

Social entrepreneurship, corporate social responsibility, Nonprofit Organization's: The perfect path to sustainable development?

¹**Medapati Mounika**

²**Dr Swetha Thiruchanuru, Assistant Professor**

^{1,2}Sri Sathya Sai Institute of Higher Learning, Anantapur Campus, Anantapur,
Andhra Pradesh, India

Abstract:

Currently, Sustainable development is the most discussed topic across the countries and every nation is trying to find out ways how to achieve the 17 sustainable development goals (SDGs) by 2030 as decided in United Nations summit 2015. Many researchers provided various ways and methods on how the SDGs can be achieved. The term sustainable development 'is not just about developing but developing in a sustainable manner'. Similarly, to achieve sustainable development there may be many paths but we should know which path contributes in the most sustainable manner to achieve the SDGs.

In this paper, researcher has taken the hypothesis that social entrepreneurship is the best path to achieve sustainable development when compared to CSR activities and non-profit organizations. The research goes in an inductive approach of research with secondary data from various websites, articles, journals and reports available in the internet and concludes by comparing the three variables namely social entrepreneurship, Corporate Social responsibility and Non-profit organizations with the three main dimensions of sustainable development namely the economy, ecology and society.

Key words:

Sustainable Development, Sustainable Development Goals (SDGs), Social Entrepreneurship, corporate social responsibility, non-profit organizations or NPO's.

Introduction:

Sustainable development is the agenda of all the nations since the 1972 Stockholm summit conference. The United Nations summit in 2015 has made a 2030 agenda in which 189 nations decided to achieve the 17 sustainable development goals and 169 targets set in the 2015

conference. The nations know their goals and targets but the way to achieve the goals has not been decided; the decision about the paths to achieve the SDGs was left to the nations themselves.

Many researchers across the globe have been suggesting various ways to achieve the SDGs, the most suggested path to achieve the SDGs is to encourage entrepreneurship mainly rural and social entrepreneurs, make corporate social responsibility compulsory, and support the activities of the NPO's. In this study we have taken the hypothesis that social entrepreneurship is the right path to sustainable development compared to corporate social responsibility and non-profit organizations.

Sustainable development:

The world has changed enormously from the primitive times to the modern day. Many advancements and enhancements took place in various fields like medicine, aeronautics, robotics, technology, industry, life styles etc., all these modern inventions gave many comforts to man but at the other side, it led to the depletion of the earth and its atmosphere a lot.

World Economic Situation and Prospects (WESP) of the World Bank classified the nations into developed, developing and under developing nations based on criteria like the geographical region, income groups, fuel exports, per capita gross national income (GNI) by the operational lending categories of the World Bank Group.

In order to become a developed nation, many nations ignored the ecological and social factors of development, which will affect the country's economic growth and sustainability in the end. They started digging their mines exploiting their own land to increase their exports and generate revenues. Sooner the nations realized the impact they are making on the environment and came together to look over the environment issues they have caused and analyze their common future if the situation endures.

The words sustainable development comprises two words namely sustainable and development. The oxford dictionary defines sustainable as "Able to be maintained at a certain rate or level." and development as "The process of developing or being developed." In addition, the same oxford dictionary defines sustainable development as "*Economic development that is conducted without depletion of natural resources*".

According to the Brundtland report, sustainable development means

"Development which meets the needs of the present generation without compromising the ability of future generations to meet their own needs."

The three dimensions of sustainable development:

The nations found that development to take place in a sustainable manner should consider the natural and social factors along with the economic factors and hence the three pillars of sustainable development are the economic, social and environment.

Social solidarity: “Equality of opportunities for people, involving welfare, quality of life and sustainable human development that liberates individual capacities and fulfils human needs, thus ending poverty and improving individuals' quality of life offering a secure life with full rights and liberties in the long term - and social cohesion.”



Fig1: the three dimensions of sustainable development (Source: google images)

Environmental responsibility: “The ability to use natural resources without undermining the equilibrium and integrity of ecosystems, reduce burden on the environment.”

Economic efficiency: “Efficiency of economic and technological activities, foster investment and productivity, economic growth, economic output potential.”

Sustainable development goals:

In 1972, the Stockholm conference of the United Nations declared that earth’s environment is becoming atrocious; all the nations should take equal responsibility for this situation and act immediately upon this. In 1987, the Brundtland report came up with the concept of sustainable development, which led to a Rio conference and the formation of the UN commission on sustainable development in the year 1992.

After the Rio summit, the United Nations in the year 2000 decided upon 8 Millennium Development Goals that will be achieved by all the 191 united nation member states by 2015.

