Social Entrepreneurship a boom to Rural Sector

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Abstract: Villages comprise the base of Indian society and also represent the real India. It is for these villagers that we need to make sure we build a system that delivers basic social infrastructure in an effective manner. In order to ensure that the fruits of India's progress are shared by all sections of the society, the government has identified several elements of social and economic infrastructure, critical to the quality of life in rural areas. Its rising middle class demands more than just bread. Food and agricultural operators based in India and abroad are responding to the country's demands with an array of high-quality food products that contribute to India's increasing nutritional requirements and add value to India's agricultural supply chain. However even today there are disparities of development between the rural and the urban sector. In spite of planning, however, the regional disparity remained a serious problem in India. A new controversy in this respect is whether growth rates and standard of living in different regions would eventually converge or not. The convergence postulates that when the growth rate of an economy accelerates, initially some regions with better resources would grow faster than others. But after sometime, when the law of diminishing marginal returns set in, first growth rates would converge, due to differential marginal productivity of capital (higher in poorer regions and lower in richer regions), and this in turn would bridge the gaps in the levels of income across regions. In order to overcome this problem of disparity Social Entrepreneurship is one of solution. This study focuses on the importance of rural sector to the GDP of Indian Economy, presence of Regional Disparity and how social entrepreneurship can become a means to overcome this problem.

Key Words: Rural Sector& its revival, Regional Disparity, Social Entrepreneurship.

INTRODUCTION:

It is an accepted factor that rural sector forms one of the pillars to the overall economic development of India through agricultural and non-agricultural sub-sectors. However this sector has suffered adversely. Although it is known fact that the success story of Indian economy is spreading its wings towards India's districts and rural areas which accounts for over 65% of the nation's total populace. Currently, the rural sector of India is not only observing a massive increase in its per capita income but also in its expenditure and production.

OUTLOOK OF RURAL INDIA:

India has had a glorious past. Our cultural heritage is comparable to that of China or Egypt. We had great kings and kingdoms. Half of the major world religions had their origin in India. We had produced great thinkers and philosophers who contributed to several branches of knowledge.

But most of our history before 1500 AD is in oral traditions. Indians, by and large, were not good at record keeping. This is especially true about hard facts and data relating to various aspects of life. Even for the period 1500 to 1750 AD data are rudimentary. The historical trends discussed in this section, by and large, are based on Cambridge Economic History of India edited by Dharma Kumar with editorial assistance by Meghnad Desai and Tapan Raychaudhuri and Irfan Habib.

Mughal period (1500-1750)

India during Akbar's time was considered as prosperous a country as the best in the world. Though mainly agrarian, India was a leading manufacturing nation at least at par with pre-industrial Europe. She lost her relative advantage only after Europe achieved a revolution in technology.

The economy was village-based. Though under Muslim rule for over 500 years, the society continued to be organized in Hindu traditions. Caste system was intact. The social disparity often added another dimension to economic exploitation. While the Ajman system ensured social security, the caste system ensured social immobility.

However, flexibility of the Jajmani system ensured that the artisans working under it were not completely cut off from the market. They were free to sell outside the village the surplus goods left after the fulfillment of community obligations. The traditional economic system based on agriculture and small-scale industries were not disrupted either by the activity of native capital or by the penetration of the foreign merchant capital.

There is historical evidence to indicate that there were food surplus and deficit regions as trade in food grains between regions took place. This contradicts the postulate that a uniform pattern of self-sufficiency for the entire sub-continent existed. For example, rice was being purchased from Konkan coast to be transported through sea to Kerala. Similarly, Bengal rice was sent up the Ganges to Agra via Patna, to Coramandel and round the Cape to Kerala and the various port towns of the West Coast. The best mangoes in Delhi's Mughal Court came from Bengal, Golconda and Goa. Salt to Bengal was imported from Rajputana.

Domestic trade was facilitated by a fairly developed road network. Sher Shah Suri during his short regime laid the foundation of a highway system in India. He alone had built 1700 saris' for the convenience of travellers, mainly traders, on the highways.

India exported common foods like rice and pulses, wheat and oil, for which there was considerable demand abroad. Bengal, Orissa and Kanara Coast north of Malabar were the major grain surplus regions. Besides, Bengal exported sugar and raw silk, Gujarat exported raw cotton, while Malabar sent out its pepper and other spices.

