



Emerging Trends in Social Entrepreneurship in India 2025

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Abstract:

Social entrepreneurship in India has evolved from philanthropic and charity-based models towards mission-driven, sustainable enterprises that integrate business acumen with social impact. This paper explores the emerging trends of social entrepreneurship in India around 2025: including the digital transformation of social ventures, the rise of women-led and rural community-based social enterprises, the growth of impact and blended finance, supportive ecosystem and policy frameworks, hybrid business-models balancing social and commercial objectives, and the increasing importance of social-impact measurement and ESG alignment. Using a descriptive-analytical approach based on secondary data and recent literature (2022–2025), this paper identifies key enablers and challenges in India's social entrepreneurship ecosystem. The findings indicate that technology (AI, IoT, mobile platforms) and human capital are becoming major enablers for social enterprises; inclusive and rural-oriented models are gaining traction; funding models are shifting toward impact investing and blended finance; ecosystem support via policy, incubation and education is strengthening; yet measurement of social outcomes, scalability and rural infrastructure remain significant constraints. The conclusion highlights that for social entrepreneurship to scale in India, ventures must adopt hybrid business strategies, strengthen partnerships across sectors, leverage digital and rural networks, mobilize new finance mechanisms and build robust measurement frameworks. Recommendations are offered for social entrepreneurs, ecosystem actors and future research.

Introduction:

1. Concept & Definition of Social Entrepreneurship:

Social entrepreneurship refers to the practice of identifying, launching and growing ventures which principally aim to create social value (rather than merely profit), while maintaining financial sustainability. Such ventures often blend the mission-driven focus of non-profits with business models and entrepreneurial thinking. They may operate as non-profit, for-profit, or hybrid entities, but the

hallmark is social innovation combined with entrepreneurial drive.

2. Indian Context & Rationale for 2025 Study:

In India, the need for social innovation is acute: persistent poverty, rural distress, educational-health inequities, environmental challenges and unemployment have created opportunities for mission-oriented entrepreneurship. The rapid growth of technology adoption, increasing internet penetration (even in non-metro and rural India), government

initiatives promoting startups and innovation, and the growing interest in impact investment make 2025 a timely moment for social entrepreneurship. Studying “emerging” trends in 2025 helps capture how the ecosystem is shifting

3. Overview of Current Ecosystem:

In recent years, social enterprises in India have moved from purely charitable or grant-driven models to hybrid structures that seek both social impact and financial viability. According to recent research, social entrepreneurship is being seen as “a transformative force, merging innovative business strategies with a commitment to social welfare” in India. ([IJCRT][1]) The ecosystem now includes incubators, accelerators, impact investors, CSR-funded programmes, government schemes, and higher-education institutions promoting social enterprise. However, the sector still faces challenges: access to capital, ability to scale, measurement of social outcomes, rural infrastructure and digital divide remain major constraints.

Research Objectives :

1. To identify and describe the major emerging trends in social entrepreneurship in India around 2025.
2. To analyse enablers and barriers associated with these trends.
3. To provide recommendations for social entrepreneurs, ecosystem players (policy makers, investors, incubators) and future researchers.

Review of Literature:

1. Evolution of Social Entrepreneurship

Research in India: Bibliometric analysis indicates that social entrepreneurship

research in India is still in development; many studies focus on metro-areas, early stage ventures, and non-profit models, with fewer focusing on rural social enterprises, digital/social tech, hybrid models or measurement of social outcomes. ([IJCRT][1]) The shift toward mission-driven business models is observed: for example, Kumar, Raj & Alexander in 2025 note that Indian social enterprises are “shifting from traditional non-profit models to viable for-profit ventures with social mission”. ([IJCRT][1])

2. Social Entrepreneurship & SDGs / Impact Models: Social enterprises are increasingly aligning with the global Sustainable Development Goals (SDGs) framework, and conceptually the field is merging with impact investing, ESG orientation and the circular economy. In one chapter, Anand (2024) describes how technology deployment, impact investment, inclusive models, circular economy orientation mark advanced trends in social entrepreneurship. ([Integrated Publications][2]) The challenge of measuring social impact, standardising frameworks, and building business models that combine profit and purpose is repeatedly pointed out.

