**UNIT II**

**Introduction**

**Entrepreneurship** is the creation or extraction of value. With this definition, entrepreneurship is viewed as change, generally entailing risk beyond what is normally encountered in starting a business, which may include other values than simply economic ones.

An [**entrepreneur**](https://en.wikipedia.org/wiki/Entrepreneur) is an individual who creates and/or invests in one or more businesses, bearing most of the risks and enjoying most of the rewards. The process of setting up a business is known as entrepreneurship. The entrepreneur is commonly seen as an innovator, a source of new ideas, goods, services, and business/or procedures.

More narrow definitions have described entrepreneurship as the process of designing, launching and running a new business, which is often similar to a [small business](https://en.wikipedia.org/wiki/Small_business), or as the "capacity and willingness to develop, organize and manage a business venture along with any of its risks to make a [profit](https://en.wikipedia.org/wiki/Profit_%28accounting%29). The people who create these businesses are often referred to as entrepreneurs. While definitions of entrepreneurship typically focus on the launching and running of businesses, due to the high risks involved in launching a [start-up](https://en.wikipedia.org/wiki/Start-up_company), a significant proportion of start-up businesses have to close due to "lack of funding, bad business decisions, government policies, an economic crisis, lack of market demand, or a combination of all of these."

In the field of [economics](https://en.wikipedia.org/wiki/Economics), the term entrepreneur is used for an entity which has the ability to translate inventions or [technologies](https://en.wikipedia.org/wiki/Technologies) into products and services. In this sense, entrepreneurship describes activities on the part of both established firms and new businesses.

**Importance of entrepreneurship**

* Entrepreneurs **provide solutions to the gaps in the market economy by using organisational skills such as planning, coordinating and controlling**. The contribution of entrepreneurship to the economy needs small businesses to contribute to employment, innovations, competition and social and political stability.
* Entrepreneurs are important to market economies because they can act as the wheels of the economic growth of the country. By creating new products and services, they stimulate new employment, which ultimately results in the acceleration of economic development.
* As businesses and workers become more efficient, costs fall, profits and incomes rise, demand expands, and economic growth and job creation accelerate.

**Social entrepreneurship vs business entrepreneurship**

**A**[**social entrepreneur**](http://www.schwabfound.org/content/what-social-entrepreneur) follows the same path to success as a business entrepreneur, their goals are radically different. A social entrepreneurship looks to create positive changes in the world first-and-foremost. They must make a profit to do this — so they can spend those profits on charitable actions, and/or re-invest those profits in their companies operations.

The products and/or services offered by an entrepreneurship can clearly define the businesses intentions, and let you know whether or not it’s a social or business entrepreneurship. Here are a few examples of social entrepreneurships:

* [**Grameen Bank**](http://www.grameen.com/) – This “bank of the poor” is a special type of creditor that offers micro-loans to impoverished people in developing countries. These small loans give people the means to be self-sufficient, and they’re almost always paid in full.
* [**TOMS**](https://www.toms.com/) – this stylish footwear company was formed after their founder, Blake Mycoskie, visited Africa and was shocked to find most people couldn’t afford a pair of shoes. For every pair of TOMS sold, the company donates one pair of shoes to people in need.
* [**Seventh Generation**](https://www.seventhgeneration.com/) – along with producing cleaning and personal hygiene products that have a reduced harmful effect on the environment, this social entrepreneurship donates 10 percent of their pre-tax revenue to non-profits and other social entrepreneurships.

“**Business**” entrepreneurship is a little redundant. All entrepreneurs found a company, or that is to say, a business. Entrepreneurs launch companies that create change and profit through their product and/or service offerings. When you use business to solve a problem, make life more convenient, or do something better than it had been done before, you are an entrepreneur.

