

*Social Entrepreneurship for promoting  
inclusion in a Growth Economy:  
Opportunities and Challenges*

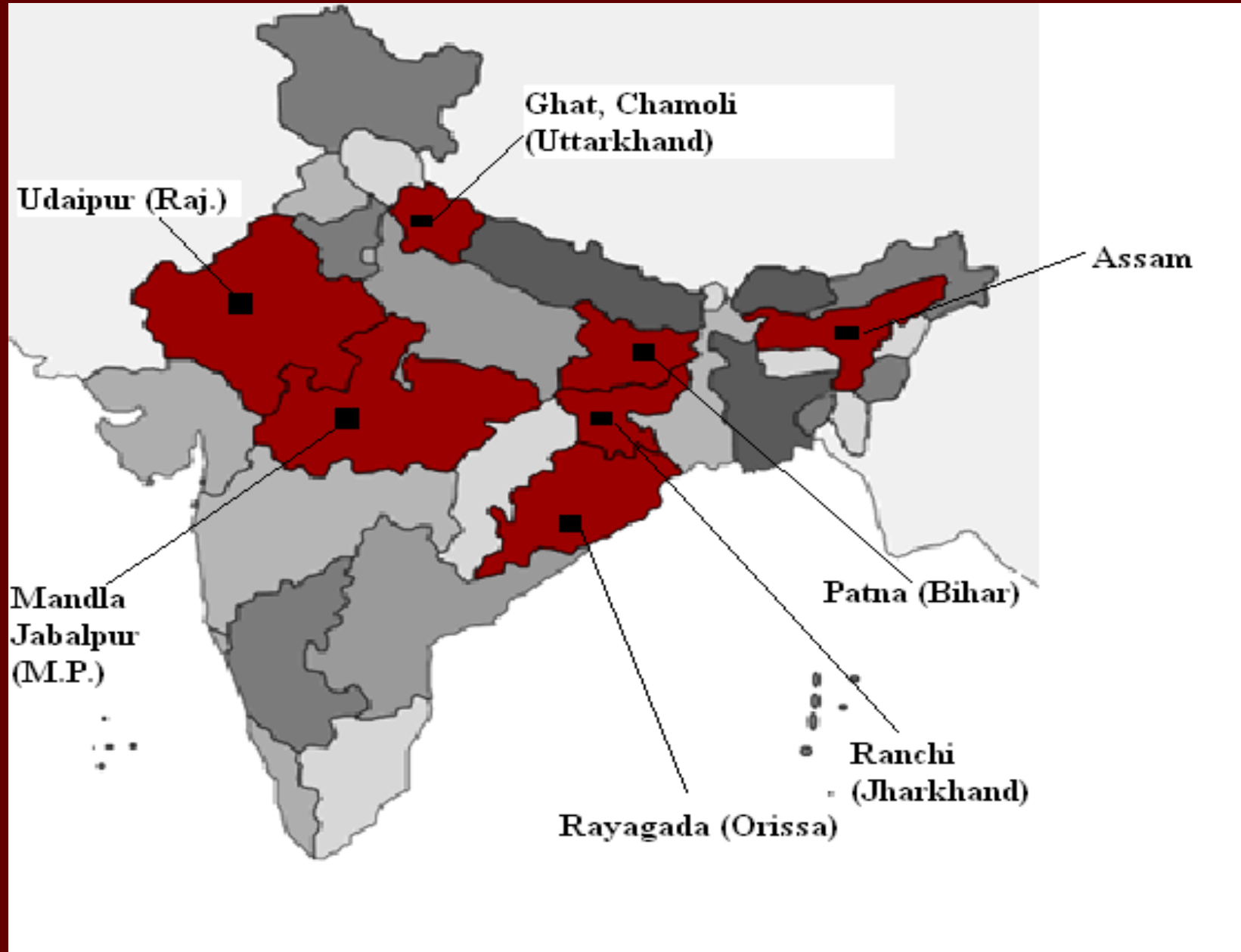
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- Udyogini is a service provider so vision horizon for enterprise is what the modern day market will allow i.e. 5-7 years for outcomes and strategic shifts within this period
- For livelihood security savings and credit, agricultural productivity, product diversification, local market sales and women's welfare activities
- For scale and growth, development of value chain for market integration, value-addition, enterprises
- Producer organizations for management of welfare activities and financial services
- Key women and local men to incubate as entrepreneurs

# Where we work



## Labor

Technical and Management skills for employability and improved wages

### *Opportunities*

- Expansion of economy and business so more organized value chain involvement and new product development;
- Development of intermediate markets

### *Challenges*

- Illiteracy and education
- Dependence on professionals; labor market for professionals competitive

## Products and Services

- Inputs for production (technology, raw material, infrastructure) and sales of products (primary & value-added; various market segments)
- Services to improve productivity (knowledge, information and capacity enhancement; systems e.g., supply chain management; social services such as child care, insurance)

## *Opportunities*

- Just to do many things for the poor!
- Systematize and innovate business process for efficiency and cost-cutting

## *Challenges*

- Scale issues: Natural resource-based enterprises (agriculture, forest produce etc.)
- Knowledge of the products and services for deve of each product also necessary for scale
- Enterprise viability so need to add on more services. Organizational capacity to do all this is stretched. PPPs are costly to set up and service.

## Financial

- Small scale consumption and production credit through production groups (self-help groups—microcredit for consumption so helps risk mitigation but not growth);
- Venture capital for microfinance (MFI) to scale; social venture capital needed for enterprises to scale

## *Opportunities*

- Scale-up funds just emerging:
- Risk capital for enterprise with technical assistance  
Fabindia → Rangсутra → Fabindia

## *Challenges*

- Focus distortion (mission drift) in MFI scaling up (profits take precedence)
- Risk appetite still low for inclusive enterprises (NGOs are cautious because of capital constraints and social venture capital cautious because of uncertain and long gestation programs)
- Buyouts as only exit option favoring those with more capital

## Facilitation:

- R and D: Products for scale; business process; institutional models; finance; social and gender support services
- Skills and Management Training
- Market and Financial Linkages
- Corporate and government partnerships
- Sector-knowledge and policy inputs



*Journey of a Product through a value chain:  
Lac (resin) Plantation to Marketing*



## Village Level Service Center



## Cluster level Service Center



## *What is needed*

- Not just new models but new perspectives (civilisational resilience displayed by India during financial crisis should be built upon and not destroyed by narrow financial models) – social entrepreneurship has role to play in this
- New inclusive modeling has to be balance between profit and people i.e. true social equity-based return

**Still Elusive!**