



## **Social Entrepreneurship: A Case Study on Amul Dairy**

**Gedela Rakesh Varma**

**Research Scholar,**

**Department of Commerce and Management Studies,  
Andhra University, Visakhapatnam-530003.**

**Prof. Jaladi Ravi**

**Professor,**

**Department of Commerce and Management Studies,  
Andhra University, Visakhapatnam-530003.**

### **Abstract:**

Dairy is a worldwide agricultural production. people milk dairy animals exist almost in every country around the world, and up to one billion people live on dairy farms. It is a important part of the global food system and it plays a important role in the sustainability of rural areas in particular. It is a widely-known fact that the dairy sector directly contributes to the economies of a number of communities, regions and countries Social entrepreneurs drive social innovation and transformation in various fields including education, health, environment and enterprise development. They pursue poverty alleviation goals with entrepreneurial zeal, business methods and the courage to innovate and overcome traditional practices. A social entrepreneur, similar to a business entrepreneur, builds strong and sustainable organizations, which are either set up as not-for-profits or companies.

### **Key words:**

Social enterprenuership, DAIRY INDUSTRY, amul dairy

### **Preface:**

Dairy is a worldwide agricultural production. people milk dairy animals exist almost in every country around the world, and up to one billion people live on dairy farms. It is a important part of the global food system and it plays a important role in the sustainability of rural areas in particular. It is a widely-known fact that the dairy sector directly contributes to the economies of a number of communities, regions and countries.

An increasing demand worldwide is noticeably emerging at present, and the industry is globalizing, thus increasing the scope and intensity of the global dairy trade. An organization's concept combines all its marketing goals into one comprehensive plan A social entrepreneur is a leader or pragmatic visionary who: Attains large scale, systemic and sustainable social change through a new new technology, a different approach, a far more rigorous application of known technologies or strategies, or a combination of these. Focuses first and foremost on the social and/or ecological value creation and tries to optimize the financial value creation. Innovates by choosing a new product, a new service, or a new approach to a social issue. Continuously refines and configures itself approach in response to feedback.

### **Review of Literature:**

Social entrepreneurship: The need for a definition During the last years, social entrepreneurship has been receiving greater recognition from the public sector, as well as from scholars (Stryjan 2006; We erawardena and Sullivan Mort 2006; Nicholls 2008). On the one hand, encouraging social entrepreneurial initiatives has been at our governments' agenda for a while now (European Commission 2003b, 101-2). Besides, several European states have set up new organizational frameworks dedicated to these initiatives. On the other hand, scientific research in the field has increased, as the number of conferences and specialissues in academic journals dedicated to this topic attest. Finally, many organizations supporting social entrepreneurship have emerged on both sides of the Atlantic.



Social entrepreneurship has, at least, two main advantages that justify this particular. First, its innovativeness in treating social problems, which are becoming more and more complex, has been recognized by numerous scholars (e.g. Johnson 2000; Thompson, Alvy, and Lees 2000). Second, this innovative entrepreneurial practice bears the advantage of blurring traditional boundaries between private and public sectors, which gives birth to hybrid enterprises (Wallace 1999; Johnson 2000) guided by strategies of double value creation – social and economic (Alter 2004). The concept is also viewed as a response to the funding problems of non-profits (Dees 1998a, b) as well as to the financial risks they are taking (Young 2001). A consensus has emerged among scholars (Dees 1998a, b; We erawardena and Sullivan Mort 2006) according to which understanding social entrepreneurship is of primary importance. Social entrepreneurship practitioners have always existed, everywhere around the world (Roberts and Woods 2005).

