

Role of Social Enterprises in Empowering Rural People Socially and Economically: A Study on Balasore District

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Abstract: Social enterprises play a crucial role in empowering rural populations by addressing social and economic needs. They offer a unique approach to development, balancing profit with social impact, and often reinvesting profits back into the communities they serve. By focusing on creating and managing businesses that address specific social or environmental issues, social enterprises can improve living conditions and create opportunities for rural communities. The research gap of this paper is that there are many literatures on the role of entrepreneurship in rural development but a few are found on social entrepreneurship. The objective of the study is to analyze the role of social enterprises in empowering rural people socially and economically of Balasore district of Odisha. The data collected from the secondary sources. It is purely a review article.

Key Words: Social Enterprises, Economic Development, Social Development.

1. INTRODUCTION:

In light of pressing social and environmental difficulties, it is significant to recognise the political and economic dynamic forces that encourage sustainable development and to distinguish the agents that make positive and substantial changes in this direction. Currently, change makers and resilient social enterprises that can design and devise innovative solutions for multifaceted social and environmental problems are much needed (Weerawardena & Sullivan Mort, 2006). Social entrepreneurship is after all entrepreneurship with a different mission-development and sustainability. As Dees puts it, "Social entrepreneurs are one species in the genus entrepreneur" (1998, p. 3). Dees further states: "Adopting a mission to create and sustain social value: this is the core of what distinguishes social entrepreneurs from business entrepreneurs even from socially responsible businesses" (1998, p. 4). Martin and Osberg (2007, p. 34), believe that the variation between entrepreneurship and social entrepreneurship lies "in the value proposition itself". Today, the emerging arena of social enterprise is rapidly drawing increased attention from all sectors. It involves incredible innovation, which typifies this novel research arena, and a noticeable lack of a common framework of study. The concept of social enterprise and the apparent link between social enterprise, social change, and economic progress is an appealing prospect for scholars and policymakers alike (Oberoi, 2019). Social enterprise is branded as a multidisciplinary struggle over the epistemology of the arena that has failed to set any normative limitations around the term (Nicholls, 2010). Even though its characterisation is not yet stabilised and its boundaries remain blurred, its motivations and the aim of accomplishing both economic efficiency and social purpose are distinctive features of social enterprises (Austin et al., 2006). The blurring of sector boundaries opens up the study of social enterprise from for-profit, non-profit, and public sector perspectives. Social entrepreneurial ingenuities deny rigid classifications within organisational clusters, arranging themselves in the realm of hybridity; they cannot be categorised as belonging to any one sector. Social entrepreneurs are similarly diverse, drawing from various sectors and sources in their attempts to address social and environmental problems, which further underlines their adaptability and value. Social enterprises enable a virtuous circle of social capital growth and environmental protection. They use social networks of support to gain access to resources and the dividends they generate are social: stronger communities, more capable of looking after themselves with the robust bonds of conviction and collaboration. Generating social capital and social benefits is at the heart of social enterprise. By connecting entrepreneurship with social change and innovation, social enterprises help communities to build up

social capital, which gives them a better chance of standing on their own two feet. Social enterprise is usually used to qualify all entrepreneurial initiatives that help a social and/or environmental mission, and that return a large part of their financial surplus into their mission. Social enterprise took root within the context of financial crisis and unemployment in the 1990s, which triggered ambiguity about the future of Welfare States and their capacities to cater for novel societal needs under the neoliberal order, as well sustaining the environment. The constraints under the new post-1990s order led to the development of new relationships of interface between public and private sectors, and innovative responses to societal challenges that are workable socially, economically, and environmentally. Within this context, all forms of creativity that deals with societal wants is branded social innovation. Social entrepreneurs are mediators of constructive alteration that aim to resolve stubborn social, environmental and economic issues through novel enterprising approaches. They promote innovations and novel solutions that blend social and environmental resolution, plough proceeds into their undertakings, and are answerable for their activities. This research paper explores the crucial role of social enterprises in empowering rural communities both socially and economically, focusing on their impact on improving livelihoods, creating employment, and fostering sustainable development in rural areas. The paper examines how social enterprises can address specific challenges faced by rural populations, such as poverty, lack of access to services, and limited economic opportunities.

