



Social Entrepreneurship and Microenterprise: Fostering the Creative Spirit of India

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Entrepreneurship: Biblical at its Core

Entrepreneurship is “the business of breaking the settled mold” (Gilder, 1984, p. 246). It is an endeavor that lacks clear and fast rules and is driven by creativity. Although there is a sense of rebellion and going against the grain that is inherent in an entrepreneur, there is also great meekness and humility required. Glider says, “It is a world where service of others – solving their problems and taking on new ones for yourself – is the prime source of leadership and wealth” (1984, p. 247). In a sense, entrepreneurship is based on biblical principles at its core.

Biblical economic principles can be present even in businesses that are not “Christian.” In the secular business world, this is often called a code of ethics. While most ethical practices are not strictly concerned with morality, they do reflect biblical principles on how to run a successful business. These ethics begin from the top with the entrepreneur and are what everything in a company is based upon (Gupta, 2004). Determining the role of ethics in an enterprise provides an entrepreneur with a better understanding of what a business actually should be. A good working definition of business is “the act of building meaningful relationships in the market place through buying and selling (work) with the aim of making profit for all” (Mbola, 2009, p. 6). There are four main biblical principles that can be extracted from this simple yet profound definition:

- ❖ Profit for the business owner (Meeting one’s needs)
- ❖ Profit for the consumer (Meeting our neighbors’ needs)
- ❖ Role of stewardship (Caring for that which God has entrusted us)
- ❖ God needs to be a part of every transaction.

The have-nots can often suffer in the business process, as they can easily be taken advantage of in the formal business sector. However, this biblical model ensures that everyone profits from the enterprise. This is the heart of entrepreneurship.

Microenterprise Development

It was difficult for me to meet any true entrepreneurs in the communities that I spend time in. However, I was able to have quite a few conversations with people about what small business looks like in Delhi. The people I spoke with shared some of the obstacles that come with trying to pioneer a microenterprise, particularly elements of culture or the Indian mindset which made entrepreneurship and unconventional ways of thinking and doing business difficult.

Topics that came up include everything from cooperative economics to decision making to apprenticeship.

Cooperative Economics in Business

Microenterprise looks different depending on the population involved. People come to the table with different levels of expertise and experience. Sewa Ashram, a men's rehabilitation program for recovering addicts, gives its patients the opportunity to receive hands-on microenterprise training through an endeavor known as Sewa Life Shop. Sewa Ashram has creatively come up with a use for donated items that cannot be used by the men (such as toys and women's clothes) by selling them at the Life Shop. Working at the shop gives them the opportunity to experience what it is like to run a business and prepare them for potentially owning their own business one day. I was able to speak with a few of the men to hear about their experiences with the Life Shop and their perspectives on business initiatives at the ashram.

Roben, who has been at the ashram for a few years now, first began working in the Life Shop by himself. This was quite a task to tackle on his own. However, after some time, one of the accountability groups at the ashram decided to join him in working at the Life Shop. This changed his entire experience. Having a team meant that they could share in the benefits and responsibilities of their work. With more than one person working at the shop, they were able to take shifts and work in pairs, making the workday more productive and enjoyable. This also meant that each of them were able to take a weekly Sabbath. (Roben's day off was Saturday.)

Although none of them had received formal business training, the very fact that they were able to work together provided the opportunity for collaborating their ideas. Together, without any suggestions from Sewa Ashram's staff, the group made the decision to give back to the community by selling their items at low prices in the local slum market. This decision was a clear indicator of the progress each of them had made in their recovery, as looking out for the needs of others is a key theme emphasized in the process of becoming a responsible and productive member of society. Although most in the group were not believers, they had been taught biblical economic principles.

Cooperative economic activities like this are especially good for people like the men at the ashram who have been removed from the formal employment sector for some time and are still trying to figure out what this whole business thing is all about. Although the Life Shop has been a great experience for most of the patients who participated, there is much that needs to be improved in the financial skills preparation process. Roben mentioned that the staff at the ashram (many of whom are former patients) frequently ask him and others who work at the Life Shop if they want to get involved in their own business, but many people say no because they either do not feel confident enough in their ability to take on such a task or because they are so comfortable at the ashram that they have no plans to leave. (Most people I spoke with seemed to express a mix of the two.)

