



SOCIAL ENTREPRENEURSHIP AND SOCIAL NETWORKS FOR SUSTAINABLE RURAL DEVELOPMENT IN INDIA

Jianguanglung
Dangmei

Research Scholar, Department of Business Management (DoBM)
Indira Gandhi National Tribal University (IGNTU), Amarkantak –
484887

ABSTRACT

Social entrepreneurship has emerged in recent years given its importance for societal development and increasing today's economy. To some extents, institutions have failed to resolve the social problems and needs of the rural areas. In this regard, social entrepreneurship gives a new groundwork for the socio-economic development of the rural people in India. It is high time to adopt it as the alternative solutions to the problems faced by the rural people. Until now there has been less inclusive attempt to specify the extent of social entrepreneurship to the rural populated areas and it demands a new development approach to identify the methods to encourage social innovations both at local and regional levels. Therefore, this paper aims to start filling this gap by exploring the implications of social entrepreneurship and social networks that could better enable sustainable rural development. This paper also argued that social entrepreneurship is the distinct approach to achieve sustainable rural development and suggestions are given for ensuring a successful social entrepreneurship in India.

KEYWORDS

Social Entrepreneurship, Social Networks, Sustainable Rural Development, Social Needs, Rural Areas.

1. Introduction

Social Entrepreneurship has become a subject of attention in academia and politics in the perspective of a welfare state, social bonds and economic crisis (Nicholls 2006b, Borzaga & Defourny 2004). It has emerged as a current issue in the social ground as it is seen different from other forms of entrepreneurship due to its higher priority being given in developing social value then capturing economic value. It is now considered as one of the most appealing terms on the problem-solving of the society today (Light, 2009). Dees (2001:1) considered social entrepreneurship is well suited for this age to spearhead the resolving of social issues as some institutions and charitable efforts have failed to meet the basic social needs. He also claimed that social entrepreneurship will overcome the ineffectiveness and inefficiency of the major institutions. Furthermore, it has been endorsed that social entrepreneurship provides a model of success particularly in the unstable environment to deal with the challenges of economic, social and environmental issues (Leadbeater, 1997; Schwab Foundation for Social Entrepreneurship, 2012). In addition, it has been identified as vital for the development and innovative approach to social problems (Shaw and Carter, 2004). Therefore, social entrepreneurship extends a new approach to deal with the financial and social needs in India.

2. Social Entrepreneurship

Social entrepreneurship is the application of entrepreneurship in the social spheres that filled an important gap between business and benevolence (Roberts, D., & Woods, C., 2005). It is an innovative and social value-creating activity that takes place within or across non-profit, business or government sectors (Austin, J., Stephenson, H., & Wei-Skillern, J., 2006). It creates innovative solutions to immediate social problems through ideas, capacities, resources, and social provisions necessary for sustainable social transformations (Alvord, S. H., Brown, L. D., & Letts, C. W., 2004). It is designed to explicitly to enhance societal well-being through entrepreneurial organizations which initiate, lead and contribute to changes in the society (Nichols, A., 2007). Social entrepreneurship is considered as a tool to alleviate social problems and bring social transformation (Alvord et al., 2004). It is about empowering people who are socially disadvantaged to develop their financial as well as social status and these social entrepreneurs are individuals who seize the initiative to deal with the problems of those who are socially disadvantaged (Linklaters,

S. F., 2006). Thus, it is a process that pursues opportunities to bring social change and addresses social needs driven by social goals to benefit the societies.