2. LITERATURE REVIEW:

One prominent study by Yunus et al. (2010) delves into the transformative potential of social entrepreneurship, emphasizing its role in creating sustainable solutions for poverty alleviation. The study showcases the success of microfinance institutions like Grameen Bank in providing financial services to marginalized populations, thereby contributing to income generation and economic empowerment (Yunus et al., 2010). This underscores the importance of social entrepreneurship in promoting financial inclusion and enhancing livelihoods. Research by Dey and Steyaert (2010) explores the concept of "hybrid" social enterprises that balance social and economic objectives. They argue that such enterprises can catalyze economic development by simultaneously generating profits and addressing societal needs. Their work emphasizes the need to understand the intricate relationship between social and economic dimensions in the context of entrepreneurship (Dey & Steyaert, 2010). Furthermore, Chell and Tracey (2012) emphasize the role of social entrepreneurship in fostering social change through innovation. They highlight that social entrepreneurs often identify gaps in traditional market solutions and develop novel approaches to address them. This innovation driven approach not only brings about positive social outcomes but also contributes to economic growth by creating new markets and opportunities (Chell & Tracey, 2012). In terms of the Indian context, Mair and Martí (2006) provide insights into the emergence of social entrepreneurship in developing economies. Their research emphasizes the cultural and contextual factors that shape the landscape of social entrepreneurship in countries like India. They argue that local cultural norms, values, and traditions play a significant role in influencing the motivations and strategies of social entrepreneurs (Mair & Martí, 2006). Additionally, a study by Nicholls and Cho (2006) examines the potential tension between social and economic goals in social entrepreneurship. They propose a framework that categorizes social enterprises based on their primary focus, whether social or economic. This framework contributes to a nuanced understanding of how social entrepreneurship can balance these dual objectives and impact economic development (Nicholls & Cho, 2006). While social entrepreneurship holds promise, challenges such as financial sustainability, scalability, and regulatory hurdles persist. Researchers have emphasized the need for conducive policy frameworks that recognize and support the unique nature of social enterprises. (Nicholls & Cho, 2022) Empirical evidence also supports the positive relationship between social entrepreneurship and economic development. Gupta and Singhal (2019) analyze the impact of social enterprises on job creation and poverty reduction in rural India. Their findings suggest that social enterprises not only provide employment opportunities but also contribute to increasing income levels and improving overall living standards (Gupta & Singhal, 2019). The emergence of social entrepreneurship has led to the creation of supportive ecosystems, including incubators, accelerators, and impact investment funds. These ecosystems can attract resources and expertise, fostering collaboration between different stakeholders and nurturing economic growth. (Mitra & Matlay, 2022). Over the past 20 years, the area of "social entrepreneurship" has been growing steadily. When the word "social entrepreneurship" is used in its widest sense, it refers to a variety of initiatives that combine business tools with social goals (Hockerts, 2017). So, social entrepreneurship is a component of a bigger cultural trend that seeks to balance morality and responsibility with commercial activities. The term "social entrepreneur" refers to an individual or a group of individuals who develop novel strategies for increasing the quality of life of the community. Social entrepreneurs employ a combined approach to accomplish their social goals (Ashraf, 2019). Social entrepreneurs are those who come up with the most creative answers and the urgent issues of the society. Because of their tenacious concentration, they provide innovative answers

to critical societal problems. Instead of leaving it to the government or others, social entrepreneurs identify the problem, collaborate to discover a solution and motivate the entire community to advance (Nyssens, 2006). It serves as a role model for encouraging women's economic growth in rural areas. Social entrepreneurship leads to financial prosperity, which is essential for sustainable development. They create novel strategies to raise money for societal improvement. It is the process of using original ideas to address social problems. In the present global environment, social entrepreneurship is needed in both urban and rural economies (Lanteri, 2015). It is seen as a plan for long-term expansion. Women make a significant contribution to overall rural development. They apply their commercial acumen to every aspect of farming, from selling horticultural products to operating a dairy farm. When it comes to rural women's prosperity, the emphasis must be on developing the women by raising their levels of education, financial power and social conditioning (Desai, 2005). This is mostly accomplished through the formation of Self Help Groups, which encourage social entrepreneurship for the development of women community in rural area. SHG took the shape of social entrepreneurship and gained momentum from the 1980s when it came to discussion of rural development, women empowerment and poverty eradication. Self Help Groups make various attempts to advance social entrepreneurship (Kumaran, 2002). The idea of providing funding through SHGs is a very original approach to address and resolve the issues of employment and income in rural India. SHG is a means by which the less advantaged group in society may obtain official financial services at a very cheap cost and with little formality (Galab, and Rao, 2003). SHG inspires its members while supporting social entrepreneurs in overcoming challenges, especially in rural India (Srivastava, 2005). Self Help Groups (SHGs) are voluntary organizations of women with the aim of achieving a common objective like creating social values, supporting widows and divorcees by increasing the financial conditions of rural women (Rajasekaran, and Sindhu, 2013). Women with the same social background get together for a shared purpose to generate and manage funds for benefit of the members of the group (Horper, 2002). The introduction of this concept aims to enable rural communities to become self-sufficient and engage in some type of income generating activities and also encourage them to save more money (Suri, and Kaur, 2016). By working together, they also convince additional society members to join the SHG. Involvement in SHG not only helps them to cope with financial issues, but also allows them to start their own business and provide work for the neighboring communities (Gurumoorthy, 2000). The idea gained popularity as a result of its success and potential in alleviating poverty, reducing gender discrimination and women exploitation in rural India. SHGs are vital for fostering confidence and bringing sustainable livelihood among rural women who live in poverty (Bundela, *et. al.*, 2013). Self Help Groups which support social entrepreneurship for the growth of the women's community in rural areas are primarily responsible for empowering women by increasing their levels of education, financial security and social conditioning. SHGs have taken the form of social entrepreneurship and try to promote social entrepreneurial activities in a variety of ways. It is a means by which the less advantaged group in society may obtain official financial services at a very cheap cost and with little formality. SHGs encourage their members, especially in rural India and assist social entrepreneurs in overcoming difficulties. Therefore, it is undeniable that SHGs provide a platform for the promotion of social entrepreneurs.

