

¹ Social Entrepreneurship that Facilitates Societal Transformation
² a Study of Yeshasvini Cooperative Farmers Health Care Scheme

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⁵ Received: 7 February 2012 Accepted: 3 March 2012 Published: 15 March 2012

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⁷ **Abstract**

⁸ Right to good health is also a fundamental human right. Healthcare and well being must be
⁹ achieved equitably for all. But the achievement of such an equitable access to healthcare for
¹⁰ all is prevented by unsolved and newly emerging problems like demographic shift to ageing
¹¹ population, poverty, environmental degradation, economic crisis in many developed countries,
¹² and emergence of new types of epidemic diseases and so on. To overcome these unsolved and
¹³ newly emerging problems and thereby achieving the equitable access to health care for all,
¹⁴ governments, public sector organizations and social entrepreneurs have worked together to
¹⁵ integrate health and healthcare into their policies. Such an integrated healthcare policy is
¹⁶ focused in the present paper i.e., Yeshasvini Cooperative Farmers Healthcare Scheme, a micro
¹⁷ insurance health scheme, launched in 2002 for millions of farmers and their families in
¹⁸ Karnataka, belonging to various State Cooperatives, by Government of Karnataka, pioneered
¹⁹ by a reputed social entrepreneur Dr. Devi Prasad Shetty and his team at Narayana
²⁰ Hrudayalaya, Bangalore.

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²² **Index terms**— social entrepreneurs, health and healthcare, yashashwini cooperative farmers healthcare
²³ scheme.

²⁴ **1 Introduction**

²⁵ The concept of entrepreneurship which is applied to the context of social problem solving is called social
²⁶ entrepreneurship.

²⁷ Solutions to social problems such as sustainable alleviation of health, education, economic, political and
²⁸ cultural problems associated with long-term poverty and illiteracy, often demand fundamental transformation in
²⁹ all societal systems that underpin current stable status.

³⁰ One of such social problems is lack of healthcare accessibility to poor people. Right to good health is also a
³¹ fundamental human right. It must be achieved equitably for all. But the achievement of such an equitable access
³² to healthcare for all is prevented by unsolved and newly emerging problems like demographic shift to ageing
³³ population, poverty, environmental degradation, economic crisis in many developed countries, and emergence of
³⁴ new types of epidemic diseases and so on.

³⁵ To overcome these unsolved and newly emerging problems and thereby achieving the equitable access to health
³⁶ care for all, governments, public sector organizations and private social entrepreneurs have worked together to
³⁷ integrate health and healthcare into their policies. Such an integrated healthcare policy is focused in the present
³⁸ paper i.e., Yeshasvini Cooperative Farmers Healthcare Scheme, a micro insurance health scheme, launched in 2002
³⁹ for millions of farmers and their families in Karnataka, belonging to various State Cooperatives, by Government
⁴⁰ of Karnataka, pioneered by a reputed social entrepreneur Dr. Devi Prasad Shetty and his team at Narayana
⁴¹ Hrudayalaya, Bangalore. Under this scheme even poor can avail of top-class health care at a minimal cost.

⁴² Social entrepreneurs are the change agents, who facilitate for the societal transformation in order to provide
⁴³ benefits to the poor and marginalized populations. The various social entrepreneurs in the private health care

4 IV. HYPOTHESES

44 sector like Narayana Hrudayalaya Hospital of Cardiac Care, Arvind Eye Hospital, Shantha Biotech Lab and
45 Water Health International play an important role in providing healthcare to the poor people.
46 The credit for coining the term "social entrepreneurship" goes to Bill Drayton, founder of Ashoka, the world's
47 first organization to promote social entrepreneurship.

48 2 II. Objectives

49 1. To study the concept of social entrepreneurship as a powerful tool to solve social problems. 2. To analyze and
50 interpret the functioning and growth of Yeshasvini Cooperative Farmers Healthcare Scheme.

51 3 III. Research Methodology

52 Research is descriptive and explorative in nature to meet the research objectives. Primary and secondary data
53 is used for the study. Surveys and interactions with office bearers of Yeshasvini Trust, Cooperative Department,
54 Government of Karnataka, and select Network Hospitals of Yeshaswini Scheme at Bangalore, are made to collect
55 the necessary primary data. The secondary data is collected from website of Yeshasvini Trust, Government of
56 Karnataka, and other published reports, journals and websites. Data collected is logically analyzed and presented
57 by tables and graphs.