3. Implications of Social Entrepreneurship for Rural Sustainable Development

Social entrepreneurship usually goes beyond the set institutional rules and structures to create a social value and social development for communities that might never have been attained by other institutions (Di Domenico et al., 2010:698). The unique aspect of social entrepreneurship is that it empowers the marginalized population and better deal with social problems then other organizations ensuring that an individual permanently takes responsibilities over their lives and fate (Hervieux et al., 2010:57). Social entrepreneurship attempt to meet the needs of the community by utilizing resources that are usually considered to be useless to achieve their objectives and deals with the social ills (Di Domenico et al., 2010:699). They are more aware of the problems faced by the community by taking part in community development and also have made significant contributions in community development (Di Domenico et al., 2010:695; Farmer & Kilpatrick 2009:1651). There are successful cases of social entrepreneurs like Grameen Bank in Bangladesh, the Aravind Eye Hospital in India and Sekem in Egypt. These social enterprises creatively combine resources they do not possess to address social problems and brought transformation in the social structures. These examples show how social entrepreneurship addresses various social problems. They motivate change in communities affecting many people through innovative ideas addressing social issues. It gives the perfect connection between opportunities for social change and the drive for social transformation by the social entrepreneurs. In East and Central Europe, social entrepreneurship delivered innovative solutions particularly for poverty and unemployment and has made the most stimulating field of public service (Schwab Foundation for Social Entrepreneurship, 2008). Therefore, it has been claimed that social entrepreneurship is a vital approach to engage the marginalized groups in the labor market and consequently decreases social exclusion (Harding 2006; Bridge et al. 2009). Furthermore, in many cases it appears that social entrepreneurship for a contemporary overview provide innovative social solutions that are more sustainable and effective than other institutions (Kickul and Lyons, 2012 & Volkmann et al., 2012) which is highly relevant for sustainable rural development in India.

4. Social Entrepreneurship and Social Networks

According to Aldrich and Zimmer (1986:8), entrepreneurship is facilitated by links between aspiring entrepreneurs, resources and opportunities. They suggested that networks allow them to access all resources which are crucial to the establishment of a small firm. Social entrepreneurship can be strongly benefited through the appropriate use of social-network and networking. In recent years, networks have received particular attention due to its single most important organizational concept of the modern era (Parkhe et al., 2006). The growth of social networking websites like Myspace, Twitter, e-mails, Facebook, Skype, Youtube and Wikipedia have all raised the profile of networking. Thereby, networks can be used to source advice, business information and help with the problem solving of the society. It will enable the successful entrepreneurs to tie with the people who are in positions to provide timely and accurate information (Aldrich & Zimmer, 1986:20). Evidence from the study conducted by Krebs and Holley (2006) found that increase in the connectedness and reach-ability of small businesses was attributable to the active intervention of the business support agency. They recommended that the networks of individual social enterprises will identify structural holes and enable social enterprise network organizations to design and implement effective strategies to link other unconnected social enterprises and increase the delivery of business support to other social enterprises. Therefore, the social networks will determine the success of the activities of social entrepreneurship (Sharir and Lerner, 2006). Urbano et al. (2010) demonstrated that social enterprises depend on institutions for the efficient delivery of knowledge at the initial stage but later stage through social networks social enterprises start to surpass the institutional environment in acquiring the knowledge (Harrison et al., 2012). It signified that networks and systems played a significant role in the effective production and diffusion of knowledge for the social enterprises. Since social enterprises do not function in isolation, the importance of networking and interactions are recognized and explored relating to the system of innovation which views that innovation process as an interactive and systemic process (Lundvall, 1988; Nelson, 1993; De Liso and Metcalfe, 1996). As Moore and Westley (2011) suggested that despite the importance of social networks in supporting social innovation, appropriate social networks for the social entrepreneurs do not seem to currently exist. Mulgan et al., (2007) also identified that the lack of networks acts as a significant barrier to social entrepreneurship and a cause for the constraints of many social innovations. They also have suggested that policy-makers must concentrate on the improvement of suitable networks if the activities of social innovation are to create sustained, suitable and appropriate outcomes for organizations and society. Social networks thus are useful vehicles enabling the social entrepreneurs to achieve access to important resources such as skills, technical advice and finance as well. Social entrepreneurs will be able to identify opportunities appropriate for the society through the social enterprises' network. It is clear that wider social networks will enable the social entrepreneurs to ensure more sustainable development in the society. In this light, the social networks must operate in dissemination, sharing of knowledge and connecting other aspiring social entrepreneurs to acquire new capabilities to determine innovative activities for the society.