Fig2. Eight Millennium Development goals of the United Nations set in 2000 to be achieved by 2015.



(Source: web sources)

The United Nations decided upon 17 sustainable development goals, which will build upon the 8-millennium development goals and achieve what they could not achieve. These 17 SDGs came into force from 2015.

The 17 SDGs are integrated and indivisible; balance the three dimensions of sustainable development: the economic, social and environmental.

Fig3. The United Nations 17 Sustainable Development Goals of the 2030 agenda



(Source: web sources)

BUSINESS ENTERPRISES:

Every nation believes that its industries are the main sources for their income and economic status, and hence in the achievement of SDGs also the business should play a key role.

The aim of any business is to earn profit; for that profit it may sell goods (products/services) at a price to its customers and in the process of providing the goods it utilizes land, labour, capital and raw materials.

But there are business organization that do not aim only at profit and hence based on the profit goals of business they are classified into two types for profit business organizations and not-for profit business organizations.

Corporate social responsibility:

The for-profit business organization's (the corporate companies) main aim is to maximize their profits and in this process they utilize the natural, human and financial capital to the maximum extent possible.

There were and are many cases against huge corporates regarding the way they treat their employees, the financial scams and bankruptcy, exploitation of natural resources and treatment of trade effluents. Some companies when were charged against a case; to save their goodwill and

image in the public took the responsibility for the act and undertook some social initiatives, created some trusts to perform the social welfare activities for the common people.

e.g., Nike after the sweat shops issue took over various activities to prevent child labour and support their education and growth. Coco-cola uses huge amount of water and after few years of its operations in India during 1999-2006 there was huge drop in the ground water levels and many agitations came up from the local people to shut down the unit. In 2015 Coco-cola pledged that it will balance its water usage by 2020.

There are very few companies which without any legal issues initiated the CSR activities.

The responsibility taken by a corporate to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large is known as Corporate Social responsibility and the activities done to fulfill this responsibility are called CSR activities.

After the introduction of the millennium goals and the SDGs governments passed a rule that all the corporate companies should utilize at least 2% of their annual profits for CSR activities.

Non-profit organizations:

Non-Profit Organization or NPO is a legal entity formed by a group of persons to promote cultural, religious, professional, or social objectives, they do not earn profits. The members or trustees of the NPO raise the initial funds.

An NPO may include a charitable organization, membership groups like a sports club or women's club, social or recreational organization, public educational institutions, public hospitals, public arts organizations, trade unions and charitable organizations.

These organizations have a motive other than profit and they do not make their own money they collect funds and donations to achieve their objectives.

e.g., Red Cross, Rotary clubs and etc.

Social enterprises:

The social enterprises are the business enterprises which earn profit to achieve a social mission. Every social enterprise is unique and gives a new solution to the long lasting social issues. In case of two social enterprises, the problem they are dealing with may look similar but the geographical and societal environment in which they are will vary and hence every social enterprise is a unique and highly customised to its society.



Social entrepreneurs work with the society which they want to change, use the business activities to achieve their social mission.

e.g., Grameen Bank, Aravind eye hospital, Narayana Hridayalaya, Jaipur Foot, SEWA etc.,

Research methodology:

For a research, the data can be taken from two types of sources namely primary and secondary. Primary sources include the sources which give first hand data for the current research, data collected using questionnaires, interviews, observations etc., secondary data sources are the sources which give data which was used for some other research purposes and includes textbooks, journals, websites, reports etc.,

In this study the researcher has used the data from secondary data sources like journals, textbooks, websites, government reports, newspaper articles.

There are two types of approaches to research namely inductive and deductive approaches. In inductive approach new theories are developed by testing hypothesis framed on few observations and patterns, whereas in deductive approach we take already established theories and frame a hypothesis which will be confirmed by observations.

In this research the researcher has used the inductive approach by thorough understanding on CSR by reading case studies on corporate social responsibility, not profit organization and social enterprise and their relation to the sustainable development dimensions and then made a hypothesis that social entrepreneurship is the best path to sustainable development and to prove this hypothesis we compare the observations made from the data collected.

RESULTS AND DISCUSSIONS:

From the above data, we have derived the relation of corporate social responsibility, social entrepreneurship and non-profit organizations to the three pillars of sustainable development.