Another man named Manish, who has only been at the ashram for eight months, seemed to have one of the more entrepreneurial minds in the group. He had owned a small business himself before coming to the ashram and had a lot to say about improvements that could be made at the ashram and in the Life Shop. Manish definitely saw the need for training in personal finance and business skills for the patients. He noted that the Life Shop was functioning well, but there were ways to make it better. One suggestion he gave was to make more shops (if there were enough things to sell) so that the work and employees could be split up and profit would not be divided too thin. Manish was obviously looking past the initial income generation to the possibilities of expanding this microenterprise.

Many of the men who have worked with the Life Shop have also gone through the process of getting a group microfinance loan. When the group receives a loan, they must collectively decide how it will be spent. Getting one of these doors can be the opportunity a person needs to open up the door to starting a microenterprise. Abdul, who has been at the ashram for seven years, received a loan that helped him buy his rickshaw through one of these groups. He was able to pay back his loan within one year and has now had his rickshaw as a means of generating income for the past three years. Although he is thankful for the opportunity to make money, he recognizes that he cannot realistically expand his income generating activity. Abdul thinks it is important for people to go through education courses and skills training in order to support oneself and live successfully outside of the ashram. This allows a person to pursue their passions and make use of their giftings.

Based on what I have heard from most of the patients I spoke with at Sewa Ashram, there is a need for economic discipleship in the areas of personal finance as well as learning business skills. Although the Life Shop gives them hands-on experience, there is little formal instruction and training that goes along with it. Along with training that accompanies any microfinance loans that a patient gets, the men need to be prepared for and encouraged to eventually be self-sufficient. Some level of education and economic discipleship is necessary for long-term sustainability, both in future business endeavors and their own personal well-being.

Choosing a Business and How to Run it Ethically

There is a Hindu couple that runs a corner store out of their home right across the street from our apartment in Kondli. One day, when the Auntie invited me over for chai, I decided to ask her and her husband more about their business. I tried in my best broken Hindi to ask more questions about their business, but I knew I could only get very basic information this way. I wanted to go deeper, so I asked my landlord's daughter (who is fluent in both Hindi and English) to come down and join me. When I told the couple that I wanted to ask more questions about their business, they were excited to share a piece of their lives with me.

The couple explained that the threat of unemployment was the main reason why they had decided to open this corner shop out of their home. Before they opened this shop, they had run a watch making and repair business in Chandni Chowk for twenty-two years. However, when the husband's eyesight started going bad, he was unable to continue working in this field and they had to close their shop. Both the husband and the wife searched the job market for work in the government and private sectors, but could not find employment anywhere. That was when they decided to open this shop in Kondli.

When I asked them why they chose to open up this specific kind of business, they said the decision was simple. There were many factors that led them to this decision, specifically **previous experience, opportunity and ease of access to the market, and ownership.**

Previous Experience: It was not necessarily that they were passionate about running a corner shop like this. It was simply something that they already knew how to do. The wife had grown up in a family who also ran a small shop like his one. From a young age, she began learning the tricks of the trade – counting money, book keeping, and paper bag making to name a few skills. This “business training” was passed down to the next generation simply through on-the-job training. She had also

been the brains behind the watch business that they had run for more than two decades, which had helped her refine her business management skills.

Opportunity and Ease of Access to the Market: The husband explained that there was no kind of special license or registration needed to open a small local shop like this. According to him, such licensing was only necessary for larger commercial businesses and chain stores.

Ownership: The couple also noted that they already owned their house, which meant there was no need to pay rent somewhere in order to run the business. This kind of shop was the easiest to start with the capital that they had. They both proudly told me that they had started this shop twelve years ago without the help of any kind of formal loan or money borrowed from family or friends. They had built their business on their savings alone. I was pretty impressed with this and pleased to see just how proud they were with what they had accomplished.