As examples, one can cite Florence Nightingale, a British pioneer who has fought to improve the hospital conditions during the Crimean War in the nineteenth century, making the mortality rate drop from 40% to 2%, or Roshaneh Zafar, founder of Kashf Foundation, who has fought for the economic condition of women in Pakistan by opening thousands of micro-credit institutions (Dearlove 2004). In his typology, Fowler (2000) gives another example of a foundation in Colombia, which was established in 1911 with the aim of generating and devoting revenues to the creation of social value. However, if social entrepreneurship as a practice is far from being new and benefits from a long heritage and a global presence, it has been attracting academic researchers' attention for a few years only (Dearlove 2004). Previous research in the field of social entrepreneurship has mainly tried to answer the question: 'what does "social entrepreneurship" mean?' If an organization devotes part of its income to a social cause, can we necessarily speak of social

entrepreneurship? The same question holds for all non-profit organizations that adopt managerial practices (Mair and Marti 2004). Similarly, is the person in charge of the management of an organization that acts in the social, voluntary or community fields necessarily a social entrepreneur? Or, as suggested by Brouard (2007), should he/she rather be called a 'social enterprise manager', because a social entrepreneur has to meet the entrepreneurial condition? To contribute to a better understanding of the phenomenon and to progress in this new field of research, a clear definition of the key concepts is one of the main issues (Christie and Honig 2006). However, the lack of a unifying paradigm in the field of social entrepreneurship has led to the proliferation of definitions and the notions of 'social entrepreneurship', 'social entrepreneur' or 'social entrepreneurship organization' have often been used indifferently to express the same idea. This paper will propose clear definitions of the three main concepts of the field.

It also seems that researchers from different geographical origins have followed different approaches to define the concepts. These have resulted in different schools of thought and there seems to be a transatlantic divide in the way social entrepreneurship is approached, due to different conceptions of capitalism and the government's role. Therefore, the aim of this paper is to make propositions regarding how to define the social entrepreneur, social entrepreneurship and the social entrepreneurship organization, based on geographical and thematic aspects. The expected contribution is to examine whether the conceptions of social 374 S. Bacq and F. Janssen entrepreneurship differ between Europe and the US and if, based on the the maticcriteria used to define social contribution to the field of social entrepreneurship was Waddock and Post's (1991) who published a short paper on the topic in 1991. However, apart from this isolated early research, the concepts of social entrepreneurship were not used before the



1990s. The term 'social entrepreneurship' emerged in the academic world in the late 1990s in the US (Boschee 1995; Bornstein 1998; Dees 1998a, b; Drayton 2002; Thompson, Alvy, and Lees 2000) and in the UK (Leadbeater 1997; School for Social Entrepreneurs 2002). Let us go through some of the founding definitions. According to Boschee (1995, 1), social entrepreneurship is the action of 'non-profit executives who pay increased attention to market forces without losing sight of their underlying mission, to somehow balance moral imperatives and the profit motives – and that balancing act is the heart and soul of the movement'. For Dees (1998a, b), it 'combines the passion of a social mission with an image of business-like discipline, innovation and determination'. Bornstein (1998, 37) reports that the Ashoka's social entrepreneur is 'a pathbreaker with a powerful new idea, who combines visionary and real-world problem-solving creativity, who has a strong ethical fiber, and who is "totally possessed" by his or her vision for change'.

Thompson, Alvy, and Lees (2000) view them as 'people who realize where there is an opportunity to satisfy some unmet need that the state welfare system will not or cannot meet, and who gather together the necessary resources (generally people, often volunteers, money and premises) and use these to "make a difference"'. What regards the UK, Leadbeater (1997) gives a large definition of social entrepreneurship that he considers as 'a vast array of economic, educational, research, welfare, social and spiritual activities engaged in by various organizations'. More recently, definitions of social entrepreneurship have proliferated. Some view it as 'a process consisting in the innovative use and combination of resources to explore and exploit opportunities, that aims at catalysing social change by catering to basic human needs in a sustainable manner' (Mair and Marti 2004, 3); with Noboa, Mair added that this social change is catalysed through the 'creation of organizations and/or practices that yield and sustain

social benefits' (Mair and Noboa 2006). For others, social entrepreneurship 'encompasses the notions of "construction, evaluation and pursuit of opportunities"' as means for a "social transformation" carried out by visionary, passionately dedicated individuals' (Roberts and Woods 2005, 49). Social entrepreneurship has also been expressed as an 'innovative, social value creating activity that can occur within or across the non-profit, business, and/or public/government sectors' (Austin, Stevenson, and Wei-Skillern 2006, 1). We erawardena and Sullivan Mort (2006, 22, 32) also use the notions of social Entrepreneurship & Regional Development value creation, opportunity exploitation, social mission, innovativeness, proactive-ness and risk management behaviour. Stryjan's (2006, 35) definition focuses on the role of collective actors in the resource gathering as 'social entrepreneurship is viewed as a category of entrepreneurship that primarily (a) is engaged in by collective actors, and (b) involves, in a central role in the undertaking's resource mix, socially embedded resources and their conversion into (market-) convertible resources, and vice versa'.

