



Entrepreneurship: As a Solution to Poverty

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The word entrepreneur is derived from the French word *entreprendre* and its literal meaning is “to undertake”. Undertaking enterprise is regarded as entrepreneurship and one who undertakes it-one coordinate’s capital and labor for the purpose of production is an entrepreneur.

Entrepreneurs perform a core function in economic development. They are referred as the human agents needed to “mobilize capital, to explore resources, to create markets and to carry on trade”. It might well said that the entrepreneurial input spells wealth of a nation.

Poverty- Poverty is a state or condition in which a person or community lacks the financial resources and essentials for a minimum standard of living. Poverty means that the income level from employment is so low that basic human needs cannot be met. Poverty is not about having enough money to meet basic needs including food, clothing and shelter. However, poverty is much more than just not having money.

According to WHO, “Poverty is hunger. Poverty is lack of shelter. Poverty is being sick and not being able to see a doctor. Poverty is not having access to school and not knowing how to read. Poverty is not having a job, it is a fear for the future, living one day at a time”.

Social entrepreneurship is an art of pursuing both financial and a social return on its investment through innovative business model. The social entrepreneurship will have social mission to solve the existing



societal problems in education, poverty, health, etc. it mainly addresses the needs of those living in poverty.

Social Entrepreneurship= Social Purpose + Profit

Alvard, Brown & Letts (2004) defines social entrepreneurship creates innovative solutions to immediate social problems and mobilizes the ideas, capacities, resources and social arrangement for sustainable social transformations.

In general, social entrepreneurship can expressed as an art which pursues both financial and social return on its investment through innovative business model. It differs from business entrepreneurship objective is its social mission. The stake holder of the business entrepreneurship, the stake holders exist at all levels including the customers. In business entrepreneurship the profit used to maximize the financial returns to the stake holders, but in social entrepreneurship it is used to expand the venture and reach to more people in need.

Social entrepreneurship applies practical, innovative, and sustainable approaches to benefit society, with an emphasis on the marginalized and the socio-economically disadvantaged. Social entrepreneurs drive transformative change across all the different fields and sectors, including but not limited to health, education. They pursue their social mission with entrepreneurial creativity, business methods, and the courage overcome traditional practices.

A social enterprise performs hybrid social and commercial entrepreneurial activity to achieve self-sustainability. It operates a business which generates revenues and profits but it will not be used to widening the business primarily and used to enlarge their social benefits. It is important to set the function of social entrepreneurship apart from other socially oriented activities and identify the boundaries within social entrepreneurs operate.

Social entrepreneurship is a vibrant phenomenon in developing as well as developed countries. These mission-driven businesses improve the lives of the poor and generate a profit. They have only recently entered into the world stage, but they have captured the attention of many who are looking for solutions to today's greatest development challenges. In India these businesses have become a national phenomenon in less than a decade, with a robust ecosystem of supporting players growing up around them.

Three perspectives on entrepreneurship and poverty alleviation

The reform perspective is characterized by a different set of assumption. This perspective assumes that poverty is the result of social exclusion and that poverty alleviation through



entrepreneurship occurs as the institutional or social context is changed. For example, rather than exploring how to provide women with the financing they need to participate in markets, the reform perspective would question what social structures preclude such participation and how this structure might be altered to be more inclusive. This perspective generally assumes that markets are the primary drivers of poverty alleviation, though markets need restructuring in order to be more inclusive. Given that the reform perspective focuses on the need for social change, this literature does not necessarily assume that poverty alleviation will always result in a 'win-win' in which all parties benefit. Rather, power struggles may result in short-term losses for previously privileged groups. Finally, the reform perspective also moves beyond positivism in paying attention to the socially constructed realities of the poor, thus implicitly embracing other epistemological and ontological stances such as critical realism. Thus, the reform perspective is more attuned to the social and institutional realities of the poor, and the ways entrepreneurship is involved in change.

