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# Social Mission with a Sustainable Model

*Social Entrepreneurs differ from the conventional philanthropists in certain aspects. One such aspect is their approach towards social development. Social Entrepreneurs are driven by a double bottomline, one – serving the society and two – ensuring the sustainability. This chapter analyses the modus operandi of Social Entrepreneurs.*

**A**s discussed in the previous chapter, it requires a different breed of volunteers to ensure social upliftment and societal development. Such volunteers, have the innate passion to serve the society and cater to the needs of the deprived, yet, think as intelligently and as swiftly as a business entrepreneur. In simple terms, it needs such a person who is resolute to serve the society and possesses the knack and thinks like a business entrepreneur. Social Entrepreneur is the incarnation of such a breed of entrepreneurs who thinks like a business entrepreneur, and who acts like a social servant. He is as conscious in terms of feasibility, sustainability, financial viability, creativity, replicability etc. as he is in terms of development, upliftment, awareness, service. Hence, it takes a perfect blend of an entrepreneur and a philanthropist to be a Social Entrepreneur. A person, who is an

entrepreneur at mind and a philanthropist at heart, is the one who makes a successful Social Entrepreneur.

Gregory Dees – Adjunct Professor of Social Entrepreneurship and Nonprofit Management, Dukes University puts it as success of an entrepreneur in Social Entrepreneurship is not by how much profit he makes but by how well he serves his social mission. The resources available to Social Entrepreneurs unlike their business counterparts are not in abundance. Therefore, Social Entrepreneurs cannot spend much in their ventures. Hence, Social Entrepreneurs have a different bundle of challenges on their way. Social Entrepreneurs must have the knack of doing more with less of resources. They treat money only as one of the resources to meet their ends. They rely on other and probably more important resources like skill set, technology, knowledge, relationships, personal reputation etc.

Role of a Social Entrepreneur, first of all, is to spread enthusiasm for the enterprise. That is where the entrepreneurial skill set of the volunteer comes into play. This is where Social Entrepreneur and business entrepreneur share a common platform. The motive is different but the whole idea is one. Entrepreneur works in the same way. In Social Entrepreneurship, one also needs capital and irrespective of actual monetary profits one certainly derives social profits. In both the cases, either social or monetary profits are a must. Social Entrepreneurship is to break new path or building new things/new processes in favor of social development.

### **Intangible Resources**

If the priorities of entrepreneurs can be classified into Vital and Essential, one can observe that the vitals of business entrepreneurs stand as the essentials of Social Entrepreneur and vice versa. Social Entrepreneurs thrive by the inner desire to serve the society. They do not work under the directions or to the command of others. They are

the self-driven to serve the society with an entrepreneurial spirit. Monetary resources are treated as just another source of getting things done, at the same time not undermining the significance of money. What drives them more is the passion from within to cater to the needs of the deprived, and underprivileged souls. Driven by passion and commitment, they apply innovative ideas and technology, as an entrepreneur would do, to serve the needs. The passion facilitates the mission and the ideas and knowledge promote sustainability.

<b>Business Entrepreneur</b>	<b>Social Entrepreneur</b>
<b>Vital</b>	<b>Vital</b>
Capital	Innovative ideas
Investments	In-depth knowledge
Working capital	Significant experience
Financiers	Vast database of cordial relationships
Profits	Passion and commitment to serve
<b>Essential</b>	<b>Essential</b>
Idea	Funds
Knowledge	Revenues
Experience	Surplus to reinvest
Relationship	

Social Entrepreneurs, as it shows, have the inbuilt sensitivity towards social issues. They are moved by the social concerns earlier than others. While Dr. P Muthu an Ashoka certified Social Entrepreneur, describes his experience of becoming a Social Entrepreneur, says, "During my education, while pursuing my Master's and Doctoral degrees, I worked with the tanning industry laborers. In the tanning industry, mainly the laborers are from dalit (Backward) and harijan (Scheduled Cast) communities. So in leather industry other communities are not involved and these are the only communities putting their shoulders into the wheel. And most of these industries exploited their labor force to the core. This was one of the motives that prompted me to start working on this issue. And second – Tanjore – A district in Tamilnadu is