The Indian merchant lived in a keenly competitive world but he accepted important social limits to competition. Business was organized around the family with an occasional trading partner from the same social group.

Agra during Akbar and Delhi during the reign of Shahjahan were no lesser cities that London and Paris of those days. Foreign travellers who visited India during the Sixteenth and Seventeenth centuries present a picture of a small group of ruling class living in great luxury, in sharp contrast to the miserable condition of the masses. Indigenous sources do not disagree; they often dwell on the luxurious life of the upper classes, and occasionally refer to the privations of the ordinary people. Such sharp inequality in living standards was not peculiar to India; it existed in a greater or lesser degree everywhere, including Europe.

The Indian village was highly segmented both socially and economically. There was significant inequality in distribution of farm land, though there was plenty of cultivable waste-land available which could be brought under plough if capital, labour and organization were forthcoming.

The share of produce retained by different classes of peasants varied. The general Mughal formula for the authorized revenue demand was one-third or one-half. The precise share depended on a number of factors—nature of the soil, relationship of the peasant with the Zamindar of the area, traditions, etc. Caste might have also played a role. For instance, in some parts of Rajasthan, members of the three upper castes—the Brahmans, the Kshetriyas or Rajputs and the Vaishyas or Mahajans paid land revenue at concessional rates. Because of these factors one would expect considerable inequality within the village. In any case the class and caste distinctions superimposed on each other made the rural society extremely complex and unequal.

In comparison to the rural rich, the urban rich especially the merchants in coastal towns were much wealthier. Some of the merchants of Bengal and Gujarat had stupefying wealth. The pattern of life of the nobility and the upper class in Mughal India has become a byword for luxury and ostentation. There is hardly any evidence to show that the puritan style set up by Aurangzeb had any marked effect on the lives of the nobility. Of course, this consumerism created demand for a horde of luxury items which generated employment, income and general prosperity.

REGIONAL DISPARITY A MAJOR PROBLEM EVEN TODAY:

The regional disparity in India is now a matter of serious concern. It is well known that in a large economy, different regions with different resource bases and endowments would have a dissimilar growth path over time. One of the reasons why centralized planning was advocated earlier was that it could restrain the regional disparity. In spite of planning, however, the regional disparity remained a serious problem in India. A new controversy in this respect is whether growth rates and standard of living in different regions would eventually converge or not.