For the sake of this discussion, when we talk about business [entrepreneurship](http://www.businessdictionary.com/definition/entrepreneurship.html), we’re talking about a specific type of entrepreneur. This entrepreneur wants to use their business to make money. They will develop, bootstrap and launch a company specifically for the sake of turning a profit. While they are looking to affect change through their company, there is no specified social mission attached to their business. The entrepreneur’s ideas about how the world should be are not intertwined with the actions of their company.

**Although these two forms of business can be similar, here are some key differences:**

**1. Who’s Investing in Your Entrepreneurship?**

Many social entrepreneurships seek their first-phases of funding from philanthropists. Although these investors want to see a return-on-investment (ROI) they’re more likely involved in the business due to its social mission. A traditional, business entrepreneurship usually seeks capital from a venture capitalist firm — and they’re all about the ROI and nothing else

**2. How Are Profits Used?**

A business entrepreneurship uses their profits to grow the company and pay shareholders. You get involved in a business entrepreneurship for the sake of making money and increasing your personal wealth. Although social entrepreneurships engage in for-profit activities, their profits may be donated to charity or used for other philanthropic efforts. There may be no shareholders in a social entrepreneurship, and even the entrepreneur may not make much personal wealth from their business. Instead, it’s about the mission.

**3. How Do You Define Wealth?**

Both types of companies want to affect serious change, disrupt the existing market and make money by offering a better solution. A business entrepreneurship defines wealth as dollars made through these actions. Money is the goal of the business. A social entrepreneurship values wealth accumulation and the profits generated by their company. However, a social entrepreneur sees money as just a tool to affect real change throughout the world. It’s not their endgame.

**Social entrepreneurship and social change**

* Entrepreneurs for Social Change foresees the empowerment of young entrepreneurs at the regional level in a comprehensive manner, for these to be able to induce positive social change in their communities through entrepreneurship and innovative business ideas.
* Social entrepreneurship seeks to look at making a lasting change, something that can be achieved only through tackling the problem at the socio-cultural level. Change is now visible on the ground and marginalised groups of society have started to benefit from this new approach.

**Qualities and traits of social entrepreneurs**

* Curiosity. Social entrepreneurs must nurture a sense of curiosity about people and the problems they face
* Inspiration
* Resourcefulness
* Pragmatism
* Adaptability
* Openness to Collaboration
* Persistence

**magsaysay award**

The Ramon Magsaysay Award is an annual award established to perpetuate former [Philippine President](https://en.wikipedia.org/wiki/President_of_the_Philippines) [Ramon Magsaysay](https://en.wikipedia.org/wiki/Ramon_Magsaysay)'s example of integrity in governance, courageous service to the people, and pragmatic idealism within a democratic society. The prize was established in April 1957 by the trustees of the [Rockefeller Brothers Fund](https://en.wikipedia.org/wiki/Rockefeller_Brothers_Fund) based in [New York City](https://en.wikipedia.org/wiki/New_York_City) with the concurrence of the [Philippine government](https://en.wikipedia.org/wiki/Politics_of_the_Philippines).

The award is named after Ramon Magsaysay, the [seventh](https://en.wikipedia.org/wiki/List_of_presidents_of_the_Philippines) president of the Republic of the Philippines after World War II. The Ramon Magsaysay Award Foundation gives the prize to [Asian](https://en.wikipedia.org/wiki/Asia) individuals achieving excellence in their respective fields. The awards were given in six categories, five of which were discontinued in 2009:

* Government Service (1958–2008)
* Public Service (1958–2008)
* Community Leadership (1958–2008)
* Journalism, Literature, and Creative Communication Arts (1958–2008)
* Peace and International Understanding (1958–2008)
* Emergent Leadership (2001– )
* *Uncategorized* (2009– )

