
Social entrepreneurship emerging in India



By [Grace Segran](#)

Social entrepreneurship in India has progressed significantly over the last decade. More and more people are using entrepreneurial skills in building sustainable enterprises for profit and non-profit to effect change in India, says Deval Sanghavi, a former investment banker and now president of Dasra. Based in Mumbai, Dasra is a non-profit organisation which bridges the gap between those investing in social change and those spearheading the changes.

“Social entrepreneurship in India is emerging primarily because of what the government has not been able to do. The government is very keen on promoting social entrepreneurship - not necessarily by funding it or by advising on it or enabling it. What they do do, is not disable it,” Sanghavi, who brings the rigour and discipline of an investment banker to the social sector, told INSEAD Knowledge on the sidelines of the International Social Entrepreneurship conference held here recently.

For example, in Mumbai alone, non-profit organisations educate more than 250,000 children on a daily basis. The government has not told these

organisations not to do it, he says. Whereas in some countries, when someone takes it into their own hands to start a facility for education or healthcare or empowerment, the government often puts in place barriers to prevent this from happening. “In India, there is this drive and commitment to take change upon yourself. There are no inherent barriers to begin with in India.”

An uneasy truce

Another shift that has happened over the last ten years is that the Indian government and NGOs (non-governmental organisations) have realised that they not only have to co-exist but to work with each other to effect change, says Sanghavi.

India still has a long way to go compared to the West where governments are funding non-profit organisations by outsourcing social sector services. “In India that is not going to happen,” he says. “It will be overambitious for us to think that they will be funding all these initiatives but the fact that they allow these organisations to operate within the government structure - albeit with conflict, as they are operating with one hand tied behind their back - is progress.”

At the same time the few organisations who have decided to play this role have realised that even with one hand tied behind their back they can effect great change because they have access to hundreds of millions of people that they will never be able to access on their own.

“So it’s the shift in the NGO mindset, where we’ll never get 100 per cent of what we really want to do but working with the government, if we get 70 per cent that’s better than the 20 per cent efficiencies that the government is currently operating at,” he argues.



Although social entrepreneurship has been practised in India for some time now, social business is a comparatively new phenomenon in the country, says **Devashri Mukherjee**, Ashoka's director of its Venture Programme which is also based in Mumbai.

Social entrepreneurs in the country, however, have had substantive success in addressing social problems. The reason for their success, and that of social businesses, according to Mukherjee, is the fact that the solutions are realistic. "They address existing gaps in society which are in need of practical solutions, and more importantly, the solution initiatives are driven by visionary, tenacious and ambitious persons who are ready to strive to ensure their dreams do come true."

Impacting society but so much more to be done

Social enterprises are definitely making an impact on Indian society, says Sanghavi, but with a population of 1.1 billion, it is very difficult to see that impact on a macro level. “However, in organisations we have worked directly with, we have seen growth 15 to 100 times in their beneficiary base in a five-to seven-year period. Clearly growth is possible. They are at numbers of tens of thousands and realise they need to get to hundreds of thousands, if not hundreds of millions. But that is taking time. It is the mindset more now than ever of the need to scale and the ability of the organisation to do so.”

Mukherjee concurs that the impact is significant enough to be meaningful. “Our country does not have a homogenous people or geography, so the impact largely remains regional.”



First there needs to be an awareness of and concern about the social problems and issues to be addressed, and committed entrepreneurs interested in addressing them, says **Hans Wahl**, executive director of INSEAD's Social Entrepreneurship Initiative. A policy and regulatory

framework within which social entrepreneurs can obtain status without compromising their objectives is also very important.

“It would be good to have a collaborative network to be used among social entrepreneurs that enables them to share ideas and spread innovations, ideally linked to an academic institution interested in, and committed to, promoting awareness and creating knowledge and insight into the best functioning of social enterprises,” he adds.

On the ground, Mukherjee says that financial assistance, social legitimacy and acknowledgement are the most important factors necessary to enhance the growth of social entrepreneurship in India. “The process has begun, but a lot more needs to be developed, especially by social, educational and government institutions.”

The landscape in five to ten years’ time

According to Wahl, with the current economic climate, it is very likely that social needs will increase and, consequently, the number of people committed to addressing them will increase. He sees innovations increasing, especially in the field of examining and applying technology to social needs.

For Mukherjee, work in the field of human rights will continue since violations are unlikely to go away. Natural resource management and alternate energy initiatives will gain prominence, as will livelihood and migration. “Social entrepreneurship and social businesses will be mainstreamed substantially, so we will have many opting to follow the course of one or the other which will hopefully impact society positively.”

The International Social Entrepreneurship Conference was held on December 4-5 in Chennai, India.

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About the author(s)

Grace Segran is a writer and editor at INSEAD [View full profile](#)