RESEARCH GAP:

Many researchers are available on social entrepreneurship but there is little evidence of any research in Balasore district.

OBJECTIVES:

The objective of the study is to analyze the role of social enterprises in empowering rural people socially and economically.

3. RESEARCH METHODOLOGY:

The secondary sources of data collection include the articles in different journals and magazines, books, published and unpublished thesis. The public websites, reports and articles were also referred by the researcher for the secondary data collection.

4. DISCUSSION:

Social enterprises play a vital role in empowering rural communities both socially and economically by fostering inclusive development and addressing social and environmental challenges. They do this through various mechanisms, including creating sustainable livelihoods, promoting access to essential services, and driving social innovation.

Here's a more detailed look at their role:

Social Empowerment:

- **Creating Social Inclusion:**

Social enterprises often prioritize the needs of marginalized groups in rural areas, ensuring they have access to opportunities and resources that might otherwise be unavailable.

- **Empowering Women and Youth:**

They can be particularly effective in empowering women and youth, who often face limited access to education, healthcare, and economic opportunities.

- **Promoting Social Cohesion:**

By creating local jobs, offering social services, and fostering community engagement, social enterprises can strengthen social bonds and build more cohesive communities.

- **Addressing Social Issues:**

They can be innovative in tackling issues like poverty, healthcare access, education, and environmental degradation, leading to positive social change.

Economic Empowerment:

- **Creating Sustainable Livelihoods:**

Social enterprises can provide employment opportunities and income-generating activities in rural areas, contributing to economic stability and improved living standards.

- **Promoting Entrepreneurship:**

They can encourage rural entrepreneurs to start their own businesses, fostering a culture of innovation and self-reliance.

- **Improving Access to Markets:**

By connecting rural producers with wider markets, social enterprises can help them increase their incomes and access better resources.

- **Generating Local Revenue:**

They can create jobs and increase local spending, which in turn boosts the local economy and provides revenue for local government.

- **Fostering Innovation:**

Social entrepreneurs often bring new ideas and approaches to solving problems, leading to more efficient and sustainable practices in rural areas.

Overall Impact:

- **Driving Sustainable Development:**

By addressing both social and environmental challenges, social enterprises contribute to sustainable development in rural areas.

- **Building Resilience:**

They can help rural communities become more resilient to shocks and stresses, such as economic downturns or natural disasters.

- **Inspiring Systemic Change:**

By demonstrating the effectiveness of innovative solutions, social enterprises can inspire broader policy reforms and systemic changes that benefit rural communities.

5. CONCLUSION:

Social enterprises are a promising approach to empowering rural communities socially and economically. By addressing social and environmental issues while creating businesses that generate income and employment, they can contribute to sustainable development and improved living conditions for rural populations. Social enterprise is undergoing a renaissance, and it is widely viewed as a resolution strategy to the challenges presented in contemporary society. These include social inequality and injustice, public health, and socio-environmental issues as they present in society, and distinctly, the manner in which the issues empowers communities and groups, both locally and nationally. Furthermore, social enterprise, as presented in this paper, enables communities to act as catalysts for change, promoting innovation and entrepreneurship that demonstrate a tangible impact within communities, promoting vibrancy and sustainability. However, student learning continues to be dominated by a theory driven model, rather than acquiring the practical skills and knowledge required to fulfil their desired role. Consequently, if social entrepreneurs are to respond to societal challenge and form social enterprises that have a definitive social objective of assisting a primary purpose as a resolution strategy, there is a pressing need to encourage educators to provide students with opportunities that reflect their role and their context. This paper emphasises the importance of education and training and proposes that in order to deliver a curriculum that is fit for purpose, a curriculum that responds to the demands of social enterprise and the development of the social entrepreneur, a reset—or at least a rethink—is required.

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