5. Suggestions

The following suggestions can be considered to endorse a successful social entrepreneurship to meet the social needs of rural areas in India:

- a) Strengthening local authority works on social entrepreneurship.
- b) Increase social entrepreneurship programs in the educational institutions.
- c) Introducing online networks for social entrepreneurs to improve the access to other aspiring social entrepreneurs and the traditional corporate sectors.

d) Providing online guidance tools for harnessing opportunities and tackling challenges involved in operating a social enterprise.

e) Establishing a National Social Entrepreneurship Research Centre (NSERC).

f) To link the activities of social entrepreneurship with different government bodies and ministries including the Ministry of Finance and Economy through the established networks.

6. Conclusions

A synthesis of this research paper suggests that social entrepreneurship is the present-day solutions to the unfulfilled and unrealized social needs. The role of the social entrepreneurship in alleviating poverty and resolving social problems has found its place in many developed countries. As for the social entrepreneurs, this presents a remarkable opportunity to transform and bring sustainable development in the rural areas of India in ways never before. It is a high time to embrace and adopt social entrepreneurship as the alternative solutions to the social problems faced by the rural people since creative and resourceful ways of addressing the unrealized needs of marginalized peoples are now needed more than ever. Social entrepreneurship now offers a business model for the 21st century that balances social, cultural, financial and environmental needs. In addition, there may be cautions that we must contemplate in promoting social entrepreneurship so as not to endorse an unfamiliar and unhelpful form of social changes in India.

References:

1. Aldrich, H. & Zimmer, C. (1986). 'Entrepreneurship through social networks'. In Sexton D & Smilor R (eds) *The Art and Science of Entrepreneurship*, pp.3-23. Cambridge, Mass: Ballinger.
2. Alvord, S. H., Brown, L. D., & Letts, C. W. (2004). Social entrepreneurship and societal transformation an exploratory study. *The journal of applied behavioral science*, 40(3), 260-282.
3. Austin, J. E. (2006). Three avenues for social entrepreneurship research. In C. Steyaert & D. Hjorth (Eds.), *Entrepreneurship as Social Change* (21-35). Northampton, MA: Edward Elgar.
4. Austin, J., Stephenson, H. and Wei-Skillen, J. (2006). Social and commercial entrepreneurship: Same, Different, or Both? *Entrepreneurship Theory and Practice*, 30(1): 1-22
5. Borzaga, C. & Defourny, J. (Eds) (2004). *The Emergence of Social Enterprise*. London: Routledge.
6. Bridge, S, B. Murtagh & K. O Neill (2009). *Understanding the Social Economy and the Third Sector*. Hampshire: Palgrave Macmillan.
7. De Liso, N., & Metcalfe, J. (1996). On technological systems and technological paradigms: Some recent developments in the understanding of technological change. In E. Helmstädter & M. Perlman (Eds.) *Behavioral norms, technological progress, and economic dynamics: Studies in Schumpeterian economics* (pp. 71–95). Michigan, USA: University of Michigan Press, Ann Arbor.
8. Dees, J.G. (2001). The meanings of 'social entrepreneurship', working paper. Stanford University: Stanford, CA.
9. Di Domenico, M., Haugh, H., & Tracey, P. (2010). Social bricolage: Theorizing social value creation in social enterprises, *Entrepreneurship Theory and Practice*, 34(4), 681–703. doi:10.1111/j.1540-6520.2010.00370.
10. Farmer, J. and Kilpatrick, S. (2009). Are rural health professionals also social entrepreneurs? *Social Science & Medicine*, 69(11), pp.1651–1658. Available at: <http://www.sciencedirect.com/science/article/pii/S0277953609005814>.
11. Harding, R. (2006). *Social Entrepreneurship Monitor United Kingdom 2006*. GEM UK Foundation for Entrepreneurial Management. London Business School. (online). Available from:
12. http://www.london.edu/assets/documents/PDF/GEM_UK_2006_Social_Entrepreneurship_Monitor.pdf
13. Harrison, D., Chaari, N., & Comeau-Vallée, M. (2012). Intersectoral alliance and social innovation: When corporations meet civil society, *Annals of Public and Cooperative Economics*, 83, 1.
14. Hervieux, C., Gedajlovic, E., & Turcotte, M.-F. B. (2010). The legitimization of social entrepreneurship, *Journal of Enterprising Communities: People and Places in the Global Economy*, 4(1), pp.37–67. doi:10.1108/17506201011029500
15. Krebs, V., & Holley, J. (2006). Building smart communities through network weaving. *Appalachian Center for Economic Networks*. Retrieved from www.acenetworks.org
16. Kickul J and Lyons TS (2012): *Understanding Social Entrepreneurship: The*

