



Solving the Problem of Unemployment Through Social Entrepreneurship

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Date of Submission: 03-05-2023

Date of Acceptance: 14-05-2023

ABSTRACT

One of the most important aspects of social entrepreneurship is its ability to not only provide training to unemployed people but also to provide employment opportunities for them. While both unemployment and non-employment refer to situations in which people are not working, they represent different groups of people and have different economic and social consequences. Unemployment is generally regarded as a negative outcome that leads to lower economic growth and social challenges, whereas for some people, non-employment can be a deliberate choice or a necessary stage of life. The global spread of the COVID-19 virus coincided with the onset of a severe economic downturn. Unemployment and Non-employment disproportionately affect those living in poverty and those already at a disadvantage. If social entrepreneurship is to be successful in significantly lowering the unemployment rate, it must be approached with clarity, strategy, and consistency. The rural economy is the focus of social entrepreneurship, which aims to improve it by employing the unskilled and uneducated. Chetna

Sinha's Mann Deshi Mahila Bank provided job opportunities and financial services to rural Indian women. MIMO and other social enterprises hope to train rural residents to work in the digital economy. This prevents those individuals from traveling to cities in search of employment. The article discusses the importance of social entrepreneurship, what factors contribute to unemployment, and provides several examples of successful social enterprises that have actively served as a platform for the unemployed. The article focuses on India's and Europe's perspectives in particular.

Keywords: Social enterprise, unemployment, nonemployment, economy, job

I. INTRODUCTION

Social enterprises are created to achieve social goals while subjecting their economic activity to profit-oriented goals (such as addressing social inequality and disparities affecting underprivileged individuals or achieving significant societal objectives in the fields of ecology and sustainability). For the general public or their clients, social enterprises' primary goal is to create social benefits.

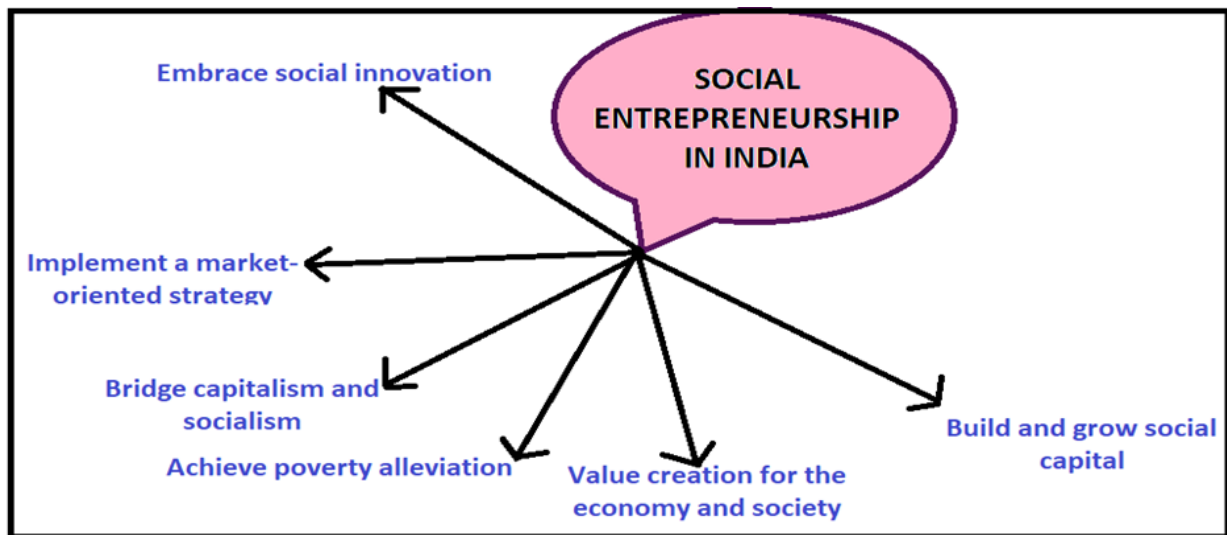


Figure 1: Impact of Social entrepreneurship in India

Unemployed persons are those who do not have a job but are actively seeking one. Among the biggest issues in today's culture is unemployment. Many unemployed people are more than able to obtain employment; they merely lack the necessary adaptability or training. Due to the lack of jobs, many others are also unemployed. There must be something done to reverse the trend of increasing unemployment. As a major societal concern in this new age technology area, we have highlighted unemployment, skills, and their applications. Social problems such as unemployment are becoming more prevalent in today's society (Lima et al., 2021). The majority of unemployed people have more than enough skills and experience to work; however, they lack the flexibility or experience to do so. Due to a lack of available work, a large number of people are also unemployed. Something needs to be done to stop the pattern of the unemployment rate rising daily. There are several misconceptions surrounding the term "unemployment."

