

Social Entrepreneurship in India


Unveiling the unlimited opportunities


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Swiss Confederation

Commission for Technology and Innovation CTI

This report is created and published by:

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To order copies of this report, send an email to: innovation@swissnexindia.org

Content partners: Collaborative Community (www.collaborativec.in)

Date of publishing: June 2015

Designed and printed in India

swissnex India connects Switzerland and India in the fields of science, education, art and innovation. An initiative of the Swiss State Secretariat for Education and Research and Innovation (SERI) in association with the Swiss Federal Department of Foreign Affairs, swissnex India is part of the Consulate General of Switzerland in Bangalore (www.swissnexindia.org).

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Growing a Social Business in India

The country's widespread poverty and strong population growth provide countless opportunities for Swiss entrepreneurs pursuing innovative solutions to social problems.

363 million

Number of people living below the poverty line in 2011-12; that's 29.5% of India's population

Poverty line

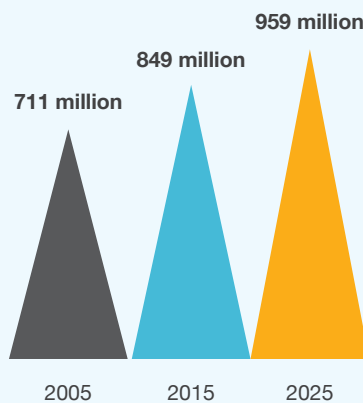
Level of daily spending under which people are considered poor

32 rupees (\$0.5)
In rural areas

47 rupees (\$0.7)
In urban areas

Booming working-age population

Number of 15- to 64-year-olds



Healthcare

Medical devices; IT systems; water and sanitation infrastructure; rural clinics

Key areas of action

Education and skills training

Digital solutions; basic infrastructure; teacher education; affordable private schools

Agriculture

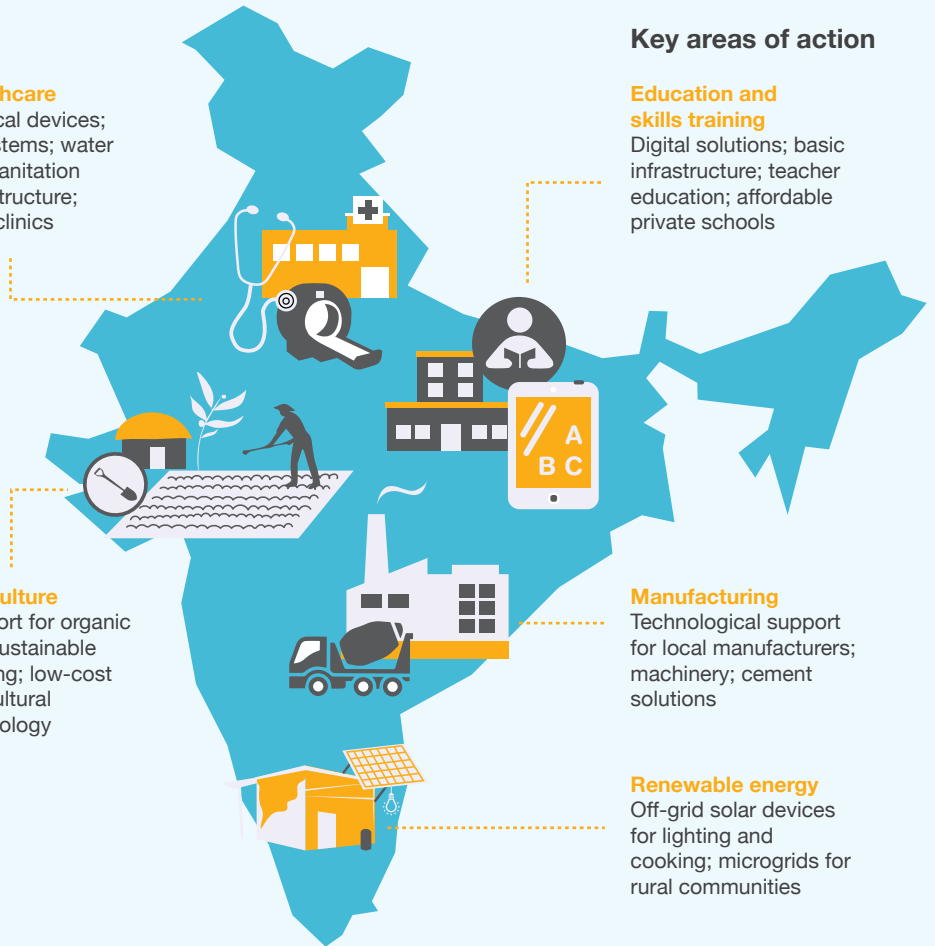
Support for organic and sustainable farming; low-cost agricultural technology

Manufacturing

Technological support for local manufacturers; machinery; cement solutions

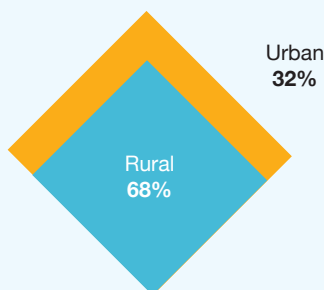
Renewable energy

Off-grid solar devices for lighting and cooking; microgrids for rural communities



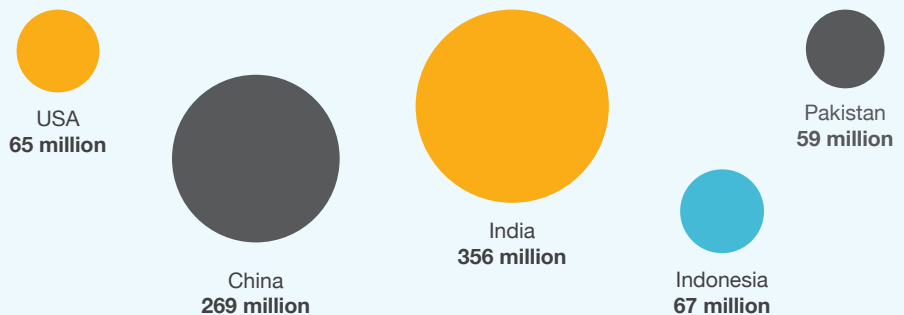
Rural vs. urban

% of the total population of 1.25 billion in 2013



World's largest youth population

Number of 10- to 24-year-olds in 2014



33% Population without electricity in rural areas in 2012, compared to 6% in urban areas



16% Schools without functional girls' toilets in 2013; that's 173,601 schools in India



55% Employment in agriculture, which accounts for only 14% of India's GDP in 2013-2014



31% Underweight children under five years old in 2009-2013

EXECUTIVE SUMMARY

Opportunities for social entrepreneurs and other social stakeholders from Switzerland in India are countless. Overall it can be said, that the huge number of people, the relative low cost of establishing a company, the vibrant social enterprise ecosystem and India's challenges with poverty are main reasons for Swiss social stakeholders to focus on the Indian market.

In addition, India's social entrepreneurship ecosystem is one of the most sophisticated in the world, giving multiple possibilities to connect with local partners, to learn and to pursue innovative solutions to one of India's numerous social challenges in the fields of education, agriculture, healthcare, renewable energy, manufacturing and skills development.

India is a very diverse and complex country and requires time to immerse into and understand the Indian way of thinking.

To be successful in India, a strong support system of local and international partners is required. The report explains different support categories and provides the reader with a detailed list of the most important support institutions.

The report outlines India's social impact scenario, and is intended to give the reader a succinct overview of this sector, as well as areas of opportunity and challenges.

1.

Introduction

“Social entrepreneurship in terms of operation and leadership could be applicable to non-profit organizations as much as for-profit social enterprises although in terms of activities and legal entity they are very different.”

Models for social entrepreneurship in India are **Social for-profit enterprise, non-profit** and **hybrid model**, which are discussed in detail in the following sections.

In addition to the above-mentioned models, other ways of creating impact in India are through **philanthropy** and through **Corporate Social Responsibility**.

India has been regularly receiving global philanthropic money. Recently there has been a rise in local contributions from wealthy individuals with short and long-term vision. A new breed of high-net-worth individuals from the corporate sector is looking at investing philanthropic money in the form of grants and impact investments. Currently strategic philanthropy in India is still at a nascent stage.

The practice of Corporate Social Responsibility (CSR) in India still remains within the philanthropic space, but has moved from institutional building (educational, research and cultural) to community development. With the communities becoming more active and demanding paired with global influences, CSR is becoming more strategic in nature (i.e. getting linked with business than being philanthropic). By discussing a company's relationship to its stakeholders and integrating CSR into its core operations, the impact needs to go beyond communities and beyond the concept of philanthropy. This opens up big opportunities for the development sector to unlock local capital for not only solving short-term social problems but also investing into long-term social entrepreneurship.

With the new Companies Act Bill 2013 every company with either:

- a net worth of INR 500 crore (c.78 million US\$) or
- a turnover of INR 1,000 crore (c.157 million US\$) or
- net profit of INR 5 crore (c.783'350 US\$)

needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities.

2.

Contextualizing India



“India is a complex market and just money is not enough to navigate it. India has a strong impact investor base and in case you want to operate in this country, you would need to have money that is capable to help you navigate contextual challenges. There are trusted forums, investor councils and a strong network of stakeholders involved in the ecosystem.”

Mr. Vineet Rai, Managing Director, Aavishkaar Fund

India is a complex and diverse country that can be considered as big as the continent of Europe. In modern times, India can best be understood in two eras: pre-liberalization India and India post-liberalization (i.e. 1991 onwards). While there is cultural unity in India, there is diversity of seasons and vegetation, histories of people, genetics, features and skin color, cuisine, customs and costumes, language and literature, religions and social attitudes and arts. Each region is distinct and evolved and the communities feel proud of their roots.

India has two distinct contexts, namely rural and urban, which are essential in understanding the country. Since globalization of Indian economy, distinct patterns have emerged in urban metro cities as compared to smaller cities, towns, villages, rural/ low accessible regions in the country. People in Indian tier 1 metro cities (population of +100'000 inhabitants with an increasing middle, upper-middle and upper economic class) can be benchmarked with major global cities across the world.

2.1 Socio-Cultural Background

India is among the world's oldest civilization that began about 4'500 years ago. Many sources describe it as “Sa Prathama Sanskrati Vishvavara” — the first and the supreme culture in the world. Early on, Indians made significant advances in architecture (Taj Mahal and many other monuments), mathematics (the invention of zero) and medicine (Ayurveda). Today, India is a very diverse country, with more than 1.25 billion people¹, 29 states and seven territories². Each state is much like a Swiss canton and has its separate state policies, taxation rules and plans aligned with the central (federal) government with the exception of certain subjects such as defense/ military.

Contrary to the popular belief, there is no official language in India. Though many people speak Hindi in India, 59% of India's residents speak something other than Hindi. Bengali, Telugu, Marathi, Tamil and English are also widely used, with approximately 26% of men and 14% of women reported to speak fluent English³.

India is identified as the birthplace of Hinduism and Buddhism, the third and fourth largest religions in the world. About 84% of the population identify themselves as Hindu followed

¹ World Bank (2013): <http://data.worldbank.org/country/india>

² Government of India: <http://india.gov.in/india-glance/profile>

³ Times of India (2014): <http://timesofindia.indiatimes.com/india/Nearly-60-of-Indians-speak-a-language-other-than-Hindi/articleshow/36922157.cms>

⁴ Pew Research Centre (2014): <http://www.pewforum.org/2012/12/18/global-religious-landscape-exec/>

by 13% Muslim, making it one of the largest Islamic nations in the world⁴. Christians, Sikhs, Buddhists and Jains make up a small percentage of the population. India is a secular, democratic republic country under the constitution hosting the world's most diverse communities under one national identity.

Discrimination based on 'caste' is against the law and the government has various programs to ensure equal opportunity, e.g. through quotas. Nevertheless, India is still struggling with the caste system that discriminates among its people, more so in the rural areas where Dalits (Indian name for the lowest caste) and the scheduled tribes still attempt to assert for their rights. The system itself is too complex and is layered through history, across communities, geographies and psychological aspects (upper and lower, forward and backward caste, and sub-castes still prevail). However, these differentiations are dissipating in urban Indian cities.



“India has been portrayed as a complex place to get things done - politically, culturally and geographically. But it is such complexities which give rise to the best innovation. On the other hand, India has been celebrated as the leader for social entrepreneurship globally. When issues are complex, high level of innovation is automatically born to solve it. International collaborations will continue to forge the best solutions for not just India, but showcase it as a solution for the world.”

