



Social Entrepreneurship in India- A Paradigm Shift to Greater Social Cause from Pursuit of Profits

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DOI : <https://doi.org/10.5281/zenodo.17696307>

ARTICLE DETAILS

Research Paper

Accepted: 28-10-2025

Published: 10-11-2025

Keywords:

Social entrepreneurship;

Profit, Not-for-profit;

Entrepreneur;

Conventional

ABSTRACT

Social entrepreneurship unlike entrepreneurship for profit and business motive, mixes business with service. They aim at serving the society by running organizations on business models. The paper aims at understanding the shift that these organizations took work towards greater social cause from pursuit of profits. A social entrepreneurship clubs business and profit to be able to make profit and the same time serve the society. The current research paper covers various sectors that social entrepreneurship is engaged in and how they have been contributing to the society.

1. Introduction

Social entrepreneurship is the most trending businesses in India in the present day context. In the complex world of business, competition, global markets, it is not easy to find reach and profitability to business hand in hand. Business world is no more confined to their countries or regions. They operate on a global platform and work under more complex environment.



Business in today's world is not just confined to objective of making profit. They aim at good and strong customer base, consumer loyalty, goodwill and above all perpetual stay. It is not easy for any business to stay relevant and make profits at the same time. Therefore there is gradual shift in business from being commercial to becoming socially relevant. That is where the emergence of social entrepreneurship (SE) comes into picture. Social entrepreneurs aim at addressing the issues of the society alongside making the projects means of business. The primary objective of these SE' is staying close to the society.

2. Literature review

Johanna Mair, Ignasi Marti Lanuza(2006) articulates social entrepreneurship as a groundbreaking process that impacts social change by prioritizing the social issues over the pursuit of financial benefits for the entrepreneurs. With the focus of addressing this gap, **Parul Gupta, Sumedha Chauhan, Justin Paul, M.P.Jaiswal(2020)**, studies 188 peer reviewed SSCJ Journals that are published over the last 10 years. This study comprises a comprehensive overview of the recent research in social entrepreneurship, where it is categorized as the five central themes, while identifying the focus areas of each. Focusing on the identified research gaps, the study provides the scope of research areas, including contexts and methodologies. **D.N.ChandrasekharaReddy(2024)**, in his research paper, offers a detailed study focused on enhancing conceptual clarity which helps in exploring the principle features of social entrepreneurs. The paper also analysis the challenges faced by social entrepreneurs, he includes the contributions made by successful social entrepreneurs, in Indian context. **PawelMikolajczak, Robert Sikkiewicz(2025)** investigates, on how digitalization influences the capacity to raise finances. Correlation and regression analysis is done to see how higher digitalization levels relate with volume of revenue and level of diversification. **Satyam pathak, Amandeep Kaur (2025)** review literature to study the connection between digitalization and SE's. 73 research articles were studied from the scopus data base an employed PRISMA tools. The results were presented through TCCM framework. **IzaGigauri, SimonaAndreeaApostu, CatalinPopescu (2023)**, advises on application of various models of business in the process of implementing their social causes. The study implies that the revenue earned from these commercial activities is used towards social problems that arise due to natural calamities. While advancement in technology presents significant opportunities for social enterprises, they simultaneously pose risks related to employment, data privacy, shifts in business models and strategies, changes in societal lifestyles, and the financial burdens when adopting costly digital technologies. **Johanna Mair, Ignasi Marti Lanuza(2006)**, categorizes SE's as the enterprises that does not aim to earn direct profits. Instead they involve larger crowd that will add value to their business. Economic gains alone is not the motive of SE's. They take along social cause with business objectives. **AartiKadyan,**



Priyanka Jaiswal (2025), leverages the Modified Total Interpretive Structural Modelling (M-TISM) approach to explore the determinants of Social Entrepreneurial Intentions (SEI). Fifteen constructs were identified through a systematic literature review (SLR) which were also validated by fifteen domain experts. These were later structured into a layered model that maps the way emotional, cognitive, and contextual factors interact to shape SEI. The study offers a new perspective by discovering other relational pathways and demonstrating the value of MTISM. **Stephen C. Betts, Cobert Laud, Andreykretinin (2018)** in their research article discuss SE's as organizations that aim to make profits but also take care of social causes like environment, sustainability, social service etc. The paper provides guidelines for the researchers for conducting research in these areas and provide a basis for SE's as main subject of research. **Suhashini, Narmatha, and Pavithra (2021)** examine the growing importance of social entrepreneurship in India and globally, highlighting its role in helping society more meaningfully than before. Economic entrepreneurship primarily addresses financial needs whereas social entrepreneurship is centered on fulfilling social needs, embodying the entrepreneurial spirit with a focus on societal impact. This paper includes the scope and importance of Social entrepreneurship, which has significantly improved in recent times. Concluding this, the paper also includes how social entrepreneurship can impact the social setup and social fiber in India as well as the other developed nations specifically at the bottom of the pyramid level.