Every part of Delhi seems to have small shops like this scattered through neighborhoods, so I decided to ask them what made their shop special. Why would people from the neighborhood go to their shop rather than the one a few doors down that sold the exact same products? This, again, was very simple for them to answer. The flow of their business depended on their relationships in the community. People enjoyed coming to them because of their frank nature and the fun interactions they were likely to have there. Going shopping was not just a chore. It was an opportunity to socialize. This is true of nearly any small business in a relational society like India.

They also said that one thing that kept people coming back was that they consistently offered fair prices to their customers, something that is not always guaranteed in a loosely regulated local economic market. I was curious about how pricing worked in India, so I asked them to explain this process a bit more to me. According to the husband, shop owners are allowed to decide what to charge for an item as long as it is under the maximum retail price (MRP), which is listed on most packages for the benefit of the consumer. They keep their prices in a middle range, which benefits both their family and their customers. This also gives them room to increase their prices and expand their operations in order to meet the needs of their household should anything out of the ordinary happen. However, they abide by the market regulations and never charge more than MRP to their shoppers. (There are also steep fines and imprisonment that come with violating this regulation, but it was obvious that the couple was genuinely concerned with the well-being of their clientele and the integrity of their reputation.)

As I spoke with them, I knew that their business was less of a microenterprise and more strictly an income generating operation. They had no employees outside of the immediate family. The couple had no proactive plans for expanding their business. They only planned to expand their business as the family's needs required. They had done this before in the past when they were struggling to stay afloat and had learned how to do this well.

Although this family was not running a Christian microenterprise, they did seem to run their business with biblical economic principles. They lived simply, managed their money responsibly, engaged in honest and productive work that was beneficial to the community, and took time to rest and invest in their relationships, one of the most important assets to their business. Having good business ethics is not strictly an issue of morality.

Gupta says something about business ethics that describes this couple's business practices very well: "An ethical practice does not privilege profit at any cost, but sets up norms of functioning that are transparent in every respect. It is this transparency that adds to the bottom line on a more enduring basis. Customers know exactly what they are getting" (2004, p. 24). I am hoping that their business practices can provide a good model for other business owners in the vicinity.

Coffeewala Roasters: Training up Local Leaders through Apprenticeship

One American worker here seems to be on the right track in terms of training up workers to be potential leaders in microenterprise. Although this business does not yet have Indians training Indians (which admittedly is not ideal), it provides a good model for how this can be done in an all-Indian business. Chris has been living in Nizamuddin, a Muslim slum in South Delhi, and training up young men in the community to be a part of his entrepreneurial coffee business. He follows an **apprenticeship** model of training, walking with his employees as they learn new coffee roasting methods. Chris models proper technique through visual demonstration and supervised hands-on training to follow. The purpose of this is to make them fully competent in their craft and capable of functioning on their own. He also gives them room to be creative in this process, as he encourages them to try out different roasting processes that will unlock different flavors.

This model of entrepreneurship seems to be working very well in India because the process is relational at its core. Chris not only shares the business development process with these men, he also shares life with them. Many Indians are not encouraged in their creative abilities. Instead, rote learning and taking orders is what is "taught" and creativity often gets crushed in the process. It is quite difficult and rare to see true leaders come out of such a system, as people become so used to being told what to do that they struggle to work independently and think critically about an endeavor. Therefore, when training up local economic leaders, it would appear that it is necessary to have a business leader with an entrepreneurial spirit who can model and encourage creativity and critical thinking. Good leadership provides discipleship in which trainees learn how to harness the creative abilities within them and think outside the box (Kalam, 2002).

Further Reflections on the Economic Scene in India

Although the informal sector would seem to me to be the perfect place for someone to pioneer some new product or business, people are generally less worried about being creative and more worried about making enough money to simply get by. They often do the bare minimum, just enough to get the job done. Indians are some of the most innovative people I have ever met, and yet creativity is not something that is generally encouraged here. People rarely think outside the box or accept new ideas that come from outside this box. Why would someone do it differently from the way everyone has always done it?