Mr. Vishnu Swaminathan, Leader South Asia, Ashoka India

2.2 Economic Background and its Impact

The reforms in 1990s impacted the social, cultural and economic face of urban India with the advent of globalization. Globalization of the Indian Industry opened up its economy for trade, investments, talent and knowledge exchange. Major global companies continue to focus on capturing the imagination of Indian consumers. This brought large amounts of foreign investments into industries such as information technology/ business processing outsourcing (IT/ BPO), pharmaceutical, petroleum, fast moving consumer goods (FMCG) and manufacturing sectors. During this period access to television grew from 20% (1991) to 88% (2012) of the urban population, with satellite television market penetrating as deep as rural areas of the country⁵.

Albeit slow, globalization lead to rural India's progress through commercialization of agriculture and expansion of agro-industries, the liberalization of international trade and

⁵ Centre for internet & society (2012): <http://cis-india.org/telecom/resources/cable-tv>

marketing for food and other agricultural products, the intensification and internal labour migration, the increasing privatization of resources and services and the wider use of information, communication and technology.

However, urban India has seen a paradigm shift in lifestyle through communication and consumerism, leading to large numbers of migration from rural to urban areas in search of better job and lifestyle.

Urban lifestyle in India is quite different from the rural in terms of cost of living. With growing purchasing powers, there are inequalities in distribution of income/ wealth and resources. Hence, in social entrepreneurship ecosystem, target communities can be categorized as:

- Urban/ rural poor
- Below/ Above Poverty Line (BPL/ APL)

Those spending over INR 32 (c. US\$ 0.5) a day in rural areas and INR 47 (c. US\$ 0.7) a day in towns and cities are considered APL.

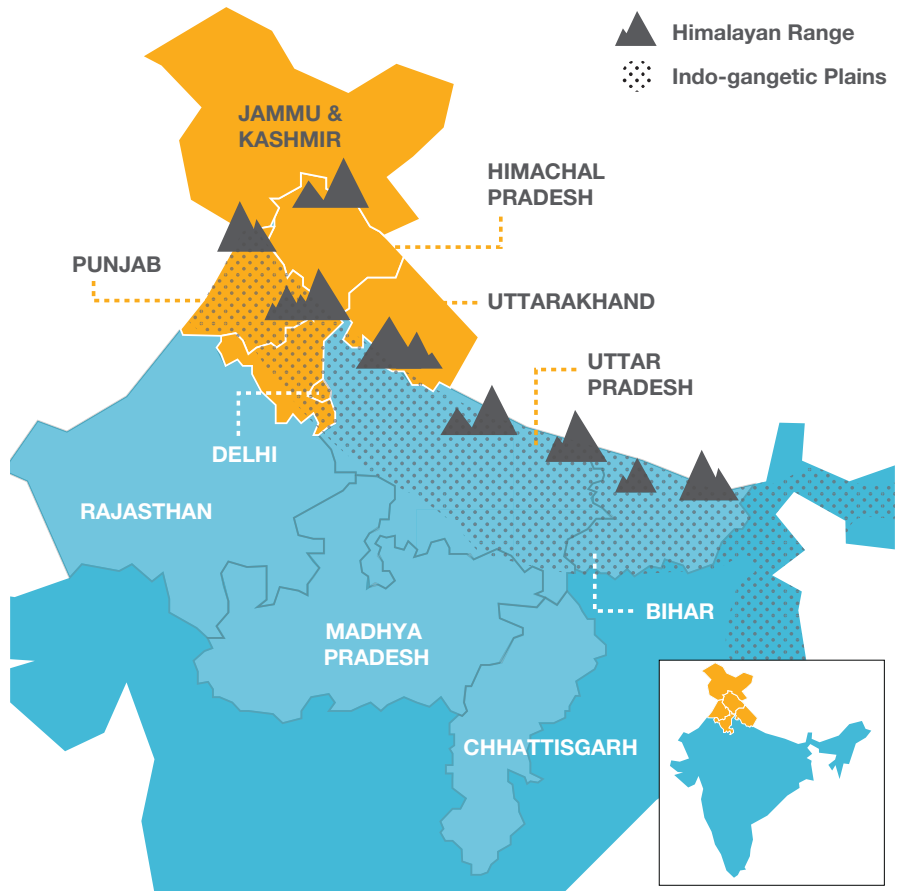
India's service sector is growing exponentially in urban India, attracting the second highest foreign direct investment (FDI) in startups and businesses after China and is estimated to overtake China by 2020. There is a larger push by the government to make India a manufacturing hub for quality products by creating Special Economic Zones (SEZ) and Small/ Medium Industry Corridors across the northern and western parts of the country. India is with 356 million young people also home to the world's largest youth population (10-24 years old)⁶ giving a unique opportunity of labor and knowledge skills. However, the challenge lies in providing quality education and skill development to prepare the workforce for a competitive global economy.

⁶ The Economic Times (2014): http://articles.economictimes.indiatimes.com/2014-11-18/news/56221890_1_demographic-dividend-youth-population-osotimehin

3.

Understanding India's 4 Zones

3.1 North India



Socio-cultural

Hindi and related languages predominate in North India. Hinduism is the main religion while other religions practiced by various ethnic communities include Islam, Sikhism, Jainism and Buddhism. North Indian culture is mainly rooted in Indo-Aryan traditions and customs, with assimilation of and impact from other cultures over long periods of history. North Indian culture reflects the diversity of traditions and customs of the vast region it encompasses.

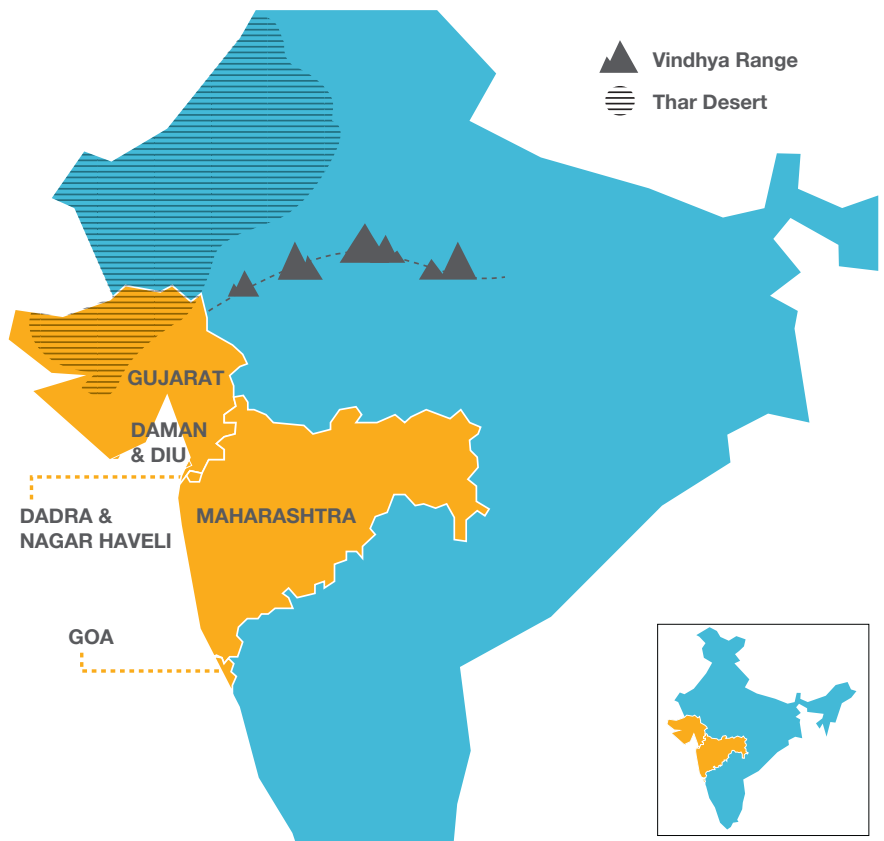
Economy

The National Capital Region of Delhi has emerged as an economic powerhouse with rapid industrial growth along with adjoining areas of Punjab, Uttar Pradesh, Haryana and Rajasthan. Chandigarh has the highest per-capita State Domestic Product (SDP) of any Indian union territory. New Delhi, apart from being the capital of the country, boasts a large sourcing hub, large industrial/ manufacturing hubs and is known as the unofficial capital for design and creative industry in the country. Chandigarh, Jaipur and Lucknow are now major hubs for business, trade, capital (money) and talent for entrepreneurship apart from Delhi.

Industry

The Northern Region is the largest contributor to the national GDP. Construction, transportation, storage and communication are amongst the fastest growing sectors in the region and are also amongst the top five contributors to the region's GDP. Uttar Pradesh, Rajasthan and Delhi are the three largest economies in the region whereas Chandigarh, Uttarakhand and Haryana are the three fastest growing economies in the region. State-wise best performing sectors include Chandigarh in trade and hospitality, Delhi and Haryana in real estate, Himachal Pradesh in agriculture and Uttarakhand in construction and manufacturing.

3.2 West India



Social-cultural

In West India, the states of Maharashtra, Gujarat and Goa are culturally varied and distinct. Maharashtrian culture derives from the ancient Hindu Vedic culture influenced deeply by the Maratha Empire. Indian movie industry (Bollywood) has had a huge impact on the lifestyle and culture especially in this part of India, as the industry is primarily located in Mumbai. Gujarati culture is a blend of Indian culture and foreign influence, especially by the Parsis, a community who migrated from Persia to Gujarat about 1000 years ago. Gujarat also saw

conquests, as well as a constant stream of migrations from Sindh and Rajasthan that has helped shape the unique cultural landscape of the state. Goan culture, on the other hand is a unique blend of Indian and Portuguese culture, due to its colonial history. The state is very popular amongst tourists, especially for its beaches.

Economy

Mumbai is the most important metro city in Western India followed by Ahmedabad in the state of Gujarat, Pune in the state of Maharashtra and Panjim in the state of Goa. Mumbai as the financial capital of India hosts the headquarters of many large corporations. The city holds a strong historical and economic importance in the country. Pune is fast becoming a major hub with a vibrant startup ecosystem, large academic institutions, young talent, and local capital. Along with this trend, Pune has large multinational companies (MNC) and businesses establishing large manufacturing zones, such as Volkswagen, Mercedes, Tata, ABB, Bombardier, Burckhardt Compression, Sulzer, Syngenta, General Motors, Maruti Suzuki, etc. Gujarat and its State Domestic Product (SDP) have grown immensely in recent years, hosting large industrial corridors and conducting trade and commerce through their ports. It also hosts major academic institutions.

Industry

Each of the states in West India, with its distinctive niche, potential and capabilities has contributed significantly to the growth story of India. Investors have been observing this region with great interest on account of its abundant natural resources, industrial strengths, sound connectivity, investor friendly ambience and availability of skilled manpower. The region also hosts one of the indomitable stock exchanges - the Bombay Stock Exchange. It is the hub of some of India's biggest multinationals and world-class tourist destinations. The major manufacturing industries located in the region include basic iron and steel, auto and auto components, engineering, chemical and petrochemicals, gems and jewelry, textiles, agro products, cement and pharmaceuticals, to name a few. In addition, the region also has a robust service sector comprising banking and financial services, legal services, transportation, tourism, entertainment and healthcare.

3.3 East India



Social-cultural

The majority of East Indian population is Hindu, with Muslim, Christian, Buddhist and Sikh as minorities. Muslims constitute a very large minority, especially in the state of Bengal (25% of the population) and the state of Bihar (17%). East India has several pilgrimage sites, which attract a steady stream of national and international tourists all year around. The history, migrated people, unique geography, diverse demographics, and its ancient heritage shape the culture in East India. It is a multiethnic society with a vast variety of languages, customs, religions, music, dance and clothing.