For Nicholls (2008, 23), 'social entrepreneurship is a set of innovative and effective activities that focus strategically on resolving social market failures and creating new opportunities to add social value systemically by using a range of resources and organizational formats to maximize social impact and bring about change'. Simply put, 'social entrepreneurship is defined by its two constituent elements: a prime strategic focus on social impact and an innovative approach to achieving its mission' (Nicholls 2008, 13). This proliferation of definitions has gone along with the emergence of empirical studies of social entrepreneurship practices, mainly using a case study approach (Mair and Schoen 2007; Jones, Latham, and Betta 2008; Mair and Marti 2009; Vasi 2009). The definitional purpose of our study also implies to determine to what extent this concept differs from traditional, commercial, entrepreneurship.



Indeed, what defines an element is a set of peculiar characteristics that enable it to be distinguished from other elements, be they commercial entrepreneurship or other non-entrepreneurial social activities. Previous research has shown that entrepreneurship brings about social value by nature, e.g. in creating employment. However, it does not imply that any entrepreneurial initiative pertains to social entrepreneurship. We define social entrepreneurship as the process of identifying, evaluating and exploiting opportunities aiming at social value creation by means of commercial, market-based activities and of the use of a wide range of resources. Similarly, any non-profit activity does not necessarily exhibit an entrepreneurial behaviour. Therefore, before studying the different geographical origins of social entrepreneurship, we compare social entrepreneurship to commercial entrepreneurship and we show how social entrepreneurship actually replicated the evolution of its parent field, entrepreneurship.

The comparative approach used in the next section will make it possible for peculiarities of social entrepreneurship to emerge. 1.2. Social versus commercial entrepreneurship: two sides of the same coin? From an academic point of view, social entrepreneurship shows three similarities with the field of entrepreneurship research in its early days. First, social entrepreneurship research is still phenomenon-driven (Mair and Marti 2006). As it has been the case for the field of entrepreneurship, social entrepreneurship initiatives have first developed among practitioners before attracting researchers' attention less than 20 years ago. Second, Chell, Haworth, and Brearley (1991), Shane and Venkataraman (2000) and Bruyat and Julien (2001), among others, regretted the lack of a unifying paradigm in the field of entrepreneurship. In his seminal paper, 'What are we talking about when we talk about entrepreneurship?' Gartner (1988) tackled important questions such as 'Has entrepreneurship become a label of convenience with little inherent meaning?' or 'Is entrepreneurship

just a buzzword, or does it have particular characteristics that can be identified and studied?' This fuzziness brought up Acs and S. Bacq and F. Janssen Audretsch's (2003) question of whether entrepreneurship is a distinctive domain of research or a discipline-based research. This lack of consensus in the field of entrepreneurship regarding the definition of the entrepreneur and the parameters that constitute the paradigm has been nuanced Filion (1997). Indeed, from the reverse point of view, entrepreneurship remains one of the rare topics that attract specialists from a lot of diverse disciplines. Consequently, any researcher is influenced by the premises of its own discipline in considering and defining the entrepreneur. Similarly, one can regret that the absence of a unifying paradigm in the field of social entrepreneurship has led to the proliferation of definitions (Dees 1998a, b). Moreover, 'its boundaries with other fields of research remain fuzzy' (Mair and Marti 2006, 36). Mair and Marti (2006) investigated whether social entrepreneurship is a distinctive field of research or whether it is based on other disciplines.