Analyzing the regional disparities in India, it is revealed that there is divergent trend of per capita income among the major Indian states and there is no sign of either conditional convergence or unconditional convergence of per capita state income during last two decades. Applying the basic equation of unconditional convergence in Indian context it has been found that the speed of divergence in per capita state income of major Indian states is 1.80 percent over the last two decades. The growth analysis has revealed out the same trend of increasing disparity across the states. The rigidity of the states in holding their ranks in terms of per capita net state domestic product is also deciphered the finding from the growth analysis. Thus, the basic assumption of *neo-classical growth theory*, i.e., diminishing returns to capital is thus becoming doubtable in countries like India where divergence of growth is catching up. The policy implications of our analysis on intra and inter regional disparity suggests that *between-effects* of spatial disparities is significantly different from *within-effects* and therefore separate policies are required for states of separate income groups to reduce regional disparity. While rural-urban disparities and disparities between regions within countries need our utmost attention, newly emerging global trends can cause new disparities. Globalization of the economy, the information revolution and the emergence of the knowledge society will profoundly alter social and economic conditions around the world and in the Asian and Pacific region. Knowledge will become the most important factor of production and in order to compete in the global economy, countries will have to improve their educational systems. Corporations will increasingly look at the quality of education of the workforce, the availability of qualified professionals and the level of research and development, before deciding on investments in a particular location. Employers may also be looking for employees, who are not well-educated, but have the ability for continuous learning and who can apply available knowledge to new situations. Entrepreneurship, flexibility and mobility will become highly valued assets. Not everyone will be able to participate in this new economy and a new disparity will emerge. Many refer to this disparity as the “digital divide”, but it is more than a divide between those with access to information technology and those without such access. It is a divide between those with the appropriate knowledge, skills and attitudes and those without them. Percapita convergence or divergence *within* and *between* regions is a new controversy in development economics. Theoretically, new endogenous growth theories suggest cumulative advantage and increasing regional disparities over time, while neoclassical theories suggest that diminishing returns tend to produce convergence. The question of whether there is regional convergence or divergence is simple in the theoretical abstracts, but quite complex in empirical application. From the convergence theory it postulates that when the growth rate of an economy accelerates, initially some regions with better resources would grow faster than others. But after sometime, when the law of diminishing marginal returns set in, first growth rates would converge, due to differential marginal productivity of capital (higher in poorer regions and lower in richer regions), and this in turn would bridge the gaps in the levels of income across regions. The empirical evidence on this is however very controversial. It has also been observed that when an economy is liberated, especially after controls on investment are lifted, then regions with better infrastructure would attract more investment, especially foreign capital, through market mechanism, and this in turn would lead to regional inequity, at least in the early phase of reforms. In India, the growth rate of gross domestic product (GDP) accelerated since 1980s. The average annual GDP growth rate in the first three decades (1950s to 1980s) was only 3.6 percent. During the 1980s, the GDP growth rate accelerated to 5.6 percent, and after economic reforms in the 1990s, it has further accelerated to 6.0 percent. The reforms led to a lot of structural changes in the Indian economy, such as, deregulation of investment – both domestic and foreign – and liberalization of trade, exchange rate, interest rate, capital flows and prices. The post reform period also witnessed a sharp deceleration in public investment due to fiscal constraint. At the aggregate level, the average share of public investment in total investment has declined from 45 percent in the early-1980s to about one-third in early-2000s. Although, there is very little information on investment at the regional level, the available indicators suggest that more and more investments are now taking place in richer states. The RBI data on capital flows show that four/five developed states have cornered the major chunk of foreign direct investment in India. The poorer states with inadequate infrastructure are not able to attract foreign investment. The poorer states are also investing less because historically they mobilized resources for public investment mainly through grants and assistance from the Centre, which are now declining due to fiscal

Societies worldwide are urgently seeking innovative approaches to addressing social problems that have not been satisfactorily addressed by government or the market place. In search of new solutions, a growing number of social entrepreneurs are developing novel strategies that often combine the strength of both the for-profit and nonprofit sectors to achieve significant social change.

SOCIAL ENTREPRENEURSHIP A BOON TO RURAL SECTOR:

Having understood the fact that regional disparity has been and is a major social problem faced by Indian economy the solution to overcome this problem is by encouraging social entrepreneurship.

INSIGHT TO SOCIAL ENTREPRENEURSHIP:

Social entrepreneurship is the recognition of a social problem and the uses of entrepreneurial principles to organize create and manage a social venture to achieve a desired social change. While a business entrepreneur typically measures performance in profit and return, a social entrepreneur also measures positive returns to society. Thus, the main aim of social entrepreneurship is to further broaden social, cultural, and environmental goals. Social entrepreneurs are commonly associated with the voluntary and not-for-profit sectors, but this need not preclude making a profit. Social entrepreneurship practiced with a world view or international context is called international social entrepreneurship.

DEFINITION OF SOCIAL ENTREPRENEURSHIP:

Despite the agreement that social entrepreneurship is an emerging field, there exists no agreed upon definition (Austin et al., 2006, p.1). Many attempts to define social entrepreneurship start with exploring the term's use, going back to French economist Jean-Baptiste Say in the early 19th century, who defined an entrepreneur as a person who creates value by shifting "economic resources out of an area of lower and into an area of higher productivity and greater yield" (Martin and Osberg, 2007, p.2). Most influential was Joseph Schumpeter in defining the 'Unternehmer' (entrepreneur) as an innovative force for economic progress, important in the process of 'creative destruction' and therefore as a change agent, a term which is used in many modern definitions of social entrepreneurship.

While there are many different definitions of entrepreneur, the relatively new term social entrepreneur is even less clearly defined and often varies from country to country and author to author. One of the most widely cited definitions in the academic literature is the one from a renowned scholar in the field of social entrepreneurship.

A social entrepreneur is a change agent who:

- "Adopts a mission to create and sustain social values.
- Recognizes and relentlessly pursues new opportunities to serve that mission.
- Engages in a process of continuous innovation, adaptation, and learning.
- Acts boldly without being limited by resources currently at hand, and
- Exhibits heightened accountability to the constituencies served and the outcomes created".

