

An Analysis of the Challenges Faced by Social Entrepreneurs in India

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Abstract

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Social entrepreneurship is often seen as the domain of development professionals within the social sector. It involves the intentional creation and sustaining of social value, where individuals actively seek out new opportunities to fulfill their mission, while continually engaging in cycles of innovation, adaptation, and learning. Social entrepreneurs take bold actions, undeterred by current resource constraints, and are deeply committed to the communities they serve and the impact they create. In the Indian context, this study aims to explore the challenges faced by social entrepreneurs. The findings highlight several obstacles, such as insufficient infrastructure and a lack of creativity, and provide a range of recommendations to help address and overcome these issues.

Keywords: Social Entrepreneurship, Social Difficulties, Entrepreneurship.

Introduction

India, the seventh-largest country in the world by land area, is home to 17.5% of the global population, making it the most populous country. It also has the youngest population globally, with roughly two-thirds of its citizens under the age of 35. Other pressing issues include illiteracy, malnutrition, and inadequate healthcare, as evidenced by its ranking of 130th out of 188 countries on the Human Development Index. Socio-economic problems such as poverty and unemployment are exacerbated by factors like currency volatility, poor infrastructure, restrictive regulations that hinder business growth, weak law enforcement, and a heavy reliance on the sluggish agricultural sector. Additional challenges include low productivity, significant urban-rural divides, and caste-based discrimination. Although the economy has grown rapidly, its impact on poverty

reduction has been limited. The lack of access to quality education further restricts youth employability, with about 25% of the population lacking essential skills, and nearly 98% of young people entering the workforce without proper training. Addressing these issues is crucial for tapping into the potential of India's large, young population.

Review of Literature

An author believes the Indian economy has experienced rapid growth over the past few decades. However, social, economic, and environmental challenges continue to grow year by year, highlighting the need for comprehensive, multi-disciplinary approaches and entrepreneurial innovation across all sectors. As previously mentioned, India is encouraging the rise of social

entrepreneurship, with efforts from social entrepreneurs to develop cost-effective solutions for various societal issues. Given the evolving technological and political landscapes, competition has intensified, requiring social entrepreneurs to be increasingly dynamic and creative Seema Devi (2016). In India, social entrepreneurship has gained significant recognition and has expanded considerably. However, social entrepreneurs face numerous challenges, including developing a viable business plan, operating in remote areas, securing funding, obtaining government approval, facing competition, acquiring technology, raising awareness, and recruiting flexible staff. Social entrepreneurship is a unique blend of entrepreneurial skills and social impact. In this model, products and services are created to maximize social benefit while also generating sustainable profits for the organization. Social entrepreneurs apply innovative approaches to address local issues and find effective solutions for communities Kamalpreet Kaur (2021). Social entrepreneurship has the potential to transform society in India, with numerous projects and initiatives already making a significant impact in local communities. Given the country's pressing social challenges, social entrepreneurship holds strong potential in India. It blends entrepreneurial skills with a focus on social good, aiming to create products and services that not only generate profits but also maximize social impact. These ventures typically target underserved regions or communities that are overlooked by larger, profit-driven businesses. As a result, social entrepreneurship offers solutions that better address societal needs rather than purely economic ones. In essence, it applies entrepreneurial traits to tackle social issues, while maintaining the fundamental elements of traditional entrepreneurship Tripda Rawal (2018).

Social entrepreneurship is the work carried out by social entrepreneurs, individuals who identify a social issue and apply entrepreneurial principles to establish and manage ventures that drive social

change. It is a process that aims to enhance and expand business practices with a stronger focus on social responsibility. In India, social entrepreneurship has shown great potential, with numerous initiatives that have significantly impacted local communities. The scope for social entrepreneurship is particularly promising in India, given the prevalence of social challenges. It represents a unique blend of entrepreneurial skills and philanthropy, where businesses are designed to generate substantial social impact while also achieving profitable outcomes. These ventures often focus on regions or communities typically overlooked by larger, profit-driven businesses B Pawni et al (2022). The paper concludes that social entrepreneurship holds significant potential in developing countries like India, where it can help address societal disparities. Social entrepreneurs have substantial profit opportunities, as they can serve large populations and capitalize on profits by offering value-added services to these communities Dr Nipun Aggarwal et al (2020).

