**TRANSFORMING SOCIAL BUSINESS PRACTICES IN THE GLOBAL MARKET- A LITERAUTURE REVIEW BASED STUDY**

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**ABSTRACT**

Social undertakings or social business are associations that surface with human agreeable answers for having a social effect and tackle social issues, social endeavours contrast from the corporate world since social ventures generally centre around poor people and the more fragile areas of the general public. Throughout the long-term social undertakings have developed and then some and more friendly endeavours came into the picture. Subsequently, numerous social ventures have figured out how to roll out a social improvement like Warby Parker is an eyeglass retailer and lends eyeglasses to individuals deprived of each pair sold. Tom's, a California-based retailer, has additionally chosen to give a couple of shoes or sunglasses for each pair sold. Also, different social undertakings throughout the world centre around satisfying cultural requirements through business exercises. This paper centres around those social endeavours that have rolled out an improvement in the public eye and how the social undertakings of social strategic approaches changed throughout the long term, qualities, challenges, policies taken to tackle these difficulties throughout the world. Secondary data have been analysed.

Key Words- Social Business, Entrepreneurship, Social Impact, Social Enterprise

**INTRODUCTION**

The social business venture was first-authored by Bill Drayton CEO and organizer of Ashoka during the 1980s. Social business is a gathering of individuals or organizations or an individual to raise answers for issues in the general public or economy. Individuals who run social ventures are called social business visionaries or social entrepreneurs, they are individuals who face up challenges and raise answers for roll out a social improvement. Henceforth friendly business visionaries can be individuals who are related with non-benefit or non-government associations and spotlight on raising assets through assembling and different administrations and good cause occasions. Adam Smith a famous economist accepted that while most business visionaries are propelled to acquire a benefit, the benefits rationale doesn't prevent business people from having a social effect. The economist Adam Smith said in his book " The Wealth of Nations": " This isn't out of the generosity of the butcher, the brewer, or the dough puncher that we anticipate our supper, yet from their respect to their responsibility." i.e when individuals seek after their advantages, they will be directed by choices that advantage others, for example, an inn proprietor even though his primary thought process is to bring in cash, to achieve these intentions he makes food that feeds and sustains others.

A social undertaking is either a for-benefit or not-revenue driven venture whose principle centre is around having a social effect. Social ventures endeavour to augment benefits while making the greatest advantages for society. social ventures might have two thought processes the profit objective and social intention yet the social rationale or social objective is given more accentuation. Social endeavours had a presence in history like Robert Owen organizer of the co-usable development, Florence Nightingale founder of the main nursing school and engineer of current nursing rehearses, Vinoba Bhave originator of India's land gift movement. During the current day, social endeavours have acquired ubiquity and different social undertakings have begun in different parts of the world. Grameen Bank is a microfinance association and local area improvement bank established by Mohammed Yunnas. Since customary banks were hesitant to give credits to the poor since they had no security while Grameen Bank then again furnished advances to the poor with the presumption that even the most unfortunate of the poor can deal with their monetary issues. Helpsy established by Alex husted is an association that spotlights on reusing old garments and shoes and subsequently, these garments and shoes are given a subsequent life. Babban Gonna is an association that utilizes horticulture to handle the main driver of weakness in Nigeria that is joblessness. This paper centres around the Various social endeavours throughout the world that developed throughout the long term and how they had a social effect.

**LITERATURE REVIEW**

The role of the social entrepreneur is important for the social and economic development of the country. Social entrepreneurs help in the creation of social and economic values. Social entrepreneurs play an important role in employment generation, economic development, innovation, social and financial capital formation. Social entrepreneurs are necessary as they see the prevalent problem in society find out the causes and through their innovative ideas and creations remove those problems and most notably earn a profit (Ruturaj Baber, January 2012)

Determinants of Social entrepreneurship were identified, the determinants include internal environmental factors like uncertainty, management efficiency, funding and resources, risk. External environmental factors like new opportunities and innovation, community entrepreneurship, social change agent, social venture and social enterprises, Institutional entrepreneurs, social welfare, and value. Personal factors include leadership quality, education, knowledge, skills, and experiences, entrepreneurial ability, social innovation capabilities, Enthusiasm, and willingness. these three determinants comprise social entrepreneurship and lead to the success of the social enterprise (Omar Fruk, 2016).