Economy

The eastern part of the country, comprising of the states of Bihar, Jharkhand, Assam, West Bengal and Orissa, has largely been a very low contributor to national GDP. West Bengal contributes just about 6% to India's GDP, while the others contribute only 2-3%. This is low compared to the 15% contribution from Maharashtra and 7% contribution from both, Gujarat and Tamil Nadu⁷. However, things are rapidly changing in the region, especially in and around Kolkata, the capital of the state of West Bengal. Bihar which was considered one

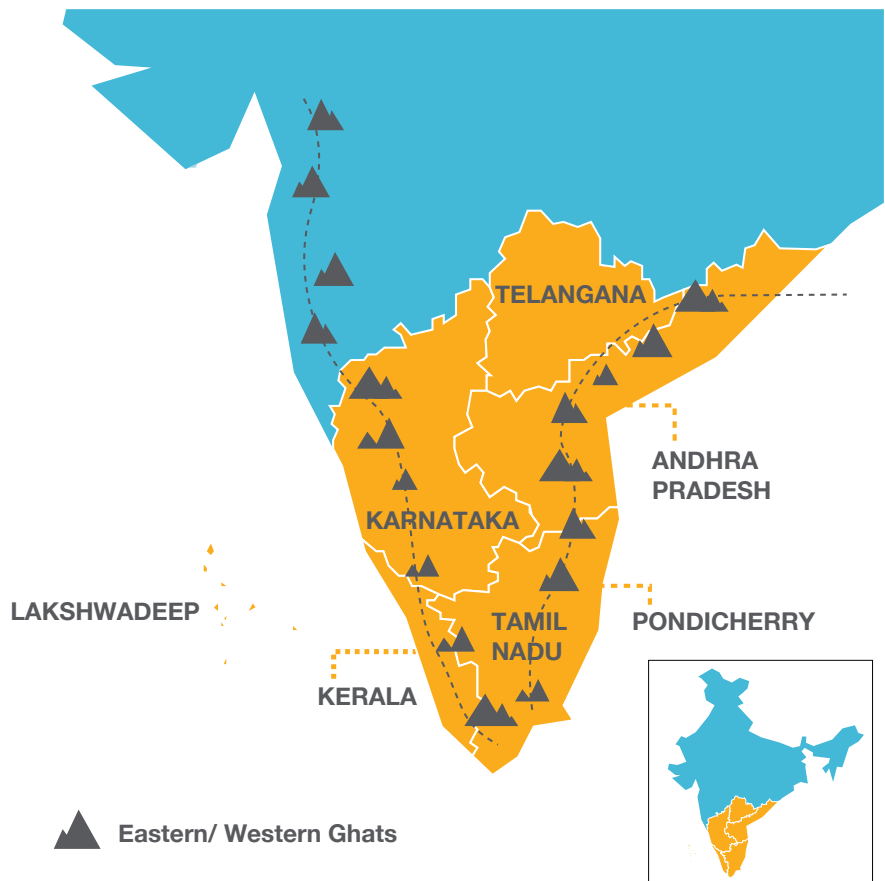
⁷ The Economic Times (2012): http://articles.economictimes.indiatimes.com/2012-04-02/news/31275541_1_west-bengal-tata-metaliks-mcleod-russel

of the most backward states in social and economic index has seen a fast growth in GDP (State Domestic Product) with the state government pushing business and entrepreneurship friendly policies and tackling red-tape bureaucracy.

Industry

The eastern region of India is a land of huge potential and is endowed with plenty of rich minerals, forests, productive and fertile soil and rich cultural heritage. Given the available natural resources and quality manpower, the key growth engines are iron and steel, power, mines and minerals, tourism, agro and food processing, infrastructure, IT and ITES, petrochemicals, leather, real estate, retail and cement. The Eastern states have immense potential for large-scale production and export of spices, jute and other agro products. A spurt in investments coming to these states is an indication of a bright future for trade and industry in the region. There has been a continuous improvement in the hard and soft infrastructure. The growth of IT and ITES, healthcare and tourism in the eastern states coupled with a rapidly developing educational sector unfolds unique advantages adding to the rich intellectual base of the region.

3.4 South India



Socio-cultural

The largest linguistic group in South India is the Dravidian family of languages including Telugus, Tamils, Kannadigas and Malayalis. About 80% of South Indians are Hindu, followed by 11% of Muslim and 8% of Christians. Kerala is the state with the highest number of Christians in the Indian Union with over 6 million⁸. This corresponds to 25% of all Christians in India. The majority of people from South India worship the eternal universe by the means of celebrating the beauty of the body and motherhood through dance, clothing and sculptures. This is also reflected in their way of life.

Economy

The most industrialized cities in South India are Chennai, Bengaluru and Hyderabad followed by Visakhapatnam, Coimbatore, Thiruvananthapuram and Cochin. Chennai is termed as the Gateway of South India, being one of the largest metropolitan cities in India. Bengaluru is the largest southern cosmopolitan city that has now become the startup capital and unofficial entrepreneurship capital of India with capital, talent and resources. This is followed closely by Chennai, Hyderabad and Cochin.

Industry

The southern states, especially Andhra Pradesh, Karnataka, Kerala, Tamil Nadu and Pondicherry have consistently scored high in the country on key economic and social indicators. Tamil Nadu has a strong manufacturing base especially in auto and auto components, Karnataka is globally recognized as the IT hub, Andhra Pradesh's strength lies in biotechnology and pharmaceutical industry, Tourism is an important advantage of Kerala and Pondicherry is becoming one of the key centers for general engineering, auto ancillary and IT/ ITES.

A granular understanding of India's market potential and tailored localization strategies is essential for a success in India. McKinsey's recent study in 2014⁹ has identified key economic and business growth hotspots for the period up to 2025. The study predicts 15 additional metropolitan areas until 2025, after analyzing 29 Indian States and 7 Union Territories in the country. The emerging cities include Jamnagar, Dehradun, Cuttack, Bhavnagar, Kolhapur, Vellore, Amaravati, Ajmer, Udaipur, Sangli, Nanded and Mangalore.

⁸ Government of India (2011): http://censusindia.gov.in/Census_And_You/religion.aspx

⁹ Mc Kinsey (2014): http://www.mckinsey.com/insights/asia-pacific/understanding_indias_economic_geography

4.

Social Innovation & Entrepreneurship in India

Social innovation helps in solving some of the most pressing problems with new solutions such as fair trade, distance learning, mobile money transfer, restorative justice and zero-carbon housing. The process of creating solutions is also profoundly changing beliefs, basic practices, resources and social power structures. Social innovation provides a unique opportunity to step back from a narrow way of thinking about social enterprises, business engagement and philanthropy.

For social innovation in India, a developmental model needs to be designed, keeping in mind the diversity of culture and abundance of its resources, people's aspiration levels and the ecological limitations of nature. Indians are making efforts in creating new avenues for social innovation across sectors, such as education, healthcare, housing, agriculture and livelihoods. There is enough evidence of grass-root innovation amongst the poorest of poor who live with or without any access to technology. These innovations are not only relevant in India but could also be applied globally, highlighting the universal elements of innovation such as ecological sustainability practices, low cost, scalability and optimization of resources. Social innovation segment in India requires support in capacity building and go-to market strategies.

Mr. Subramaniam Ramadorai, adviser to the Prime Minister of India states, that "India needs to unleash technological and social innovations that can usher in a new developmental model the world has not seen before."^{9a}

Swiss innovators, funders and universities could look at structured engagement with the Indian social sector by bringing expertise, knowledge and resources to collaborate with the Indian ecosystem which is known globally as a social innovation lab for piloting ideas. India provides the challenges, constraints, resources and opportunities to create, test and prototype a solution that can have a positive global impact. A successfully tested solution in India can be scaled to many other developing countries.



"Solving social problems needs advanced thinking in all aspects including grant making techniques, use of the latest technology and innovation, large scale systemic thinking etc. I have seen that Swiss thinking is the most suitable and can add the best value when it comes to solving such complex social issues in this region. It is not just about identifying them, but working together and co-creating long term solutions which shifts societal thinking fundamentally."

Mr. Vishnu Swaminathan, Leader South Asia, Ashoka India

^{9a} Deccan Herald (2014): <http://www.deccanherald.com/content/425800/india-needs-technological-social-innovations.html>

4.1 Education

The education sector in Indian social enterprise ecosystem is one of the largest and most promising sectors for investment. India faces challenges in multiple areas of providing quality education and an all-round development of students who are to become the knowledge and labor power of the economy. The Indian education sector is very big and diverse and can be broadly classified into:

- K-12 education: Kindergarten, Primary & Secondary education
- College and University education: Undergraduate & graduate
- Vocational training

Each category has its own complex challenges and opportunities. This section only discusses the K-12 category that has seen the most severe gaps and poor access to quality education for children.

The Indian education sector is one of the largest capitalized spaces in India with an annual Government spend of US\$ 63 billion (3.4% of GDP) and an annual private spend of US\$ 56 billion. In addition, approximately 200'000 students travel to foreign countries every year and spend about US\$ 13 billion on education. This adds up to an annual education spend of US\$ 133 billion¹⁰. With the largest number of youth population in the world, Indian education sector is highly viable and promising. The sector is beginning to demand larger involvement of social enterprises and requires enhanced Public Private Partnership models (PPP) across the country.

Most affordable private schools operate as hybrid for-profit/ non-profit structures in which the school is a not-for-profit entity, but the school management company is a for-profit entity; equity investments take place in the for-profit entity. In contrast to this, the private coaching and education content space is unregulated. The Government's Right for Education (RTE) Act mandates private schools to provide 25%¹¹ of their seats for low-income households with expenses for these seats covered by the government. This policy is facing stiff opposition from school managements, parents, and even those who have stakes in the schools. Social enterprises are working around these challenges through advocacy and capacity enhancing solutions. The private sector, especially social enterprises that deliver services to the BoP play an important role in achieving the RTE mandate.

Another prospective area for growth and investments in the education sector is the pre-school segment: with the increasing demonstration effect on the demand for their services, pre-schools are moving to villages as well. However, the engagement of the private sector and growth of social enterprises is hindered by several sector-specific policies and regulatory frameworks. Certain rules still mandate that all formal education institutions operate as not-for-profit institutions. These regulations restrict equity investment and since formal schools require substantial access to capital this creates constraints for social enterprises.

¹⁰ Kaizen: <http://www.kaizenpe.com/forms/Kaizen-Education-Report.pdf>

¹¹ Accountability Initiative (2012): http://righttoeducation.in/sites/default/files/policy_brief_on_rte_reservation.pdf

4.1.1 Challenges

- **High drop out rates:** Nationally 29% of children drop out before completing five years of primary school, and 43% before finishing upper primary school. High school completion is only 42%¹². 1.4 million children aged 6-11 in India are not even going to school¹³.
- **Inadequate school infrastructure:** only 53% of schools have functional girls' toilets¹⁴ and 74% have access to drinking water¹⁵.
- **Inequality amongst schools:** At the top end are English-language schools affiliated to the upscale CBSE (Central Board of Secondary Education), CISCE (Council for the Indian Schools Certificates Examination) and IB (International Baccalaureate) examination boards, offering globally recognized syllabuses and curricula. Those who cannot afford private schooling attend English-language government-aided schools, affiliated to state-level examination boards that struggle to maintain quality standards and do not focus on an all-round development of the child.
- **Teacher shortage:** Teachers are paid low salaries and are not supported with incentives. The Student-Teacher Ratio in developed countries stands at 11.4, while in case of India; the ratio on an average is as high as 22.0 leading to teacher absenteeism and large number of teacher vacancies¹⁶. There is a teacher shortage of 689'000 teachers in primary schools¹⁷.
- **Quality of learning:** The quality of learning in classroom is a major challenge too. Several reports show children are not achieving class-appropriate learning levels. According to Pratham's Annual Status of Education 2013 report, close to 78% of children in Grade 3 and about 50% of children in Grade 5 cannot yet read Grade 2 texts¹⁸



“Today 96% of children are in schools, but learning outcomes are poor and dropouts at all stages of education remain persistent problems. Overall drop-out rates are at a 27% in early stages of education according to a recent UNICEF study. There are tremendous opportunities to invest in improvement of management systems and technologies to make learning meaningful and engaging. The real need for greater investments in education therefore is to look at interventions that can enhance the quality of education at early stages and add employability towards the higher stages.”

Dr. Parth Shah, President, Centre For Civil Society

¹² Brookings (2015): <http://www.brookings.edu/research/opinions/2015/01/20-primary-education-in-india-progress-challenges-sahni>

¹³ Times of India (2014): <http://timesofindia.indiatimes.com/india/1-4-million-Indian-children-aged-6-11-out-of-school-Unesco/articleshow/37929697.cms>

¹⁴ Quartz (2014): <http://qz.com/250926/this-map-shows-which-of-indias-states-provide-toilets-for-girls-in-schools/>

¹⁵ Brookings (2015): <http://www.brookings.edu/research/opinions/2015/01/20-primary-education-in-india-progress-challenges-sahni>

¹⁶ <http://ictpost.com/india-knocks-at-the-right-to-quality-education/>

¹⁷ Brookings (2015): <http://www.brookings.edu/research/opinions/2015/01/20-primary-education-in-india-progress-challenges-sahni>

4.1.2 Opportunities

- **Affordable private schools:** A number of social enterprises are venturing into affordable private schools, creating a pipeline of budget schools which are well managed and can deliver optimal or basic quality learning environment in K-12 education ecosystem. Partnering and supporting such initiatives at different levels is one of the areas of opportunity for Swiss entrepreneurs.
- **Curriculum development and pedagogy tools:** Technology and other mediums are now actively used to deliver quality-learning material with digital pedagogy tools by social enterprises. There is scope for innovation in creating robust models to provide, monitor and assess the curriculum material provided to schools.
- **Teacher-centric approach:** Teacher training, teaching modules, improved pedagogical tools are some of the areas of intervention for social enterprises.
- **Infrastructure:** This is one of the most untapped areas of opportunity in current K-12 education system. Solutions can range from providing basic hygiene & safe environment such as boundary walls, working clean toilets, safe drinking water to basic furniture, storage and other interior infrastructure for schools.
- **Corporate companies/ CSR:** Majority of corporations in India are investing CSR funds in education as a portfolio. The CSR funds can be invested across various themes and can provide mentorship and other capacity building support to social enterprises in the education sector.