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known for cultivation of rice. Here in this area most of these people are from dalit community again exploited of their powerlessness. These are the two ideas during my research that motivated me to work for the welfare of these people." With this firm social motive and scientific background and application of technology, Dr. P Muthu (a PhD in environmental toxicology) has been working on community level mainly training and research program. Trust help is equipped, with a full-fledged lab and Dr. Muthu's team pursues research on areas like water analysis, soil analysis, air pollution monitoring, noise monitoring with separate lab facilities under Trust HELP. Dr. Muthu claims that the outcomes of the research are taken to the community equipping the underprivileged and backward classes with newer and more effective technologies making their living a joy. The experience suggests that Social Entrepreneurs are influenced more by intangible and intrinsic emotional strengths than tangible and materialistic rewards.

Javed Abidi, an Ashoka certified Social Entrepreneur distinguishes a Social Entrepreneur from the business counterpart. He says "They (business entrepreneurs) are doing it for themselves and the others (Social Entrepreneurs) are doing it for society, for people. That is the difference. A business entrepreneur is passionate, he is committed, he has perseverance and he works hard, he works under midnight lamp to benefit himself, for that extra bonus for that realm of ladder; for that packet that he gets at the end of the day or week or month and for that holiday he is going to get and for all those things. Whereas Social Entrepreneur does all of that for a very different reason."

We can take a leaf from the story of the Magsaysay recipient Arvind Kejriwal, who as a Social Entrepreneur expresses his deep and serious concern towards the plight of the deprived Indians when he says "Basically the real democracy will come when every single individual will start asking the government "what did you do with my tax?" – In their own area, in their own colony. Just go and ask an executive engineer what did you do with our money and reason being not to find fault with him. Its not that we want to investigate but obtaining

that information will keep him honest till next year and then the real development starts happening; that is the real goal.”

Kejriwal – an ex-civil servant (Indian Revenue services), unhappy with the system in the government, felt that basically it is the corruption that cripples a common man in his day-to-day life. And people have no option but to pay bribes. When Kejriwal founded Parivartan in January 2000, it was his desire to make it possible for a common man to be able to get his work done without bribe and harassment. He launched a campaign of “don’t pay bribes and give us your problems and we will get it done for you”. He says, “This has been the immediate motivation at that time and of course it has been a long way and we have also undergone a change in our thinking. Several encouraging social developments happened since then.”

When asked where would he find his organization 10 years hence Kejriwal says, “We are not looking at what Parivartan is going to be 10 years down the line. We are looking at whether we would be able to achieve this goal (mentioned above) in 10 years of time”. This substantiates the belief that the Social Entrepreneurs are in perfect accord and in strict adherence with their conscience.

### **Leading by Double Bottomline**

While service to society and improvement of the deprived being number one and the principal bottomline of Social Entrepreneurs, they are particular about another equally important bottomline. The second bottomline being sustainability. Here, Social Entrepreneurs would beg to differ from their counterpart NGOs and philanthropic organizations, which rely more on charities and donations. Social Entrepreneurs shy away from living only by charity. Instead, Social Entrepreneurs prefer implementing an innovative idea complimented by an appropriate and contemporary technology. Such ideas generally

bear the potential of being replicated widely across the relevant communities ensuring the adoption of the idea thereby the sustainability of Social Entrepreneur reducing the element of uncertainty. This is where the Social Entrepreneurs share a page with the business entrepreneurs. Social Entrepreneurs, like their business counterparts believe in a firm model. Hence, Social Entrepreneurs lead society by *double bottomline principle*.

While defining their bottomlines, Social Entrepreneurs seek clarity of the objectives, strengths, present scenario, threats from external environment and the capabilities required for the development. They begin with conceptualizing the idea and defining desired results thereby defining the capabilities required to translate the idea into reality. The following case study of TIDE facilitates a better understanding of Social Entrepreneur's approach to a venture.