58 4 IV. Hypotheses

59 H1 : Building of local capacities and providing innovative packages to the marginalized populations is essential
60 for the success of social entrepreneurship. H2 : Operation of social enterprises on large scale basis will help to
61 solve social problems more effectively. Social entrepreneurs are people who realize where there is an opportunity
62 to satisfy some unmet need that the state welfare system will not or cannot meet, and who gather together the
63 necessary resources and use these "to make a difference" SOCIAL ENTERPRISE Dees (1994) These are private
64 organizations dedicated to solving social problems, serving the disadvantaged and providing socially important
65 goods that were not, in their judgment, adequately provided by public agencies or private markets. These
66 organizations have pursued goals that could not be measured simply by profit generation, market penetration,
67 or voter support.

68 Haugh & Tracey (2004) These are businesses that trade for a social purpose. They combine innovation,
69 entrepreneurship and social purpose and seek to be financially sustainable by generating revenue from trading.
70 Their social mission prioritizes social benefit above financial profit, and if and when a surplus is made, this is used
71 to further the social aims of the beneficiary group or community, and not distributed to those with a controlling
72 interest in the enterprise.

73 a) For-Profit Vs Not-For-Profit Social Enterprises :

74 Social enterprises may be for-profit or not-for-profit organizations.

75 ? For-profit social enterprises are driven by social as well as financial goals. Not-for-profit social enterprises
76 purely focuses on the social impact of their activities, not on wealth creation, they are society-oriented
77 organizations.

78 ? The primary source of funds for social ventures of for-profit social enterprises is their earnings. Notfor-profit
79 social enterprises rely on donations and charitable contributions. ? Recruitment policy is to select people on
80 the basis of their skill and performance but in not-for-profit social enterprises people participate voluntarily. ?
81 The performance of for-profit social entrepreneurs is measured on the basis of social value delivered along with
82 financial returns. They are run in an entrepreneurial setting. But the performance of notfor-profit is evaluated
83 merely on the basis of social value they have delivered.

84 Entrepreneurship :

85 ? The concept of entrepreneurship is applied to the context of business and economic ventures in case of
86 business entrepreneurship but in case of social entrepreneurship, the concept of entrepreneurship is applied to
87 the context of social problem-solving. The Grameen Bank (GB) was established in 1976 by Muhammed Yunus, a
88 Bangladeshi economic professor, and his colleagues. It provides group lending for poor people without collateral.
89 The Grameen Bank forms small groups of five people to provide mutual, morally binding group guarantees in lieu
90 of collateral. In addition to group lending, it created other businesses like fisheries, handloom factories, renewable
91 energy plants to serve poor. It expanded poor women's roles in income generation through micro credit around
92 the world.

93 The Self-Employed Women's Association (SEWA), founded in 1972 by Ela Bhatt, an Indian to organize groups
94 of women to address economic, social, political, and health issues. SEWA is the first and largest trade union of
95 informal sector workers. It provides improved working conditions, access to health care, credit, and savings for the
96 more than 90% of India's self-employed/unorganized, female laborers. It influenced the creation of self-employed
97 labor division in the Indian government.

98 It influenced the International Labor Organization to pass standards for home worker including minimum
99 wage and working conditions. SEWA has several "sister" institutions, including a bank that provides financial
100 resources, an academy that provides teaching, training and research, and a housing trust that coordinates housing
101 activities for its members.

102 Aravind Eye Hospital : Arvind Eye Hospital was founded in 1976, by Dr.G.Venkataswamy, in an eleven bed
103 hospital manned by 4 medical officers, today it is one of the largest facilities in the world for eye care. Technology
104 and affordable connectivity options have made Aravind's model economically justifiable, and hence sustainable.
105 Its network of hospitals and vision centres treat more than 2.7 million patients and perform more than 300,000
106 eye operations every year -70% for fee.

107 The Narayana Hrudayalaya Private Limited (NHPL) :

108 Founded in 2001 by Dr.Devi Prasad Shetty at Bangalore, Karnataka. "The Wal-martization of Healthcare"
109 strategy is adopted by Dr.Devi Shetty and his team to reduce cost of treatment without compromising with quality
110 of treatment. Company is currently ranked fourth behind Fortis Healthcare, Apollo Hospitals and Manipal Group.
111 By 2020, NHPL expects to take the company to 30,000 beds from the present 5,700 beds. Its existing hospitals
112 are at Bangalore, Kolar, Dharwad, Mumbai, Hyderabad, Ahmedabad, Jaipur, Jamshedpur, Raipur, Kolkata,
113 and hospitals opening soon are at Mysore, Bhubneshwar, Siliguri and New Delhi. Its presence at abroad will be
114 Cayman Islands and Malaysia.