“The Swiss experience in school, college and vocational education could be a good illustration of what India can achieve. In the larger context of OECD, there are varied opportunities to share with policy and opinion makers. Indian think tanks understand that we do not need to re-invent the wheel; there is a lot to learn from other countries and adapt those ideas to Indian reality.”

Dr. Parth Shah, President, Centre For Civil Society

¹⁸ Pratham USA (2013): http://www.prathamusa.org/sites/default/files/asr_2013.pdf

4.2 Agriculture

India has primarily been an agrarian economy. Post the industrial reforms in 1990s, Indian economy has witnessed loss of large-scale agricultural lands to deforestation. With automation the agriculture output per hectare has improved but has also led to larger environment degradation. If managed properly, Indian agriculture can not only cater to 1.25 billion people in India but also to many other countries.

Agriculture provides livelihood to more than 70% of India's rural population and has a large number of social enterprises, with 44% of enterprises launching in the sector in 2010 or 2011¹⁹. One-third of agriculture enterprises provide some kind of service to farmers such as teaching organic farming practices. More than 10% of enterprises also offer financial services to low-income clients or producers—primarily access to credit. Yet agriculture enterprises tend to have low penetration across many communities.

Agriculture social enterprises can be broadly categorized into:

- Those supporting the value chain pre-harvest with an objective to increase agricultural yield in an economically and environmentally sustainable manner. They are structured as both for-profit and not-for-profit entities. Aakruthi Agricultural Associates and Janani Agriserve²⁰ are two such enterprises. They collectivize small/ marginal farmers, distribute information and advisory services, supply farm equipment, ensure access to quality inputs and teach organic farming practices.
- Those supporting **post-harvest** operations with an objective to eliminate supply chain inefficiencies while ensuring economic profits for all value chain actors. Operations in the post-harvest space require a substantial amount of capital and operational expenditure. Field Fresh Food²¹, Mother Earth²² and Star Agri²³ are 3 such enterprises operating in the post-harvest space. They are actively involved in procurement, storage, transport, processing, and retailing.
- Those that work with the **dairy value chain** engaging in dairy farming, fisheries and allied activities. These social enterprises are structured as for-profit entities and are typically involved in aggregation, procurement, and processing.

¹⁹ Intelcap (2012): http://intellecap.com/sites/default/files/publications/intellecap_landscape_report_web.pdf

²⁰ www.jananiagriserve.com

²¹ www.fieldfreshfoods.in

²² <http://motherearth.co.in>

²³ www.staragri.com

4.2.1 Challenges

- **Decline in production:** In the name of industrialization, farming land is being taken away from farmers. 80% of farm subsidies go to chemical companies who push chemical fertilizers amongst farmers putting them in huge loans and debts due to crop failures²⁴. There's stagnation and a decline in production, output per hectare in the last three decades.
- **Lack of infrastructure:** Infrastructure and technology support for small scale farmers is lacking. There's a shortage of good quality seeds for poor farmers, inadequate storage facilities and transportation. Lack of efficient water management, soil erosion and better irrigation systems is another big challenge. The techniques and knowhow of organic farming and local ecology is losing significance rapidly, making the farmers totally dependent on external inputs for farming.
- **Decline in interest:** Even though 54.6% of India's population is involved in farming, agriculture sector contributes only 13.9% towards GDP²⁵. The newer generations prefer to migrate to urban areas compared to farming professionally.
- **Decline in land ownership:** Landholding by farmers declined from 2.30ha in the 70s to 1.32 ha in 2000-01²⁶.
- **Lack of support:** More than 250'000 farmers have committed suicide since 1990²⁷.

4.2.1 Opportunities

- **Technology:** Swiss innovators can provide access to knowledge, technical insights and mentorship to yield healthy crops and sustainable agriculture practices in India. Swiss innovators can also explore collaborations with grass root level organizations that require capacity building support for small-scale farmers and drought hit areas.
- **Policy influence, sustainable practice advocacy:** Swiss community and researchers can partner and collaborate with relevant international organizations to influence policies at government level in India. Switzerland, which has championed the idea of sustainable practices, can bring strong advocacy tools for Indian social enterprises and non-profits in the agriculture sector.
- **Agricultural mechanization, supply chain, storage design:** Swiss communities can bring their expertise to look at better mechanization products, supply chain system design, efficient storage design and low cost scalable solutions that can make a big difference to poor/ small scale farmers.
- **Post-harvest support:** Swiss entrepreneurs/investors can provide capacity building support for small scale farmers in India to help them build market linkages, eliminate middle-men and tap urban to rural markets for sales.
- **Financial inclusion and support for organic and sustainable farming practices:** Partnering with local organization can help Swiss enterprises to create new models of financial aid and soft loans to allow cooperatives and local farmers to create new business opportunities for themselves.

²⁴ Your Story (2014): <http://yourstory.com/2014/03/indian-agriculture-future/>

²⁵ Government of India (2014): <http://pib.nic.in/newsite/PrintRelease.aspx?relid=113870>

²⁶ Truth about trade (2014): <https://truthabouttrade.org/2014/04/17/to-feed-1-7-bn-people-by-2050-india-needs-gm-technology/>

²⁷ National Crime Records Bureau (2012): <http://ncrb.nic.in/CD-ADSI-2012/ADSI2012.pdf>

4.3 Healthcare

India has a universal public health care system run by the constituent states and territories. Parallel to this public health sector, is the private medical sector in India that is more popular. Both urban and rural Indian households use the private medical sector more frequently than the public sector.

In addition to a health care system, India has several safety net health insurance programs for the high-risk population such as the Community Health Insurance program for the population below poverty line and Life Insurance Company (LIC) policy for senior citizens. All such programs are monitored and controlled by the government-owned General Insurance Corporation. There are additional plans offered to government employees, and a handful of private companies sell private health insurance to the public. Yet many urban and rural poor to middle-class people are not aware of these schemes and programs.

India's Maternal Mortality Ratio (MMR) is estimated high, at 212 per 100'000 live births. India has 48 doctors per 100'000 persons that are fewer than in developed nations²⁸. The availability of doctors is even less in rural areas of India.

India has a life expectancy of 64/ 67 years (male/ female)²⁹, and an infant mortality rate of 46 per 1000 live births³⁰. With the World Health Organization's 2000 World Health Report ranking India's healthcare system at 112 out of 190 countries³¹.

4.3.1 Challenges

- **Rural vs. Urban Divide:** A staggering 70% of the population³² still lives in rural areas with limited access to hospitals and clinics and relies on alternative medicines and government programs in rural health clinics. One such program is the National Urban Health Mission that pays individuals for healthcare premiums which has not been very effective. In contrast, the urban centers have numerous private hospitals and clinics that provide quality healthcare.
- **Need for Effective Payment Mechanisms:** Roughly 70% of patients pay for healthcare out-of-pocket because there are no payment arrangements. According to a newly released report by Swiss Re and Harvard's School of Public Health, 16.7% of Indians were covered by health insurance policies in 2012³³.
- **Demand for Basic Primary Healthcare and Infrastructure:** Basic infrastructure, especially in rural areas is still lacking, with respect to sanitation and water management.

²⁸ Social Science Research Network (2014): http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2494971

²⁹ CIA Factbook (2014): <https://www.cia.gov/library/publications/the-world-factbook/fields/2102.html>

³⁰ CIA Factbook (2014): <https://www.cia.gov/library/publications/the-world-factbook/geos/in.html>

³¹ World Health Organization (2000): http://www.who.int/whr/2000/en/whr00_en.pdf?ua=1

³² Forbes India (2015): <http://forbesindia.com/blog/health/5-things-to-know-about-the-indias-healthcare-system/>

³³ Swiss Re: Health Risk Factors India (2015), http://media.cgd.swissre.com/documents/RDS_HealthRisk-Factors_India_WEB.pdf

- **Malnutrition:** Dietary risks, protein energy malnutrition, particularly childhood malnutrition continue to be prevalent. 31% of children under 5 are undernourished³⁴ and a third of adult women have a body mass index (BMI) lower than 18.5, a level commonly associated with chronic energy deficiency. The poorest seem to live on less than 1'500 calories a day compared to the norm of over 2'000³⁵.
- **Lack of awareness of mental disorders:** 6-7% of the population is known to have some form of mental disorder³⁶, with no clear distinctions between rural and urban India. Over 90% of mental disorders are also estimated to go untreated³⁷. Many constraints contribute to these gaps, such as cost considerations, socio-cultural beliefs, stigma and overall lack of health literacy.



“Bold innovations come from big challenges. In India, replicating and scaling solutions that have worked in the west is not going to work. Producing those many well-trained doctors and nurses, building those many hospitals, and providing each of them with the same kind of equipment, all will simply take way too long and cost way too much money. We need new thinking. Swiss innovation can help solve some of these big problems. Swiss capital can drive growth and fuel entrepreneurial energy in a large and vibrant under-served market. And in the end, the collaboration can enable fresh thinking that brings some of this new bold thinking back to the west. Nothing energizes more than audacious goals.”

**Dr Rahul Alex Panicker, Co-founder and President,
Embrace Innovations**

4.2.1 Opportunities

- **Impact Investments:** Healthcare is one of the most sought after sectors for impact investing with funds being channeled into a variety of areas – from hospitals and clinics to innovative diagnostic tools and medical devices designed for low-resource settings. Narayana Hrudaya-laya³⁸, Arvind Eye Care³⁹ and Embrace Innovations⁴⁰ are credible organizations that have demonstrated the viability of social enterprises. After hospitals, pharmaceuticals account for the second largest percentage of total funding (13%) given the global success of Indian pharmaceuticals companies in developing low cost generics⁴¹.

³⁴ International Food Policy Research Institute. Global Hunger Index (2014): <http://www.ifpri.org/publication/2014-global-hunger-index>

³⁵ MIT/ NBER/ CEPR (2007): <http://economics.mit.edu/files/1519>

³⁶ Intellectap (2013): <http://urbanpoverty.intellectap.com/?p=1060>

³⁷ Basic Needs: <http://www.basicneeds.org/where-we-work/india/>

³⁸ <http://www.narayanahealth.org>

³⁹ www.aravind.org

⁴⁰ <http://www.embraceinnovations.com>

⁴¹ Villgro (2014): <http://www.villgro.org/HealthHorizons2021.pdf>

Medical devices account for the third largest (again 13% of total investment).

- **Health Insurance:** Nearly 75-80% of Indian population is without a proper health insurance, paying their health care spendings out-of-the pocket⁴².
- **Medical devices:** According to The Economic Times⁴³, the medical devices sector is seen as the most promising area for future development by foreign and regional investors. Recently, the government has been positive on clearing regulatory hurdles related to the import-export of medical devices, and has set a few standards around clinical trials. Swiss quality high tech medical devices, made affordable, can scale rapidly in India.
- **Building centralized information and raising awareness:** Improve accessibility to information with offline and on-line Drug Database to improve health delivery system and build local champions for information distribution.
- **Health care infrastructure:** Standardizing diagnostic procedures, building rural clinics, and developing streamlined health IT systems and improving efficiency.

⁴² Swiss Re: Health Risk Factors India (2015), http://media.cgd.swissre.com/documents/RDS_HealthRisk-Factors_India_WEB.pdf

⁴³ Economic Times Healthworld (2015): <http://health.economicstimes.indiatimes.com/news/diagnostics/diagnostic-imaging-market-a-window-of-opportunity/46578863>

4.4 Renewable Energy

India has the fifth largest power generation portfolio worldwide. Coal and gas are the popular sources of energy and account for 58% and 9% respectively of the total energy consumed in the country. India has been rapidly adding capacity over the last few years, with total installed power capacity growing to 223 Giga Watts (GW) in March 2013 from 98 GW in March 1998. Economic growth and increasing prosperity, coupled with factors such as rate of urbanization, rising per capita energy consumption, and a growing middle class are likely to push energy demand further in the country.

The Renewable Energy market is currently valued at US\$ 17 billion and growing at an annual rate of 15%. The opportunity lies in the untapped potential in generating energy: only 19.97 GW out of the estimated potential of 200 GW have been utilized thus far⁴⁴. Demand for power in India has been increasing rapidly due to industrialization and urbanization. The Government of India estimates that the country needs to add 150 GW of power capacity over the next five years - a US\$ 200 billion investment coupled with many key incentives are in the pipeline to bridge the supply/ demand gap.

