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Review of “Social Entrepreneurship in India: Quarter Idealism and a Pound of Pragmatism” by Madhukar Shukla (2020)

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Introduction

‘Social entrepreneurship’ is a term I have been hearing for the last half a decade and more, but I never felt quite comfortable with it, and the environment did everything it could to confuse me. Suddenly, everything was a social enterprise: the people selling organic foods or solar lanterns or carbon credits; dairy cooperatives; organizations working with women who sold products made by their members; agencies which did soil-testing for a fee. There were Nongovernmental Organizations (NGOs) in the mix, as well as startups, cooperative societies, established corporate entities — you name it. Some of them took grants, others charged for products and services, yet others did a mix of both. There were some who took out some of the profit, and there were others who said it was anathema to do so. I just could not get my head around it all. Ideologically, operationally, structurally, what were Social Enterprises (SEs)? Thankfully Madhukar Shukla (2020) decided to write *Social Entrepreneurship in India: Quarter Idealism and a Pound of Pragmatism*. Now it is beginning to make sense!

About the Author

Madhukar Shukla is a senior development professional who has over four decades of experience across corporate, government, and social ventures. He has also been a Professor at the Fr. Aruppa Center for Ecology and Sustainability at the Xavier School of Management (XLRI). Both the Practitioner Shukla and the Professorial Shukla speak to us through the book. The Professor provides conceptual clarity, analysis, tables, and formats to give a clear understanding of the theoretical and conceptual bases for social enterprises. The Practitioner provides dozens of field-level examples of social enterprises and social entrepreneurs, illustrating and demonstrating the concepts.

Clarifying Concepts, Elucidating with Examples

The very first chapter ‘A Term in Search of a Definition’ helped in two ways: first, the title itself assured me that I was not the only one confused about SE (which is always a good feeling — who wants to be the only idiot?); and second, it helped me coming to grips with the concept. By identifying common critical dimensions which occur in most definitions of SE and

charting out various accepted definitions, the chapter easily leads to a working definition of the term, synthesizing the understanding that the essential characteristics of SE are these:

- SEs have a *social mission* to solve an existing social problem. The social mission constitutes the primary motive of such ventures. Such a mission sets these ventures apart from commercial ventures and socially responsible businesses (see, in this regard, Raghunathan 2022; also, Tewari and Shukla 2022).
- SEs have *innovative and sustainable solutions* to these problems, by looking at the issue differently from how it has been in the past.
- SEs use *entrepreneurial strategies* to solve social problems.

Once these three conditions are satisfied, it is of less importance what the form of the organization is, whether profits are distributed, whether it works on climate change or water conservation, or whether it works in advocacy or grass roots action. Indeed, SEs, when structured as for-profit, tend to plough substantial profits back into the social mission of the enterprise (BC Centre 2021).

The book then discusses whether 'social entrepreneurs' are like any other entrepreneurs, or fundamentally different. The answer is that social entrepreneurs need to have all the characteristics of entrepreneurs, e.g., the ability to identify an opportunity, and the ability to impact society and create wealth. They are driven primarily by the social mission. While in the case of commercial enterprises the object is to create financial wealth, while in the case of SEs, it is to create inclusive wealth (financial, social and environmental). The wealth created by traditional enterprises benefits individuals (investors, shareholders, entrepreneurs), while the one created by SEs benefits communities and the society as a whole. Since the objectives are different, the metrics are different too. Commercial enterprises measure success on financial metrics while SEs measures impact in terms of the difference they have made in the lives of people, in other words, tracking the metrics associated with the social mission.

For social entrepreneurs, the social mission is the primary driver. Shukla also discusses a taxonomy of Social Entrepreneurs. He finds it necessary to do this because such entrepreneurs differ in many ways: in the issues they address, in the resources available (or unavailable), the constraints they face, in the approaches they use, the solutions they come up with, the type of organizations they create, and the strategies they use for scaling. He comes out with a classification of SEs, from Local Changemakers, to Public Goods Providers, Constructive Opportunists,

Social Transformers, and Ecosystem Builders. He illustrates each type with several examples, making it clear what the differences are.