**Indian magsaysay award for social entrepreneurs**

**Ela Ramesh Bhatt** (born 7 September 1933) is an [Indian cooperative](https://en.wikipedia.org/wiki/Indian_Co-operative_Network_for_Women) organiser, activist and [Gandhian](https://en.wikipedia.org/wiki/Gandhian), who found the [Self-Employed Women's Association of India](https://en.wikipedia.org/wiki/Self-Employed_Women%27s_Association_of_India) (SEWA) in 1972, and served as its [general secretary](https://en.wikipedia.org/wiki/General_secretary) from 1972 to 1996. She is the current [chancellor](https://en.wikipedia.org/wiki/Chancellor_%28education%29) of the [Gujarat Vidyapith](https://en.wikipedia.org/wiki/Gujarat_Vidyapith). A lawyer by training, Bhatt is a part of the [international labour](https://en.wikipedia.org/wiki/Labour_movement), [cooperative](https://en.wikipedia.org/wiki/Cooperative_movement), women, and [micro-finance](https://en.wikipedia.org/wiki/Micro-finance) movements and has won several national and international awards, including the [Ramon Magsaysay Award](https://en.wikipedia.org/wiki/Ramon_Magsaysay_Award) (1977), [Right Livelihood Award](https://en.wikipedia.org/wiki/Right_Livelihood_Award) (1984) for "helping home-based producers to organise for their welfare and self-respect" and the [Padma Bhushan](https://en.wikipedia.org/wiki/Padma_Bhushan) (1986).

**Mankombu Sambasivan Swaminathan** (born 7 August 1925) is an Indian agronomist, [agricultural scientist](https://en.wikipedia.org/wiki/Agricultural_scientist), [plant geneticist](https://en.wikipedia.org/wiki/Plant_geneticist), administrator and [humanitarian](https://en.wikipedia.org/wiki/Humanitarianism). Swaminathan is a global leader of the [green revolution](https://en.wikipedia.org/wiki/Green_Revolution). He has been called the main architect of the [green revolution in India](https://en.wikipedia.org/wiki/Green_revolution_in_India) for his leadership and role in introducing and further developing high-yielding varieties of wheat and rice. Swaminathan's collaborative scientific efforts with [Norman Borlaug](https://en.wikipedia.org/wiki/Norman_Borlaug), spearheading a mass movement with farmers and other scientists and backed by public policies, saved India and Pakistan from certain famine-like conditions in the 1960s. His leadership as Director General of the [International Rice Research Institute](https://en.wikipedia.org/wiki/International_Rice_Research_Institute) (IRRI) in the Philippines was instrumental in his being awarded the first [World Food Prize](https://en.wikipedia.org/wiki/World_Food_Prize) in 1987, recognized as [the Nobel or the highest honours in the field of agriculture](https://en.wikipedia.org/wiki/List_of_prizes_known_as_the_Nobel_or_the_highest_honors_of_a_field). [United Nations Environment Programme](https://en.wikipedia.org/wiki/United_Nations_Environment_Programme) has called him 'the Father of Economic Ecology'.

Swaminathan contributed [basic research](https://en.wikipedia.org/wiki/Basic_research) related to potato, wheat and rice, in areas such as cytogenetics, ionizing radiation and radiosensitivity. He has been a President of the [Pugwash Conferences](https://en.wikipedia.org/wiki/Pugwash_Conferences_on_Science_and_World_Affairs) and the [International Union for Conservation of Nature](https://en.wikipedia.org/wiki/International_Union_for_Conservation_of_Nature) (IUCN). In 1999, he was one of three Indians, along with [Gandhi](https://en.wikipedia.org/wiki/Mahatma_Gandhi) and [Tagore](https://en.wikipedia.org/wiki/Rabindranath_Tagore), on [*TIME* magazines'](https://en.wikipedia.org/wiki/Time_%28magazine%29) list of the '20 Most Influential Asian People of the 20th Century', along with [Eiji Toyoda](https://en.wikipedia.org/wiki/Eiji_Toyoda), [Dalai Lama](https://en.wikipedia.org/wiki/Dalai_Lama) and [Mao Zedong](https://en.wikipedia.org/wiki/Mao_Zedong). Swaminathan has received numerous awards and honours, including the [Shanti Swarup Bhatnagar Award](https://en.wikipedia.org/wiki/List_of_Shanti_Swarup_Bhatnagar_Prize_recipients), [Ramon Magsaysay Award](https://en.wikipedia.org/wiki/Ramon_Magsaysay_Award) and the [Albert Einstein World Science Award](https://en.wikipedia.org/wiki/Albert_Einstein_World_Award_of_Science).

