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# Supporting Women Social Entrepreneurs in India- A Historical Study

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**Abstract**

In social entrepreneurship, various social, cultural, or environmental issues are identified and addressed through conceptualizing, developing, and implementing solutions. This field, inherently non-profit and driven by altruism, measures success based on "Returns to Society," which includes outcomes such as poverty alleviation, healthcare access, community development, and women's empowerment. Social entrepreneurship is increasingly recognized for its role in promoting volunteerism and civic engagement. Though the concept has been around for nearly forty years, it has recently gained significant traction. This form of entrepreneurship is distinguished by its focus on societal benefits rather than corporate profits. The primary objective is to identify social problems, develop solutions that foster positive changes in public attitudes, enhance living standards, and safeguard opportunities for marginalized groups. Understanding how solving social issues can benefit society at large and empower disadvantaged individuals is central to social entrepreneurship. Notable figures in this field include Pakistani social reformer Akhter Hameed Khan and Bangladeshi economist Muhammad Yunus. In India, numerous individuals and organizations are making significant contributions to social entrepreneurship, striving to uplift society and create impactful changes. This research paper explores organizations dedicated to women's empowerment through social transformation, highlighting their efforts to alleviate societal pressures and produce beneficial externalities.

**Index Terms— Empowerment, Social issues, Ethical solution, Non-profit approach, Upliftment**

## 1. Introduction

Recently, there has been a noticeable shift towards people, especially the youth, becoming job providers rather than job seekers. While these entrepreneurial ventures are certainly profit-driven, they are often motivated by noble social causes. Many individuals choose entrepreneurial paths because they believe these will yield greater financial and psychological rewards compared to the often-monotonous routes offered by large corporations. Social entrepreneurship, in particular, is becoming increasingly important. It is driven by volunteerism and civic commitment, aiming to foster societal transformation. Social entrepreneurs address specific social issues and work towards systemic change. Several examples from India illustrate the impact of social entrepreneurship. According to a report by the Department of Power, Government of India, as of March 31, 2011, 5,39,163 out of 6,40,268 villages had been provided with electricity, covering 84% of the villages. However, 16% of the villages, approximately 1,01,105, still lack electricity. This means about 400 million people in rural areas struggle with access to electricity and modern energy

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services, hindering their economic productivity and forcing reliance on unsustainable biomass resources. The energy situation in rural India is further exacerbated by poor quality fuels, unreliable supply, inefficient use of available sources, and limited access to reliable electricity. Many households continue to depend on traditional energy sources.

The use of traditional cooking fuels such as firewood, cow dung, and crop residue leads to serious health problems, including respiratory and cardiovascular issues. These fuels cause indoor air pollution, which is exacerbated by poor ventilation. Women are disproportionately affected since they are primarily responsible for cooking and collecting solid fuels, which consumes time that could otherwise be spent on income-generating activities or leisure.

To address the energy needs of rural populations and improve their economic productivity, the Ministry of New and Renewable Energy (MNRE) of the Government of India launched the Renewable Energy Supply Model for Rural Areas (RESRA) pilot project. This initiative, funded by the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB) and implemented by Deutsche Gesellschaft for Internationale Zusammenarbeit (GIZ) GmbH, aimed to provide sustainable living conditions. BMUB supported the project through the International Climate Initiative (IKI).

The pilot project identified 24 villages in the state of Chhattisgarh, which were grouped into six clusters of four villages each. The villages were predominantly inhabited by tribal communities whose livelihoods depended on animal husbandry, hunting, and tribal farming. The primary goal of RESRA was to enhance their livelihood opportunities. To achieve this, the government sponsored energy-efficient diesel generators and established Village Energy Committees (VEC) to manage these systems.

The Village Energy Committees supply electricity on demand to local entrepreneurs and households, generating revenue in the process. These diesel generators are powered by oil extracted from locally grown Jatropha seeds. Given that paddy cultivation is the region's main economic activity, there is a significant demand for electricity for irrigation and rice de-husking. This system has proven to be a boon due to the availability of reliable on-demand electricity.