115 Dr.Devi Shetty, who has been in the medical profession for close to 25 years and worked at Guy's Hospital in
116 London, the Birla Heart Research Foundation in Kolkata (formerly Calcutta) and the Manipal Heart Foundation
117 in Bangalore before branching out on his own, was formerly personal physician to Mother Teresa, focuses on
118 "Process Innovation and Wal-Mart Approach" to reduce the cost of treatment.

119 Cardiac surgeries in the United States can cost up to US\$50,000. In India, they typically cost around US\$5,000-
120 US\$7,000. Depending on the complexities of the procedure and the length of the patient's stay at the hospital,
121 the price tag increases. At Narayana Hrudayalaya, however, surgeries cost less than US\$3,000, irrespective of the
122 complexity of the procedure or the length of hospitalization. About 45% of Shetty's patients pay even less. ??f
123 VII. Analysis and Interpretation of "Yeshasvini" -A Self Funded Healthcare Scheme

124 Though India has made great strides in healthcare since independence, average life expectancy has nearly
125 doubled to around 64 years, infant mortality rate and the maternal mortality ratio have fallen significantly, but
126 the overall access and quality of healthcare for a vast majority of Indians remain sub-par. This is because of
127 the low share of government (Table 2) in total healthcare expenditure and the lack of skilled human resources (

128 In many states infrastructure is largely present but the absence of doctors and nurses renders the whole facility
129 meaningless.

130 In addition to low share of government spend on health care and acute shortage of skilled human resources,
131 World Health Organization's (WHO) world health statistics states that around 74 per cent (as of 2008) of India's
132 private healthcare expenditure takes place in the form of out-of-pocket expenditure (OOP) and OOP spending
133 on medicines and health care services will push millions of Indians (about 3.2%) below the poverty line.

134 The size of the Indian healthcare delivery market was Rs.2.6 lakh crore in 2011 -12 and it is expected to double
135 to Rs.4.7 lakh crore in 2016-17. This is due to increase in population along with the rise in life expectancy,
136 awareness on preventive and curative healthcare, and also rapid increase in lifestyle-related ailments such as
137 cardiac diseases, oncology (cancer) and diabetes. In value terms, cardiac ailments account for around 22-25 per
138 cent of the overall market in 2011-12 and it is expected to go up steadily in the next five years. Likewise, oncology,
139 at present, accounts for around 4-5 per cent of the overall market and is likely to grow to 5-7 in the next five
140 years. This rise in lifestyle-related ailments will demand for increase in healthcare services associated with these
141 diseases.

142 "In India, around 2.5 million people require heart surgeries every year but all of [the country's doctors] put
143 together perform only 80,000 to 90,000 surgeries a year.... We clearly need to relook and change the way things
144 are being done." Dr.Devi Shetty.

145 Introduction of Karnataka provides matching contribution to the Trust for implementation of the scheme.
146 Studies have shown that on average only 0.08 per cent of the people covered under the scheme would require
147 operations, this means the cost of their treatment is borne through the contribution of the others who do not
148 need medical help, hence Yeshasvini scheme works effectively as a self funded healthcare scheme.

149 5 VIII. Salient Features

150 6 X. Conclusion

151 India has some of the most advanced and innovative social entrepreneurs. India is a key country in developing
152 innovative models which are exported around the world. Yeshasvini, one of such innovative models, pioneered
153 by Dr.Devi Shetty for the cooperative farmers of Karnataka, is functioning successfully through the partnership
154 with Cooperative Department, Government of Karnataka, Network Hospitals, Banks and TPA (PPP model).

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³<http://www.aravind.com> <http://www.ashoka.org> <http://www.grameen-info.org>

<http://www.heidelbergmedical.com> <http://www.yeshasvini.kar.nic.in> <http://www.brac.net>

<http://www.narayanaahrudayala.com> <http://www.microfinance.com> KPMG & ASSOCHAM, 17 Feb. 2011,
"Emerging

6 X. CONCLUSION

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Recognizing
and relentlessly
pursuing new
opportunities to
serve that mission
Engaging in a pro-
cess of continuous
innovation, adap-
tation, and learn-
ing

Acting boldly
without being
limited by
resources currently
in hand, and

Exhibiting a
heightened sense of
accountability to
the constituencies
served and for
the outcomes cre-
ated

Thompson,
Alvy & Lees
(2000)

Author/s & Definition
Year

ENTREPRENEURSHIP

Drucker (1960)

Stephen Robbins & Mary Coulter (1999) A process by which people pursue opportunities, fulfilling needs and wants through innovation, without regard to the resources they currently control.