Social entrepreneurs are individuals with innovative solutions to society's most pressing social problems. They are ambitious and persistent, tackling major social issues and offering new ideas for wide-scale change. Social entrepreneurship refers to the practice of combining innovation, resourcefulness and opportunity to address critical social and environmental challenges. Social entrepreneurs focus on transforming systems and practices that are the root causes of poverty, marginalization, environmental deterioration and accompanying loss of human dignity. In so doing, they may set up for-profit or not-for-profit organizations, and in either case, their primary objective is to create sustainable systems change. Rather than leaving societal needs to the government or business sectors, social entrepreneurs find what is not working and solve the problem by changing the system, spreading the solution, and persuading entire societies to take new leaps. Social entrepreneurs often seem to be possessed by their ideas, committing their lives to changing the direction of their field. They are both visionaries and ultimate realists, concerned with the practical implementation of their vision above all else.

Each social entrepreneur presents ideas that are user-friendly, understandable, ethical, and engage widespread support in order to maximize the number of local people that will stand up, seize their idea, and implement with it. In other words, every leading social entrepreneur is a mass recruiter of local change makers—a role model proving that citizens who channel their passion into action can do almost anything.Social entrepreneurs are drivers of change. Together with institutions, networks, and communities, social entrepreneurs create solutions that are efficient, sustainable, transparent, and have measurable impact. There are continuing arguments over precisely who counts as a social entrepreneur. The lack of consensus on the definition of social entrepreneurship means that other disciplines are often confused with and mistakenly associated with social entrepreneurship. Philanthropists, social activists, environmentalists, and other socially-oriented practitioners are referred to as social entrepreneurs. It is important to set the function of social entrepreneurship apart from other socially oriented activities and identify the boundaries within which social.

THE IMPORTANCE OF SOCIAL ENTREPRENEURSHIP:

In the recent years there has been strong growth in the studies of social entrepreneurship on the level of business administration and microeconomics. This has been especially the case since Muhammad Yunus, founder of the Grameen Bank and a renowned example of a social enterprise, won the Nobel Peace Price in 2006. However, the increase in academic interest has largely been confined to case studies or efforts to find a common definition of social entrepreneurship. What the current academic literature does not provide is a link between social entrepreneurship and economic development policies. How important are social entrepreneurs for economic development and what the policy implications.

After defining the term social entrepreneurship as dealing with organizations at the intersection of non-profit and business enterprises this essay analyses the importance of social entrepreneurship for economic development policies. It will be demonstrated in four paragraphs that the social entrepreneur sector is increasingly important for economic development policies because it creates social and economic values:

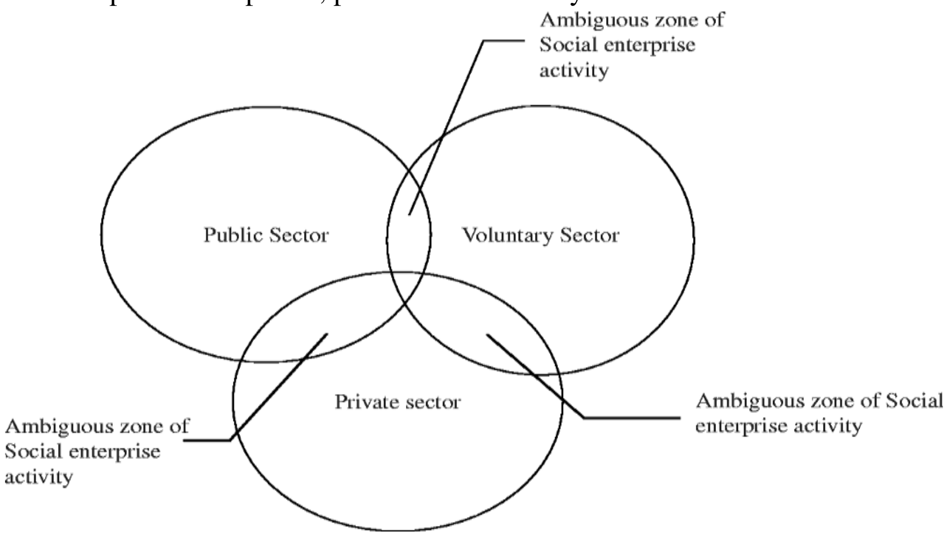
(1) Employment development, especially significant for the disadvantaged segment of Societies;

