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SOCIAL ENTREPRENEURSHIP IN INDIAN HEALTH CARE SECTOR –PROBLMS AND PROSPECTS

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ABSTRACT

Human resource development plays crucial role in economic development. Large scale investment in human resources is required to exploit the physical capital fully and efficiently. Improvement in the health of masses increases their productive capacity and leads to qualitative improvement in human capital. Therefore expenditures on health are important in building and maintaining a productive labour force as well as improving the lives of the people and the quality of society. The health care system in India is intended to provide free health care to all. Despite significant improvements made in the past few decades, the sector fails to provide easily accessible quality health care at an affordable cost in time to a major segment of Indian population specifically to the rural and vulnerable. Under this scenario, social enterprises have the potential to accelerate India's spectacular growth and make it inclusive and sustainable. A social entrepreneur deals with the practical social problems by combining innovation, resourcefulness and opportunity. He acts as the change agent for society. Social entrepreneurship in India is emerging primarily because of what the government has not been able to do. The paper focuses on the main issues, impact, challenges of social entrepreneurship in Indian health care sector and proposes some suggestions.

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INTRODUCTION

Human resource development plays crucial role in economic development. Side by side with physical capital formation, human resource development has also been considered important in the growth of the economy. In fact, effective use of physical capital itself is dependent upon human resources. It is because the productivity of the material capital is highly determined by the technical, professional and administrative people to use them effectively. Therefore large scale investment in human resources is required to exploit the physical capital fully and efficiently. Human resource development is associated with the investment in man and improvement in his productive capacity. Any activity which augments man's productive capacity contributes to the human resource development. It includes provision of education, improvement of health, training of the workers in specialised skills etc. According to T W Scultz, there are five ways of developing human resources:

- (i) Health facilities and services which include all the expenditures that affect life expectancy, strength and stamina and the vigour and utility of the people.
- (ii) On-the-job training including old type apprenticeships organised by firms.
- (iii) Formally organised education at the elementary, secondary and higher levels.
- (iv) Study programmes for adults that are not organised by firms including extension programmes notably in agriculture and
- (v) Migration of individuals and families to adjust to the changing job opportunities.

This paper discusses the first way of human resource development. Improvement in the health of masses increases their productive capacity and leads to qualitative improvement in human capital. Therefore expenditures on health are important in building and maintaining a productive labour force as well as improving the lives of the people and the quality of society. The health care system in India is intended to provide free health care to all. Despite significant improvements made in the past few decades, the sector fails to

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provide easily accessible quality health care at an affordable cost in time to a major segment of Indian population specifically to the rural and vulnerable. Under this scenario, social enterprises have the potential to accelerate India's spectacular growth and make it inclusive and sustainable. A social entrepreneur deals with the practical social problems by combining innovation, resourcefulness and opportunity. He acts as the change agent for society. Social entrepreneurship in India is emerging primarily because of what the government has not been able to do. The paper focuses on the main issues, impact, challenges of social entrepreneurship in Indian health care sector and proposes some suggestions.

OBJECTIVES

1. To study and examine the role of social entrepreneurs in health sector.
2. To identify the opportunities open to the social entrepreneurs in health care sector.
3. To examine the issues and challenges faced by the social entrepreneurs in health care industry.
4. To propose some suggestions for policy making.

MATERIALS AND METHODS

The study is descriptive in nature and based on the secondary data that is gathered from the books, various articles from journals, reports of various Departments, and other valid online sources.

MEANING AND FRAMEWORK OF HEALTHCARE AND SOCIAL ENTREPRENEURSHIP

Health and Healthcare: Generally the concept of health implies a sound mind in a sound body in a sound family in a sound environment. Health is a term that refers to a combination of the absence of illness, ability to manage stress effectively, good nutrition, physical fitness and high quality of life. In any organism, health can be said to be a 'state of balance' and it also implies good prospects for continued survival. WHO states that "*Health is a state of complete physical, mental and social well-being and not merely the absence of infirmity.*"³ In recent years, this statement has been modified to include the ability to lead a "socially and economically a productive life". Health care is the diagnosis, treatment, and prevention of disease, illness, injury and other physical and mental impairments in humans. Health care is delivered by practitioners in medicine, chiropractic, dentistry, nursing, pharmacy, allied health, and other care providers. It refers to the work done in providing primary care, secondary care and tertiary care, as well as in public health. Health care systems are organizations established to meet the health needs of target populations. According to the World Health Organization (WHO), a well-functioning health care system requires:

- (a) A robust financing mechanism
- (b) A well-trained and adequately-paid workforce
- (c) Reliable information on which to base decisions and policies
- (d) Well maintained facilities and logistics to deliver quality medicines and technologies.