3. Technology, Women-Entrepreneurship, Rural Models: A newer strand of research highlights that technology (AI, IoT, mobile platforms) and human capital are enablers of social entrepreneurship in India’s transition-era. For instance, Nagaraju & Shubha (2024) examine “The Evolution of Social Entrepreneurship in India’s Industry 5.0: Bridging Human Capital and AI”.

4. Gaps in Existing Literature:

- Empirical quantitative studies on social enterprises in rural India, their business models, scalability and outcomes.
- Studies on how measurement frameworks for social impact are adopted in Indian context.
- Longitudinal studies of hybrid social ventures (for-profit/social mission) in India.
- Research on how ecosystem actors (incubators, policy, financing) integrate specifically social entrepreneurship (versus general startups).

Research Methodology:

1. Research Design: This paper uses a descriptive-analytical research design, focusing on compiling and analysing existing secondary literature and data regarding social entrepreneurship in India, with emphasis on emerging trends around 2025.

2. Data Sources & Selection Criteria: Data sources include peer-reviewed journal articles (2022–2025) with relevance to social entrepreneurship in India, book-chapters and edited volumes on advanced trends, and credible reports and articles on entrepreneurship trends in India. Keywords used in literature search included: “social entrepreneurship India 2025”, “impact investing India social enterprise”, “digital social enterprise India”, “rural social entrepreneurship India”. For example: Kuju article “Emerging Trends in Social Entrepreneurship” (Anand 2024) & IJCRT article “Social Entrepreneurship in India: Driving Innovation, Impact Investing, and Inclusive Development” (Naveen Kumar et al. 2025) were included. ([IJCRT][1])

3. Analytical Approach: Data and literature were thematically categorised into major emerging trends (e.g., technology integration, finance models, rural/ women inclusion), enablers and barriers, and implications. The discussion section organises the thematic trends point-wise.

4. Scope: India-centric social entrepreneurship context, focusing on trends around 2025 (rather than historical overview).

5. Limitations: reliance on secondary data (no primary survey), rapidly evolving ecosystem may render some data quickly obsolete, and empirical statistical data on some social-entrepreneurship segments (especially rural) is limited.

Data Analysis / Discussion:

1. Digitalisation & Technology Integration: One of the most significant emerging trends is the increased use of digital technologies by social enterprises in India. As one study notes, India's transition toward Industry 5.0 is opening new opportunities for social enterprises to leverage AI, IoT, blockchain alongside human capital. ([Kuey][3]) Social ventures are employing mobile-based platforms for micro-finance, telehealth, digital agriculture services, and community-based digital education. The blog on entrepreneurship trends in India for 2025 emphasises that digital entrepreneurship is now mainstream, given widespread smartphone penetration, social media adoption and connectivity. ([BizCivitas][5]) For social enterprise, digitalisation allows scale, lower cost, reach into underserved rural/remote populations, and data-driven decision-making. However, challenges remain: the rural digital divide

(connectivity, digital literacy), initial cost of technology adoption, capacity building of social entrepreneurs and communities. For 2025, the expectation is that more social enterprises will adopt hybrid digital-physical models: digital platforms + local field presence.

2. Impact & Blended Finance Models:

Traditionally many social ventures in India depended on grant-funding or charity. Now however, there is a shift toward impact investing (investors who expect both social and financial returns), blended finance (combination of philanthropic capital, debt, equity) and CSR-linked funding. For instance, the IJCRT paper highlights how social entrepreneurship is “emerging as a transformative force ... emphasizing ... impact investing, supportive government policies and rapid technological advancements”. ([IJCRT][1]) Crowdfunding for social causes is also rising in India: a recent study of the platform Ketto analysed over 119,000 campaigns, underscoring the growth of alternative financing for social causes. ([arXiv][6]) For social entrepreneurs this means they must be prepared to articulate social value metrics, impact frameworks, business viability and scale potential. Barriers include lack of standardised measurement of social impact, risk-perception among investors, small size of many ventures limiting attractiveness to funders