Three different theories have been identified under social entrepreneurship (1) structuration theory; this theory implies that it is not possible to segregate the agent i.e social entrepreneur from the structure i.e society. (2) institutional entrepreneurship, DiMaggio (1988) brought up the notion of institutional entrepreneurship to spread awareness rises or changes social enterprises are also similar because social enterprises alter and give birth to new structures. social enterprises are said to change rules and norms (3) Social Capital, is based on three dimensions that are (a) structural capital, it conveys the potential of the social entrepreneurs for their access to resources (b)relationship capital, this conveys the relationship between the social entrepreneur and the people (c)cognitive capital, it is the extent to which a person will share a same code and system of dealing within a community (Dr.Hemantkumar P.Bulsara, 2015)

Entrepreneurship or entrepreneurship practices with a social purpose have been on the increase in past years. A partial indicator of this surge is revealed by the growth in the number of non-profit organizations, which increased 31% between 1987 and 1997 to 1.2 million, exceeding the 26% rate of new business formation (The New Non-profit Almanac and Desk Reference, 2002). However, the dynamic is even more robust, as other forms of social entrepreneurship have also flourished in recent years beyond that occurring within the non-profit sector (Austin, 2006). The recent increase in the popularity of social entrepreneurship practices makes a comparative study between commercial and social entrepreneurship. Social entrepreneurship is raising as a topic for academic inspection Its theoretical underpinnings have not been adequately explored, and the need for contributions to theory and practice is pressing (Austin, 2006) (Noruzi, 2010).

Social enterprises mostly focus on solving social issues in the country, along with social issues they also consider environmental issues. Social enterprise fulfils mainly three issues that are unemployment, innovation, and adaption of new ideas, higher acceleration in the structural change of the economy. Social enterprise UK specifies certain characteristics for a social enterprise that is (1) Social or environmental objective, social enterprises must have clarity on the objective of their organization (2) Generate the majority of income through trade, a social enterprise is supposed to generate 50% of their income 2 years after they are established through internal business trading (3) reinvesting the profits, social enterprises should reinvest their profit for social causes otherwise it will just be a for-profit organization. (4) Accountability and transparency, a social enterprise should be transparent about all its operations since their working for society.

Social entrepreneurship has made a breakthrough in various parts of the country, especially in countries like the United States, Europe. When social enterprise was introduced in the United States it was received positive responses from business communities. Since then, various international universities have initiated training and development programs and international research to fund social entrepreneurship (K.G.C Kirelle, 2016).

Social enterprises are now focusing more on sustainable objectives as it has a major impact on the environment. Most of the organizations focus on recycling and very few organizations take up upcycling for their sustainable missions. upcycling refers to when an object can no longer be used, is reprocessed into the raw material of higher value than before. McDonough and Braungart (2000) as stated in Nyaguthii, (2013) state that the ultimate goal of Upcycling is to reduce the wastage of potentially useful material by making better use of the existing ones. Hence upcycling has been a trend in many parts of the world for example “The upcycle project” is a social enterprise run by Amishi shah, the mission of this organization is to upcycle vinyl records into clocks, bookends, coasters, etc. “The grate crate project “in Sydney Australia upcycled 100’s of milk cartons to build the world's largest container garden. Re Tread products upcycled abandoned tires to make tire logs. potentially useful material by making better use of the existing ones (Shameek Vats, 2016).

Social enterprises have realized that the current methods of funding are not sufficient to fulfil their missions, hence they came up with innovative solutions to increase the funding of social enterprises that is (1) Loan guarantees, Melinda Gates and Bill Gates have decided to provide loans to social enterprises instead of direct funding, this is considered as an effective way to leverage donations and provide more funds. (2) Pooling, pooling funds by various social enterprises is another method to increase funds. because the pooling investors can tailor their liabilities to the need of the investors (3) Quasi-equity debt, quasi-debt equity is security especially for those enterprises that are legally structured as a non-profit organization and hence no entitled to equity capital. (4) social impact bonds, this type of bond is sold to private investors who are paid in return only if the public project succeeds (Antony Bugg-Levien, 2012).