However, let us recall that interdisciplinary played a key role in the evolution of entrepreneurship, coming from a marginal field of research to a respected one (Dees and Battle Anderson 2006). Third, academic research in social entrepreneurship is still at the infancy stage (Dees and Battle Anderson 2006; Dorado 2006), as the entrepreneurship field of research was some years ago (Brazael and Herbert 1999). As argued by Dees and Battle Anderson (2006, 39), social entrepreneurship does not currently bear 'the deep, rich explanatory or prescriptive theories that characterize a more mature field of research'. Research in the field of social entrepreneurship could replicate the theoretical evolution of its parent-field. Entrepreneurship is now recognized as an academic field (Bruyat and Julien 2001) and has an important scientific community that has produced a significant body of research (Acs and Audretsch 2003; McGrath 2003).





It has managed to go beyond the infancy stage to reach the adolescence stage. Entrepreneurship has been apprehended from both a functional and an indicative approach (Casson 1982). These two perspectives can also be used to distinguish social from commercial entrepreneurship, following the traditional approaches of entrepreneurship. By commercial entrepreneurship, we mean the capacity to create or to identify business opportunities and to exploit them (Shane and Venkataraman 2000) in a perspective of value creation (Bruyat and Julien 2001). First, in an indicative approach (Casson 1982), some scholars focused on the differences in the features of the founder of the entrepreneurial initiative. Despite attempts to isolate social entrepreneurs, it seems that they share many characteristics with commercial entrepreneurs: they have the same focus on vision and opportunity and the same ability to convince and empower others to help them turn their ideas into reality (Catford 1998). According to Dees (1998a, b), social entrepreneurs are a 'sub-species' of the entrepreneurs' family.

However, although there is a lot of overlap between social entrepreneurs and their commercial counterparts – particularly leadership, vision, drive and opportunism – the main difference is that 'social entrepreneurs usually have a vision of something that they would like to solve in the social sector or a socio-moral motivation in their entrepreneurial focus and ambition' (Nicholls 2008, 20). Social entrepreneurs' acts will always be linked to an objective of social value creation (Dees 1998a, b; Schwab Foundation 1998; Sullivan Mort, Weerawardena, and Carnegie 2003; Sharir and Lerner 2006). As suggested by Thalhuber (1998), it is possible to compare the two types of entrepreneurs according to other dimensions, such as their strengths, their focus, their mission and the way they consider profit: social entrepreneurs draw their strengths from collective.

### **Need for the Study:**

The Amul dairy had adopted social entrepreneurship to promote Social transformation which is must for social well-being So, this study has made an attempt to provide effectiveness and activities of Social Entrepreneurship in Amul dairy.

### **Objective:**

The main objective of this paper is to study the social entrepreneurship in Amul dairy.

### **Methodology:**

This paper mainly based on secondary data. The articles which are published in the area of in social entrepreneurship have collected for the study and from website of Amul

### **“Poverty is unnecessary” – Mohammad Yunus**

In India, this quote by Yunus continues to be relevant even today as a majority of its population battles poverty. Socially focused ventures that provide innovations for low-income markets and create opportunities for a better lifestyle have however made significant progress in fighting this battle – especially since India got independence from colonial rule in 1947. As India celebrates its 67th year of freedom it seems poignant to therefore pause and reflect on eight milestones that have played an important role in shaping India's social enterprise landscape and the lessons they teach us.

### **1. Founding of Amul Dairy Co-operative (1946 – 1950)**

The founding of the Kaira District Co-operative Milk Producers Union in 1946 and the Amul Dairy in 1950 has over the years given thousands of dairy farmers access to a wide range of domestic markets and spurred India's milk revolution. The diagram below explains in detail how the Amul co-operative benefits numerous dairy farmers across India.

Amul demonstrated that the elimination of middlemen and the professional management of milk procurement could result in low-income farmers getting access to new markets thereby lifting them out of poverty. While Amul was not conceived as a social enterprise, it is a historic example of supply chain management that is relevant even today.



**2. Beginnings of Fabindia (1960)**

Founded by John Bissell to market the diverse craft traditions of India, Fabindia started as a company exporting home furnishings. By linking over 80,000 craft based rural producers to modern urban markets, Fabindia impacted rural artisans at a scale similar to that of Amul for dairy farmers. Fabindia’s unique ‘community owned company’ model that promotes inclusive capitalism can be credited for the impact they have created.