- Relentless Pursuit of Mission in an Ever Changing World. New York, London: Routledge.
17. Leadbeater, C., 1997. The rise of the social entrepreneur. London:Demos.
 18. Light, P. C. (2009). Social Entrepreneurship Revisited. *Stanford Social Innovation Review*, 7(3).
 19. Linklaters, S. F. (2006). Fostering social entrepreneurship. Legal, regulatory and tax barriers: a comparative study. Recommendations for Governments, policymakers and social entrepreneurs in Brazil, Germany, India, Poland, The United Kingdom and the United States.
<http://www.linklaters.com/pdfs/Insights/community/schwab2.pdf>
 20. Lundvall, B. Å. (1988). Innovation as an interactive process: from user-producer interaction to the national system of innovation. In G. Dosi, C. Freeman, R. Nelson, G. Silverberg, & L. Soete (Eds.), *Technical Change and Economic Theory*. London: Pinter.
 21. Moore, M., & Westley, F. (2011). Surmountable chasms: Networks and social innovation for resilient systems. *Ecology and Society*, 16.
 22. Mulgan, G., Tucker, S., Ali, R., & Sanders, B. (2007). *Social Innovation: what it is, why it matters, how it can be accelerated*. Oxford: Skoll Centre for Social Entrepreneurship.
 23. Nelson, R. R. (1993). *National innovation systems: a comparative analysis*. Oxford: Oxford University Press.
 24. Nicholls, A. (2006). Playing the field: A new approach to the meaning of social entrepreneurship, *Social Enterprise Journal*, 2(1), 1-5.
 25. Nicholls, B. (2006b). Social Entrepreneurship. In Carter, S. & Jones-Evans, D. (Eds). *Enterprise and Small Business – Principles, Practice and Policy*. 2nd ed. Harlow: FT Prentice Hall.
 26. Parkhe, A., Wasserman, S., & Ralston, D. A. (2006). New frontiers in network theory development. *Academy of Management Review*, 31(3), 560-568.
 27. Roberts, D., & Woods, C. (2005). Changing the world on a shoestring: The concept of social entrepreneurship. *University of Auckland Business Review*, 7(1), 45-51.
 28. Schwab Foundation for Social entrepreneurship, 2012. *Outstanding Social Entrepreneurs 2012*. Geneva: Schwab Foundation for Social. Available at: <http://www.schwabfound.org>
 29. Sharir, M., & Lerner, M. (2006). Gauging the success of social ventures initiated by individual social entrepreneurs. *Journal of world business*, 41(1), 6-20.
 30. Urbano, D., Toledano, N., & Sorian, D. R. (2010). Analyzing social entrepreneurship from an institutional perspective: Evidence from Spain, *Journal of Social Entrepreneurship*, 1, 54–69.
 31. Volkman C, Tokarski, KO and Ernst K (ed) (2012) *Social Entrepreneurship and Social Business: An Introduction and Discussion with Case Studies, Wiesbaden etc.*: Springer Gabler.