Health care is conventionally regarded as an important determinant in promoting the general health and well-being of

people around the world. Primary care constitutes the first element of a continuing health care process that may also include the provision of secondary and tertiary levels of care. Primary care is the term for the health care services which play a role in the local community. It refers to the work of health care professionals who act as a first point of consultation for all patients within the health care system. Secondary care is the health care services provided by medical specialists and other health professionals who generally do not have first contact with patients, for example, cardiologists, urologists and dermatologists. Tertiary care is specialized consultative health care, usually for inpatients and on referral from a primary or secondary health professional, in a facility that has personnel and facilities for advanced medical investigation and treatment, such as a tertiary referral hospital. The 'Commission on Macroeconomics and Health of EHO' (2001) argues that the 'health is a creator and pre-requisite of development'. The extension in the coverage of health services and improved health care are the key not only to better health outcomes and reduction in poverty, but also increased productivity and growth in the poorer countries. Health is, now, recognised as an inalienable human right that every individual can jointly claim. Health Care Industry, in India, is expanding rapidly in recent years and is now one of the largest sectors, in terms of revenue and employment.

Social Entrepreneurs: A social entrepreneur identifies practical solutions to social problems by combining innovation, resourcefulness and opportunity. Committed to producing social value, these entrepreneurs identify new processes, services and products, or unique ways of combining proven practice with innovation to address complex social problems. (Dr. Pravin V. Bhise). The term 'Social Entrepreneurship' was first coined in 1980 by Bill Drayton of ASHOKA which is a global association of world's leading social entrepreneurs. Social entrepreneurship generally defined as "Entrepreneurship activity with an embedded social purpose". It is a process of pursuing innovative solutions to social problems. There have been numerous attempts at defining Social Entrepreneurship. Social entrepreneurship is the work of a social entrepreneur. A social entrepreneur is someone who recognizes a social problem and uses entrepreneurial principles to organize, create, and manage a venture to make social change. Whereas a business entrepreneur typically measures performance in profit and return, a social entrepreneur assesses success in terms of the impact she/he has on society. The main aim of the social entrepreneurship is to further broaden social, cultural and environmental goals.

Social entrepreneurs play the role of change agents in the social sector by:

- Adopting a mission to create and sustain social value (not just private value),
- Recognizing and relentlessly pursuing new opportunities to serve that mission,
- Engaging in the process of continuous innovation, adaptation, and learning,
- Acting boldly without being limited by resources currently in hand,
- Exhibiting a heightened sense of accountability to the constituencies served and for the outcomes created (Dr. Pravin V. Bhise).

Social entrepreneurship as seen in this essay refers to a process of catering to locally-existing basic needs not addressed by traditional organizations. Depending on the need addressed, the process involves the provision of a good or service and/or the creation of missing institutions or the change of inadequate ones. However the main objective is to change or modify social and/or economic arrangements. (Johanna Mair) It is a concept where profitability meets humanity and gaining is equivalent of giving back to the society.

STATEMENT OF THE PROBLEM

India is the world's second most populous country in the world, and the fifth largest economy in terms of GDP when adjusting for international price differences. However, its per capita income during 2017-18 is only \$1983 (<https://www.adb.org/countries/india/economy#tabs-0-2>) placing India 139 out of 187 countries. Despite this, India's GDP grew at a pace of 6.7% (during 2017-18) ranking it 15th out of 225 countries. Economic growth was slow at 6.6% in the fiscal year 2017. (ADB, April, 2018). However India is a home of largest number of poor in the world with majority residing in rural India. (ADB, Country Assistance Program Evaluation, May, 2017) Around 41% of India's population lives under the poverty line of \$1.25 per day. (ADB, Asian Development Outlook - 2018, April, 2018). India has made considerable progress in improving the health status of its population. Health indicators like crude death rate, infant mortality rate, maternal mortality rate, life expectancy showed remarkable progress after independence. Still India's health care system suffers from some drawbacks. India is one of the major countries where communicable diseases are not under control. Chronic non-communicable diseases are also on rise. India, therefore, faces daunting challenges of meeting health care needs of its population and ensuring accessibility, efficiency, equity and quality of health care. The present health care system is characterised by mixed ownership patterns and different types of providers who practice different systems of medicine. Both public and private facilities provide health services, but the bulk of the curative services is skewed towards the urban areas and dominated by private sector.