There has been a proliferation of social enterprises adopting a variety of business models in the clean energy sector through devices that meet basic lighting and cooking solutions, household energy systems and off-grid energy solutions delivered to large communities.

25% social enterprises surveyed in Intellectap's 2012 Social Enterprise Landscape report⁴⁵ were dealing with energy and had higher growth compared to other sectors. Given India's share in world energy consumption stands at a meager 4.2% despite being the world's second most populous country, the opportunities to create and increase energy access are very pronounced.

4.4.1 Challenges

- **Lack of electrification:** 280 million people in rural India and 24 million people in urban India are without access to electricity. There will be a scarcity of 467 GW electricity in the next 15 years.
- **Inequality in power supply:** Access to energy and major inequalities in access are major challenges in India. According to the International Energy Agency⁴⁶, 77 million households in India still use kerosene for lighting.
- **Dilemma with alternate energy sources:** There's a lack of nuclear energy sources to meet the energy demands in India. Renewable energy sources need large investments almost prohibiting the government or public sector units from taking it up. There have been

⁴⁴ Government of India: <http://planningcommission.gov.in/hackathon/Energy.pdf>

⁴⁵ Intellectap (2012): http://intellectap.com/sites/default/files/publications/intellectap_landscape_report_web.pdf

⁴⁶ <http://www.iea.org>

small and large scale hydro-electricity projects approved by states and central government that pose a huge threat to biodiversity of the region, local communities' displacement and loss of livelihoods.

4.4.2 Opportunities

• **Untapped potential:** There is a scope to fulfill the gaps in the following renewable energy sectors:

- Presently, solar only covers 3% of 100 GW potential capacity. Many parts of India receive 300 days of annual sunshine which presents an opportunity for constant solar power generation.
- Only 3% of 4 GW potential capacity is generated through waste
- Only 11% of 18 GW potential capacity is generated through biomass
- Only 19% of 20 GW potential capacity is generated through small hydro
- Presently 53% of 5 GW potential capacity is generated through bagasse cogeneration
- Only 21% of 103 GW potential capacity is generated through wind (onshore)

• **Delivery models:** Social enterprises serve energy-deprived markets in two ways:

- Provide clean energy products (solar lanterns, solar home systems (SHS), solar pumps, solar photovoltaic water heating and energy efficient cook stoves) for efficient lighting and heating/ cooking.
- Provide electricity through micro/ mini grids that use technologies such as biomass-gasify small hydro, solar photovoltaic and wind to supply power to un-electrified and under-electrified communities.

Nuru Energy⁴⁷, Urja Unlimited⁴⁸ and Greenway Grameen Infrac⁴⁹, Greenlight Plant⁵⁰, Urja Unlimited⁵¹ and ONergy⁵² are some notable social enterprises in the energy sector. Swiss startup LED Safari⁵³ has recently begun bridging this gap.

• **Growth potential and investments:** As of 2015 350 GW of offshore wind energy potential is entirely untapped. India's investment target over the next 5 years towards 100 GW solar and 60 GW wind capacity is CHF 100 billion. SELCO India⁵⁴, one of the most credible renewable energy organizations in India has been actively supported and invested by Swiss investors.

⁴⁷ <http://nuruenergy.com>

⁴⁸ www.urjaunlimited.in

⁴⁹ <https://www.facebook.com/greenwaygrameeninfrac>

⁵⁰ <http://greenlightplants.com>

⁵¹ www.urjaunlimited.in

⁵² <http://onergy.in>

⁵³ <http://ledsafari.com>

⁵⁴ www.selco-india.com

4.4 Manufacturing

Make in India is an initiative of the Government of India, to encourage companies to manufacture their products in India. It was launched by Prime Minister Narendra Modi on 25 September 2014. In a major boost to the 'Make in India' initiative, the Government has received confirmation from technology firms such as GE, Bosch, Tejas and Panasonic regarding their decision to invest in the electronic, medical, automotive and telecom manufacturing clusters in India.

India is an attractive hub for foreign investments in manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country. With impetus on developing industrial corridors and smart cities, the government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development.

Industrial manufacturing is a major growth sector for the Indian economy with diverse companies including those engaged in manufacturing of machinery and equipment, electrical and metal products, cement, building and construction material, rubber and plastic products and automation technology products.

India needs to create employment of 10 – 15 million jobs per year⁵⁵ to absorb the growing young population and the service industry cannot meet this demand at scale. Manufacturing industries can contribute as the largest employers to meet this demand.

4.4.1 Challenges

- **Capital-intensive:** Manufacturing is capital-intensive exercise requiring access to loans. High interest rates have been impacting new investments.
- **Lack of domestic demand:** Lack of domestic demand has pushed the manufacturers to look at export markets with the devaluation of Rupee.
- **Shortage of skilled labour:** There is a large shortage of skilled labor for manufacturing and lack of investment in training of skilled labor or improving efficiency. Also the Indian youth prefer white-collar jobs in their search for upward mobility.
- **Global competition:** India is traditionally known for service industry, while a push for large scale manufacturing has only recently begun. There is a tough global competition from established economies, especially China.

⁵⁵ The Hindu (2014): <http://www.thehindubusinessline.com/opinion/columns/r-srinivasan/where-are-the-job-givers/article6376709.ece>

4.4.2 Opportunities

- **Favorable regulations:** The Interim Budget of 2014⁵⁶ presented by the government of India, proposed changes in indirect taxes to boost manufacturing, including cutting the excise duty on some goods in the capital goods and consumer non-durables sectors such as electrical and construction from 12% to 10%. Manufacturing segments are making investments to enter Tier 2 (50'000 to 99'999 inhabitants) and Tier 3 (20'000 to 49'999 inhabitants) cities in order to boost sales.
- **Fair Trade:** Social responsibility is deeply rooted into Indian culture. Swiss social enterprises in perishable/ non-perishable manufacturing could create or extend fair trade value chains in India.

4.5 Skills Development

Skills development as a sector has gained prominence in the social enterprise ecosystem with several skills development and vocational training enterprises rising in the social sector in the last 5 years. Skillsonics India Pvt. Ltd.⁵⁷ was born with this vision with support from Swiss Federation. This sector is also closely interlinked to the manufacturing sector.

4.5.1 Challenges

- **Employability:** Number of young university graduates is rapidly increasing every year, and the industry is not sufficiently hiring these fresh graduates, leaving large numbers of individuals either unemployed or wanting skills training and development. In addition, the development of information and communication technology (ICT) is occurring at unprecedented speed, requiring workers to have more, and more complex, cognitive skills.
- **Lack of skill and training:** With 12.8 million young people newly entering the labor market every year⁵⁸, the government recognizes that the country faces a serious skills shortage, as the majority of these new labor market entrants are likely to remain unskilled.
- **No access to skill training:** Despite India's projected demographic dividend and its abundant labor supply; it suffers from a serious shortage of skilled workers, because of their limited access to education and skills training and large skills mismatch in the labor market.
- **Social stigma:** The demand for vocational training has generally been low even among the socially disadvantaged. Students prefer white-collar jobs in their search for upward mobility. Vocational training has largely been seen as a second-choice option for economically disadvantaged and/or academically less capable.
- **Lack of interest in skill training:** Most of the skills training institutes are set up in rural or a semi-urban area where ensuring steady flow of enrollments and an acceptable level of capacity utilization is a constant challenge for training providers.

⁵⁶ Government of India (2014): <http://www.indiabudget.nic.in/budget2014-2015%28I%29/ub2014-15/bs/bs.pdf>

⁵⁷ <http://skillsonics.com>

⁵⁸ Government of India (2009): <http://labour.nic.in/upload/uploadfiles/files/Policies/NationalSkillDevelopmentPolicyMar09.pdf>

4.5.2 Opportunities

- **Demand for vocational/ skill training:** By 2025, India will have a working population (age 15-64 years) of approximately 959 million people⁵⁹ and most of them will require vocational/ skill training.
- **National focus on skills development:** Recently, India set up Prime Minister's National Skills Development Council (NSDC) to coordinate various schemes provided by various ministries. Switzerland's expertise on vocational education and skills development is very well known and appreciated across India.
- **Advisory for skill councils:** Swiss experts and institutes could advise existing social enterprises and non-profits in India for developing policies, setting priorities and strategies and overseeing and coordinating the various stakeholder initiatives and efforts.
- **In-firm skills training:** Only 17% of manufacturing firms in India provide any training for employees⁶⁰. High growth areas such as manufacturing, automotive, retail, trade, transport, construction, hospitality and healthcare have the ability to provide the required expanded employment. Public private partnerships in the country are already in the process of strengthening rural infrastructure such as Industrial Training Institutes (ITIs), polytechnics, community polytechnics and vocational education in secondary schools. Workers such as technicians, welders, fitters, paramedics, tourist guides etc. are to be skilled with a twofold objective- first, to close the skill gap of an already qualified workforce and second, to provide formal vocational training to those who have acquired skills informally.

⁵⁹ Government of India: <http://planningcommission.nic.in/reports/sereport/ser/vision2025/demogra.pdf>

⁶⁰ Asian Development Bank (2013): <http://www.adb.org/sites/default/files/linked-documents/cps-ind-2013-2017-ssa-07.pdf>

5.

Challenges for Swiss Entrepreneurs

India is a huge country with an incredible diversity. As an ancient civil nation, the country has complex social structures. The adoption of a new technology or ideas has numerous social and cultural angles to it.



“Both India and Switzerland are lands of paradox. In India, millions of people suffer from hunger yet India is the only other country to have sent a mission to Mars. Switzerland is associated with luxury and stability yet, its people are not sensitized to a rapidly globalizing and changing world. The need of the hour is to break stereotypes.”

Mr. Satyadeep Rajan, Managing Director, Perpetual Technology Partners, Fribourg/ Switzerland

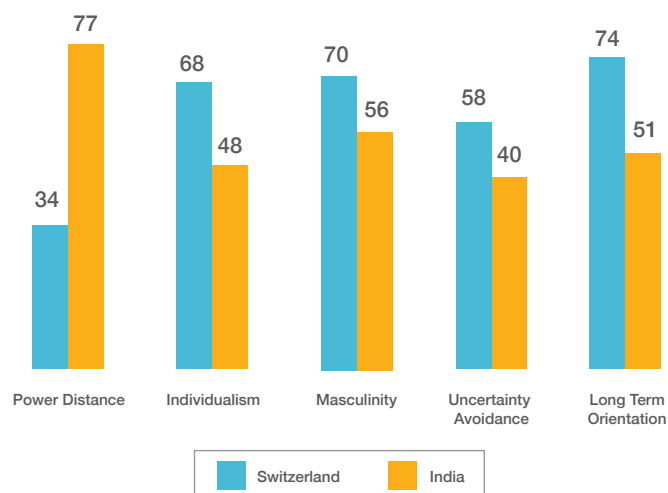
In general, the five main challenges for Swiss entrepreneurs coming to India are the following:

5.1 Diversity

India is a very heterogeneous society, with 29 states, 7 union territories, 23 recognized languages, rich culture, numerous sub-groups, ethics, and religious believes. It is important for Swiss social entrepreneurs seeking growth opportunities in India to fully appreciate the diversity and layers of India and to have a long-term vision, which requires time and patience.

5.2 Cultural Differences

Indian culture is clearly different from the European. The general national tendencies can be identified, especially when comparing with a western country, such as Switzerland. The following five themes capture these tendencies⁶¹.



⁶¹ The Hofstede Centre: <http://geert-hofstede.com/india.html>

5.2.1 Power Distance/ Importance of Hierarchical Position

Indian society has a strong appreciation for hierarchy and a top-down structure in society and organizations. It is common, that the boss takes most of the decisions and the employees execute. Power is mainly centralized and managers count on the obedience of their team members.



THE BOSS^{61a}

Employees normally expect to receive clear tasks and processes are divided into many individual tasks, each of them being executed by another person. This is in contrast to Swiss business culture which tends to be of flat hierarchy.

Business communication in India is top down and directive in style, with mostly no negative feedback given towards someone up the hierarchical ladder.



ANGER/DISPLEASURE

^{61a} Infographic portraits by Yang Liu 'East Meets West'

5.2.2 Individualism vs Collectivism

India can be seen as both individualistic as well as collectivistic. There is a high preference to belong to a larger social framework where individuals are expected to act according to the greater good of one's „in-group“. In these situations, the opinion of one's family, extended relatives, neighbours, work group and other wider social networks influence the actions of the individual. The relationship between employer and employee is based on mutual expectations – loyalty by the employee and almost familiar protection by the employer. Hiring and promotion decisions are often made based on relationships.



“Especially regarding the perception towards working in the startup sector, parents tend to have a preference for their children to work in a MNC, rather than a startup. In comparison to Switzerland, family has a much bigger influence in Indian society, where parents are sacred and thus many youth oblige to parental pressure.”