3. Rural & Community-Based Social Entrepreneurship:

While much of the Indian startup and social-enterprise discourse is metro-centred, a big emerging trend is the shift toward rural and community-based social entrepreneurship ('Bharat beyond the big cities'). A recent

article on entrepreneurship in India's emerging cities notes D2C models, digital access and localised value-chains are opening up tier-2/3/4 cities and rural regions. ([Market Spy][7]) In the context of social enterprise, this means ventures working with farmer-producer organisations (FPOs), self-help-groups (SHGs) evolving into social enterprises, local craft/eco-businesses leveraging digital marketplaces, community energy solutions, sanitation-education models etc. These models are inclusive, locally rooted and socially meaningful. Challenges: weaker infrastructure (transport, electricity, internet), logistic/distribution issues, limited access to capital and scale, limited exposure to incubators/mentors in rural geographies.

4. Women-Led & Inclusive Models:

Another important trend is the rise of women-led social enterprises and inclusive models targeting under-represented segments. The study “Breaking Barriers: A Study on the Rise of Women Entrepreneurs in India” (2025) documents how women entrepreneurship is emerging as a transformative socio-economic force in India. ([Journal of Marketing & Social Research][4]) In the social entrepreneurship sphere, this translates to women founders, women beneficiaries, gender-lens investing, women-community enterprises, and inclusive hiring models. For 2025: we see increasing recognition of women social entrepreneurs, dedicated support networks, mentoring, and funding targeting women/social enterprises. Yet challenges persist: gender bias, limited networks, lesser access to finance, balancing social and family responsibilities. Social enterprises led by women face additional hurdles but also

bring unique social value, especially in health, education, community development.

5. Policy, Ecosystem & Institutional Support: The social entrepreneurship ecosystem in India is gaining policy, institutional and educational support. Government startup policies, innovation hubs, social enterprise incubators and CSR frameworks are evolving. Although specific social-enterprise policies may still be nascent, the broad startup-innovation ecosystem benefits social ventures too. For example, the blog on entrepreneurship trends notes that policy reforms and digital infrastructure are enabling entrepreneurs across India. ([BizCivitas][5]) Furthermore, academic institutions are playing a growing role: the paper “Bridging the Gap: How Academic Institutions Can Foster the Future of Social Entrepreneurship in India” (2025) discusses how Indian universities and colleges are creating curriculum, incubation, mentoring and research support for social entrepreneurship. ([IJFMR][8]) However, fragmentation remains: social entrepreneurship doesn't always fit neatly into standard startup policy, there may be regulatory or legal ambiguity, and funding allocation for social mission vs. profit lens may differ. Strengthening convergence between policy, ecosystem and social enterprise is needed.

6. Hybrid & Scalable Business Models: A key emerging trend is the move from grant-based, small-scale social models to hybrid, scalable business models that straddle social mission and commercial viability. For example, many social startups are now designing revenue-generating streams (product sales, subscriptions, services) while keeping social impact central. As noted

earlier, the IJCRT article flagged this shift. ([IJCRT][1]) This hybrid model helps enterprises scale, be less reliant solely on grants, and attract impact-investor capital. Nonetheless, it presents the challenge of balancing mission and margin: social entrepreneurs must manage governance, ensure that profit-orientation doesn't crowd out social purpose, maintain transparency and accountability. Scaling remains difficult: replicability, supply-chain, human capital and local adaptation are concerns.

7. Social Impact Measurement & ESG Alignment: As social entrepreneurship gains traction, so does the demand for systematic measurement of social impact and alignment with ESG (environmental, social, governance) frameworks. Chapter by Anand (2024) emphasises the orientation of social entrepreneurship toward SDGs, impact investment and circular economy. ([Integrated Publications][2]) Indian social enterprises increasingly need to report outcomes, demonstrate measurable change, adopt metrics, and integrate data analytics. This is imperative to attract funding, build credibility, and manage growth. The challenge: there is no common standard in India yet, measuring social value is complex, cost of measurement can be high, and many enterprises lack the resources or capability to adopt robust frameworks. In 2025, trend is toward adoption of simpler, contextualised metrics, and collaborative measurement platforms emerging through ecosystem partnerships.