If the title of the book is intriguing you as it intrigued me, Shukla devotes a whole chapter (Chapter 5) to elaborate on this: Social Entrepreneurs, he says, are fired by 'Quarter Idealism and a Pound of Pragmatism'. He maintains, like other authors, that to be successful, such people must be both romantic and pragmatic. They are fired by their social mission and at the same time, they are good at overcoming challenges and building 'opportunity structures' to bring about the change they want. They are constantly learning, innovating and self-correcting. They have a deep understanding of the communities they work with and are embedded in them, so they have a constant communication and feedback loop with them. They are focused on building 'benefit sustainability' for their communities and understand the importance of scaling to fulfill their mission.

The delineation of the various forms of organizations that may be leading to social good — from Mission-driven social ventures to Revenue-surplus social ventures, to Hybrid ventures, to Social enterprise/social businesses to Socially responsible commercial ventures, to Profit-maximizing commercial ventures — is illuminating. For practitioners, this provides a palette of practical templates, and for scholars, this opens avenues to do research that compares these forms.

Shukla discusses the nature of poverty, and how the poor are a different kind of market. They not only access markets differently, but also use products and services differently from expected. Building on this is the critical last chapter 'Entrepreneurial Models for Providing Access'. It discusses strategies that have been successful in making a social impact at scale and valuable for any social entrepreneur. Among the models elaborated are:

- The Cross-Subsidy model of the Aravind eye care system, where paying-patients subsidize the treatment of patients not in a position to pay for themselves.
- The 'Product = Product + Finance' model, wherein service/product providers tie up with various types of financial organizations for easy loans which help consumers get access to financing and thereby enable them to buy items like solar lighting or access vocational training
- The No Frills offerings which are products re-engineered to meet the situations and needs of the poor, like the Chotukool refrigerators which are sold for less than Rs. 3500 (less than \$45), and run on a 12-Volt battery

- The Para-skilling approach, which trains local community members to deliver high-quality services at reasonable costs.
- The use of Shared Channels — partnerships to help reach out to the markets without setting up specialized and expensive marketing channels, but rather using and piggybacking on existing ones. For instance, the founding entrepreneurs use the India Post network to sell Chotukool fridges.
- The Aggregated Market Linkages model, like the well-known e-Choupal (web-based agri-info-procurement tool for Indian farmers) approach which aggregates inputs, procurement, or marketing services to keep costs down (see Annamalai and Rao 2003 for more on e-Choupal).

The book has all: a comprehensive and clear treatment of all I ever wanted to know about Social Entrepreneurship but did not know who to ask!

Indian or Universal?

While the title itself says the book is about Social Entrepreneurship in India, I think this is unfair to the contents. Yes indeed, the examples are almost all Indian, but the conceptual frameworks and the analysis and synthesis are universal. If I were teaching a course on Social Entrepreneurship anywhere in the world, I would use this book as the textbook, and ask my students to research and find examples from their country or region to replace the examples in the book — and that would indeed be an extremely useful exercise.

Suggestions for Future Work

Many, many inspiring success stories are discussed, but it would have been useful to have an analysis of some failure stories as well.

A few other points that the author may consider for the next edition: The Social Stock Exchange was not yet functional when the book was being written and a discussion on this would be most useful, equally, a discussion on the best role CSR funds can play in this eco-system.

Here is another book I would love to see the author to write — a manual for turning around NGOs and making them social enterprises in spirit and action. I say this because a point which worries those of us who have been part of the social sector for a long time are the following questions: Why are there so many NGOs stuck in a rut after 10, 20, 30 years? Why have they not become energetic social enterprises? Why have they not been able to scale? Scale could mean expanding geographies, reach, products and services, but equally, influence, ability to change

systems and policies, models which are replicated: essentially, increase impact. What is holding them back? Is it about changing mindsets, is it about changing people, is it about redefining mission and vision, is it about going back to the drawing board to reinvent themselves totally? And how can they do this? If Shukla can bring his experience and knowledge to bear on some of these questions, it would be a great contribution. Government of India's NGO Darpan reports the number of NGOs as over 200,000. Imagine if even 10 per cent of them could reinvent themselves as dynamic social enterprises, what a change they could unleash!

All in all, this is a scholarly but easy-to-read book for everyone in the social sector and for entrepreneurs who want to use their energies to make a difference.

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