Women Self Help Groups (SHGs) have been major beneficiaries of this system. By pooling funds from personal resources and bank loans, many women from SHGs have established rice hullers, flour mills, and government-linked ready-to-eat food businesses. According to a report by the Ministry of Women and Child Welfare, Government of Chhattisgarh, SHGs supplied over 100 tonnes of food and earned more than 3 million rupees in revenue from Anganwadis-linked food manufacturing businesses in 2013. Consequently, RESRA has evolved into a women-driven energy supply model, with women managing and operating the project.

Thanks to its efficient operations, local entrepreneurs have established 10 rice hullers, 18 bore wells, and 10 irrigation pumps. Extracting oil from locally available tree-borne oil seeds (TBO) has become a profitable business, with many SHGs engaging in this activity. Overall, the system has provided a sustainable livelihood alternative for the community.

Buoyed by its success, the system was introduced in Maharashtra. Two villages, located about 40 km from Pune, were selected for implementation. The villagers were facing hardships due to high LPG prices and diminishing firewood resources. As a solution, these villages were provided with biogas through a piped network. Additionally, several women in the villages formed Self-Help Groups (SHGs). These groups underwent capacity-building training and now produce cooking fuel pellets, which are used in clean cooking with forced draft cook stoves. After fulfilling local needs, the surplus pellets are sold externally. This initiative, spearheaded by RESRA, demonstrates a comprehensive approach to energy supply and livelihood enhancement.

The rise of social entrepreneurship is driven by societal pressures urging individuals to contribute to society while also achieving financial sustainability. Traditional business models focus on maximizing revenue and economic profit, aiming to improve efficiency and meet market demands. However, with limited market capacity and increasing competition, businesses often prioritize short-term profits over long-term societal development. As social issues become more prevalent, traditional business practices are being challenged, prompting more companies to consider corporate social responsibility (CSR). Concurrently, there has been a notable rise in organizations specifically designed to address these social pressures. Although there are numerous successful examples of social entrepreneurship in recent years, the concept remains relatively novel. Many countries are grappling with this dilemma, seeking solutions to balance economic and social demands. Therefore, it is crucial to explore why social entrepreneurship is emerging and expanding worldwide, and to clarify its underlying principles and processes.

## 2. Milestone in Social Entrepreneurship

A noteworthy example of social entrepreneurship is Shri Mahila Griha Udyog Lijjat Papad, commonly known as Lijjat. This Indian women's cooperative specializes in manufacturing various fast-moving consumer goods (FMCGs). In 1959, seven Gujarati women from Bombay, with an initial capital of Rs. 80, began making papads on the terrace of their building, leveraging their cooking skills to earn a dignified livelihood. Within three months, the cooperative expanded to include about 25 women. In its first year, Lijjat's annual sales reached Rs. 6,196.

The organization gained significant publicity through word-of-mouth and local news coverage, which helped attract more members. By the end of the second year, membership had grown to 150, and by the end of the third year, it surpassed 300. Today, Lijjat boasts an annual turnover of Rs. 6.50 billion, with exports accounting for almost Rs. 290 million. The cooperative employs around 43,000 women and operates 81 branches and 27 divisions across India, primarily in rural areas. This initiative is regarded as one of the most remarkable examples of women's entrepreneurship and empowerment.

In July 1966, U.N. Dhebar, the chairman of the Khadi and Village Industries Commission (KVIC)—a statutory body established by the Government of India for the development of rural industries—formally recognized Lijjat as a unit within the "Processing of Cereals and Pulses Industries Group" under the Khadi and Village Industries Act, granting it the status of a "Village Industry." In 1966, the Khadi Development and Village Industries Corporation (KVIC) provided a working capital of Rs. 8,00,000 along with various tax exemptions to Lijjat. That same year, Lijjat registered itself as a society under the Societies Registration Act, 1860. The organization's primary goal was to promote self-employment for women,

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which is why no machinery is used in the production process. Even today, all production is done manually, avoiding modern technology for mass production or packaging. In many traditional Indian families, women are discouraged from working outside the home. To address this, Lijjat created a sustainable business model that allows women to work from home, respecting their needs and understanding their challenges. This connection with women was facilitated through collaboration with women's groups, particularly Women Self Help Groups (SHGs), which were approached and trained.

