Collaboration

While embarking on a quest to change the world may feel lonely, it is important to remember that social entrepreneurship is a team sport, and other people are willing to help. Social entrepreneurs need to stay open and attentive to potential partnership and collaboration opportunities. In many cases, collaborative initiatives and joint-ventures can achieve social/business goals much more effectively than solo endeavors.

- Persistence

Social entrepreneurs take on some of the most daunting challenges our society has to offer. This often creates a recipe for early-stage failures. However, the successful social entrepreneurs are the ones who persist past initial setbacks and persevere to deliver effective solutions. Experienced social entrepreneurs know how to learn from failures, adjust their methods, and make continual strategic improvements. (<https://socialsectornetwork.com/7-essential-characteristics-of-social-entrepreneurs-2/>, 2019)

#### V CHALLENGES FACED BY SOCIAL ENTREPRENEURS

The following are the challenges faced by social entrepreneurs:

- Conveying the Business Idea
- Attracting Donors
- Working remotely
- Hiring Finding
- Time Getting Fund
- Raising Money
- Business People support
- Government Approval
- Maintaining product quality
- Sustaining employees
- Competition from others
- Promoting Awareness
- Family and Friend Support
- Getting Skilled Employees (Sivathanu, 2013)

#### VI TYPES OF SOCIAL ENTREPRENEURSHIP

In *The Power of Unreasonable People*, John Elkington and Pamela Hartigan describe social entrepreneurs' business structures as falling under three different models, applicable in different situations and economic climates:

- Leveraged non-profit ventures.

The entrepreneur sets up a non-profit organization to drive the adoption of an innovation that addresses a market or government failure. In doing so, the entrepreneur engages a cross section of society, including private and public organizations, to drive forward the innovation through a multiplier effect. Leveraged non-profit ventures continuously depend on outside philanthropic funding, but their longer term sustainability is often enhanced given that the partners have a vested interest in the continuation of the venture.

- Hybrid non-profit ventures

The entrepreneur sets up a non-profit organization but the model includes some degree of cost-recovery through the sale of goods and services to a cross section of institutions, public and private, as well as to target population groups. Often, the entrepreneur sets up several legal entities to accommodate the earning of an income and the charitable expenditures in an optimal structure. To be able to sustain the transformation activities in full and address the needs of clients, who are often poor or marginalized from society,

the entrepreneur must mobilize other sources of funding from the public and/or philanthropic sectors. Such funds can be in the form of grants or loans, and even quasi-equity.

➤ Social business ventures.

The entrepreneur sets up a for-profit entity or business to provide a social or ecological product or service. While profits are ideally generated, the main aim is not to maximize financial returns for shareholders but to grow the social venture and reach more people in need. Wealth accumulation is not a priority and profits are reinvested in the enterprise to fund expansion. The entrepreneur of a social business venture seeks investors who are interested in combining financial and social returns on their investments. (JOHN ELKINGTON, 2008)

## VII. THE IMPORTANCE OF SOCIAL ENTREPRENEURSHIP FOR DEVELOPMENT

- Along with social problems social entrepreneurship focuses on environment or cultural issues.
- It plays a role of an agent for change in the society by adopting a mission to create and sustain social values.
- It is a process of continuous innovation, adaptation and learning.
- It means acting boldly without being limited by resources in hand.
- Its success is measured not in terms of profit. (ABRAHAM, 2018)

### 1. Employment Development.

The first major economic value that social entrepreneurship creates is the most obvious one because it is shared with entrepreneurs and businesses alike: job and employment creation. Estimates range from one to seven percent of people employed in the social entrepreneurship sector. Secondly, social enterprises provide employment opportunities and job training to segments of society at an employment disadvantage (long-term unemployed, disabled, homeless, at-risk youth and gender-discriminated women).

### 2. Innovation / New Goods and Services.

Social enterprises develop and apply innovation important to social and economic development and develop new goods and services. Issues addressed include some of the biggest societal problems such as HIV, mental ill-health, illiteracy, crime and drug abuse which, importantly, are confronted in innovative ways.

### 3. Social Capital.

Next to economic capital one of the most important values created by social entrepreneurship is social capital (usually understood as "the resources which are linked to possession of a durable network of ... relationships of mutual acquaintance and recognition").

### 4. Equity Promotion.

Social entrepreneurship fosters a more equitable society by addressing social issues and trying to achieve ongoing sustainable impact through their social mission rather than purely profit-maximization.

To sum up, social enterprises should be seen as a positive force, as change agents providing leading-edge innovation to unmet social needs. Social entrepreneurship is not a panacea because it works within the overall social and economic framework, 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. This is especially important in developing countries and welfare states facing increasing financial stress. (Sivathanu, 2013)

## VIII. CONCLUSION.

Even though research into social entrepreneurship has just recently started, it is hindered by the absence of a generally agreed upon definition of the term.

We reviewed literature that described both profit-driven and social entrepreneurship in order to pinpoint the distinguishing characteristics of each type of entrepreneurship. After that, we present a definition of social entrepreneurship that defines and confines the research area and contributes to the body of literature on the subject. At the practical level, social entrepreneurship has grown tremendously, but not at the theoretical level. Future studies should concentrate on connecting the theory of entrepreneurship to social entrepreneurship, a new topic of study.

Researchers should concentrate on developing fresh research questions that have relevance to the various fields that connect with social entrepreneurship, such as social innovation and non-profit management.

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