3. Research Gaps

The research articles reviewed cover wide range of areas like social change through entrepreneurship, some successful social entrepreneurship organizations, branding and marketing of products produced by SE's, Financial areas of SE's starting from raising finances to documentation and procuring finances, SE's in rural and urban areas of India, SE's in Asia are widely studied and valid conclusions have been drawn. There are no specific papers that have covered how Social Entrepreneurs have shifted it paradigm from objective of making profit for the organization as primary motive to serving the society.

4. Research Objectives

The study is taken up to achieve the following objectives:

1. To Understand Social Innovation & Entrepreneurship in India
2. To Examine the various sources of finance of the social entrepreneurship



3. To Study the various sectors under social entrepreneurship that have successful business practices

5. Research methodology

The study basically requires only secondary and published data to come up with analysis. Various websites of social entrepreneurship, various govt. websites, websites of banks and other financial institutions have been studied to achieve the objectives of the study.

6. Analysis & Discussion

There are many SE's that are working on the lines of service to the society and at the same time making good profits. Amongst all the SE's 3/5th of the organizations come under this category. Cooperatives, Producer companies, Waster ventures are examples of such organizations that are making good profits while serving the society. There are many organizations in India, especially in rural India that work towards upliftment

of the society. Organizations that popularly work in rural areas are Waste water management, management of agricultural waste, underground sewage pipelines, drinking water management etc. This is where profit making organizations and nonprofit oriented organizations come with a common purpose of serving the society and those organizations become pioneers under the set-up of social entrepreneurs.

6.1. Understanding Social Innovation & Entrepreneurship in India

In the Indian sub-continent context social innovation is the most needed inventions during recent times. Not only from the service perspective, even from the business perspective, these enterprises that are built on the basis of inventions not only contribute to the growth of the SE's but also add up the value created for the same.

In the rural areas of India, some inventions are used in cultivation of crop, rain water harvesting, no pesticide crop, storage and transportation etc. These inventions when turned into entrepreneurship, will make a profitable venture under SE's. Social innovations, therefore, creates a distinct motive to the entrepreneurs to get away from conventional mode and think unique on the lines of mixing business with service. A social enterprise serves a bigger cause than a commercial enterprise on any given day. On the rural front, SE's serve greater purpose because of the uniqueness of its operations. Innovations in the fields of agriculture, irrigation, sanitation, drinking water projects etc. These projects not only help the masses but also provide employment opportunities to the rural population. Various market segments of



the rural areas are covered distinctly by the social entrepreneurs, the benefits of which will reach to the poorest of the poorest segments of the rural India.

6.2. Examining the sources of funds of Social enterprises: How and from where?

Raising funds is the major issue for any business organization. Non-profit organizations that are functioning under any Trusts find it difficult to raise funds from institutional sources. Funds can be raised from various sources like Equity, Debt, Personal sources like family and friends besides institutional sources. Banks and financial institutions lend loans to SE’s, which also form major source of finance. It is very difficult to raise funds from traditional sources because of the size of funds needed to grow business. Without the help from organizational sectors, the SE’s possibly cannot procure funds for their various needs like procuring raw-material, production, labor charges, warehousing, transportation, logistics etc. Sources of finance is complex and subject to many interpretations owing to the nature and dynamics of functioning of social enterprises.

In most of the organizations run by social entrepreneurs, funds are raised from private sources and the tracking the identity and location of the source becomes complex.

Table 1 : Key sources of finance

Source	Percentage
Grants	22%
Equity	22%
Debt	56%
Total	100%

Source: Start-up India

6.3. Interpretation

The table above clearly indicates how the total finances are arranged by the social entrepreneurship organizations. From the above table its evident that majority of the funds, more than 50% are arranged from the debts. Grants and equity occupy 22% of the finances each. This also shows that most the social entrepreneurs are not getting grants from either state government or central government agencies. This also indicates the poor state of affairs from government and other government institutions in extending support to the social entrepreneurs of India.