According to the analysis of National Sample Survey Organisation's (NSSO) latest (71st round) national morbidity, healthcare survey data suggests that around 6.2% of total households in the country fell Below Poverty Line as a result of healthcare expenditure in 2004; among which around 1.3% of the households fell Below Poverty Line as a result of expenditure on inpatient care, while 4.9% of the households fell Below Poverty Line as a result of outpatient care. Total Health Expenditure for the year 2014-15 is estimated at Rs. 483259 crore which accounts for 3.9 percent of GDP. This share is very low when compared with other countries like Australia – 9 percent of GDP, USA – 17.1 percent of GDP, Germany – 11.3 percent of GDP, France – 11.7 percent of GDP, Russia – 6.5 percent of GDP. Out of the total private expenditure on healthcare, out-of-pocket expenditure accounts for a very large chunk as the healthcare expenditure financed by health insurance and expenditure done by other private bodies are very low. Out-of-Pocket Expenditure is estimated at Rs. 302425 crore accounting for about 62.6 percent of Total Health Expenditure, 2.4 percent of GDP for the year 2014-15. However, the total public expenditure on health in India has not shown any significant increase, when compared with the country's GDP, over the last six years. The health care system

in India is intended to provide free health care to all. Despite significant improvements made in the past few decades, the sector fails to provide easily accessible quality health care at an affordable cost in time to a major segment of Indian population specifically to the rural and vulnerable. Given the potential demand, there is an immense need for healthcare enterprises that provide affordable and quality primary, secondary, and tertiary medical services. Under this scenario, social enterprises have the potential to accelerate India's spectacular growth and make it inclusive and sustainable. SEs are reaching hitherto underserved markets like agriculture, education, energy, financial services, healthcare, housing, sanitation, and water etc. They are doing so with innovative business models that promise affordability for the end consumer without eroding sustainability for the enterprise. They can help to address various health issues like nutrition, hygiene, sanitation, waste management etc. So it is hugely essential to understand the main issues, impact, challenges of social entrepreneurship in health care sector.

ANALYSIS OPPORTUNITIES

Provision of Health Care Services: Health care services are not disbursed equally among the people from different socio-economic strata and regions. We find the hospitals and dispensaries concentrated in the corporate cities and district centres. Health care centres, though established in villages, can be found either under-equipped or ill-equipped with medicines and manpower. There is a high scope for the social entrepreneurs enter the field to fill the gap between the demand for and supply of health care services. In this regard it is noteworthy to mention the services of SDM Medical Trust (Dharmasthala, Karnataka) which is delivering free medical services at doorstep through 'Mobile Hospital' (which includes Doctors, Lab and medicine) in interior and remote areas.

Affordability of Quality Health Care Services: Next important risk the poor are exposed to is the problem of affordability. According to Devadasan, the poor are impoverished in the process of seeking health care services. Nearly 40% of hospitalised patients sell assets or borrow money to afford treatment and an average of 24% fall further down the poverty trap in this process. Economic development and health follow each other. The social entrepreneurs can find the way for improving the affordability of the poor. We have some examples in this regard. The Narayana Hrudayalaya located at Bangalore is delivering health care services at affordable cost to the masses worldwide. Dr. Shetty offers heart surgeries at a cost as low as \$1300 compared to \$30,000 at other hospitals. Similarly Arvind Eye Hospital, setup by Dr. Govindappa Venkataswamy, set a milestone in the field of medical science. The social strategy of Arvind is to eliminate needless blindness by taking its services to rural India at low cost and free of cost in special cases. Arvind hospital is committed to provide standardized quality services at the lowest cost. We have the example of Kasturba Hospital (Manipal, Karnataka) which is distributing 'Health Cards' to enable the masses to avail hospital care and medicines at concessional rate.

Provision of Health Insurance: Insurance is one of the risk dealing strategies. It is a mechanism of pooling the risks and resources. Research shows that access to Health Insurance reduces out-of-pocket health expenses, especially for catastrophic health events, and improves access to quality

health care for those who are insured. More specifically, Health Insurance is an insurance product that provides a defined set of health benefits and services. Various NGOs, private companies and the government are providing health insurance services in India still the penetration of health insurance is very low, i.e., 20%. Narayana Hrudayalaya, under public-private-partnership is providing a health insurance scheme viz. Yeshswini to the members of co-operative societies. SEWA (Self Employed Women's Association), started by Ela Bhat in 1972, in Ahmedabad, is providing health insurance facility to poor self employed women who comprise its membership. We, SKDRDP (Dharmasthala) is offering health insurance scheme viz. Sampurna Suraksha Scheme to the members of SHGs. There is ample scope for the social entrepreneurs in this field to make India achieve 100% health insurance coverage.