Table1: comparison of the contributions made by the CSR activities, social entrepreneurship and non-profit organizations to the three dimensions of sustainable development.

	economy	ecology	society
Corporate companies	<ul style="list-style-type: none"> • Generate profits and pay taxes to the government, • indulge in trade activities which have a good impact on the economy. 	<ul style="list-style-type: none"> • Based on the type of company they utilize the natural resources, release wastes into the environment • Mostly concerned only with the utilization of the natural resources. • does not ensure the renewal of the natural resources used by them. 	<ul style="list-style-type: none"> • Based on the corporate strategy. They give innovative products and services to the consumers. • There are cases where the products had a negative impact on the consumer's health.
Corporate social responsibility	<ul style="list-style-type: none"> • Provide employment opportunities and • makes investment in start-ups 	<ul style="list-style-type: none"> • Takes up initiatives that reduce pollution, innovative ways to recycle the wastes etc., 	<ul style="list-style-type: none"> • Empowers its own employees and their family members, • some benefits are provided in form of health, education to the people in need.
Social entrepreneurship	<ul style="list-style-type: none"> • Generates profit • Creates employment opportunities • Innovative ideas and approaches 	<p>Despite of its mission.</p> <ul style="list-style-type: none"> • Takes action to protect the environment. • do not exploit any natural resources. • Finds innovative ways to improve the ecological conditions 	<ul style="list-style-type: none"> • Solves issues which were left as impossible to be solved. • Brings hope in the lives of people living in the society • Shows them the path how to lead a sustainable life.
Non-profit organizations.	<ul style="list-style-type: none"> • No income is generated • A way for people to get tax exemption by giving charities. 	<p>Based on the organization,</p> <ul style="list-style-type: none"> • it protects and supports living beings like plants, animals, humans, 	<ul style="list-style-type: none"> • Provides some relief to the people in the society for a certain period. Relief camps, first aid services etc.,

		mammals, birds etc.,	
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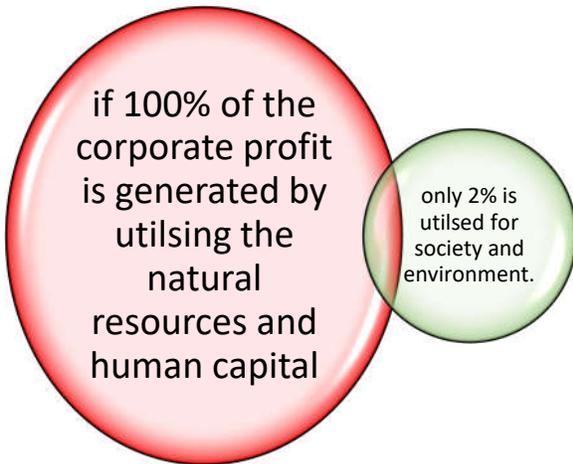


Fig4. corporate social responsibility

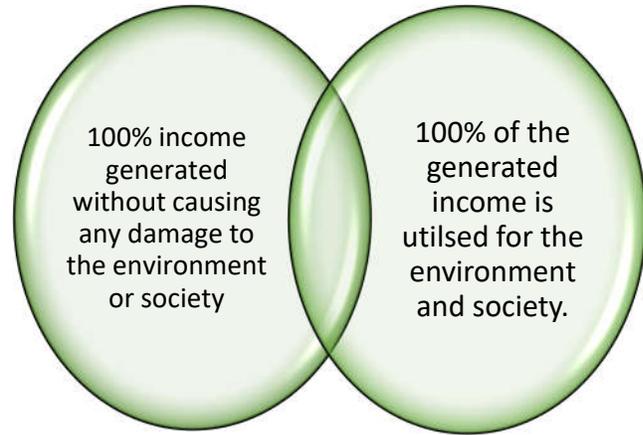


Fig5. social entrepreneurship

From the above table we can see that the corporate social responsibility and not profit organization contribute to sustainable development based on their mission and objectives whereas a social enterprise despite of its mission contributes to all the dimensions of the sustainable development

If we see the contribution made by CSR activities in particular to the sustainable development, it looks higher but when added to the company activities it forms a negligible portion and in case of non-profit organizations they work based upon the funds and if these funds cease they cannot work and fulfill their mission. But in the case of social entrepreneurship all the activities are channelized to achievement sustainable development, they don't have a problem with funds and are not forced.

Hence, we can clearly say that the contribution of social entrepreneurship to sustainable development is the highest when compared to CSR and NPO's.

CONCLUSION:

According to Isaac Newton's third law of thermodynamics:

“Every Action Has an Equal and Opposite Reaction”.

In business, people look for the results i.e., the desired profits, and then decide their action strategies which will ensure them the desired outcomes. even in case of the SDGs, the united nations have decided upon their goals, the outcome that they need and the action that leads to the reaction has to be taken by the nations.

Thus Through this study the researched has proved that encouraging social entrepreneurship is the best action that the nations have to take in order to achieve sustainable development. If it comes into practical, then the Future is all Social entrepreneurship.

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