Mr. Philip Sunil Urech, CEO, Crowdguard International Association

5.2.3 Masculinity vs. Femininity

In a masculine society, people seek to be the best and stand out, whereas people in a feminine society are much more motivated by doing a work which they like. In India success and power is often visually displayed. However, India is also a very spiritual country with millions of deities and religious philosophies. Being an ancient country with one of the longest surviving cultures, value of humility and abstinence are also part of Indian culture. Switzerland is ranked as more masculine compared to India, with a strong focus on success and achievements, validated by material gains. Work is seen as the center of one's life.

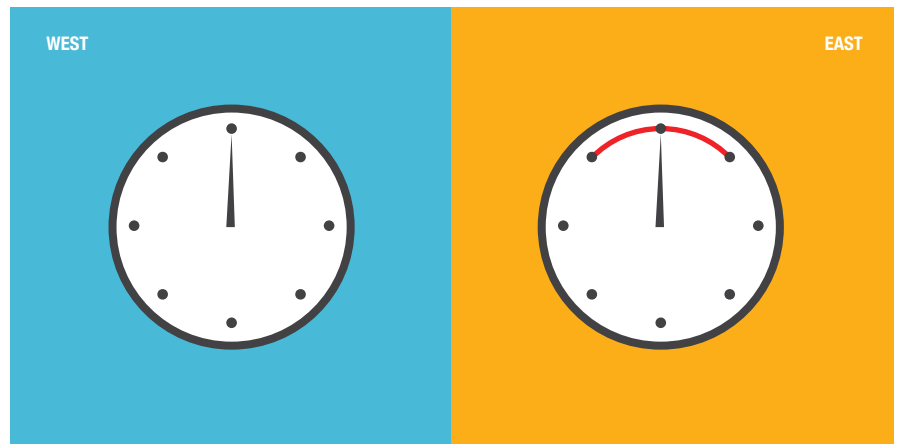
5.2.4 Uncertainty Avoidance

Especially in comparison to Switzerland, India has a much higher tolerance towards imperfection and uncertainty. Rules are seen as possibilities to circumvent and people rely on innovative methods to “bypass the system“. A word often used in India is “to adjust“, which means finding an unique and inventive solution to a seemingly insurmountable problem. This attitude is both the cause for misery as well as the most empowering aspect of the country. There is a saying, that, “nothing is impossible“ in India, as long as one knows how to adjust.

5.2.5 Long Term Orientation vs. Short Term Orientation

In India the concept of “Karma“ influences religious and philosophical thought. Time is less important as in western country, and is not seen as linear.

A lack of punctuality is often forgiven, as well as a changing game-plan based on changing reality and a general comfort with discovering the fated path as one goes along rather than playing to an exact plan.



PUNCTUALITY

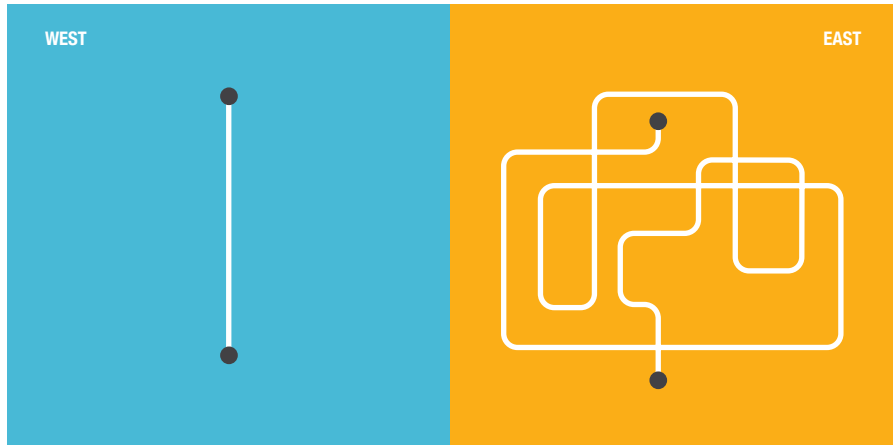
5.3 Local Processes and Routines

Local routines and processes differ strongly from Switzerland. A good network and the help of local experts is therefore required. Swiss entrepreneurs should immerse themselves in the local ecosystem by working from public spaces, using public transportation and visiting the same places as their local colleagues. The exposure to the local populations daily situations and difficulties enables a better understanding of customers needs.



“Almost every administrative task is quite complicated and can take quite some time. swissnex India has a strong network of experts in different areas, such as legal issues. They guide you through the process.”

Dr. Barbara Maim, Co-Founder Minsh SARL, residing in India

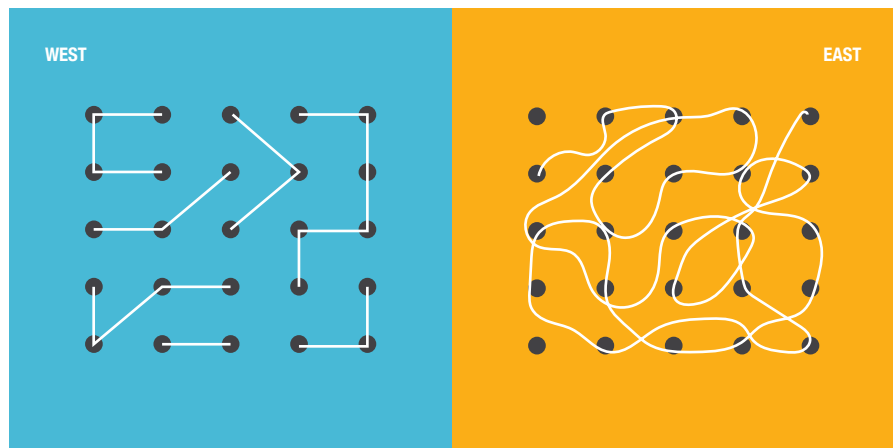


OPINIONS

5.4 Finding the Right People & Building a Network

Building the right team is a challenge in every country. India differs in the sense, that a lot is based on referrals and your own opinion. You need to spend time to build your network in order to differ honest referrals from others. It is essential to find the right people through research and networking at the right venues.

Relationships are key to everything in a Collectivistic society.



CONTACTS

5.5 Underestimating the Existing Ecosystem

India has one of the most sophisticated social entrepreneurship ecosystems, with a long history of civil struggle. The challenge lies in the exploration of the countless movements in this sector and understanding the already existing ecosystem. It is important to come as much with a mind to learn, and not just with a mind to give.

6.

Opportunities for Swiss Stakeholders

Opportunities for social entrepreneurs in India are countless. Overall it can be said, that the huge number of people, the low cost levels, the vibrant social enterprise ecosystem and India's challenges with poverty are main reasons for Swiss social stakeholders to focus on the Indian market.

Out of India's current population of 1.3 billion people, 55 percent are deprived, suffering a severe and damaging lack of basic material and cultural benefits. 67.6% live in rural areas, with agriculture being their major occupation⁶².



“India has always been the destination if you want to create lasting impact in the world. We have 1.3 billion people with nearly 800 million at the base of the pyramid and though our challenges are abundant so are the opportunities to fix the system help the under-served and create massive amounts of wealth.”

Mr. Sartaj Anand, Founder, Egomonk

India's population is the world's second largest after China and still increasing by 1.25% per year. Effects of this rapid population growth are:

- Providing employment to growing population
- Problem of utilisation of manpower
- Over-strained infrastructure
- Pressure on land and other renewable natural resources
- Increased cost production
- Inequitable distribution of income⁶³

These effects offer countless opportunities for Swiss social stakeholders to bring innovative solutions to the Indian market.

India is one of the cheaper countries, based on data from the OECD Consumer Price Index⁶⁴. Compared to the costs of Switzerland as well as other countries of the global south, India offers the opportunity to launch a business with a relatively low amount of investment (see chapter 10. Cost of launching in India for more details).

Another opportunity lies in India's vibrant social enterprise ecosystem, which is the most elaborated ecosystem worldwide and consists of:

- an openness to market-driven approaches
- foreign capital that sees jugaad-driven entrepreneurship in India as the future
- India's new rich who are beginning to explore alternative philanthropy
- the multitude of domestic social impact funds that have supported the ecosystem for the last decade and
- the Indian government, that has funded numerous social initiatives⁶⁵.

⁶² CIA Factbook (2014): <https://www.cia.gov/library/publications/the-world-factbook/geos/in.html>

⁶³ NPTEL: <http://www.nptel.ac.in/courses/109103022/13>

⁶⁴ OECD (2012): http://stats.oecd.org/Index.aspx?DatasetCode=MEI_PRICES

⁶⁵ Next billion (2013): <http://nextbillion.net/blogpost.aspx?blogid=3132>

Mr. Klaus Schwab, Founder of the World Economic Forum and the Schwab Foundation states, that “India has some of the most advanced and innovative social entrepreneurs. We believe and already see that many of the models developed in India, for instance rainwater harvesting for schools pioneered by Barefoot College, are exported around the world. India is therefore a key country to look for leading social entrepreneurs.”^{65a}

In addition to the opportunities mentioned, there are specific arguments for each group of stakeholder.

6.1 Swiss Entrepreneurs

India, being a country with some challenges, offers at the same time endless opportunities to tackle and provide a solution for each one of them. Swiss entrepreneurs can use their sector specific expertise and strengths, especially in the fields of vocational education (see 4.2), healthcare (see 4.4) and renewable energy (see 4.5). By establishing collaborations and partnerships with local organizations, Swiss entrepreneurs could share their expertise and learn about sociocultural context. In India, numerous opportunities lie in low-tech approaches, with low-need for maintenance and locally sourced components, making it affordable. Swiss entrepreneurs can use India as a market with low entry costs to build and test prototypes with innovative ideas, gather feedback from different and diverse communities and scale the successfully tested solution across the world.



“Where should I start, there are so many reasons to come to India as an entrepreneur: the existing start-up ecosystem is great, the low cost of living is a big plus especially when launching a new startup. India offers a lot of freedom which enables you to try things out at a low risk. In Bangalore specifically, the weather is temperate all year long, the people are welcoming and warm-hearted and open-minded. Whereas meeting people with similar mindsets is sometimes difficult in Switzerland, in Bangalore you will find lots of people who are in line with you.”

Dr. Barbara Maim, Co-Founder Minsh SARM, residing in India



“Indian market poses many social challenges in the first order. By first order I meant social issues that have direct impact in the lifestyle of people (poverty, education, healthcare, sanitation, famine, etc). Hence solving any of these issues (even in parts) will have a huge impact, this is a great opportunity for aspiring social entrepreneurs. With internet technologies spreading to all the corners in the country, I foresee a lot of social innovation in the space of education and healthcare.”

Dr. Shashi Bobba, Founder + CEO, Ideao

^{65a} <http://www.schwabfound.org/>

6.2 Swiss Impact Investors

Capital investment into impact enterprises is still relatively low in India. However, a fast change and rapid increase can be seen (from a trickle of US\$ 1.17 million in 2000 to investments of about US\$ 250 million per year since 2011⁶⁶), especially due to India's numerous impact entrepreneurs, who received widespread international interest for the replicability of their innovations across emerging markets.

Since the early 2000s, more than 50 impact funds⁶⁷ have emerged in India. Nevertheless the access to capital is the biggest challenge for social enterprises, which increases the importance of impact investors as source of finance.

The potential for Swiss impact investors is remarkable, as domestic capital remains exclusive. In addition, India's impact funds have a sharp focus on scalable business models. This creates a huge gap in availability of capital for impact enterprises which can create deep impact but may not be highly scalable.



“India as untapped market offers countless opportunities; there are few areas where the potential for strategic financial interventions are as supported by a vibrant ecosystem filled with mixed interventions.”

Dr. Audrey Selian, Director, Artha Initiative

6.3 Swiss Institutions

India offers unique exploration and education opportunities for international students in the social sector. Dedicating time and resources in research and development, prototyping and innovating in the Indian social sector could be very rewarding. Swiss federal institutes, summer schools and social enterprises could collaborate with the Indian social sector for early exposure of their students to a vast and diverse action field for social solutions. Students can find credible research and experimentation as India is the biggest social innovation lab for the world. Swiss talent can learn in India more easily than other countries such as China, due to language, evolved start up ecosystem and a democracy which creates more transparency. In addition, India is increasingly becoming an important entity in the global market and it is important for younger generations to understand and appreciate the opportunities that India presents.

⁶⁶ Stanford Social Innovation Review (2014): http://www.ssireview.org/blog/entry/the_evolution_of_impact_investment_in_india

⁶⁷ Ibid



“When being in India, students for architecture, design and planning realize very fast how incredibly high their responsibility towards their environment is. India is an interesting and great laboratory for the subjects of architecture in combination with social aspects.”