Revolution is the perspective that poverty alleviation occurs when entrepreneurship introduces alternatives to capitalism as it is currently constituted. The revolution perspective questions some of the basic assumptions of capitalism such as economic self-interest, efficiency, and an individualistic orientation. Rather than perpetuating neoliberal social structure through entrepreneurship, the revolution perspective suggests that entrepreneurship can lead to different ways of economically organizing individuals and communities. The distinction between reform and revolution is more of a continuum rather than a bright line. However, at its core, the reform perspective suggests ways that social and institutional change can help incorporate the poor into more inclusive markets, while the revolution perspective questions the very essence of capitalistic markets as they are currently organized. The revolution perspective also pays attention to how power is exercised to reproduce the existing social order and how power can be challenged. The reform perspective generally assumes that the ultimate goal of poverty alleviation through entrepreneurship should be increased social equality, implying that economic outcomes, such as economic efficiency, are secondary considerations.

Entrepreneurship and poverty alleviation as remediation

Opportunity identification involves either discover ignore creating competitive imperfections in factor or product markets. Because the remediation perspective assumes poverty is the result of resource scarcity, much of the literature on opportunity identification from this perspective has focused on partnerships and the resources they generate which help give rise to new opportunities. Partnerships between entrepreneurs in the context of poverty (often represented by non-governmental organizations)



and large organizations (generally multi-national corporations), create interactions will lead to the identification of new and valuable opportunities for those involved. These relationships are viewed as especially valuable as each partner is able to leverage distinct resources, thus overcoming the challenges associated with institutional voids. From the remediation perspective, such relationships not only have the potential to allow large organizations to access experience and local knowledge necessary to identify opportunities in new markets, but also provide local entrepreneurs access to critical resources such as value chains and technological expertise that create new opportunities, creating a 'win-win'. However, the emphasis on empirical examination in this perspective has revealed that despite the potential for identifying valuable opportunities, cross-sector partnerships are also complex. Such difficulties may arise because of distinct priorities and competencies. After identifying opportunities, the second step in the entrepreneurial process is the exploitation of the opportunity which involves acquiring resources, bundling those resources into capabilities, and leveraging these capabilities in order to create and capture value. The literature on entrepreneurship and poverty alleviation from the remediation perspective has focused substantial attention on the acquisition of resources, particularly in the form of financial capital including microfinance. The assumption behind this research is that the greatest barrier to the poor starting businesses and pulling themselves out of poverty is the absence of capital of various forms. Thus, remediation assumes that providing capital can unlock the entrepreneurial potential of the poor as they will start their own businesses which in turn can lead to their exit from extreme poverty.

The final stage of entrepreneurship process is growth. The remediation perspective assumes that economic growth is the key to poverty alleviation and should occur as barriers to entrepreneurship among the poor are removed and scarce resources necessary for growth are provided. Entrepreneurial growth often addresses standardization and a number of studies suggest that such standardization is critical for entrepreneurial growth in the context of extreme poverty. At issue is the extent to which standardized products, processes, and practices will work across multiple contexts. Further complicating the issue is that growth may imply operating across informal and formal markets, which greatly adds to operational complexity. These studies suggest that leveraging resources such as local social networks and relationships may be critical in scaling in the context of poverty.

Overall, the remediation perspective provides important insights regarding entrepreneurship and poverty alleviation. This emphasizes the power of unlocking markets for the poor, unlocking entrepreneurial potential among the poor, and the challenges of promoting growth for entrepreneurial



firms founded by the poor. The simplifying assumptions regarding the causes of poverty—viewing poverty primarily as a lack of resources—allows for robust theorizing and testing.

Entrepreneurship and poverty alleviation as reform

Again we will examine the reform perspective of entrepreneurship and poverty through the lens of the entrepreneurial process—identification, exploitation, and growth. The reform perspective assumes that poverty is the result of social exclusion and social power, and it examines these issues directly. From the reform perspective, opportunity identification encompasses the potential for social change. Given this broader view of opportunities than in remediation, the reform perspective highlights how institutions including culture, identity, social power, and rhetoric are used in opportunity identification. From this perspective, opportunity identification is viewed as a creative act which is shaped by institutional settings. In the reform perspective, poverty alleviation is tied to opportunity identification in two distinct ways. First, entrepreneurial opportunities empower individuals that are otherwise marginalized. This mechanism highlights the power of markets to empower individuals as well as the role of institutions in facilitating or constraining entrepreneurship. The second way that opportunity identification leads to poverty alleviation from the reform perspective is by identifying opportunities for social change. In this view, entrepreneurship (often institutional entrepreneurship) is used to directly change the social or institutional context, although the basic capitalist system is still in place.