TIDE (Technology Informatics Design Endeavor) was established in May 1993. The organization emphasizes sustainable development through technological interventions. Dr. S Rajagopalan, an alumnus of the prestigious IIT-Delhi and IIM-Bangalore, has been keen on utilizing the biowastes for rural development. Between 1979 and 1993 for a period of 14 years, Rajagopalan was working with Karnataka State Council of Science and Technology (KSCST), which was funded by both state and central Governments, located within the campus of the Indian Institute of Science – Bangalore. From 1982 to 1993 Rajagopalan served as the CEO of KSCST. This council was using the money it got from government to sponsor technology development project that could be applied towards rural development. It was sponsoring project at the Indian Institute for science, at the university college of agriculture, the fisheries college in Mangalore, and the engineering colleges all over the state of the Karnataka. Because of this sponsorship and closely working with the scientific community, a number of prototype technologies got developed between the year

1979 and 1992 – large number of them in renewable energy, biomass, in water management, alternative housing. A lot of products equipped with efficient technologies were developed. And being a kind of autonomous body within the state government, the KSCST council was trying to disseminate technology through government departments. By 1991-92, when liberalization started, it was clear to Rajagopalan that government, as a vehicle for dissemination of technology especially for poor and rural areas, is not going to be very efficient because, government was slowly withdrawing itself as direct provider of goods and services. Dr. Rajagopalan felt that there must be a mechanism by which these technologies could be disseminated. As scientists had invented, they demonstrated that it can work. The 13 years exposure to the various technologies at KSCST proved significant for Rajagopalan to understand the capability requirements in order to replicate similar technologies for the cause of rural development. Rajagopalan and his team believed that activities of building and developing rural markets, enabling the required mechanisms and entrepreneurship development are as crucial as scientific innovations. Rajagopalan was resolute to translate a limited field trail to a full-fledged manufactured version of technologies and their dissemination for rural development. This undoubtedly required some kind of entrepreneurial activity. Hence, he felt that there has to be a mechanism outside the government. This resulted in a non-profit development cum dissemination agency called TIDE. In a nutshell, Rajagopalan's Modus operandi at TIDE can be summed up as follows:

- To identify technologies generated at research institutions in the country and abroad,
- Assess them for their suitability of the environment for which they were intended,
- Do that little bit of developmental work (which is more often than not required) to make the technology suitable to the milieu where it was conceived,
- Demonstrate and disseminate the same. This would result in income generation at local level, reduction in drudgery, efficiency of operation, reduction in wastage and empowerment of the disadvantaged.

Source: [www.tide-india.org](http://www.tide-india.org)

As Rajagopalan shared with us, over the last 13 years TIDE has enhanced its capabilities on technologies related to biomass energy, sericulture, post harvest processing, fish drying, waste-to-energy conversion and rainwater harvesting. TIDE under the entrepreneurship of Rajagopalan has established nearly twenty enterprises. Referring to the sustainability factor their collective turn over in the last year (2006) was Rs.15 million. More exciting a fact is that, today more than 8000 rural enterprises and more than 3000 rural households directly enjoy the devices conceptualized, developed and promoted by TIDE.

Thus an equal imperative for leading by double bottomline is to have a concrete sustainable plan. The Social Entrepreneurs firmly believe in a model that promises a social cause as well as satisfies the sustainability factor. The Social Entrepreneur must possess the knack of devising a resource-smart model. The Social Entrepreneurs wear their creative hats at this stage. They make an effective concoction of idea and technology resulting in a successful execution.

According to Gregory Dees, an expert in Social Entrepreneurship, the crucial questions that drive a Social Entrepreneur toward a feasible business model are:

- Which capabilities will you develop in your own organization?
- Which capabilities will you outsource?
- Which capabilities will be derived by partners?

Depending on these questions the Social Entrepreneurs would build a feasible, sustainable, business model that builds on the strengths, and protects the core competencies and capabilities of Social Entrepreneur. In addition to business model, the entrepreneurs are equally particular about the economic model. One must have a clear



visual flow of funds. The economic model must lucidly describe the cashflows with respect to the activity.