By providing a minimum 26% shareholding to companies co-owned by artisan communities, Fabindia not only offered artisans a regular income but also dividends from the company’s growth. Today, with a pan-India presence, Fabindia is the largest private platform for products that derive from traditional crafts and knowledge.

**3. Founding of Ashoka in India (1981)**

Ashoka laid the foundation for the concept of social entrepreneurship around the world and started working in India in 1981. Their yearly batches of Changemakers – a community of social entrepreneurs that work to launch, refine and scale high potential ideas for low-income markets – has proven to be a successful model that has been adopted by several accelerators globally. Ashoka’s establishment in India highlighted the importance of non-financial support in the form of networks, mentors and beyond to accelerate the growth of entrepreneurs working with innovations for low-income markets. Since inception in India, Ashoka has identified and worked with more than 350 fellows with innovative solutions from diverse fields and provided them access to funding, expertise and the global networks necessary to grow operations and scale impact.

**4. Establishment of SELCO Solar (1995)**

SELCO Solar was established with the mission to dispel the myth that low-income communities cannot afford or maintain sustainable technologies. SELCO resolved this challenge by not only creating low-cost solar solutions for lighting, water pumping and computing but also by providing a complete package of product, service and consumer financing through grameena banks, cooperative societies and micro finance institutions. In a time when only a limited amount of financial and non-financial support was available to socially focused entrepreneurs and affordable solar power was a distant dream even in developed countries, SELCO not only sold and serviced solar lighting systems but also developed and



scaled a business model for bringing rural services to poor families. In the past 18 years, SELCO has sold over 1,35,000 solar home lighting systems.

### **5. India's First Impact Investments (2001)**

It was in 2001 that Acumen Fund; a powerful catalyst for socially focused ventures internationally, brought its approach to India and made its debut investment in Aravind Eye Hospital. Acumen went on to open its India office in 2006 and has since invested USD\$36 million in 26 different social companies in India. In the same year, Vineet Rai also founded Aavishkaar, India's first for-profit impact investment fund. Aavishkaar now oversees four investment funds and over 25 portfolio companies across sectors such as agriculture, dairy, healthcare, water, sanitation and beyond in India. The introduction of both Aavishkaar and Acumen in India showcased the demand for early-stage investments in socially focused enterprises to scale both operations and social impact.

### **6. Social Enterprise Reaches Indian Universities (2007)**

Education has often been seen as a stepping-stone towards positive change. The introduction of the Masters in Social Enterprise at one of India's leading academic schools, the Tata Institute of Social Sciences in 2007 heralded a small but growing trend to provide formal training for entrepreneurs aspiring to create social change. The founding of this masters program raised the academic profile for social enterprise as a career and created a viable pathway for the next generation of socially focused leaders.

### **7. Introduction of the Sankalp Summit (2009)**

Sankalp Forum's annual summit in 2009 was the first such event of its kind in India that brought together multiple stakeholders such as entrepreneurs, investors, experts and development partners to review the progress made within the sector and to set course for the future.

It was initiated with the vision of catalyzing impact investments into social enterprises globally and has today evolved into a community of over 350 socially focused enterprises, 300 investors and 300 sector stakeholders. The popularity of Sankalp Forum brought to the forefront the importance of local and regional events for the convergence of global knowledge and investment dialog necessary to further the inclusive ecosystem in India.

### **8. Passing of the Companies Bill (2013)**

The passing of the Companies Bill and along with it the mandatory 2% of profits spend on CSR activities is a historic piece of legislation. While the impact of this spend has been a topic of much debate, including criticism that CSR is simply a public relations exercise, the new bill is an opportunity for Indian corporates to embrace a few large social problems that government benefits have been unable to resolve satisfactorily. Moreover, the bill is aimed at providing important financial resources to NGO's, social enterprises as well as incubators and accelerators with the ultimate intention being for corporates to play a greater role in eradicating social problems such as hunger and lack of education which continue to fester in India.

**Steve Jobs** – though unrelated to social enterprise – stated, “You can't connect the dots looking forward; you can only connect them looking backwards. So you have to trust that the dots will somehow connect in the future.” Similarly, not only do these eight milestones define India's social enterprise landscape but they also act as important opportunities for reflection on the way forward – for entrepreneurs, investors, accelerators and governments alike.