The term "unemployment" does encompass people who are awaiting a job after being terminated or fired, even though it does refer to people who are not actively seeking employment and have not done so in the past four weeks for a variety of reasons, such as leaving a job to go back to school, superannuation,

impairment, or personal problems. The word, however, does not apply to people who have been terminated and are now anticipating their return to work. Individuals who want to work but aren't actively seeking for work aren't thought of as being unemployed since they aren't. A person is deemed to be "marginally tied to the labor force" if they actively sought employment within the past four weeks but did so within the past year (Chappelow, 2019).

This is an interesting classification. People who have stopped seeking employment altogether are included in a subgroup of this population that is referred to as "discouraged workers." It's crucial to note that the above mentioned divisions may cause misunderstanding and disagreement regarding whether or not the unemployment rate adequately reflects the real number of people without jobs. Contrasting "unemployment" with "employment," which is defined by the Bureau of Labour Statistics (BLS) as anyone 16 years of age and older who have recently put hours into work in the past week, whether paid or unpaid due to self employment, is important. To ensure that one fully comprehends the two concepts, this should be done. The data in CMIE indicates that India's unemployment rate at the moment is approximately 8.3% (Bureau of Labor Statistics, 2022).

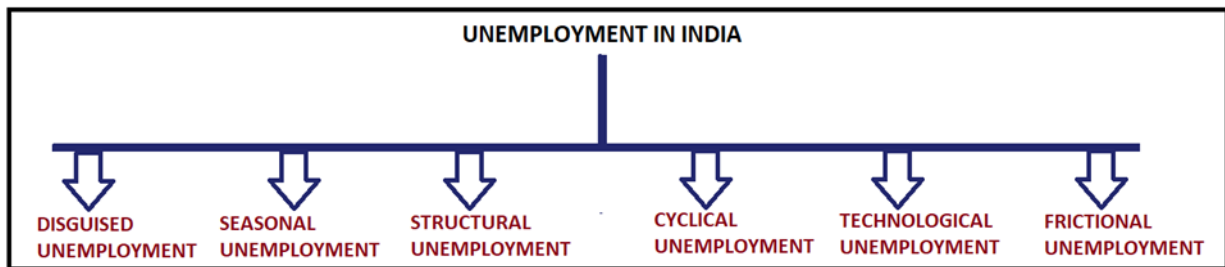


Figure 2: Types of unemployment in India

CAUSES OF UNEMPLOYMENT

The issue of unemployment is influenced by a variety of factors, some of which come from the supply side with employees and others from the demand side with businesses. A worldwide recession, an uptick in interest rates, or a financial collapse all could have an influence on demand reductions. On the supply side of the equation, both structural employment and frictional unemployment have a significant impact (oner, 2009).

In India, unemployment has long been a significant problem. Unemployment is a global problem, and international organizations like the ILO anticipate rising unemployment in India in the years to come. The goal of the study was to ascertain how India's unemployment rate is impacted by economic growth. Gross Domestic Product (GDP) was used in the study as a measure of economic expansion (Chand et al. 2018). Secondary sources like the World Bank database were used to compile information on the GDP and unemployment rate. In order to determine the type and scope of the effect that economic growth has on the unemployment rate, regression analysis and correlation were utilized. It has been found that the unemployment rate and economic growth have a significant inverse relationship. Also, it was shown that 48% of the reasons for the shift in the unemployment rate may be attributed to GDP (Bigirimana and Hongyi, 2018). The results are in line with Okun's law and those of earlier investigations.