**Mr. Juerg Grunder, architect/ professor of architecture,
Co-Founder of IN:CH Architects and Planners Pvt Ltd**

6.4 Swiss Businesses

India is an attractive market for Swiss Businesses, being one of the emerging and fast growing economies. Since 2013, companies of a certain size are obliged to spend a defined amount of their revenues on Corporate Social Responsibility (Companies Act)⁶⁸. This law led to an increase in CSR spending as well as to a stronger scrutiny of company behavior by Indian society.

Good CSR practises can bring greater benefits, some of which are as follows:

- In India, the community as a stakeholder becomes increasingly important, and the ‘license to operate’ is no longer given by governments alone, but the communities that are impacted by a company’s business operations. Thus, a robust CSR programme benefits both the community and the company, receiving the support of the community and precluding the ‘trust deficit’.
- Strong CSR commitments enable the company to attract, retain and motivate employees in India. It increases employee morale and identification towards the company.
- Communities as suppliers: There are certain innovative CSR initiatives emerging, wherein companies have invested in enhancing community livelihood by incorporating them into their supply chain. This has benefitted communities and increased their income levels, while providing these companies with an additional and secure supply chain. Internship opportunities could be supported by Swiss Businesses, in order for young Swiss talent to get exposure to the challenges in India, its culture and characteristics. This could be part of the company’s CSR strategy.

Regarding the already existing vibrant Indian social impact ecosystem, the number of qualitative ideas is high and so are the opportunities to fund such innovation driven projects.

⁶⁸ Ernest & Young (2013): <https://webforms.ey.com/IN/en/Issues/Governance-and-reporting/EY-Compass-on-Companies-Act-2013/EY-cfo-companies-act-2013-corporate-social-responsibility>

7.

Support Ecosystem

India's social entrepreneurship ecosystem is reflective of the diversity in regions, its people, unique local challenges and opportunities. At a bird's eye view, a triangular ecosystem is emerging amongst three metro cities, namely: Delhi, Mumbai and Bangalore. However, a host of other prominent social sector organizations across regions engage, influence and thrive amongst India's social entrepreneurship ecosystem.

The Indian social entrepreneurship ecosystem exists at three levels:

- 1) Urban cities
- 2) Regional: specific rural and semi-urban areas of a specific region/ state.
- 3) National: spread across geographies with specific target communities in rural or/ and urban areas.

7.1 Funds

Indian social entrepreneurship ecosystem consists of diverse impact investors who engage at different stages of social enterprises:

- **Seed Fund/ Seed stage:** Example – Unitus Seed Fund⁶⁹, the largest seed fund for social enterprises in India.
- **Series A funding/ Growth stage:** Example – Aavishkaar Fund⁷⁰, Indian Angel Network⁷¹, Grassroots business fund⁷², LGT Venture Philanthropy⁷³, VenturEast⁷⁴.
- **Series B funding/ Scale Stage:** Example: Acumen Fund⁷⁵, Elevare Equity⁷⁶, Aavishkaar Fund⁷⁷, Omnivore Partners⁷⁸, Khosla Ventures⁷⁹.

The entrepreneurs in India are no longer only looking at funds or investors for capital or access to network but also for in-depth mentorship and capacity building support. While present day funds/ investors are not just looking at funding or guiding an entrepreneur, but at a deeper level of engagement and commitment to portfolio companies in helping them grow.

Indian social sector is perhaps the second largest pool of concentrated investors after the tech sector.

⁶⁹ <http://usf.vc/>

⁷⁰ www.aavishkaar.in

⁷¹ <http://indianangelnetwork.com>

⁷² www.gbffund.org

⁷³ www.lgtvp.com

⁷⁴ www.ventureeast.net

⁷⁵ <http://acumen.org>

⁷⁶ <http://elevarequity.com>

⁷⁷ www.aavishkaar.in

⁷⁸ www.omnivore.vc

⁷⁹ www.khoslaventures.com

7.2 Incubators/ Accelerators

There are very few incubators/ accelerators in India exclusively focused on social enterprises, however, there are few commercial incubators/ accelerators who have taken up incubation of enterprises that are not only strong on revenue and scale but also have measurable social impact.

Incubators/ accelerators offer the following services in combination and not necessarily all services due to limited resources depending on their respective focus, resource availability, access to capital and so on:

- Mentorship
- Co-working space
- Seed fund
- Non-core services
- Networking/ events
- Trainings/ workshops

Two national scale broad approaches have been observed. One kind of incubator looks at focusing on local/city/regional impact helping local entrepreneurs to focus on solving local challenges/problems. The incubator's overall focus is on the idea stage and on early stage of a company where failure/risks are high. The second type of incubator looks at intervention at three different levels across India (1. local inspiration, 2. workshops/ events, 3. incubator/ accelerator) that can lead to more quality enterprises incubated and overall activation of the ecosystem.

Support at various stages of incubation:

- **Idea/ seed stage incubation:** Presently, social incubator UnltdIndia⁸⁰ provides support to idea stage social entrepreneurs that are looking to develop and pilot their social impact ideas, by providing capacity support, mentorship and small capital to help them get-off the ground.
- **Early stage incubation:** Villgro⁸¹ based in Chennai is a comprehensive social incubator providing seed fund, mentorship; working space and network to social enterprises. It is also working on building active ecosystems in metro and tier 2 and 3 cities by conducting workshops, offering fellowships and organizing mentorship/ networking events.
- **Accelerator:** Villgro also has an accelerator program. There are mainstream accelerators and programs that support startups and a small percentage (2-5%) of social enterprises.

⁸⁰ www.unltdindia.org

⁸¹ www.villgro.org

7.3 Network & Communities

Online platforms:

There are online communities and platforms that promote, support and engage with the social enterprise ecosystem.

Online community such as Your Story⁸² is a media platform that promotes and publishes social sector stories. Ennovent⁸³ is an online platform that supports social enterprises across the country with mentorship, network, events and connections for funding. Start-up Wave⁸⁴ is an online incubator for social enterprises currently at a pilot stage funded by GIZ⁸⁵ and managed by Intellectap⁸⁶ India.

Forums/ Networks:

India now sees active forums to discuss, share, network and engage the social enterprise ecosystem more closely and explore possible opportunities. The forums and network are generally large in scale and there are smaller forums that are region/ local ecosystem focused. This also allows organizations to share current updates, opportunities and challenges across sectors and geographies.

Sankalp Forum⁸⁷ is the largest social sector gathering in Asia and has a presence in Africa. The event hosts organizations across sectors representing social enterprise ecosystem and supports social entrepreneurs through its parent organizations - Intellectap and Aavishkaar Fund⁸⁸.

National Entrepreneurship Network (NEN)⁸⁹ supports student entrepreneurship across colleges & institutions in India and has actively engaged the academic institutions and state government.

⁸² <http://yourstory.com>

⁸³ www.ennovent.com

⁸⁴ www.startupwave.co/beta

⁸⁵ Deutsche Gesellschaft fuer internationale Zusammenarbeit: <http://www.giz.de/en/html/index.html>

⁸⁶ www.intellecap.com

⁸⁷ www.sankalpforum.com

⁸⁸ www.aavishkaar.in

⁸⁹ <http://henglobal.org>

⁹⁰ <http://bombay-connect.com>

⁹¹ <http://91springboard.com>

7.4 Co-Working Spaces/ Innovation Driven Spaces:

The co-working culture in India is brimming. Bangalore witnesses a co-working space every few kilometers. There are spaces such as Bombay Connect⁹⁰, 91 Springboard Ventures⁹¹, Jaaga⁹² and Bangalore Alpha Lab⁹³ that also organize events, workshops and programs which facilitate sharing and learning for entrepreneurs within a space/ open community.

India also has spaces, events, and competitions which actively promote innovation and social entrepreneurship. To name a few, there are NASSCOM 10000⁹⁴ startups (includes social enterprises), B-Pac⁹⁵ (a collective that offers civic governance and citizen engagement programs), Jaaga⁹⁶ (art and technology driven innovation space), Good Impact Challenge, Mahindra Rise challenge⁹⁷. There is a rise in “maker spaces” across the country to prototype ideas (such as Workbench projects in Bangalore⁹⁸) that allows social enterprises to prototype products/ services.

7.4 Corporate Sector/ CSR

In the impact sector, generally the corporates have foundations or trusts that are company initiated but independent in operation and objective. The CSR initiative is closely linked to company's mandates.

Recently there has been an upsurge in CSR activities with emphasis on measuring impact, defining clear short and long term goals and importantly adopting models of ‘reporting’ the social impact made through the initiatives. In general, corporate CSR and corporate linked foundations have followed three general approaches to engage with the government and the social sector:

- 1) Integrate with the sector and work closely with the state government.
- 2) Collaborate with sectors or the government for specific goals or projects.

Part ownership allows the corporate to manage diverse projects, measure impact, and then hand over effectively to partner organizations in the social sector or government departments.

- 3) Independent from government or social sector, implying conceptualization and execution of independent initiatives. Enabling the company to manage projects more effectively, experiment with independent/alternative ideas and models of social impact.

The common challenges with CSR are:

- CSR is still seen through the lens of marketing initiative by majority of companies
- CSR still needs to show tangible outcomes of social impact

⁹² <http://jaaga.in>

⁹³ <http://bangalorealphalab.in>

⁹⁴ <http://10000startups.com>

⁹⁵ www.bpac.in

⁹⁶ <http://jaaga.in>

⁹⁷ <http://www.sparktherise.com/>

⁹⁸ www.workbenchprojects.com

- Many MNCs that have a large India presence do not have an India specific CSR policy. The CSR policies are not de-centralized and mandated by the global headquarter. These initiatives lack local context in design and execution.



“Considering the widespread presence of MNCs and Indian corporate companies in Bangalore, companies need to open their doors to local impact ecosystem to fill in critical gaps of capital, infrastructure, R&D and mentorship for the social sector. Social sector and companies have a lot to learn from each other and we do need facilitators in the ecosystem to make this happen.”

Mr. Vishnu Swaminathan, Leader South Asia, Ashoka India

7.5 Institutions

Traditional academic institutes have incubated and supported students with labs for R&D, innovation and prototyping. Riding on the big wave of entrepreneurship, institutes have created incubators across themes and sectors such as Indian Institute of Technology (IIT) Bombay⁹⁹, Chennai¹⁰⁰, Indian Institute of Management (IIM)¹⁰¹, National Institute of Design (NID)¹⁰², Indian School of business (ISB)¹⁰³.

India now hosts more than 80 student incubators in academic institutes in the area of innovation, technology, manufacturing and entrepreneurship.

Research institutions are also on the rise that focuses on specific thematic and sectoral practices offering academic courses, innovation research labs, think-tanks, policy research and network partnering with various non-profit organizations, social enterprises, government, corporate and other ecosystem players. For example, Indian Institute for Human Settlement (IIHS)¹⁰⁴ focuses on urban city challenges in India.

Tata Institute for Social Sciences (TISS)¹⁰⁵, Institute of Rural Management Anand (IRMA)¹⁰⁶ and Azim Premji University¹⁰⁷ are active contributors to the social enterprise ecosystem offering quality academic courses, research opportunities and labs. Graduates get hired in the social sector quite well or move on to build their own social enterprises.

⁹⁹ www.iitb.ac.in

¹⁰⁰ www.iitm.ac.in

¹⁰¹ www.iimahd.ernet.in

¹⁰² www.nid.edu

¹⁰³ www.isb.edu

¹⁰⁴ <http://iihs.co.in>

¹⁰⁵ www.tiss.edu

¹⁰⁶ www.irma.ac.in

¹⁰⁷ <http://azimpremjiversity.edu.in>

8.

Legal set-up

There are a number of reasons and implications of choosing the right legal structure, such as, how the social enterprise gets funded, how the profits (if any) get distributed, governance structure, reporting responsibilities, tax liabilities, and ownership pattern. India, unlike many other countries – like the US and the UK – does not have plenty of leeway in terms of legally structuring a social enterprise. India has the following three types of legal structures that social enterprise can opt for¹⁰⁸:

8.1 Non-Profit or Public Charitable Organization

A non-profit is legally structured in India as a charitable Trust (under the Indian Trusts Act, 1882), NGO (under of the Companies Act, 1956) or Society (pertaining to societies registration, of the concerned state). The non-profit has to use approximately 80% of its funds as charity for public good and 20% of its funds for operational and internal organization costs. Non-profits work on grants model but they can earn revenue that has to be for 100% charity in fund usage.

The biggest benefit of registering, as a non-profit is the eligibility to get tax benefits under the Income Tax Act of 1961 and they can also accept foreign donations under the Foreign Contribution (Regulation) Act. One of the problems with this model is that perhaps the inability to hire top-class talent or invest in latest technology and infrastructure.