There are different perspectives for social enterprises around the world, according to the practitioner's viewpoint social entrepreneurs are Walking anecdotes, people Have new ideas to solve important problems, they tirelessly pursue their vision, those who don’t Accept no, they will not give up until they put forward as many ideas as possible. Hence their primary interest is on the attributes of the practitioners and the process they follow to drive social change whereas an academic viewpoint of social entrepreneurship is that social entrepreneurship is the construction, evaluation, and pursuit of opportunities for social change and their main focus is on the connection between an opportunity for social change and the entrepreneur. (Dave Roberts, 2005)

Over the years social entrepreneurship has gained popularity around the world, and various social enterprises came into the picture. One some them is Echoing Green, which is located in New York identifying young entrepreneurs and helping them grow in their mission. Rangde, this social enterprise is situated in India founded by Ramakrishna NK and Smitha Ram. their main focus is on understanding potential young entrepreneurs and lend them small loans to either start a business or grow the existing business. TOMSHOES founded by Mycoskie focuses on providing one shoe to people in need for every one pair of shoes sold, he then initiated the one-for-one campaign to spread light on water, sight, birth, anti-bullying. Charity: Water is a non-profit organization to provides safe and portable drinking water in and around the world. Seventh Generation is a social enterprise founded by Jeffery Hollender and its mission is to provide sustainable and eco-friendly products for sexual and personal health like tampons, pads, condoms, lubricants, etc (delventhel, 2020).

Various parameters differ between social enterprises and from the present-day traditional business venture. In social entrepreneurship, the strategy choose is mostly cooperative rather than competitive. The difference in funding between for-prof (Dr.Nipun Aggrawal, January 2020)it and non-profit social enterprises lies in investors and donors. In the case of the marketing parameter, business entrepreneurs work in a market environment where supply and demand, directly or indirectly, affects the amount of quantity sold whereas for social entrepreneurs their costs are not mostly covered by revenue. In the case of governance, business enterprises are undertaken by owners and stakeholders whereas social enterprises are undertaken by different government bodies they can form sub-organizations managed by the business enterprises outside the country (Tanvi Gandhi, 2018).

Even though social enterprises have gained importance, there are still various challenges that social entrepreneurs face today like lack of capital, lack of investors, lack of skilled labor, and many more hence the government has implemented certain policy measures to encourage social enterprises. they are (1) Legal forms, different countries have implemented laws that recognize a new legal form for social enterprises, for example, the social enterprise in South Korea, Community interest community in the UK, Benefit Corporation in US. by legally recognizing these social enterprises it helps to formulate new legal policies to support them (2) Fiscal incentives, social investment tax relief is a policy tool implemented by the UK government. this policy benefits the people who invest in social enterprises by giving them a reduction of 30% of investment in the income tax bill of that year. (3) Public procurement systems, United Kingdom implemented the social value act in 2012 through this policy the government can open up opportunities to social enterprises to deliver their public services. (4) Awareness campaigns, awareness programs help to identify and promote social innovators like Thai social enterprise awards in Thailand, Community social tours in the US, Social value awards in the UK. (5) Guarantee funds, this policy extends credit guarantees to social enterprises with lack tangible collateral to avail loans like KODIT in South Korea, II Guarantee Fund for Social Cooperatives in Italy (Sanchez, 2016)

The actions that social entrepreneurs take towards government and policies can be categorized into six dimensions, which fall under the sub-topics engagement and disengagement. The 4 dimensions that come under engagement include leveraging, policy, building relationships, lobbying, and following government cues. and the two dimensions under disengagement are avoiding government presence and disengagement from the policy. Actions taken to leverage policy include getting accredited, applying, bidding, moving towards the grid, working with external powers, working with CSR or corporate social responsibility, spending money, and hedging risk. Tactics for building and leveraging relationships include maintaining relationships with local, state, and national level government officials working with local politicians, government into supply chains. Under lobbying, two key actions are identified offering information and feedback. the author of the paper recommends that policymakers may focus on helping SE build relationships, networks, and partnerships with government partners and large commercial enterprises, which enables growth while minimizing risk (Victoria Plutshack, 2019)