The literature from the reform perspective on opportunity exploitation highlights how the social and institutional context influences the way that opportunities are exploited and the consequences of exploitation. The institutional context influences exploitation through a number of means, including market-supporting regulations, public spending, and dominant societal logics. The institutional context shapes whether entrepreneurs exploit opportunities through formal or informal means. Similarly, the social context, including the prevalence of criminal activity and the structure of social networks, influences how entrepreneurs exploit opportunities. This also highlights the ways that the institutional or social context can exclude groups from opportunity exploitation through discrimination or by exercising political or social power. Finally, this perspective also highlights how poverty alleviation can occur as opportunities are exploited. For example, in addition to economic success, opportunity exploitation can also lead to the empowerment of women, though such empowerment often requires ongoing negotiation.



Revolution and opportunity exploitation

Research from the revolution perspective on opportunity exploitation is sparse, but considers the motivation for exploiting of revolutionary opportunities, as well as the consequences of exploitation. For example, exploiting revolutionary opportunities may require compassion rather than pure self-interest by the entrepreneur or others. This perspective also highlights the importance of exploiting opportunities in ways that respond to the needs of the poor who are being served, rather than serving the interests of the elites who run anti-poverty programs. For example, Radhakrishnan (2015) demonstrates how entrepreneurship development discourse from both an international office, as well as from local program officers, failed to represent the realities of micro finance clients, thus further marginalizing rather than empowering the intended beneficiaries.

Revolution and entrepreneurial growth: -

The revolution perspective explores the positive and negative consequences of entrepreneurial growth, as well as providing a critique and suggestions regarding how growth should be evaluated. The revolution perspective proposes that entrepreneurial growth can be harmful when it embraces neoliberal discourse and perpetuates power divergences. Furthermore, the distribution of the benefits of growth is subject to coercion and consent that arise through political processes. How then, can growth contribute to poverty alleviation? The revolution perspective suggests a need to engage a much broader array of stakeholders, such as government, civil society, businesses, and institutions to ensure that growth is accompanied by distributive justice. Growth for poverty alleviation may also require new identities and mindsets among entrepreneurs and other stakeholders. This perspective suggests much broader criteria than just economics, and instead focuses attention on the impact on the poor, including issues of empowerment and inclusion. The revolution perspective calls attention to issues of power, discourse, resistance, and social structure and ties them back to the role of entrepreneurship in poverty alleviation. As such, the primary strength of this perspective is the critical examination of the role of entrepreneurship in poverty alleviation and the potential dark side of such approaches. This perspective also sketches out potential alternatives to individualistic, self-interested approaches to entrepreneurship.

Conclusion

In future, social entrepreneurs will play a crucial role in the progression of social changes. The best thing about social entrepreneurship is that success is not mentioned by financial gains, but by the number of people these enterprises are able to reach and create a positive impact in the coming days, social entrepreneurship and social businesses will be in the mainstream substantially, which will hopefully impact the society positively. The United Nations 2030 Agenda for Sustainable Development



Goals also deals with empowering people for better job and business opportunities. The Goal No. 1 of Sustainable Development Goals itself deals with NO POVERTY. And other organizations like UNESCO and UNICEF time to time emphasizes on the issues like poverty. Decent work and economic growth is in the United Nations Agenda as Goal Number 8. And this development also signifies in the life of people therefore Goal Number 10 stated as REDUCE INEQUALITY. The whole concept of this UN Agenda can be achieved by Entrepreneurial spirit amongst the lower strata of the society to eradicate the inequality.