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**Advocating Green Initiatives - Market Based Solutions for Social Progress**



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*“Social entrepreneurs are not content just to give a fish or teach how to fish. They will not rest until they have revolutionized the fishing industry”- Bill Drayton*

Social entrepreneurship may be defined as an entrepreneurial approach to develop sustainable solutions to relevant socio-cultural and environmental issues. The domain of social entrepreneurship is gaining global attention and prominence owing to its flexibility and innovation.

But what makes social entrepreneurship different from for-profit entrepreneurship? It will be wrong to assume that for-profit entrepreneurs are motivated solely by money and altruism

drives social entrepreneurs. Both the for-profit and social entrepreneurs are strongly motivated by the opportunity they identify regardless of whether they operate within a free market or a not-for-profit context, most entrepreneurs are never fully compensated for the time, risk, effort, and capital that they pour into their venture.

The difference between a for-profit enterprise and a social enterprise is the value proposition itself. The for-profit entrepreneur is motivated to serve the markets that can afford his/her product or service and create financial gain for him and his investors. However, the social entrepreneur aims to target an under-served, neglected, and highly disadvantaged population who lack the means to achieve the transformative benefit on its own. This does not mean that social entrepreneurs are not focused on profits and revenue generation, they do generate profits through market-based approaches.

Social enterprises use a market-based approach for achieving social progress using innovative business models to address societal challenges by generating revenue and not depending purely on grants. Engaging the markets for addressing social challenges can involve people at the bottom of the pyramid as business associates or as customers or by making products and services useful to them. Once the model becomes commercially viable, it attracts private investment increasing its sustainability and thereby, leading to a larger social impact.

Philanthropy contributes to addressing critical social problems to some extent, but long-term sustenance and scale require utilisation of market mechanism. In fact, collaboration between philanthropy and state is essential for market models to accelerate social progress; thereby, playing a vital role at the intersection of market opportunity, demand, and investment.

This approach is more suitable for third-world countries when private investment is routed to address market demands with customised and cost-effective products and services for achieving social results. Revenue driven cost-effective social business models to provide services such as health, finance, education, water, and housing for the base of the pyramid (BoP) can offer an opportunity for the private sector to look beyond short-term financial gains to ensure long-term sustainability.

A perfect market is an ideal, which does not exist due to several distortions in the society as the state alone cannot address the shortcomings of the market. Here, social entrepreneurship has begun to emerge as an alternative supplementary force to correct the markets. Social entrepreneurs may not be able to remove deep-rooted structural issues but are surely capable of triggering social progress and serve as a watchdog using a corrective force to enable markets to respond positively.

Few Indian centric examples of market-based approaches functioning effectively to achieve social progress are as below:

- Sankara Nethralaya – The organisation provides affordable eye care, today the hospital performs around 100 surgeries and serves 1200 patients daily.
- Grameen Bank – This grassroots organisation focuses on commercially viable affordable financial payments and services at the base of the economic pyramid.
- Indian School Finance company – This organisation provides loans exclusively to schools helping them to scale and impact.

Green entrepreneurship can be understood as a conscious activity of addressing environmental and social problems coupled with innovative entrepreneurial ideas not taken up with the sole intention of profit making but to address a larger environmental goal coupled with market interventions to achieve financial stability and business sustainability. These ideas have high levels of innovation as well as risk and delivers a positive effect on the natural environment and societal ecosystem.

Though the national and state governments and the non-governmental organisations have been doing their bit to address the concerns of climate change, still more needs to be done and complete remedy is only possible through collective and collaborative societal efforts. Green entrepreneurs are indeed taking the first step.

Green problems are complex as it involves multiple stakeholders and solving them requires flexible policies and when the entrepreneur applies market-based principles and instruments to design business models to address the green issue and at the same time strive to strike a balance to sustain his enterprise, the challenges only multiply and policy level changes will help the enterprise to sustain and scale.

Market-based mediations for environmental solutions motivate consumers to amend their consumption behaviour, engage producers towards sustainable use of raw materials by showing demand for green products leading to reduced negative environmental impacts. Enterprise will see more success with their green deliverables when these economic instruments are made

more cost-effective and flexible and can yield better results compared to conventional regulations used for environmental protection. Few green entrepreneurship examples in India.

□ Bamboo House India – Social enterprise focusing on building low-cost shelters using bamboo and plastic waste as a substitute for cement and hardwood and providing livelihood opportunities at the base of the economic pyramid.

□ Holy Waste – Social enterprise recycling floral waste to convert them into marketable incense sticks and supporting flower sellers and municipal corporations addressing their floral waste concerns.

□ Eco Boards – Organisation producing wall panels made of agricultural waste to address the issue of stubble burning and provide farmers with income opportunities for their waste.

For green entrepreneurship to be successful as a concept, more and more budget should be allocated both by the state and private investors leading to a series of positive developments both at the micro and macro levels creating a path for changing current policies for making the ecosystem more conducive for others to enter the sector.

Entering green entrepreneurship is now easier than ever. Keeping in mind, the current environmental problems the globe is facing and the inclination of people towards social and green causes, the potential of green entrepreneurship looks very promising but the entrepreneurs must gain the required knowledge about the issues and solutions possible and add their innovation and creativity to develop a scalable and sustainable long-term business model.

Green/social, market-based business models strive to change the unjust balance and the real impacts are visible only after a long time, often after decades. Green micro-business models, in some instances, might bring very strong winds of progress and at times might not show clear results of social change. Keeping the results aside, green entrepreneurship for addressing and solving social and environmental challenges represents a vision and an aspiration for society in the right direction for a better tomorrow.