Provision of Infrastructural Facilities: The scope of social entrepreneurs in health care sector expanded beyond the provision of health care services to include infrastructural facilities like provision of clean and safe drinking water, sanitation, nutrition etc. which are pre-requisites of good health. In this regard we can mention the example of Water Health International which is contributing in providing holistic sanitation solutions which is being financed by the Acuman Fund in India. The basic motive of WHI in India is to provide safe and pure water to the people at an affordable cost and to make them aware of various water diseases. 'Shramik Sanitation Systems' (3S India) is also worth mentioning in this regard. It was set up by Mr. Rajeev Kher in 1999 in Pune to address the gap in the urban sanitation services. 3S India designs, manufactures and deploys portable toilets and waste disposal system across agglomerations that have no water supply or sewage system. It is providing the urban poor with an innovative and safe alternative to unusable public toilets. Healthy and clean environment ensures better health. Prevention is always better than curing. Hence the social entrepreneurs may think about the opportunities in the provision of infrastructural facilities.

CHALLENGES

As change agents social entrepreneurs try to tackle persistent social problems. But their ways are not smooth. They are troubles with many challenges and risks. Important are discussed as under:

Lack of Financial Assistance: Lack of fund is a major challenge for the social entrepreneurs. Generally they run the business with their own funds or by borrowing funds from local informal credit institutions which charge a high rate of interest. Usually banks deny advancing loans giving various social complications attached with them. This increases the financial burden of social entrepreneurs.

Lack of Government Support: A hurdle on the path of social cause business is the absence of government support. The state is not keen to extend any kind of assistance and support – financial, legal and fiscal – to the social entrepreneurs. Moreover the policies and regulations of the government are complex and strict which impede the growth of social entrepreneurship.

Lack of Education in Entrepreneurship: Education on entrepreneurship is still encumbered by the traditional

educational system of the country. It is imparted only in business management institutions. The streams of science and arts have not taken it as the part of their academic curriculum. Even in the business management institutions study with regard to the social entrepreneurs is lacking. This has made the sector underdeveloped and struggling in India.

Lack of Skilled Manpower: Social entrepreneurs need efficient and effective manpower from different sources like professionals, volunteers, labourers and community participants. In order to fulfill their vision and mission in holistic manner they have to employ the manpower from unprivileged group who are usually devoted and committed to the work but are uneducated and unskilled. It is a challenge to the social entrepreneurs to educate and train them and to imbibe the ideas of social enterprise so as to come out with the best result.

Competition: Social entrepreneurs are keen to promote social welfare and find affordable solutions to the social problems. Always they are engaged with low cost business. Once their business starts making profits, other for-profit-entrepreneurs will enter the market. This will increase the competition, reduce the profit and increase the transaction cost. More over the MNCs and large scale enterprises by entering into the market completely vanish out the social entrepreneurs.

Social and Cultural Outlook of the People: Social and cultural attitude of the people many a time pose a threat to the activities of the social entrepreneurs. As in the case of Water Health International, the major focus of this social venture was to awaken the people about various water diseases and how they can be cured, but people are still sceptical about how, and why, WHI is providing the purified water at such a low cost. This impression shows the lack of knowledge or foresightedness of the local community in distinguishing a social business from a normal profit-driven business. (Suresh Seth and Sudesh Kumar, 2011). Apart from these major challenges the social entrepreneurs face multiple of problems like maintaining product quality, sustaining employees, promoting awareness, family and friend support, finding time, attracting donors, working remotely, acquiring technologies etc.

Policy Suggestions

- Strong networking with the society and consumers is necessary to strengthen social entrepreneurship. With the massive support, social entrepreneurs can reach and influence the policy makers easily.
- Communicating with the higher education institutions and academicians enables to inculcate the concept of social enterprise in the curriculum which is useful to inculcate the quality of social entrepreneurship among the students.
- Country-wide expansion of the activities of the existing social entrepreneur is useful to reduce regional disparities in economic development. Expansion of the business may also reduce the unit cost.
- Use of modern technique enables the social entrepreneurs to solve the social problems quickly at lower cost.
- Government should recognise the services of social entrepreneurs and should encourage them by giving all kinds of support and encouragement. Tax incentives

and subsidies will promote the sustainability of the social entrepreneurs.

- Corporate sector can also join hands with the activities of the social entrepreneurs by extending necessary support.
- 'Community Based Service' model is suggested to the social entrepreneurs as it reduces financial problem to a greater extent.

CONCLUSION

The idea of social entrepreneurship has become increasingly popular as the social problems in our complex society have grown. A social entrepreneur identifies practical solutions to social problems. People belonging to lower socio-economic strata are getting benefitted due to social entrepreneurship. Though challenges exist, there are many successful examples of social entrepreneur ventures like SEWA, RRBs etc. There is an immense scope for social entrepreneurship in India.

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