(2) Innovation and the creation of new goods and services, often for unmet social needs

(3) Social capital, critical for sustainable social and economic development, and

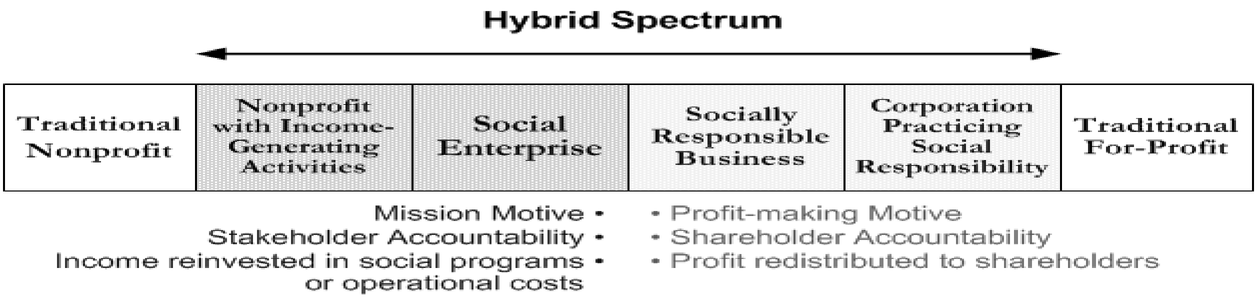
(4) Equity Promotion, in view of the addressing of the needs of disadvantaged people.

Noteworthy is also a shift in the focus of social entrepreneurs away from the non-profit sector, traditionally in charity and philanthropic activities, towards entrepreneurial private-sector oriented business activities. While some still see the social entrepreneur mainly in the non-profit sector, most of the studies in recent years highlight that the boundaries between non-profit and for-profit vanish following diagram illustrates how the social-entrepreneur sector overlaps with the public, private and voluntary sectors



The more modern definition of social entrepreneurship incorporates the enterprise orientation with social objectives and social ownership, which means that the social enterprise is typically accountable to community stakeholders rather than financial investment shareholders “A social enterprise is any business venture created for a social purpose – mitigating/reducing a social problem or a market failure – and to generate social value while operating with the financial discipline, innovation and determination of a private sector business.”

Social enterprises lie at the crossroads between non-profit and business organization as shown in the following illustration of the spectrum of hybrid organizations that includes key features of different types of enterprises

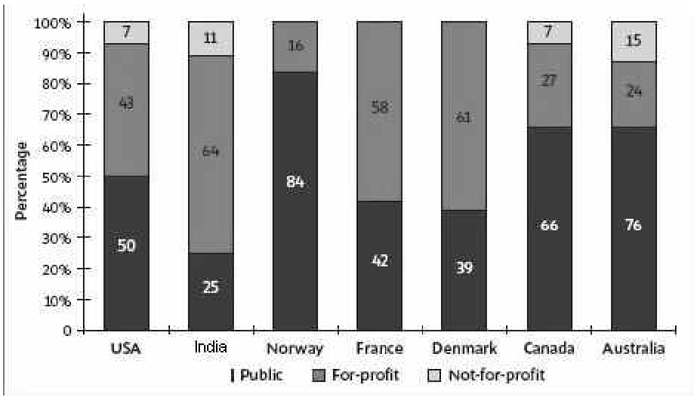


CREATION OF SOCIAL AND ECONOMIC VALUES:

The importance of entrepreneurship in general and social entrepreneurship in particular is often overlooked. This paper argues in the next four paragraphs that social entrepreneurship is important to economic development policies because it can play a vital role to the progress of societies and deliver vital value to societal and economic development.