Schumpeter (1951); A major theme of entrepreneurship has been the creation of value through innovation
Drucker (1985)

SOCIAL ENTREPRENEURSHIP

Alvord, Brown & Letts (2004)

Creates innovative solutions to immediate social problems and mobilizes the ideas, capacities, resources, and social arrangements required for sustainable social transformations

Mort, Weerawardena &

Carnegie (2002)

A multidimensional construct involving the expression of entrepreneurially virtuous behav-

achieve the social mission, a coherent unity of purpose and action in the face of moral complexity, the ability to recognize social value-creating opportunities and key decision-making characteristics of innovativeness, pro-activeness and risk-taking
SOCIAL ENTREPRENEURS

Dees (1998)

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

?

Adopting a mission
to create and sus-
tain social value

priority given to economic wealth creation versus social wealth creation.

? In business entrepreneurship, social wealth is a by-product of economic value created and in social entrepreneurship; the main focus is on social value creation. However this does not mean that social entrepreneurial initiatives should not embrace an "earned income" strategy.

VI. World's Most Remarkable Social Enterprises

Ashoka founded by Bill Drayton in 1980, based in Arlington, VA, USA, to provide seed funding for entrepreneurs with a social vision. Ashoka is the world's largest community of leading social entrepreneurs-men and women with ground-breaking solutions to the world's greatest challenges. Ashoka seeks out, vets and supports leading social entrepreneurs locally, facilitates collaboration, spreads ideas, innovations and models, and builds entrepreneurial "eco-systems" for social innovations. Currently it operates in over 70 countries and supports the work of over 2000 social entrepreneurs, elected as Ashoka Fellows. Since 2003, Ashoka and the American India Foundation (AIF) have partnered to co-invest in social entrepreneurs in India. Bangladesh Rural Advancement Committee (BRAC) was established in 1972 by Fazle Abed, a Bangladeshi corporate executive, to focus on breaking the cycle of poverty in Bangladesh. It was started as a relief and resettlement organization, but BRAC pioneered the development of comprehensive, locally organized approaches to rural development and poverty alleviation. It provides a range of services like rural capacity-building, education, health services, micro credit to millions of rural people. It organizes the poor for self-help and builds local capacities for economic development, healthcare and education.

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[Note: ? Social entrepreneurship may be for profit or not for profit venture but business entrepreneurship is always a for profit venture. ? Rather than for profit or not for-profit, the main difference between these two lies in the relative b) Business/Economic Entrepreneurship Vs Social]

Figure 2: ?

2

Table : 2

Figure 3: Table 2

6 X. CONCLUSION

”Yeshasvini Cooperative Farmers Health Care Scheme” (of health insurance coverage under Private-Public Partnership (PPP) Model will help to provide healthcare accessibility to all. Such an effort of health insurance coverage was pioneered by Dr.Devi Shetty, launched by Government of Karnataka in 2002, named ”Yeshasvini Cooperative Farmers Healthcare Scheme”, which is India’s largest Micro Health Insurance program and the world’s self-funded health insurance scheme for farmers at a monthly premium of 5 rupees (now Rs.10).

Figure 4:

Chart : 1

Source : www.yeshasvini.kar.nic.in

Source : www.yeshasvini.kar.nic.in

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pro-
duce
the
iden-
tity

ard Cooperative Society/Banks, members of Weavers,
at
the
time
of

- ? Each beneficiary is required to pay prescribed rate of annual contribution every year. Presently [2012-13] member contribution is Rs.210/-.
- ? The period of each enrollment commences from January/February and closes by June every year.
- ? The scheme is open to all rural co-operative society members; members of self help group/Stree Shakti Group having financial transaction with the

Figure 5: ?

Year	Members Enrolled ('in lakhs)	Members Contribution ('in crores)	Government Contribution ('in crores)	No. of free OPD availed	No. of surgeries availed	Surgery amount reimbursed to

Figure 6: Table 4 :