EFFECTS OF UNEMPLOYMENT

In addition to employees, the economy as a whole may also be affected by the repercussions of unemployment, which could have a cascading effect. Unemployed workers are forced in a precarious financial situation, which has an effect on their families, relationships, and communities. Consumer spending, one of the main forces behind economic growth, falls off when this happens. If the issue is not addressed and fixed, this could then result in a recession or possibly a depression. Unemployment

results in lower levels of demand, consumption, and purchasing power (J Boyle and Jackson,2019). Lower levels of profitability for businesses result from this, which leads to reductions in budgets and workforces. It creates an endless loop that is challenging to end without someone taking some sort of action (Maverick, 2020).

SOCIAL ENTREPRENEURSHIP AND EUROPEAN UNEMPLOYMENT

To bring about major change on a European scale, what is needed is an approach to social entrepreneurship that is consistent, methodical, and environmentally responsible. Because neither the private nor the public sectors are able to completely meet the requirements of their respective communities, creative answers to the problems that now exist in the areas of economics, society, and the environment are required. The practice of social entrepreneurship is expanding rapidly and having a positive effect on the communities it serves. It is possible for European and national policies to be developed through the spread of models of excellent practice in EU member states. These regulations can lift restrictions and successfully support social entrepreneurs and innovators. The following are some potential strategies that could be used at the national, regional, and European levels to expand the social entrepreneurship sector from a more practical standpoint (Cerna, 2013). Promoting social entrepreneurship in order to raise awareness of the concept's importance as well as the beneficial and immediate effects on the community, through schools and universities, at all levels of education, by: introducing specific disciplines, given the concept's multidisciplinary nature, to develop entrepreneurial and digital skills in order to make it easier for disadvantaged people to enter the labor market; encouraging mobility in the European space for educational institutions (OECD, 2016); and open discussions and debates with all relevant parties, including national and European institutions, to assimilate shared socially responsible values and



principles and to engage in the social sector as social investors or social entrepreneurs, as well as to adapt legislation to current socioeconomic needs. Use contemporary financial mechanisms and consistent national and European regulations to help social entrepreneurs find finance because donations, public subsidies, and sales do not cover all needs (Bugg-Levine et al., 2014). The best method to disseminate excellent habits is to share ideals, goals, and visions with others and empathize with them. The impact of social entrepreneurship and unemployment on people's quality of life and the job market was examined using correlation analysis. In order to minimize unemployment and build a more inclusive and sustainable social market economy, this article first covers social entrepreneurship, education, and the labor market. Second, social entrepreneurship works to reduce unemployment by generating jobs, fostering the growth of abilities and skills that are important to the labor market, and sustaining social innovation. Social entrepreneurship fosters creativity, comradery, equality in diversity, respect for regional customs, sustainability, and social cohesion (Zainea et al., 2020). Finally, education fuels technical innovation in the knowledge-based economy of today, which demands highly competent individuals. It encourages economic development and access to the job market, lessens social exclusion and poverty, enlarges people's worldviews, and fosters a sense of agency (Hayes, 2021). Fourth, poverty, health problems, marginalized populations, and those with poor levels of education are all impacted by unemployment. Improved information and communication, robots, and large-scale manufacturing digitization have all been linked to more unemployment, according to some scientific study (Kim et al., 2017). The integration of disadvantaged persons into the job market, the demographic group with special issues and the most at risk, is a challenge for all EU member states in the context of dynamic socioeconomic developments. Social entrepreneurship is one solution that helps both individuals and society. More occupations, higher self-esteem, and a reduction in prejudice and marginalization are all benefits for the individual. In addition to addressing economic and social challenges, social entrepreneurship also fosters territorial cohesion, builds a competitive social economy, fights unemployment, poverty, and exclusion, and promotes community well-being (Conger et al., 2010).

THE INDIAN PERSPECTIVE

The president of the Indian Staffing Federation, Rituparna Chakraborty, claims that social

entrepreneurship in India has advanced significantly over time. According to statistics, there are already close to two million social companies in the country, and given the socioeconomic difficulties facing the nation, this number is only anticipated to expand. According to Chakraborty, social entrepreneurship offers a singular chance to concentrate on certain issues while continuing to be current and viable over the long term. The best part is that the government is driven to assist these activities through expanded industry regulation, financing alternatives, and advisory services. She made a point of highlighting how the Rs. 3,000 crore Skill India project is an ideal illustration that might inspire social businesses in the vocational education market. Such initiatives are being undertaken in great numbers, and the commercial sector's active participation may help social businesses grow. Chakraborty agrees that social businesses are well-positioned to help improve the employment landscape by working on both the supply side with access to the nation's most remote regions and the demand side from organizations (Pant and Ltd,2020).