A.Employment Development

The first major economic value that social entrepreneurship creates is the most obvious one because it is shared with entrepreneurs and businesses alike: job and employment creation. Although the academic literature does not provide recent data on how many people are employed in social enterprises in a multi-country context, a study on the percentage of people employed in the nonprofit sector in 13 countries can function as a proxy to illustrate that the number is significant. As figure 3 shows, it ranges from one to seven percent in the selected countries:



A second dimension of employment development is almost unique to social enterprises; social enterprises provide employment opportunities and job training to segments of society at an employment disadvantage, such as the long-term unemployed, the disabled, the homeless, at-risk youth and gender-discriminated women. Some social enterprises act as an "intermediate between unemployment and the open labor market". Reintegration of disadvantaged groups into the labor market is both socially and financially beneficial for the community at large. In the case of Prof. Yunus and the Grameen Bank, the economic situations of six million disadvantaged women micro-entrepreneurs were improved.

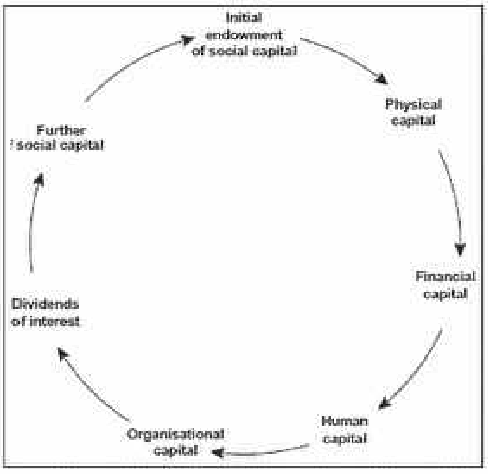
B. Innovation / New Goods and Services

Social enterprises develop and apply innovation important to social and economic development and develop new goods and services. As the Organisation for Economic Co-Operation and Development (OECD) states, "social-purpose enterprises … bring new responses to unmet social needs can be measured as the provision of new goods and services that are complementary to those delivered by the public and private sectors and accessible to a greater number of citizens". Issues addressed include some of the biggest societal problems such as HIV, mental ill-health, illiteracy, crime and drug abuse which, importantly, is confronted in innovative ways. An example showing that these new approaches in some cases are transferable to the public sector is the Brazilian social entrepreneur Veronica Khosa, who developed a home-based care model for AIDS patients which later changed government health policy. The OECD sees these new kinds of organizations as "hotbeds of ideas and experiments, and they are able to get innovative policies adopted at the central, regional or local government levels".

C. Social Capital

Next to economic capital one of the most important values created by social entrepreneurship is social capital. Although the term social capital again is not clearly defined, it is usually understood as "the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition", social capital is the most important form of capital created by social entrepreneurs because economic partnerships require shared values, trust and a culture of cooperation which is all part of social capital. As examples he mentions the success of the German and Japanese economies, which have their roots in long-term relationships and the ethics of cooperation, in both essential innovation and industrial development. The World Bank also sees social capital as critical for poverty alleviation and sustainable human and economic. It also mentions the Grameen Bank again, along with several other Asian examples, and concludes with the statement that "existent bonding social capital within groups has been reinforced by bridging/linking social capital catalyzed by social entrepreneurs"

The figure below illustrates the "virtuous circle of social capital", starting with the initial endowment of social capital by the social entrepreneur. Building up a network of trust and cooperation and getting more partners involved enables access to physical (e.g. buildings), financial and human capital. Organizational capital is created, and, when the social enterprise is successful, more social capital such as in the form of a re-opened hospital is created:



D. Equity Promotion

Another aspect is that social entrepreneurship fosters a more equitable society which is an objective for most economic development policies. Complementing the equity promoting activities of public agencies and NGOs, social enterprises address social issues and try to achieve ongoing sustainable impact through their social mission rather than purely profit-maximization. Again Yunus's Grameen Bank and its support for disadvantaged women is an example of how social entrepreneurs support equity-promoting policies. Other examples include reintegrating disadvantaged groups into the labour market and providing affordable goods and services to the poor. For instance, the American social entrepreneur J.B. Schramm has helped thousands of low-income high-school students to get into tertiary education.

ECONOMIC DEVELOPMENT POLICIES TO FOSTER SOCIAL ENTREPRENEURSHIP:

Economic development policies aimed at fostering social entrepreneurship include policies to foster entrepreneurship in general as well as policies specific to social enterprises. General policies include minimizing regulatory barriers, administrative and compliance costs and tax burdens, and ensuring functioning markets, competition, and the effectiveness of bankruptcy laws. Additionally, the three following policies that specifically consider the unique challenges of social entrepreneurship should be implemented:

• Firstly, the biggest difficulty for social enterprises is obtaining credit and sufficient funds, leading to a recommendation that special funding mechanisms should be developed.