Objectives of the Study

The following are the main objectives of the present study:

- 1) Explore the concept of Social Entrepreneurship in India.
- 2) Identify and assess the challenges hindering Social Entrepreneurship in India
- 3) Propose strategies to enhance the state of Social Entrepreneurship in India.

Research Methodology

This descriptive study, based on secondary data, focuses on social entrepreneurs in India. It gathers information from various sources, including newspapers, magazines, organizational reports, official documents, and academic journals.

Results and Discussions

India, like many similar societies, offers a rich environment for the development and realization of

social entrepreneurship's full potential. In more developed societies, opportunities for social entrepreneurship are often limited due to less pronounced social inequalities. In contrast, underdeveloped, developing, and least developed countries, where social disparities are more stark, provide significant opportunities for social entrepreneurs to create meaningful change. While the challenges faced by any entrepreneur are considerable, they are even more crucial for social entrepreneurs, who play a vital role in improving society. Evidence shows that creating social value, generating benefits, and driving social change can only be achieved by selfless individuals who apply their entrepreneurial and managerial expertise to the betterment of society, rather than personal gain. These individuals are known as social entrepreneurs. The following section outlines the roles and responsibilities of social entrepreneurs in Indian society:

- 1) Social entrepreneurs have the ability to make a significant impact on the broader population by introducing innovative products or services aimed at improving society. Their journey begins with identifying a social issue that affects the entire community, rather than just a specific group. Therefore, pinpointing an appropriate social challenge is crucial.
- 2) Social entrepreneurs in India encounter challenges due to people's resistance to moving away from traditional practices. Their main responsibility is to persuade individuals to adopt essential changes that will have a positive impact on society as a whole.
- 3) Social entrepreneurship relies on creative solutions to address societal challenges, with the challenge being the development of innovations that can effectively tackle social issues while making the most of limited resources.

- 4) Social entrepreneurs are tasked with the responsibility of reaching the most remote areas of the country to address social issues in regions lacking basic amenities. They must actively engage with and provide meaningful support to these underserved communities.
- 5) Social entrepreneurs are also responsible for generating employment opportunities through their innovative approaches. A key duty is to create jobs for local individuals who have limited skills and qualifications.
- 6) In Indian society, a key responsibility of social entrepreneurs is to bring about meaningful change by adopting an approach that is socially inclusive.
- 7) Social entrepreneurs are tasked with addressing social inequalities through positive and effective strategies. This involves conducting thorough research on the specific communities where their products or services are most needed.

Challenges Faced by Social Entrepreneurs in India

Social entrepreneurship, like other areas of social business, encounters various challenges. These obstacles, whether within or outside one's control, are understandable. Social entrepreneurship differs from traditional business, and its challenges reflect this distinction. In India, specifically, social entrepreneurship faces several barriers that hinder its growth and development, especially when compared to regions where it is more well-established. The primary challenges in India are more rooted in societal attitudes than in tangible factors. There is a widespread resistance to embracing social entrepreneurship in the country. Below are some of the key challenges faced by social entrepreneurs in India:

1) Ambiguity around Social Work:

In India, social entrepreneurship often gets confused with social work, which undermines its recognition as a separate and distinct field. This misconception creates an initial barrier to the acknowledgment and growth of social entrepreneurship in the country.

2) The Challenge of Innovation:

Social entrepreneurship in India faces a major obstacle in creating innovative solutions that foster societal progress while ensuring financial sustainability. Striking a balance between these two goals is especially challenging, presenting a unique difficulty for social entrepreneurs in the country.

3) Financial Constraints:

One of the key challenges for enterprises in India is the limited availability of financial resources. Social entrepreneurs, offering unique solutions, face even greater difficulties in securing funding from conventional financial institutions. This creates a significant barrier to the growth of social entrepreneurship in India.

4) Lack of Qualified and Committed Personnel:

Social entrepreneurship struggles with the challenge of attracting individuals who are driven by a sense of social responsibility rather than financial incentives. Unlike traditional jobs that offer attractive salaries and benefits, the focus on social impact in social entrepreneurship makes it difficult to find a skilled and dedicated workforce.

5) Defining and Expressing Core Universal Values:

One of the main challenges in social entrepreneurship is defining and conveying values in a way that resonates widely. Although societal needs differ, social entrepreneurs must express universal values that are clear and relatable to a variety of communities.