8. Education, Human Capital & Skills Development: Social entrepreneurship is also being supported via education, capacity building, mentorship and incubator programmes. The IJFMR paper (2025)

shows how academic institutions can foster social entrepreneurship, support socially-conscious leadership, and bridge theory-practice gap. ([IJFMR][8]) Skills such as design-thinking, social innovation, digital literacy, business modelling, impact measurement are gaining importance. For 2025, more universities and incubators in India are likely to embed social-entrepreneurship tracks, boot-camps, hackathons and field-projects. The constraint: access to such programmes in rural or non-metro regions, and the quality of training vary. Human capital remains a key enabler.

Findings:

1. There is a clear shift in India's social entrepreneurship ecosystem from charitable/grant models toward scalable, business-oriented social ventures combining mission and margin.
2. Digital technology is a major enabler: social enterprises are leveraging digital platforms, mobile apps, AI/IoT and data analytics—especially to reach underserved populations. However the rural digital divide and capacity-constraints remain challenges.
3. Funding landscape is evolving: Impact investing, blended finance, and crowdfunding are gaining traction, offering new sources for social enterprises. Yet standardized measurement of social outcomes, investor risk-perception, and scale of many ventures remain constraints.
4. Rural & community-based social entrepreneurship is gaining prominence. Locally rooted models, digital access and inclusive value-chains are emerging

trends—but infrastructure, logistics and capital access remain weaker in rural contexts.

5. Women-led and gender-inclusive social entrepreneurship is rising; social enterprises with women founders or women-beneficiaries are increasingly visible. Gender-specific barriers persist.
6. Ecosystem support (policy, incubators, academic institutions) is improving for social entrepreneurship, but convergence of policy, capital and social-mission frameworks needs strengthening.
7. Hybrid business models (social mission + revenue model) are emerging as the viable path; balancing social purpose and commercial viability remains a core challenge.
8. Social impact measurement and ESG alignment are increasingly demanded; while adoption is rising, measurement frameworks in India are still nascent and implementation is uneven.
9. Education, human capital development and capacity building are key enablers; access, especially in non-metro/rural regions remains uneven.

Conclusion & Suggestions:

1. Conclusion:

Social entrepreneurship in India is entering a new phase in 2025. The confluence of digitalisation, inclusive models (women, rural), evolving finance mechanisms, and supportive ecosystem frameworks is enabling social enterprises to scale and deliver meaningful impact. The ecosystem is maturing: the notion of social enterprise is shifting from small pilot projects to scalable ventures with national

reach. However, persistent challenges such as access to finance, measurement of social outcomes, rural infrastructure and digital divide remain. If addressed well, social entrepreneurship has the potential to play a pivotal role in India's inclusive growth agenda, supporting SDGs, bridging social inequalities and transforming underserved communities.

2. Suggestion:

For Social Entrepreneurs:

- Adopt hybrid/revenue-generating business models that balance social mission and financial sustainability.
- Leverage digital platforms, mobile technology and data analytics to reach underserved populations and scale cost-effectively.
- Focus on rural and community contexts to tap inclusive value-chains, but plan for infrastructure and logistics challenges.
- Build partnerships across sectors: collaborate with government, corporates (CSR), NGOs, academic institutions, technology providers, local communities.

For Policymakers & Ecosystem Players:

- Create policy frameworks specific to social enterprises, distinct from purely profit-oriented start-ups: e.g., simplified registration, tax incentives for social mission, impact-investment friendly regulations.
- Support blended finance mechanisms: create public funds, first-loss guarantees, social-impact bonds, crowdfunding regulation to channel more capital to social enterprises.

- Strengthen social-enterprise incubators and accelerators, especially in non-metro/ rural regions, with technology, mentoring and market access.
- Invest in digital infrastructure, connectivity, digital literacy especially in rural India to enable technology-enabled social enterprises.

3. Future Research Directions:

- Empirical studies (quantitative, longitudinal) on social enterprises in rural India: business models, scale, impact and outcomes.
- Research on measurement frameworks: how Indian social enterprises adopt, implement, and report social impact and ESG alignment.
- Studies on hybrid social-enterprises (mission + revenue) in India: what business models work, what governance practices enable success, what scaling pathways exist.
- Comparative research across states, urban vs rural, women-led vs traditional social ventures to understand differential success factors and barriers.

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