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B.Com Honours | Semester III | Calicut University

SOCIAL ENTREPRENEURSHIP

Course Code: COM3MN202 • Module 1 Notes

Module I: Introduction to Social Entrepreneurship

Social Entrepreneurship represents an innovative paradigm blending commercial business discipline with a primary mission of solving systemic social, economic, and environmental problems.

Unit 1: Defining Social Entrepreneurship – Concept, Core Pillars, & Drivers

Social Entrepreneurship is the process of pursuing innovative solutions to societal problems by mobilizing market-based resources.
Core Pillars: (1) Social Mission Priority (primacy of public benefit), (2) Innovation (novel products, services, or delivery channels), (3) Financial Sustainability (generating earned income), and (4) Scalable Social Impact.

Unit 2: Difference between Social and Business Entrepreneurship – Dual Bottom Line & Value Creation

1. Commercial vs. Social Distinction: Commercial enterprises focus on maximizing shareholder financial wealth. Social enterprises focus on creating public social value.
2. Dual Bottom Line: Social enterprises evaluate success on two criteria: Financial Performance (economic self-sufficiency) and Social Impact Performance (lives impacted, environmental remediation).
3. SROI Formula: Social Return on Investment measures social value created relative to capital invested:

> **SROI Ratio = Present Value of Net Social Benefits / Total Capital Invested**

Unit 3: Evolution of Social Entrepreneurship in India – Historical Perspective & Ecosystem

Social entrepreneurship in India evolved through distinct phases:
Gandhian Constructive Programme: Village self-reliance, Khadi, and decentralized rural crafts.
Cooperative Movements: AMUL (Anand Milk Union Limited) revolutionizing dairy farming through smallholder cooperatives.
Modern Social Ventures: Integration of technology, impact investment funds, and incubation centers under Startup India & DPIIT.

Unit 4: Process and Types of Social Entrepreneurship – Venture Models

1. Organizational Models:
Leveraged Non-Profit: Uses external grants to drive social change through innovative delivery mechanisms.
Hybrid Non-Profit: Combines cost-recovery commercial activities with non-profit social delivery.

Social Business Enterprise: For-profit business structure that caps dividend payouts and reinvests profits back into social mission.

Unit 5: Challenges in Social Entrepreneurship & Strategies for Overcoming Challenges

Key Obstacles: Limited access to patient equity capital, difficulty in balancing social mission with financial viability, talent acquisition constraints, regulatory ambiguity, and measuring qualitative social impact.
Mitigation Strategies: Adopting blended finance (combining grants with impact equity), building strategic partnerships with corporate CSR funds, and implementing standardized impact metrics (IRIS+ & SDG targets).

Unit 6: Future Trends in Social Entrepreneurship

Key future vectors include: Climate-tech ventures, Circular economy models, Social Stock Exchanges (SSE) for transparent impact trading, and AI-driven healthcare and agritech distribution for underserved rural populations.

Comparative Framework (Business vs. Social Entrepreneurship): Compare key dimensions of commercial vs social ventures.

Dimension	Commercial Entrepreneurship	Social Entrepreneurship
Primary Goal	Financial Profit & Shareholder Value	Social Impact & Public Value Creation
Target Audience	Customers with Paying Capacity	Underserved / Marginally Disadvantaged Population
Profit Utilization	Dividend Payouts to Investors	Reinvestment in Social Mission expansion
Performance Metric	ROI, EBITDA, Earnings Per Share	SROI, Lives Transformed, Environmental Metrics