6) Enabling Individuals:

The main challenge in social entrepreneurship is helping individuals rise above their current socio-economic situations by providing meaningful opportunities. However, addressing the unique needs of each person, rather than approaching society as a whole, creates a significant hurdle for social entrepreneurs.

7) Lack of an Ethical Framework:

Social entrepreneurs, motivated by the desire to improve society, may sometimes resort to unethical business practices. While not common, this issue is more prevalent in extreme cases, particularly in India, where varying ethical standards across cultures can contribute to the challenge.

8) Business Belief:

Social entrepreneurship often places less emphasis on business feasibility or profitability, which creates a significant challenge in aligning social initiatives with economic or industrial sustainability. The gap between social acceptance and economic viability poses a dilemma for social businesses in India, leading to reduced motivation to pursue projects aimed at social good.

9) Absence of Evidence:

Unlike traditional businesses, social entrepreneurship often struggles to provide concrete evidence of the societal changes it generates. Monitoring these changes is difficult due to the frequent movement of individuals for various reasons, making it hard to establish a clear and consistent record.

10) Lack of Planning and Sufficient Infrastructure:

This ongoing challenge continues to affect entrepreneurship, including social entrepreneurship. The lack of proper planning is a

key factor that often leads to the failure of social initiatives. Inadequate infrastructure, encompassing gaps in training, funding, meetings, and research, remains a persistent issue for social entrepreneurship in India.

Approaches for Effectively Addressing Challenges

Indeed, social entrepreneurship faces a range of challenges that evolve with societal changes. Social entrepreneurs must carefully consider the subtle factors involved in overcoming these obstacles. While the challenges outlined are not exhaustive, as there are other difficulties to address, the central issue lies in how to effectively navigate the barriers faced by social entrepreneurship in India. Several strategies or actions can be implemented to tackle the current challenges faced by social entrepreneurs in the country.

1) Suitable organizations for Training and Development:

In order to advance the structured growth of social entrepreneurship, it is essential for the government to establish dedicated councils and organizations focused on training and development. Although certain institutions focus on economic entrepreneurship, there is a need to create more that are specifically aimed at fostering social entrepreneurship.

2) Incorporating Social Entrepreneurship into the Curriculum:

A powerful method to increase awareness of social entrepreneurship is by introducing a course or subject focused on this area at the higher education level.

3) Promotion of Widespread Awareness:

Efforts should be made to educate the public about social entrepreneurship in order to prevent confusion with social work. Utilizing various channels such as traditional media, social media,

and other communication platforms can help achieve this goal.

4) Providing Infrastructure and Essential Services:

Improving essential infrastructure for social entrepreneurship is vital for the government and other key players. By enhancing these resources, it can encourage more individuals to pursue social entrepreneurship, leading to a significant rise in its popularity.

5) Initiatives for the Promotion of Social Entrepreneurship:

Similar to programs designed to promote entrepreneurship development, ongoing initiatives should be established to advance social entrepreneurship and provide support to individuals in this field. These efforts will boost the overall motivation of social entrepreneurs.

6) Support for the Financial Aspects of Social Entrepreneurship:

Addressing the funding barriers in social entrepreneurship would help effectively tackle a significant share of the challenges encountered in this field.

7) Government Initiatives should be allocated to Social Entrepreneurs:

State governments frequently develop programs aimed at rural and semi-urban regions. If these programs focus on providing funding to social entrepreneurs, their impact could be significantly enhanced. Government agencies and other bureaucratic systems may not fully comprehend social issues as effectively as social entrepreneurship, which has a more profound understanding of social challenges and inequalities.

8) Recognition and Public Appreciation:

Social entrepreneurs should receive consistent

recognition on reputable platforms for their outstanding and unique contributions to the field.

Conclusion

Social entrepreneurs have the ability to transform Indian society, as evidenced by various models and initiatives within the realm of social entrepreneurship that have brought about significant changes in local communities. With India's widespread social challenges, the country provides a particularly favourable environment for the success of social ventures. Social entrepreneurship combines innovation with philanthropy, creating products and services designed not just for profit but to deliver substantial social impact. These ventures often target areas or communities neglected by larger economic players. Their distinct solutions cater to cultural needs more effectively than mere economic factors, demonstrating the use of entrepreneurial principles to address social problems.

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