Grameen Bank is an illustrative example of a huge success in alleviating rural poverty by lending micro credit to the poor. Grameen Bank—the brainchild of Social Entrepreneur, and the Noble Peace Prize recipient—Muhammad Yunus, runs by the double bottomline strategy:

Bottomline I—Strategies for Poverty Reduction

Bottomline II—Strategies for Financial Intermediation

Grameen Bank is based on an observation that credit inaccessibility is the biggest constraint for the rural poor. It rests on the belief that if the poor (women) are offered credit on reasonable terms, they would know and work towards generating income. Thus Grameen Bank targets and mobilizes the poor and creates social and financial conditions. It not only lends credit but also identifies the familiar non-farm self-employment schemes. The bank is meticulous while targeting prospective borrowers. It mobilizes only those who can and are willing to bear the costs related to group formation, training, and monitoring and evaluating group's and each other's activities. The Grameen Bank is interested more in such prospects that are satisfied with relatively small sums they can borrow and repay. Grameen Bank endorses its trust in favor of women than men on the grounds of integrity in order to make the mission successful. Thus it mostly lends money to women prospects, as the rate of repayment and element of integrity is more among women, than among men according to the bank. Grameen Bank along with the credit also clarifies codes of conduct and activities with an objective to improve their social and financial conditions. The first bottomline is not confined to lending alone. Grameen Bank also takes care of basic health care services like training to women during maternity, nutrition, and childcare services. It is equally conscious and careful about its second bottomline i.e.,

ensuring sustainability through financial intermediation. Grameen Bank takes all the precautions to prevent loan defaulters. The bottomline strategy is such that it offers a negligible scope for loan default. Grameen Bank lends to the poor, based on group responsibility rather than relying on individual trust. In such case, the individual's eligibility to credit is determined by group's repayability. As a part of its financial intermediation strategy, Grameen Bank looks at savings by borrowers as an integral part of lending. According to the strategy, each member is liable to save Taka 1 each week and buy a Grameen Bank share worth Taka 100. The strategy is attractive, at the same time engenders the trust and accountability factors among the borrowers. In order to absorb the defaults, each borrower is liable to contribute 5% of the loan amount to a group fund. The borrowers are also liable to pay Taka 5 for every Taka 1,000 exceeding loan size above Taka 1,000 to an emergency fund. These savings mobilization schemes provide protection against default. That is, in principal, how Social Entrepreneurs make a double bottomline approach taking care of the social as well as the financial needs of the enterprises.

### **The Vision Thing**

One common factor that contributes to the symmetry between business entrepreneurs and Social Entrepreneurs is the vision thing. Vision is something sacrosanct for business entrepreneurs. Many organizations also have their own vision statements, which are learnt by heart by the employees of organizations across hierarchies. The leader has the responsibility to keep employees in alignment with the organization's vision. The organizations move ahead with one concrete vision with all the focus devoted to it. This is something that can be interestingly observed in case of the Social Entrepreneurs too. Social Entrepreneurs are clear about their vision, and their focus is constantly on their vision. This relentless focus on the rocksteady vision makes

an organization a going concern. It sensitizes and guides the organization and its employees towards its missions.

The Social Entrepreneurs have a knack of identifying their core competencies and capitalizing on the same. They believe that they can contribute the best and the most to the society, thereby bringing in maximum of the possible social transformation, only if they harness their core competencies and put them at work. Dr. Indrani Chakravarty an alumnus of Indian Statistical Institute (ISI), Bangalore found her penchant in gerontology (Study of old age and of problems and diseases of old people). Today her one of its kind, Calcutta Metropolitan Institute of Gerontology, stands as the only such research and welfare institute in India is a house to more than 750 destitutes driven away by their children and deprived of financial sources.

Dr. Indrani Chakravarty a sociology major, fresh from her study on the problems of pensioners at the Indian Statistical Institute (ISI), rented a 700 sq ft apartment in a faceless Beliaghata highrise and began her modest Calcutta Metropolitan Institute of Gerontology, the only such research and welfare institute in eastern India. Today, the apartment is a haven for many of the city's poor and near-destitute old people. Urban Calcutta has some 3 lakh people above 60 years of age and many of them are poor, uncared for and homeless. Chakravarty's institute, run out of three rooms with some two dozen dedicated volunteers, looks after some 750 of such old people. "The poor among the old are the worst off," she says, "even their social security is in jeopardy as their children can't look after them." So every day these wrinkled old men and women, in their frayed clothes, cracked spectacles and plastic sandals troop into Chakravarty's centre for some food and fun. They even earn a bit maybe Rs.10 a week—for making paper bags. Some, like Hrishikesh Mondal, 75, spend Rs.12 every day to make the 20 km journey to the centre's day-care programme from his suburban home where "nobody gives me the same care and attention".