ASSESSING SOCIAL ENTERPRISES AS JOB CREATOR

After appreciating the benefits of social enterprises and the value they can add to the larger society and economy at large, several companies, like PwC, have expanded foundations working for the cause. Some businesses support social entrepreneurs by providing cash or sharing knowledge, enabling them to have a greater effect. According to Tanya Kothari, Program Manager at the Shell Foundation, their portfolio firms have so far generated 3.6 lakh jobs internationally. Jaivir Singh, Vice Chairman of PwC India Foundation, provided similar information (Sarin and Ltd,2020). "One statistic accessible from the School for Social Entrepreneurs' global experience is that social entrepreneurs on average produce two employment and eleven volunteer opportunities by the end of their first year of operations, and this number increases as their social business grows," he stated. However, this differs from nation to nation and is determined by the size of the business. He continued by saying that although the industry is still in its infancy and has only recently begun to grow, it has a lot of potential given the problems facing contemporary society.

HOW DO SOCIAL ENTREPRENEURS FEEL?

All companies worldwide are undergoing a fundamental transition, according to Yashveer Singh, Co-Founder and Global Director of Ashoka Young Changemakers. It is no longer sufficient for them to



hire someone with specialized expertise and assume that they would be useful for a very long time. "Organizations and corporations require individuals who can manage this change effectively and adapt constantly, as well as people who can support others in thriving as change-drivers," he said. The goal of many social entrepreneurs today is to teach new skills, provide opportunity for the impoverished, and generate jobs (Rao,2016). While some focus on generating direct employment, others engage at the systems level to bring about policy reforms in order to establish an enabling ecosystem to generate employment and means of subsistence for everyone," Singh continued. Dr. Vaibhav Tidke, CEO of S4S Technologies, a different social entrepreneur and recipient of the UN Environment Leadership Award, stressed how social entrepreneurship undermines the conventional concept of employment. The majority of the social entrepreneurs we spoke with had the same worry. Although social entrepreneurship has a bright future, there are still numerous obstacles in its way.

STARTUP SEEKS TO MAKE AN IMPACT IN RISING RURAL UNEMPLOYMENT

In India and Europe, rural unemployment has long been an issue. The bulk of people in India, who make up about 65% of the population, depend mostly on agriculture for their livelihood. On the other hand, due to a lack of employment possibilities and the movement of young people to cities, rural unemployment has been on the rise. Similarly, rural areas in Europe frequently face the challenge of limited job opportunities, particularly in sectors such as manufacturing and agriculture.

To address this problem, social entrepreneurs have been working to create jobs and economic growth in rural areas. Aakar Innovations, based in India, is one such startup. Aakar Innovations manufactures environmentally friendly sanitary pads and employs women in rural areas. In addition, the company has established a network of over 20,000 female entrepreneurs who sell these pads in their local communities (Aakar et al. ,2018). MIMO by Jaspal, a firm based in Delhi has the potential to play a significant role in social entrepreneurship as a technology firm by developing technology solutions that address social issues. MIMO, for example, could develop mobile apps or web-based platforms to support social impact initiatives or long-term business models. They could also collaborate with social enterprises or non-profits to create tailored solutions to their specific requirements (Bora et al. ,2019). Furthermore, MIMO could use its expertise in digital marketing and branding to promote social

entrepreneurship and raise awareness about social issues. They might be able to assist social enterprises and non-profits in developing branding and marketing strategies that effectively communicate their mission and impact to potential customers, donors, and partners.

Coworking Bansko, a social enterprise in Europe, has been working to create job opportunities in rural Bulgaria. The organization has established a co-working space in Bansko that provides a workspace as well as a community for freelancers and entrepreneurs. This has aided in attracting more people to the area and stimulating the local economy. HUBBUB works on a variety of sustainability issues, including job creation and community support. The organization has launched a project called Community Fridge, which allows people to donate excess food to be shared with others in the community. This has reduced food waste and fostered a sense of community in the areas where the refrigerators are located.