• Secondly, best-practice exchange, the education of future leaders and continuous training should be supported by establishing centers for social entrepreneurship.

• Thirdly, regulation for social enterprises should be minimized and government incentive programs including tax incentives should promote the social-enterprise cause making the private sector more inclusive.

CHARACTERISTICS OF SOCIAL ENTREPRENEURS:

Social entrepreneurs are often viewed as business entrepreneurs with a social mission. Peter Drucker stated, "The social entrepreneur changes the performance capacity of society". Twentieth-century growth economist, Schumpeter characterized the entrepreneur as the source of 'creative destruction' necessary for major economic advances. Changing activities for the betterment of society remains at the heart of their mission. They also use their social mission to satisfy unmet problems.

The concept of leadership characteristics of social entrepreneurs is still an important area of debate. Leadership is a process whereby an individual influences a group of individuals to achieve a common goal. Some studies observed leader as a part of the group who controls the group structure and processes, others observed they are not a part of the group that is being influenced or worked with. They acted as an outsider such as Mohammad Yunus of Grameen Bank, Ella Bhatt of SEWA, Bill Drayton of Ashoka foundation, Richard Mawson and other social entrepreneurs of Asian context. This study considers all social entrepreneurs as leaders. The study also observes similarities between the leadership of social entrepreneurs and business entrepreneurs. We can describe the leadership style of social entrepreneurs in developing countries as 'facilitative', with participatory development enabling villagers to take responsibility in decision-making. They work hard, sacrificing their employment, and some took a vow of celibacy, pledging to devote their entire life to the service of the rural poor. These facilitative leaders were concerned with the work and family life of their staff, their values, and culture, their growth as individuals and professionals. The villagers respected them as their 'guru' or master and also loved them as senior family members.

There are limited studies that highlight social entrepreneurs' influence on social capital production. This paper intends to contribute toward bridging this gap.

Social entrepreneur leaders in community organisations played a role of 'enabler' leader. They educated and facilitated the villagers to be self-reliant workers so that they could take responsibility for resolving their own problems without depending on government programmes. In the process they helped the villagers to generate their organizational ability or social agency; they needed a leader whose mission was to assist the poor to be self-reliant. The paper also identified other type of leader, the benevolent dictator, who does not serve this purpose—they generate dependency among the poor instead of developing their social agency or empowerment and placed the sustainability of the organisation at risk.

EMPOWERING /REVIVING RURAL INDIA:

The Empowering Rural India and its subsequent development are credited to a large extent upon the development of its 700-million strong rural population of India. The majority of Indian population lives in about 600,000 small villages and the main livelihood of this section of Indian population are primarily agriculture and its allied area.

The post 1990 era witnessed paradigm shift of Indian economic policy from a highly insulated market to open market. Further, during the process of industrialization a substantial size of India's current agricultural labor force had to move to non-agriculture sectors for making a livelihood. The main challenge for Empowering Rural India during such transformation was managing transition of the 80% of the rural population from a village-centric agriculture-based economy to an industry based village economy. The main authority vested with the power of Empowering Rural India is the Ministry of Rural Development, Government of India and the Planning Commission of India.

The notable steps taken by the Government of India for Empowering Rural India are as follows -

•The allocation for Rural Infrastructure Development Fund to be raised to Rs.12, 000 crore from Rs.10, 000 crore.

•A separate window for rural roads will continue, with a corpus of Rs.4,000 crore.

•An additional irrigation potential of 2,400,000 hectares to be created, including 9,00,000 hectares under the Accelerated Irrigation Benefit Programme.

•The National Agricultural Insurance Scheme of India to continue for the 2007-08, with an allocation of Rs 500 crore.

•A weather-based crop insurance scheme will be introduced.

•To connect 66,800 habitations with population over 1000, with all modern metal roads.

•Total investment of Rs.1,74,000 crore envisaged under "Bharat Nirman", investment on rural roads estimated to be at Rs.48, 000 crore.

•Rs.1,800 crore has been allocated for a water recharging scheme that will offer a 100% subsidy to small Indian farmers and 50% to other farmers to encourage them to recharge water.