### **Conclusion:**

This Polish proverb that rightly says, 'If the farmer is poor then so is the whole country.' It was Sardar Vallabhbhai Patel, Tribhuvandas Patel and Dr Verghese Kurien who must've understood what this



quote meant and took certain measures to stop the exploitation of the farmers. It was their absolute determination and hard work that made certain a self-sustaining state for the farmers. Today, the brand has enabled farmers to be entrepreneurs and earn their very own living. The total process is transparent has ensured that there is no exploitation. The Amul brand has proved that it can be not only a product but a movement that represents the economic freedom of farmers. The brand has given farmers the courage to dream, to hope and to live. Amul in all its sense has proved that it is Amulya i.e. 'Priceless' for our nation and that we must preserve it.

#### Reference:

Mair, J., & Marti, I. 2006. Social entrepreneurship research: A source of explanation, prediction, and delight. *Journal of World Business*, 41: 36-44.

Porter, M. E., & Kramer, M. R. 2011. Creating Shared Value. *Harvard Business Review*, Jan-Feb: 62-77.

Short, J. C., Moss, T. W., & Lumpkin, G. T. 2009. Research in Social Entrepreneurship: Past Contributions and Future Opportunities. *Strategic Entrepreneurship Journal*, 3: 161-194.

Zahra, S. A., Gedajlovic, E., Neubaum, D. O., & Shulman, J. M. 2009. A typology of social entrepreneurs: Motives, search processes and ethical challenges. *Journal of Business Venturing*, 24: 519-532.

Pearce, J. (2003). *Social Enterprise in Anytown*. Calouste Gulbenkian Foundation.

Ridley D. R. & Bull, M. (2011). *Understanding Social Enterprise: Theory and Practice* (with Companion Website), SAGE. Castelli, L. (editor) (2005). *European Social Entrepreneurs: Looking for a better way to produce and to live*. Le Mat.

Roy, M. J., McHugh, N., Kay, A., Huckfield, L., & Donaldson, C. (2012). "The most supportive environment in the world for social enterprise?" *Social enterprise in Scotland*.

International Centre of Research and Information on the Public, Social and Cooperative Economy – CIRIEC (2012). *The social economy in the European Union*. European Economic and Social Committee.

Pulford, L. & Addarii, F. (2011). *This is European Social Innovation*. European Commission Enterprise and Industry.

Pearce, J. (2005). *Learning from Failure. Lessons in how to strengthen and build the social enterprise sector*. Edinburgh: CBS Network.

Kerlin, J. A. (2010). A Comparative Analysis of the Global Emergence of Social Enterprise. *Voluntas* 21, 162–179.

Defourny, J., & Nyssens, M. (2010). Social enterprise in Europe: At the crossroads of market, public policies and third sector. *Policy and Society* 29, 231–242.

Roy, M., *Social Enterprise in Scotland*, *Journal of Entrepreneurial and Organizational Diversity* (2012) SI Magazine A Lengthy Study on the SE concept in Macedonia,

Smith, B., Knapp, J., Barr, T., Stevens, C. & Cannatelli B. L. (2010) "Social enterprises and the timing of conception: Organizational identity tension, management and marketing." *Journal of Nonprofit & Public Sector Marketing* 22 (2): 108-134.

Cannatelli B. L., Masi, A. & Molteni, M. (2012) "Green Technology Implementation in Developing Countries: Opportunity Identification and Business Model Design" in (ed.) Nicholls, A. & Murdock, A., *Social Innovation*, Palgrave McMillan.





Volume No:2, Issue No:4 (April-2017)

ISSN No : 2455-7595 (Online)

# International Journal of Research in Management Studies

A Peer Reviewed Open Access International Journal  
www.ijrms

Defourny, J. Nyssens, M. (2010) “Social enterprise in Europe: At the crossroads of market, public policies and third sector”.

<http://www.thealternative.in/business/8-defining-milestones-in-indias-social-enterprise-landscape/>

<https://www.youthkiawaaz.com/2016/09/amul-india-success-story/>