SEWA BHARAT

SEWA Bharat is a charitable organization that was founded in India and given the registration number GUJ/1027/Ahmedabad. It was created in accordance with the Societies Registration Act, which was passed in 1860. In addition to this, it has been given the public trust registration number F/989/Ahmedabad in accordance with the Bombay Public Trusts Act, which was passed in the year 1950. SEWA Bharat is a federation of organizations of working women in India that are based on membership. It is dedicated to bolstering the movement of women working in the informal sector by bringing attention to the challenges they face on a national scale and increasing the capacity of its member groups to advance the status of women in the workforce. Poorna Swaraj, which literally translates to entire freedom, has not yet been granted to millions of workers in independent India. To experience financial and mental independence, as well as autonomy in one's thinking and one's decision-making, is the essence of freedom. From what we have seen, this cannot be accomplished until there is full employment.

When employment levels reach full capacity, all families are able to meet their most fundamental needs, including access to safe drinking water, adequate clothing, and a roof over their heads. They need to be able to pay for these out of what they bring in on their own. Additionally, they ought to get social security, which should include medical care, child care, insurance, and a pension (Okalow et al. ,2017). The primary mission of SEWA will be to



provide assistance to the members till such time as they secure full-time work. Members of SEWA will coordinate their efforts in order to achieve full employment through the use of collective organization, non-violent resistance, and constructive collective action. Integrity, communal peace, social fairness, and simplicity will continue to be SEWA's guiding principles as the organization moves

forward. Women in the workforce will be able to have their voices heard and their work will receive greater attention if they organize. Their importance to the economy of the country will be recognised and appreciated. When working women take charge of their households and communities, complete freedom will finally be attained.

INDIAN SOCIAL ENTREPRENEURS

Table 1: Famous Indian Social Entrepreneurs

Name	Organization	Contribution	REFERENCES
Bunker Roy	Barefoot College	Barefoot College provides education and training to rural communities in India. Rural Indians have benefited from this training enabling them to gain experience and employment in MNCs.	Morteson et al., 2010
Arunachalam Muruganatham	Low-cost sanitary napkin-making machine	An affordable sanitary napkin-making machine was created by Arunachalam Muruganatham, and it has helped many women in rural India find work. He has contributed to raising the standard of living for rural women by giving them access to inexpensive feminine hygiene products.	Venema et al., 2015
Chetna Sinha	Mann Deshi Mahila Bank	India's Mann Deshi Mahila Bank provides financial services to rural women. Many women in rural India now have jobs thanks to her, and their standard of living has improved.	Singh et al., 2020

These are few examples of social entrepreneurs in India who have had a significant impact on the lives of many people by providing employment and improving their living standards.

II. CONCLUSION

Rural areas of developing countries like India typically have higher rates of unemployment than urban ones. In India, man is created as a result of enormous population pressure, not MAN. A vital resource that greatly contributes to the expansion and improvement of a country's society and economy is the human asset known as MAN. When there is a dearth of a population that is so productive, underdevelopment occurs (Khan,2001). Therefore, significant effort must be put in to ensure that the expansion of the population is kept under control at all times. A bottom-up strategy could help create the conditions in which the average Indian citizen, who lives almost exclusively in rural areas, will participate in birth control measures. In addition, regardless of the rate at which new technologies are

developed, it is of critical importance to educate populations that lack the necessary skills. This will provide significantly more income, as well as development. Maximizing the potential for employment throughout the economy's many different subfields should be done so with an awareness of the need to preserve ecological balance. With consideration for the availability of local resources, investments in the industrial and service sectors in rural areas will lead to the expansion of young people's employment options and the most effective use of those resources. Formal and informal education, along with the development of entrepreneurial skills through self-help groups for people of both sexes in rural regions, has the potential to eliminate the rate of unemployment that exists in rural India. National Rural Employment Guarantee act (NREGA), Sampoorna Grameen Rozgar Yojana (SGRY), National Career Service, and Yuvashree Programme are some examples of the various types of schemes and programmes that have been launched by both the central and state governments in India in



an effort to reduce unemployment rates (West Bengal). The Indian government ought to start new types of initiatives going forward in an effort to lower the unemployment rate in the nation.

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