"Support systems for old people are sorely lacking in India," says Chakravarty. That is why she's stretched her limits despite the inevitable problems of funding. The institute also runs a successful granny adoption programme: 53 old women living on the sidewalks are cared for (an equal number of sponsors arranged by Helpage pool in Rs.450 every month for each

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destitute granny's upkeep). Seventy-something Saralabala Dasi, who lives in a water pipe after her husband abandoned her, is one of them. Chakravarty's volunteers regularly provide her with food, clothes and medicines for her crippled feet and battered body. There's also the mobile medical unit: two doctors travel to eight slums and treat 400 old people once a month. In addition, about 150 old women are also given ration cards and food.

*Source: [www.outlookindia.com](http://www.outlookindia.com)*

Thus we have gathered from the above discussed illustrations and experiences, how Social Entrepreneurs design their modus operandi based on two touchstones acting as their bottomlines viz. social development and sustainability of the development and hence paying equal importance to both. While social development fulfils their mission sustainability facilitates them to move on towards their vision.

A Gandhian Peace Worker and an environmentalist from India, Sunderlal Bahuguna is well known as a Chipko Activist. He is a philanthropist who acted as a catalyst in bringing about a change in the lives of the Himalayan people. He and his wife Vimla worked hard educating the villagers, encouraging them to voice against the deforestation and uplifting the Harijans. Chipko and anti-Tehri Dam movements were some of the movements that caught the attention of the people across India. Chipko refers to Hug. In the Chipko movement, Sunderlal and the village women would hug trees, thus preventing them from being cut down. And then there was the anti-Tehri Dam movement where Sunderlal had gone for several hunger strikes after petitioning to the government on the construction of the Tehri Dam, which would obstruct the water flow for the Himalayan Women. He has been one of the foremost persons in India to have had worked for the grassroots community and also initiating a movement to retain forests and protect India from ecological destruction happening at that time.

In the year 1975, Anna Hazare started working for rural development in his native village, Ralegan Siddhi. Anna did not start the transformation process with any specific model. However, Anna's honest aim and attitude fetched him the support of local people and collectively they worked on various projects that paved way for the development of the village. One of them was the watershed development project, which was identified by Anna Hazare as crucial for increasing agricultural productivity, which subsequently propelled the economic development of farmers in the village. People in the village joined hands with Anna Hazare and came up with many other projects like setting up schools and promoting education in the village, removing social barriers by curbing practices that encouraged untouchability and inequality, worked on the issue of consuming alcohol and many more. Anna Hazare also received the Ramon Magsaysay Award for his works. He believed in Gandhian philosophy and read many books by Vivekananda, Mahatma Gandhi and Acharya Vinoba Bhave and drew inspiration.

*Compiled from various sources.*

The organization, N M Sadguru Water and Development Foundation (SWDF), which is popularly known as "Sadguru", came into existence in the year 1974. The project was initiated and supported by the STANROSE group of companies, the Mafatlals in the beginning. Mr. Harnath Jagawat, the director took the reins of this organization in the year 1974 and the first 2 years he walked from village to village collecting information and data related to the situation of the natural resources and the reasons for the high levels of poverty and migration in these tribal regions of western India. He was later joined by his wife Ms. Sharmisthaben and many professionals interested in working in the field of development.

*Source: [www.indianngos.com](http://www.indianngos.com)*

***At a glance...***

- Social Entrepreneurs have the innate passion to serve the society and cater to the needs of the deprived, yet, think as intelligently and are as swift as a business entrepreneurs.
- A Social Entrepreneur is as conscious in terms of feasibility, sustainability, financial viability, creativity, replicability etc. as he is towards development, upliftment, awareness, service.
- They treat money only as one of the resources to meet their ends. They rather rely on more important resources like skill set, technology, knowledge, relationships, personal reputation etc.
- Success of an entrepreneur in Social Entrepreneurship is not by how much profit he makes but by how well he serves his social mission.
- The Social Entrepreneurs, as it shows, have the inbuilt sensitivity towards social issues. They are moved by social concerns earlier than others.
- Social Entrepreneur must possess the knack of devising a resource-smart model.
- Social Entrepreneurs, in addition to social mission, believe in a firm sustainable model thus enabling them lead social development mission by *double bottomline principle*.