Pros: Ability to focus solely on creating social impact without the pressure of financial return.

Cons: Constant needs to raise funds.



“I personally believe and have seen that Swiss approach to grant making and improving the development sector in India is tremendous. It has to do with the systemic change level thinking and the long term impact an intervention can have compared to being interested in simply outputs which are a result of direct services.”

Mr. Vishnu Swaminathan, Leader- South Asia, Ashoka India

8.2 The For-Profit Social Enterprise

Social enterprise is legally structured as a for-profit/ business entity with a clear social impact goal defined. In India, there are five options to setup up a for-profit social enterprise: Sole proprietorship, partnership, limited liability partnership, private firm and as a co-operative.

80% of Indian social enterprises are structured as a for-profit private limited company (PLCs)¹⁰⁹. This type of legal structure is perhaps best suited for social enterprises that are

¹⁰⁸Your Story (2014): <http://social.yourstory.com/2014/02/egal-structure-choose-social-enterprise/>

looking for growth and profitability.

The business model is based on the social impact it wants to make or the social problem it is trying to solve. Key features of social enterprise are:

- The benefactors of the impact and target customers paying for the product or service might or might not be the same.
- The enterprise can be structured for impact investments with options of debt or equity; will report its profits or returns as well as its social impact reporting of their work.
- The social enterprise internally functions like any other commercial business in terms of management, operations, people and resources.

Pros: Ability to attract funding from VCs, pay top dollar for good talent and invest in technology and infrastructure.

Cons: Sometimes focus on profits leads to mission drift that makes the original shareholders and stakeholders unhappy.

8.3 The Hybrid Model

With the evolution of the concept of social entrepreneurship, new successful models of sustainable income have been seen. The hybrid model brings a non-profit entity and a business (for-profit) entity together to solve the social problem. The non-profit entity is able to raise/ accept grants for the benefactors and at the same time, it can charge for its services/ products through its business entity as a revenue model. The hybrid model helps organizations aiming to achieve high social impact by offering them cross subsidy options that strike a balance between customer acquisition and quality access of services to benefactors.

Pros: This is the best of both worlds, allowing a social enterprise to separate the social and revenue generating activities. The model ensures, that social enterprises can both attract donations and grants, and still be able to have access to social venture funding.

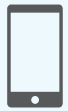
Cons: Focusing on both types of entities could be a problem and so the issue of building a common culture.

¹⁰⁹ Intellectap (2012): http://intellectap.com/sites/default/files/publications/intellectap_landscape_report_web.pdf

Money Matters

How much does it cost for Swiss startups to launch in India?

Living



Phone
CHF 10 -
CHF 15/month



Food
CHF 150 -
CHF 200/month



Recreation
CHF 70 -
CHF 10/month



Housing
CHF 180 -
CHF 300/month



Transportation
CHF 45 -
CHF 75/month



Others
CHF 75/month



TV + Internet
CHF 23/month



TOTAL
CHF 550 -
CHF 790/month

Workspace

OFFICE SETUP



Infrastructure Setup:
CHF 7'500 -
CHF 12'000



Office Space (Rent)
CHF 760 -
CHF 2'500



Recurring Costs:
CHF 375 -
CHF 525

CO-WORKING SPACE

Monthly Membership Charges:
CHF 100

Daily Charges:
CHF 5

Conference room for 8 to 10 people:
CHF 5/hour

Weekend Training/Events:
Available seating capacity:
50 seats (price varies)

Incorporation

The best legal entry to carry out long term business in Indian Territory is to establish a Private Limited Company (SARL). This could be done by making investment through equity shares in the company.

BASIC REQUIREMENTS



Directors: 2
Stakeholders: 2



Minimum Capital
CHF 1'500

INCORPORATION



3 Weeks



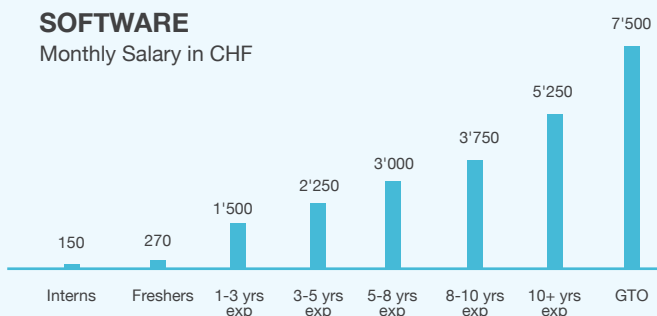
CHF 375

** Fee changes with the amount of capital of the company

Hiring

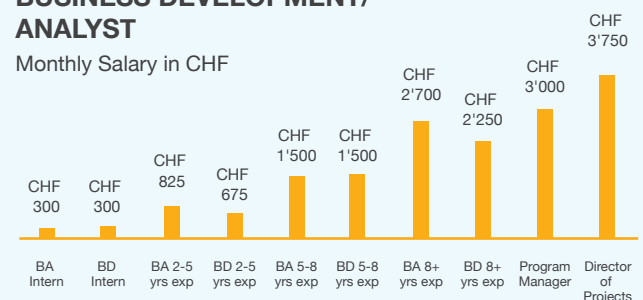
SOFTWARE

Monthly Salary in CHF



BUSINESS DEVELOPMENT/ANALYST

Monthly Salary in CHF



BA=Business Analyst

BD=Business Development

10.

Conclusion + Outlook

The report highlights the challenges and opportunities for social innovation in India with respect to education, agriculture, healthcare, renewable energy, manufacturing and skills development. It is advisable for startups and other social impact stakeholders from Switzerland to learn the Indian way of conducting business and understanding the Indian market, rather than imposing global business models and practices.

As the social challenges, which India is facing, are numerous, it has presented a vast range of opportunities for entrepreneurs and startup companies to grow in India.

Collaborations between Swiss and Indian social entrepreneurship ecosystems could be established in order for both sides to benefit from each other.

- Swiss entrepreneurs could use their sector specific expertise and strengths in India and in return learn from the biggest social innovation lab in the world.
- Swiss impact investors can take advantage of India's untapped market with a huge potential for strategic financial intervention.
- Swiss Institutions could collaborate with the Indian social sector for early exposure of their students to a vast and diverse action field for social solutions.
- Swiss Businesses could engage directly with the Indian social sector through strategic Corporate Social Responsibility initiatives in order to have a social impact and to strengthen their brand in the world's second largest consumer market.

The challenges which are discussed in the report remain.

swissnex India, together with a wide network of Social Enterprises, Incubators, Funds, Accelerators, foundations, etc. provide support in order for the Swiss social stakeholder to successfully enter the Indian market.

Overall, India is a vibrant place with tremendous opportunities to have an impact.

Directory

Indian Enterprises/ Addresses

Organisations/ Social Enterprises:

Aakruthi Agricultural Associates
Arvind Eye Care <http://www.aravind.org/>
Ashoka India <http://india.ashoka.org/>
Asian Development Bank <http://www.adb.org/>
Bottom of Pyramid Energy & Environmental Innovations (BOPEEI) <http://www.bopeei.in/>
Centre For Civil Society <http://ccs.in/>
Embrace Innovations <http://www.embraceinnovations.com/>
Field Fresh Food <http://www.fieldfreshfoods.in/>
First Energy <http://www.firstenergy.in/>
Greenlight Plant <http://greenlightplants.com/>
Greenway Grameen Infra <https://www.facebook.com/greenwaygrameeninfra>
Janani Agriserve <http://www.jananiagriserve.com/>
Mother Earth <http://motherearth.co.in/>
Narayana Hrudayala <http://www.narayanahealth.org/>
National Skills Development Corporation (NSDC) <http://nsdcindia.org/>
Nuru Energy <http://nuruenergy.com/>
ONergy <http://onergy.in/>
SELCO India <http://www.selco-india.com/>
Star Agri <http://www.staragri.com/>
Sustaintech India <http://www.sustaintech.in/>
Urja Unlimited <http://www.urjaunlimited.in/>

Funds:

Aavishkaar Fund <http://www.aavishkaar.in/>
Acumen Fund <http://acumen.org/>
Elevare Equity <http://elevarequity.com/>
Grassroots Business Fund <http://www.gbfund.org/>
Indian Angel Network <http://indianangelnetwork.com/>
Khosla Ventures <http://www.khoslaventures.com/>
LGT Venture Philanthropy <http://www.lgtvp.com/>
Omnivore Partners <http://www.omnivore.vc/>
Unitus Seed Fund <http://usf.vc/>
VenturEast <http://www.ventureeast.net/>

Incubators/ Accelerators:

Unltd India <http://www.unltdindia.org/>
Villgro <http://www.villgro.org/>

Networks and Communities:

Ennovent <http://www.ennovent.com/>

Intelcap <http://www.intelcap.com/>
National Entrepreneurship Network (NEN) <http://nenglobal.org/>
Start-up Wave <http://www.startupwave.co/beta/>
Your Story <http://yourstory.com/>

Co-working spaces/ Innovation driven spaces:

Bangalore Alpha Lab <http://bangalorealphalab.in/>
Bombay Connect <http://bombay-connect.com/>
B-Pac <http://www.bpac.in/>
Impact Hub <http://www.impacthub.net/>
Jaaga <http://jaaga.in/>
Regus Office Centers <http://www.regus.co.in/>
Workbench Projects: <https://www.workbenchprojects.com/>
91 Springboard Ventures <http://91springboard.com/>

Corporates and Institutions:

Azim Premji University <http://azimpremjiuniversity.edu.in/>
Bosch http://www.boschindia.com/en/in/startpage_5/country-landingpage.php
Indian Institute for Human Settlements (IIHS) <http://iihs.co.in/>
Indian Institute of Management (IIM) Ahmedabad <http://www.iimahd.ernet.in/>
Indian Institute of Technology (IIT) Bombay <http://www.iitb.ac.in/>
Indian Institute of Technology (IIT), Chennai <https://www.iitm.ac.in/>
Indian School of Business (ISB) <http://www.isb.edu/>
Institute of Rural Management (IRMA) <https://www.irma.ac.in/>
National institute of Design (NID) <http://www.nid.edu/>
Tata Institute for Social Sciences (TISS) <http://www.tiss.edu/>
TATA Motors <http://www.tatamotors.com/>

Swiss Enterprises/ Addresses

Public Institutions

Commission for Technology and Innovation CTI -<http://www.ctistartup.ch/en/services/overview-services/>
Obviam - <http://www.obviam.ch>
SIFEM - <http://www.sifem.ch>
Sustainable Development at Universities Programme of the Swiss Academies of Arts and Sciences - http://sd-universities.ch/project_funding/
swissnex India - <http://www.swissnexindia.org/services/for-startups/>

Foundations / Impact Investors

Artha Platform <http://www.arthaplatform.com>
Blue Orchard <http://www.blueorchard.com/>
Dalyan Foundation <http://www.dalyanfoundation.com/how-you-can-work-with-us.html>
ELEA Foundation <http://www.elea-foundation.org>

Foundation Antenna Technologies - <http://www.antenna.ch>
Gerbert-Rüf Stiftung <http://www.grstiftung.ch/en.html>
LGT Venture Philanthropy <http://www.lgtvp.com/Uber-uns/Wen-wir-unterstutzen.aspx>
Schwab Foundation - <http://www.schwabfound.org/content/criteria>
Social Entrepreneurship Initiative & Foundaiton (Seif) http://seif.org/de_DE/
Symbiotics <http://www.symbioticsgroup.com/>
1 to 4 foundation: <http://www.1to4.ch/>

Startups / SMEs

Crowdguard <http://www.crowdguard.org/>
Fairfundr <https://www.fairfundr.com/>
Ideao www.ideo.org
LED Safari <http://ledsafari.com/>
Pakka <http://www.pakka.ch>
Skillsonics <http://skillsonics.com>
Sosense <http://www.sosense.org/>
Switcher <http://www.switcher.ch/>

Swiss companies with CSR activities

Credit Suisse <https://www.credit-suisse.com/in/en.html>
Migros [http://www.migros.ch/mediaObject/GenM/docs/de/D-Kriterien-Hilfsfonds_2013/
original/D-Kriterien+Hilfsfonds_2013.pdf](http://www.migros.ch/mediaObject/GenM/docs/de/D-Kriterien-Hilfsfonds_2013/original/D-Kriterien+Hilfsfonds_2013.pdf)
Swiss Re <http://media.swissre.com/documents/selection+criteria1.pdf>

International organizations based in Switzerland

GAVI: the Vaccine Alliance: <http://www.gavi.org>
WWF: http://www.wwf.org/about_wwf/working_with_business
UNEP www.unep.org
IUCN: www.iucn.org
Indian Red Cross: <http://www.indianredcross.org>