**Verghese Kurien** (26 November 1921 - 9 September 2012), known as the "Father of the White Revolution" in India, was a social entrepreneur whose "billion-litre idea", [Operation Flood](https://en.wikipedia.org/wiki/Operation_Flood), made [dairy farming](https://en.wikipedia.org/wiki/Dairy_farming) India's largest self-sustaining industry and the largest rural employment sector providing a third of all rural income. It made India the world's largest milk producer, doubled the milk available for each person, and increased milk output four-fold in 30 years.

He pioneered the [Anand](https://en.wikipedia.org/wiki/Anand_Milk_Union_Limited) model of dairy [cooperatives](https://en.wikipedia.org/wiki/Cooperative) and replicated it nationwide, based on various "top-down" and "bottom-up" approaches, where no milk from a farmer was refused and 70–80% of the price by consumers was paid in cash to dairy farmers who controlled the marketing, procurement, and processing of milk and milk products as the dairy's owners. An invention at [Amul](https://en.wikipedia.org/wiki/Amul) was the production of milk powder from buffalo milk instead of from cow milk, which was in short supply in India.

He also made India self-sufficient in edible oils and fought against the "oil kings", who used underhanded and violent methods to enforce their dominance over the oilseed industry. 1963 won [Ramon Magsaysay Award](https://en.wikipedia.org/wiki/Ramon_Magsaysay_Award).

**Jockin Arputham** (15 August 1947 – 13 October 2018) was an Indian community leader and activist, known for his campaigning work of more than 40 years on issues related to [slums](https://en.wikipedia.org/wiki/Slum) and [shanty towns](https://en.wikipedia.org/wiki/Shanty_town). He was born in [Karnataka](https://en.wikipedia.org/wiki/Karnataka), India and moved to [Mumbai](https://en.wikipedia.org/wiki/Mumbai), where he quickly became politicized and established himself as a community leader. In 2014, he was nominated for the Nobel Peace Prize, alongside the organisation he helped to found, [Slum Dwellers International](https://en.wikipedia.org/wiki/Slum_Dwellers_International). 2000: The [Ramon Magsaysay Award](https://en.wikipedia.org/wiki/Ramon_Magsaysay_Award) for Peace and International Understanding.

**Aruna Roy** (née Jayaram, born 6 June 1946) is an Indian social activist, professor, union organiser and former civil servant. She is the president of the [National Federation of Indian Women](https://en.wikipedia.org/wiki/National_Federation_of_Indian_Women) and founder of the [Mazdoor Kisan Shakti Sangathan](https://en.wikipedia.org/wiki/Mazdoor_Kisan_Shakti_Sangathan). [Ramon Magsaysay Award](https://en.wikipedia.org/wiki/Ramon_Magsaysay_Award), 2000.

**Rajendra Singh** is a well known water conservationist from Alwar district, Rajasthan in India. Also known as "waterman of India", he **won the Ramon Magsaysay Award for community leadership in 2001** for his pioneering work in community-based efforts in water harvesting and water management.

**Shantha Sinha** is an Indian anti-child labour activist. She is the founder of Mamidipudi Venkatarangaiya Foundation, popularly known as MV Foundation, and is a professor in the Department of Political science in Hyderabad Central University. **In 2003, she was given the Ramon Magsaysay Award for Community Leadership**, in recognition of her work in "guiding the people of AP to end the scourge of child labour and send all of their children to school".