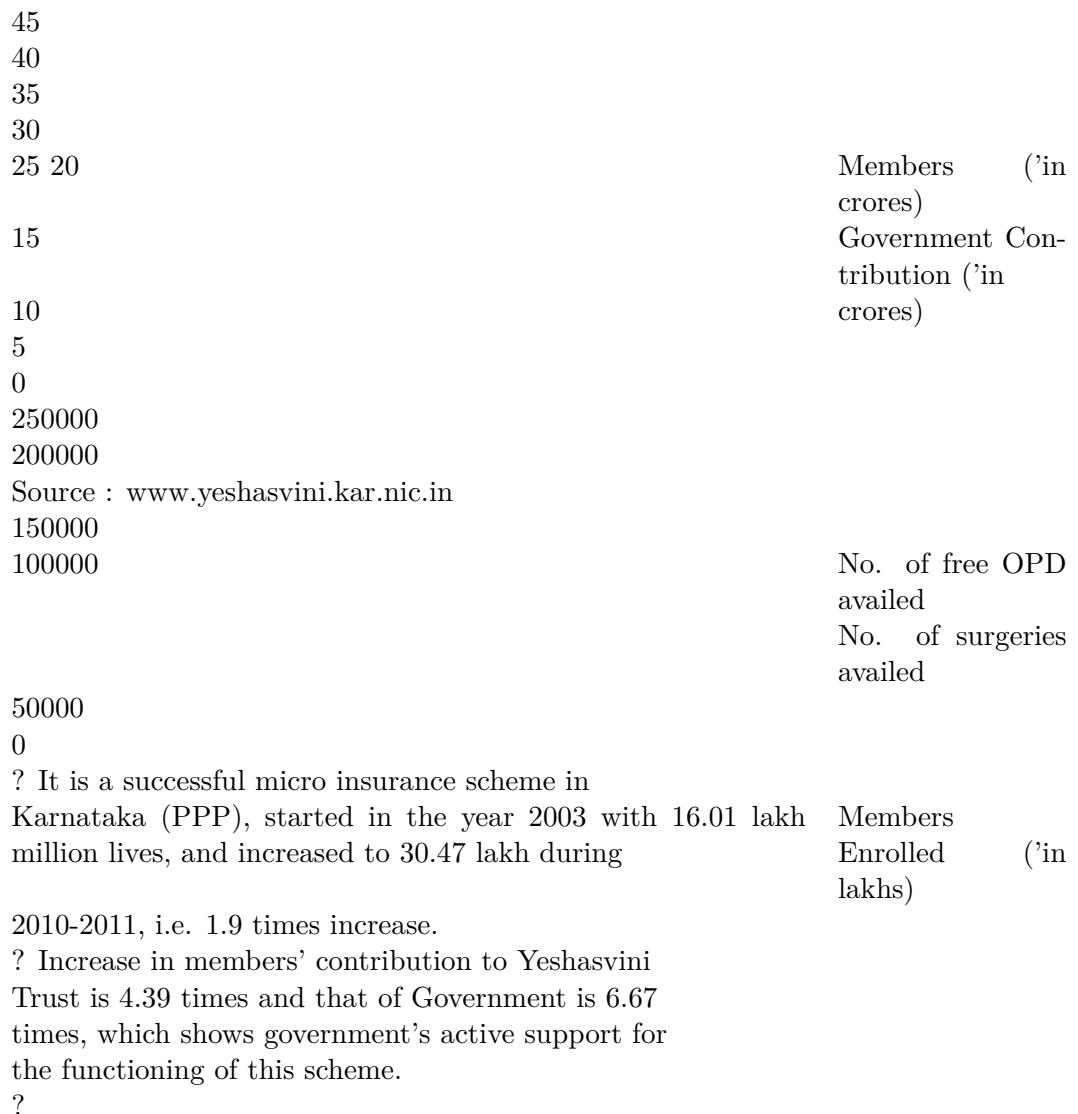


Figure 7: Members Enrolled ('in lakhs)

156 ? The higher age limit fixed is 75 years for availing benefit under the scheme. IX. Implementation Procedure
157 required hospital admits the patients and sends preauthorization request to the TPA online along with proof
158 of documents. ? Doctors/Specialists of the TPA examine the preauthorization request received from Network
159 Hospitals and approval is given to preauthorization within 24 hours, if all the conditions are satisfied. ? Network
160 Hospitals extend cashless treatment and surgery to the beneficiary subject to the limits prescribed under the
161 scheme. ? Network Hospitals after discharge forwards the original bill, discharge summary with signature of the
162 patient and other relevant documents to TPA for processing and settlement of their claims. ? Trust arranges
163 payment to Network Hospitals through TPA within forty five days of the receipt of the bills from the Network
164 Hospital. ? Yeshasvini beneficiary is required to produce Enrollment Card and other documents at the time
165 of admissions, so that the Network Hospitals can send preauthorization for approval. If the beneficiary does
166 admission he is not entitled to avail the benefits under the scheme.

167 ? In case of emergency, the coordinating officer of the Network Hospital will take undertaking letter from the
168 beneficiary or his/her ward that in case he/she is not covered under the scheme the cost of the surgery will be
169 paid by the beneficiary only.

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