

# Harness the potential of social entrepreneurs

**S**ocial economy puts social and environmental concerns at the heart of its business, prioritising social impact and sustainability over profit maximisation. The social sector is driven by purpose, partnerships and accountability in order to develop solutions that enable traditionally excluded people to participate in the economy. It is the process of applying new solutions, as per the World Economic Forum, to global problems by creating or improving products, services, business models and markets, and more effectively responding to unmet needs. Globally, the social economy contributes 7% of the Gross Domestic Product (GDP) and an estimated one billion people are affiliated to it. As per a report by the OECD, the impact investment market is growing rapidly, surpassing \$1.1 trillion in assets under management in 2022.

A 2018 estimate said that the social economy in India represents nearly 10% of employment and nearly 9% of the country's GDP, but this could be much more today. The Indian impact investing ecosystem is also evolving rapidly and India is today considered one of the largest impact investment destinations in emerging countries. A recent report by Impact Investors Council states that 377 Indian impact enterprises attracted around \$5.8 billion in equity investments in 2022. These investments are gradually going beyond financial inclusion into new sectors such as agriculture, technology, health care, education and livelihoods. With India's high digital adoption rate, tech-enabled companies have been able to scale up and promote innovation in a variety of emerging industries.

Collaboration among business, government and civil society that cuts across boundaries is essential for social entrepreneurs to increase the scale of their impact. Increasingly, the private and public sectors are partnering closely with social entrepreneurs. The World Economic Forum's Global Alliance for Social Entrepreneurship also brings together leading corporations such as Ikea, SAP, SE, Unilever and Jubilant Bhartia Group which are working with social entrepreneurs across their value chains. In my experience of dealing with social entrepreneurs over the last 14 years, I feel there is a lot that firms can learn from social enterprises.

One, unique never-before business models. Social entrepreneurs do not follow the rules of the boardroom when it comes to devising business models. They are driven by their intrinsic understanding of the problem faced

by the community and customise a model to get greater and more impactful results. Their models, with people at the centre, are tried, tested and have the stamp of the community.

Two, innovative products that appeal to the changing market. With social entrepreneurs working with the community at a deeper level, they know the exact requirements of customers and can provide direct feedback and ideas.

Three, building future skills with their ears on the ground. While starting an enterprise, a social entrepreneur sees the problem first and then uses the marketplace as a means to solve the problem, which might be the other way round for corporations. This unique way of working makes them frontrunners in bringing skills of the future.

Fourth, finding organisations that help achieve social procurement. With the focus on ESG, social entrepreneurs can help corporates in responsible social procurement through their network of organisations and connections at the grassroots level.

Fifth, reaching more customers through trusted partners. With their years of experience with the community, social entrepreneurs have the trust of the citizens. Products and services offered to the citizens through social entrepreneurs are likely to be far more acceptable and successful. They can be a responsible and credible arm to implement Corporate Social Responsibility initiatives.

Sixth, being a link to the government for advocacy matters and policy implementation. Social entrepreneurs also parallelly undertake advocacy of pressing issues. Governments are also increasingly partnering with social entrepreneurs for policy implementation.

Social entrepreneurs grapple with issues such as policy advocacy, access to the market, investments and funding. The private sector can immensely help social entrepreneurs in these areas.

For over a decade and half now, the Schwab Foundation for Social Entrepreneurship, a sister organisation of the World Economic Forum, and the Jubilant Bhartia Foundation have nurtured social entrepreneurship in India through their annual Social Entrepreneur of the Year (SEYO) India Award. It is no coincidence that this year, the SEYO India Award is being held during the B20 meeting in the Capital. This reflects the deep desire and need for the corporate and social sectors to work together.



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*The views expressed are personal*