I think one major contributing factor in all of this is a lack of the first biblical economic principle among members of the informal sector – love, dignity, and self-worth. Many who work in the informal sector, especially in low positions, come from lower caste backgrounds. Growing up, they have been

taught that they are less valuable than members of the higher castes (Deshpande, 2011). People with a damaged self-concept lack the kind of motivation and confidence needed to be creative and produce something unique. People also grow up learning how to follow the examples of others rather than forge their own paths. Critical thinking is not taught in schools. Instead, children learn through the repetitious practice of rote learning. As Mbola points out, people who are unable to think outside the box are more prone to defeatism and are more likely to give up right away when presented with problems that require critical thinking.

There is no easy solution to this problem. It would be easy to treat this as strictly a structural problem, saying that the problem of thinking outside the box can be solved by adding critical thinking into school curriculum. The change needs to come from the inside out. People need to know that their worth comes from the God who created them, not from what others in society have told them about who they are and what they can or cannot do in life.

Creativity and self-expression are becoming more commonplace amongst the younger generation. People are also discovering how to think outside the traditional Indian cultural box by borrowing other “boxes” from the West. The next generation is becoming much more open to new ideas being introduced through mass media, a movement that has the potential to bring about revolutionary change in the social order and a people’s own self-concept. However, creativity and self-expression are just one element in the entrepreneurial process. Entrepreneurship and the process of building a business takes hard work and dedication. Gilder puts it perfectly when he says this: “In a sense, entrepreneurship is the creation of surprises. It entails breaking through the looking glass of established ideas – even the gleaming mirrors of executive suites – and stepping into the often greasy and fetid bins of creation” (1984, p. 247).

Appendix A: References and Literature Review

Deshpande, A. (2011). *The grammar of caste: Economic discrimination in contemporary India*. New Delhi: Oxford University Press.

Deshpande discusses the role of caste in modern day society in India. Even after the abolition of the caste, a person's social identity (caste and religion) impacts their chances for social and economic mobility. Class and caste overlap in the labor market as well and shape the final outcomes in the labor market. The author links the economics of caste with politics, sociology, and history to show how each one has impacted the other.

Gilder, G. (1984). *The spirit of enterprise*. New York: Simon and Schuster.

Gilder lays out the basics of what it means to be an entrepreneur. He uses entrepreneurs throughout history as examples of what it means to pioneer a business. Creativity is key in the process of entrepreneurship, but more than that it requires initiative, sacrifice, meekness, and humility to see projects through. When entrepreneurship is done well, it fits perfectly into a capitalistic system while still maintain a sense of integrity that cares for the burdens of society.

Gupta, D. (2004). *Ethics incorporated: Top priority and bottom line*. New Delhi : HarperCollins Publishers.

Gupta discusses the importance of having a code of ethics when establishing a business. This has less to do with a personal morality and more to do with the social responsibility that comes with leading a group of employees. Strong business ethics means strong leadership in a company. Ethics should begin at home, and then it will naturally flow into the workplace. The ethical foundation of a company is the reflection of the entrepreneur who pioneered it.

Kalam, A. A. (2002). *Ignited minds: Unleashing the power within India*. New Delhi: Penguin Books.

Kalam looks at the skills, resources, and talents that India has to offer to examine why India struggles so much with progress. There are deeply entrenched traditional cultural attitudes and practices (such as rote learning and a lack of critical thinking skills being taught in school) which prevent India from moving forward. He proposes that it is the job of key leaders in the community, such as teachers, scientists, and religious leaders, to begin challenging and changing these worldviews.

Mbola, A. (2009). Introduction to business. In *Small business training manual* (pp. 1-32).

Mbola has designed a curriculum for small business leaders based on biblical economic principles. Lesson topics include business creativity and finding one's passion, motivation, and potential in a business endeavor. These include activities and times for discussion in which entrepreneurs can examine their own worldviews and begin to make changes in the way they run their business.