•A special plan is being implemented over a period of three years in 31 suicide-prone districts in four states, involving a total amount of Rs.16,979 crore. Of this, around Rs.12,400 crore will be spent on water-related schemes.

•To address the problem of poor availability and quality of certified seeds, the integrated oilseeds, oil palm, pulses and maize development program will be expanded with more focus on scaling up the production of breeder, foundation and certified seeds Government will fund the expansion of the Indian Institute of Pulses Research, Kanpur.
•Government to offer other producers to double production of certified seeds within a period of three years.
•The Indian Agriculture Technology Management Agency, now in place in 262 districts, will be extended to another 300 districts.
•The amount of fertilizer subsidy has been increased from Rs.17,253 crore to Rs.22,452 crore.
•The budget has also allotted Rs.12,000 to the National Rural Employment Guarantee Scheme.
•Amount of Rs.2,800 crore has been allocated for the Sampoorna Gramin Rozgar Yojana.
•To facilitate a corpus of Rs.8000 crore to Rural Infrastructure Development Fund (RIDF).
•To construct additional 1, 46,000 Km of new rural roads and repair and modernize 1, 94,000 Km of existing rural roads.
•Allocation for promoting self -employment among the rural poor, has been increased from ` 1,200 crore to Rs.1,800 crore.
•NABARD to issue government-guaranteed rural bonds to the extent of Rs.5,000 crore with suitable tax exemptions.
•A 31% hike in allocation towards the Bharat Nirman programme for upgrading rural infrastructure, from Rs.18, 696 crore to Rs.24, 603 crore, and a proposed Rs.225, 000 crore for farm credit.
•In December 2006, 53,370,000 new farmers were brought under the institutionalized credit system. The target for 2007-08 is set at Rs.2,25, 000 crore with an addition of Rs.50,000,000 new farmers accessing credit.
•A Special Purpose Tea Fund to rejuvenate tea production. Financial mechanisms for re-plantation and rejuvenation will also be implemented for coffee, rubber, spice, cashew and coconut plantations.
•To add to clean drinking water facility along adopt proper sewage mechanism.
•To engage faster electrification and telecommunication process.
•Increase number of rural health centers, with special focus on mother and child health care.

CONCLUSION:

In summary, this essay has shown that social entrepreneurship is important to economic development and can play a vital role for societal and economic progress. After briefly outlining that social enterprises are hybrid organizations falling between the non-profit and the business models, the fostering of four important values were discussed: (1)Employment development in the form of job creation and (re-)integration of disadvantaged people; (2) Innovative creation of new goods and services; (3) Broadly distributed social capital though socially institutionalized values such as trust and cooperation, and (4) Equity promotion by addressing the unmet needs of socially disadvantaged groups.

Therefore, social enterprises should be seen by government as a positive force, as change agents providing leading-edge innovation to unmet social needs. The recognition of Muhammad Yunus and the Grameen Bank with the Nobel Peace Prize 2006 for “their efforts to create economic and social development from below” is a first step towards recognizing social entrepreneurs. Economic development policies should foster entrepreneurship in general and especially when entrepreneurs take on social problems that the private for-profit and public sectors do not address or niches they overlook. Specific policy recommendations include the easier provision of credit as well as implementation of specific education and tax incentive programmes, along with policies that target the fostering of entrepreneurship at large, such as reducing regulatory burden and establishing working institutions and effective bankruptcy laws. Social entrepreneurship is not a panacea because it works within the overall social and economic framework, but as it starts at the grassroots level it is often overlooked and deserves much more attention from academic theorists as well as policy makers. This is especially important in developing countries and welfare states facing increasing financial stress.

Social entrepreneurs can reproduce social capital and sustain the organisation if they follow the ‘enabling leadership’ style. The enable leaders developed the villagers’ social agency or organizational capacity or social capital so that they can sustain their organisation in the long run when these leaders withdraw. The villagers developed self-reliance under the enabling leadership. Associating with outside leaders in the villagers’ development activities is common in the Asian context and naturally the sustainability of these organisations poses a major concern to the development world. So this paper argue that the intervention of social entrepreneur could ensure organizational sustainability if they took enabling leadership style to assist the villagers.

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