Many women were attracted to Lijjat's sustainable livelihood model and became members, referred to as 'member sisters.' These women work passionately, contributing to the company's significant growth. Lijjat provides training, raw materials (dough), and tools to ensure standard-sized papads, such as rolling and measurement pads. The company also offers transportation to and from its branches for the member sisters. Each day, the member sisters visit the company to collect dough, which they take home to roll into papads during their free time. The next day, they return with their production, which is then tested for quality. Once the quality is approved, they receive their daily rolling charges. These success stories not only uplift the morale of individuals and organizations but also enhance their social commitment.

Business entrepreneurs like Azim Premji and social entrepreneurs such as Nobel Peace Prize Laureate Muhammad Yunus, the founder of Grameen Bank in Bangladesh, are often considered equally impactful. In fact, social entrepreneurs sometimes surpass business entrepreneurs in influence. These remarkable individuals developed innovative ideas and overcame significant challenges to create products and services that significantly enhanced people's lives. Social entrepreneurship is fundamentally about driving social change, and its profound, lasting impact on society distinguishes the field and its practitioners.

## 3. Distinguishing Features of Social Entrepreneurship

Social entrepreneurs act as catalysts for societal change, much like how traditional entrepreneurs revolutionize business. Social entrepreneurship involves improving systems, developing innovative approaches, and seizing opportunities that others overlook. It goes beyond identifying societal problems to creating solutions that foster positive change. Several key factors set social entrepreneurship apart from traditional business ventures.

**Strategy:** Social entrepreneurs typically adopt cooperative strategies rather than competitive ones. This approach aligns with their social missions, limited working capital, and unique market orientation.

**Financing:** Traditional businesses often secure funding through ownership shares (stocks), long-term debts (bonds), or short-term loans. In contrast, social organizations rely on a distinct funding model involving investors and donors, highlighting the difference between profit-driven and not-for-profit entities.

**Market:** Business entrepreneurs operate in environments where supply and demand influence prices and quantities of products or services. Social entrepreneurs, however, often work in markets where revenue does not fully cover costs. Consequently, their primary focus is on societal benefit rather than profit maximization.

**Governance:** Business entrepreneurship is typically overseen by a Board of Directors accountable to the owners and stakeholders. Non-profit social entrepreneurship ventures can adopt a different governance structure. For instance, they may establish a subsidiary organization managed by a business enterprise board if they decide to operate a part of their venture for profit.

**Market Failure:** One theory explaining the existence of social purpose organizations is that they arise in response to market failures, where commercial market forces fail to address social needs, such as providing public goods or when there is contract failure. This often occurs because those in need cannot afford the services. What is a challenge for commercial entrepreneurs can be seen as an opportunity for social entrepreneurs.

**Mission:** The primary goal of social entrepreneurship is to create social value for the broader public good, while commercial entrepreneurship aims to develop profitable operations for private gain.

**Resource Mobilization:** Social entrepreneurs face limitations in accessing the same capital markets as commercial entrepreneurs due to non-distributive restrictions on surpluses generated by non-profit organizations and the inherent social purpose of for-profit or hybrid social enterprises. Additionally, the financial structure of social entrepreneurial ventures often makes it difficult to compensate staff as competitively as in commercial markets.

**Performance Measurement:**

Social entrepreneurs face more complex challenges in measuring performance compared to traditional entrepreneurs. While traditional entrepreneurs can rely on tangible metrics such as financial indicators, market share, customer satisfaction, and product quality, social entrepreneurs must navigate a broader and more diverse range of stakeholders. These stakeholders include both financial and non-financial entities, adding layers of complexity to performance management and relationship maintenance.

## 4. Conclusion:

Social entrepreneurship has rapidly developed and is now integrated into government bodies, organizations, and non-profits. Identifying opportunities is crucial for initiating entrepreneurial activities, which in turn advance social, cultural, and environmental objectives. To advance empirical research, it is important to establish clear performance indicators. Additionally, more research is needed into the factors influencing opportunity recognition. Social entrepreneurs often select business models based on societal needs, aiming to balance social impact with sustainable development.

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