Social entrepreneurship has evolved from a dispensable model of corporate philanthropy to an essential business that enables companies to build a sustainable future. It is increasingly welcomed by leaders in progress, technology, and social responsibility around the world, especially millennials. The work and achievements of social entrepreneurs are changing new social norms and the way we access services across sectors. The intersection of India’s and various other developing countries innovation, governance, and entrepreneurship ecosystems shows how these countries are ready for a social impact revolution, where entrepreneurs view our biggest problems as potential opportunities (Sood, 2020)

To date social enterprises have impacted many livelihoods, to assess this impact The Schwab foundation conducted a study and showcased a report in their Schwab foundation impact report 2020. The report showcases that the community has reached 622 million people in over 190 countries to sustainably improve lives and livelihoods. Over 6.7 billion dollars have been distributed to individuals through equity, loans in the form of services and products and that enhance the lives of the people and are sustainable solutions. Over 192 million tonnes of carbon dioxide have been mitigated through sustainable solutions, 192 million tonnes are almost equivalent to 40.7 million vehicles off the road for a year. there were also indirect benefits that emerged after the efforts of social enterprises that are better economic opportunities, better government policies, increased social protection.

Still there exist challenges those social enterprises were not able to tackle fully, some of the top 10 challenges still faced by the countries include Education, economic opportunity and development, entrepreneurship and enterprise development, health and healthcare, environment climate and circular economy, gender equity, financial inclusion, workforce development, rural development, children and youth rights and development (Kyle Zimmer, 2020)

**RESEARCH METHODOLOGY**

This study is based on secondary data. Secondary data is collected mainly from journals, articles, books, and related websites.

**FINDINGS**

This paper focuses on social enterprises around the world, characteristics, various social business practices, challenges faced, policies are taken to tackle these challenges, impacts of social enterprises on the livelihoods of the people around the world. It was found that A social undertaking is either a for-benefit or not-revenue driven venture whose principle center is around having a social effect and people who run these social enterprises are known as social entrepreneurs, social entrepreneurs play an important role in employment generation, economic development, innovation, social and financial capital formation. Factors that determine social enterprises include determinants include internal environmental factors like uncertainty, management efficiency, funding and resources, risk. External environmental factors like new opportunities and innovation, community entrepreneurship. Social entrepreneurship has also been categorized into three theories by various economists around the world that is structuration theory, institutional entrepreneurship, social capital. Social enterprises in the UK have formulated certain characteristics for social enterprises like social and environmental objectives, Generate the majority of income through trade, reinvesting the profits. Social enterprises have now decided to be more sustainable and give importance to recycling and upcycling, upcycling refers to when an object can no longer be used, is reprocessed into the raw material of higher value than before. Social enterprises have also realized that the current methods of funding are not sufficient to fulfil their missions, hence they came up with innovative solutions to increase the funding of social enterprises that as Loan guarantees, pooling, Quasi-equity debt, and social impact bonds. In social entrepreneurship, the strategy chosen is mostly cooperative rather than competitive. Over the years social entrepreneurship has gained popularity and various social enterprises started coming up like skoll foundation, Grameen bank, TOMSSHOE, Aravind eye hospital, etc. Even though social entrepreneurship is gaining popularity there are still challenges faced by these organizations in various parts of the world like lack of capital, lack of investors, lack of skilled labour, hence the government or ruling bodies in different countries have implemented certain policies to encourage social entrepreneurship that is Legal forms, fiscal incentives, public procurement system, awareness campaign. The Schwab foundation conducted a study and showcased a report in their Schwab foundation impact report 2020. The report showcases that the community has reached 622 million people in over 190 countries to sustainably improve lives and livelihoods. Some of the big challenges that social enterprises still have to focus on include education, economic opportunity and development, entrepreneurship and enterprise development, health and healthcare, environment climate and circular economy, gender equity, financial inclusion, workforce development, rural development, children and youth rights, and development. Proper encouragement and awareness will help social enterprises to grow and make immeasurable social changes.

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