**Table 2 : Sources of Debt Fund**

Source	Percentage
Institutional Fund	24%
Non Institutional Fund	76%
Total	100%

Source: Start-up India

6.4. Interpretation

In connection with the table no.1, Table No.2 continues to explain the pattern of debt funds used by social entrepreneurs to develop their businesses. Between institutional and non-institutional funds, 3/4th of the finances, 76% of them come from non-institutional fund, which supports the fact that government is least invested in the business and funding of social enterprises. Most of the resources are funded by non-institutional organizations and this does not work in the favour of social entrepreneurs.

Non institutional debt funds are not under the control of the government, therefore, regulating them becomes a huge task for the regulatory authorities. These sources, when formed, major source of funds, they become more complicate.

6.4.1. Various sectors under social entrepreneurship that have successful business practices

Table 3: List of successful Social entrepreneurship sectors in India

1	Edtech for skill development
2	Renewable Energy Initiatives for Rural India
3	Healthcare and Telemedicine
4	Impact Investing Gains Traction
5	Agri-tech Solutions for farmers
6	Emphasis on Women entrepreneurship
7	Waste management and circular economy
8	Mental health awareness and support
9	Digital Literacy
10.	Water and sanitation initiatives
11	Use of Technology for Impact measurement



12	Climate action and sustainability
13	Empowering local artisans and handicrafts
14	Youth driven social enterprises
15	Health care
16	Housing
17	Agriculture
18	Education
19	Water and sanitation
20	Livelihood promotion
21	Edtech for skill development

Source: MSME

6.4. Interpretation

The table above depicts the state of SE’s in India with respect to its area of operations. It is evident that the SE’s now have moved from traditional agricultural, financial areas to other more non-conventional areas of business. Now the businesses have grown into other sectors like energy, sanitation, and health, education, housing, digital literacy etc. Social entrepreneurs now are exploring more different and un conventional models of business to grow and expand in size and diversity. The reason for such diversification is to expand business into other core areas where the possibilities of export are high and businesses can prosper making good profits. Social enterprises under sectors like digital literacy, water and sanitation, health care, renewable energy, agritech have been doing good recent times and social entrepreneurs are making good profits in these areas.

7. Research Findings

- . In the Indian sub-continent context social innovation is the most needed inventions during recent times.
- a. Amongst all the SE’s 3/5th of the organizations are working on the lines of service to the society and at the same time making good profits.
- b. When profit making organizations and non-profit oriented organizations come with a common purpose of serving the society, those organizations become pioneers under the set-up of social entrepreneurs.



- c. In the rural areas of India, some inventions are used in cultivation of crop, rain water harvesting, no pesticide crop, storage and transportation etc.
- d. Banks and financial institutions lend loans to SE's, which form major source of finance.

8. Conclusion

- . Majority of the funds, more than 50% are arranged from the debts. Grants and equity occupy 22% of the finances each.
- a. Most the social entrepreneurs are not getting grants from either state government or central government agencies
- b. Non institutional debt funds are not under the control of the government, therefore, regulating them becomes a huge task for the regulatory authorities.
- c. Between institutional and non-institutional funds, 3/4th of the finances, 76% of them come from non-institutional funds.
- d. Businesses have now grown into other sectors like energy, sanitation, and health, education, housing, digital literacy etc. Social entrepreneurship has now moved into different dimensions in the light of growing demand for expansion and diversification into various areas of business and trade.

9. Recommendations

- . More focus is needed under social innovations and inventions to support rural India
- a. SE's should try to balance service and profit motives.
- b. Government should be more supportive to SE's, thereby reducing the dependency of social entrepreneurs on non-institutional funds
- c. Social enterprises should adopt more advanced and latest business models to be relevant
- d. More focus of the SE's should be on getting finances from Equity then Debt to avoid heavy interest rates.



10. Scope for further research:

- . The study leaves scope for further research into areas of production, promotion, branding and other aspects of social enterprises.
- a. In the present era of competitive business, managing finances alone will not serve the purpose of business and ignoring these aspects can be fatal to the business.
- b. Therefore, there is a huge opportunity for studying and conducting research in the above said areas of social enterprises.

11. Limitations

- . The present research paper is completely based on inputs and data collected from the websites of various Government and Non-Government sources.
- a. The authentication of data is ratified from various government sources in case of Government websites or websites of various ministries. But the sources or websites of non-government organizations are subject to verification in some cases.
- b. Rest of the sources cited are accurate and reliable.
- c. The study mainly focuses on innovations, funds & resources of social entrepreneurs. Other aspects of social enterprises, like, production, branding, marketing, logistics are not covered under the study.

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