

# SOCIAL INNOVATION FOR INCLUSIVE DEVELOPMENT : A STUDY ON GOONJ FOUNDATION

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## Abstract

*The concepts social innovation and social entrepreneurship have gained considerable attention both in different fields of academic research and in the context of the development of economic and social policies. Social innovation conceived of as “the design and implementation of creative ways of meeting social needs” seems to be an important means to implement key aspects of its medium-term growth strategy. The present study aims to identify the role of social innovation in achieving inclusive growth through discussion of the case of GOONJ Foundation and its business model. This case focused on the role of inclusive innovation towards economic development. Basically, it's business model looks like a chain where the main work is to collect and distribute old clothes which is not the case. Materials are used as a tool to bring ignored issues to light, to talk about basic needs, to bring communities together, to make them aware of their own power, to increase people's participation, to change mindsets and change the present rural infrastructure.*

**Keywords:** *Social Innovation, Inclusive Development, Goonj Foundation*

## Introduction

The concepts social innovation and social entrepreneurship have gained considerable attention both in different fields of academic research and in the context of the development of economic and social policies. Across the globe, social innovation, social entrepreneurship or social enterprise have turned into mainstream concepts in politics that comprehend a heterogeneous set of policies and measures to support the provision of public goods or more generally strengthen the innovative capabilities of countries by other means than the public sector. Social innovation conceived of as “the design and implementation of creative ways of meeting social needs” seems to be an important means to implement key aspects of its medium-term growth strategy. Social innovation is not simply about ‘doing good’, it represents real business opportunities.

It can be acknowledged that the need for social innovation comes as a result of recognizing a gap between the current reality and the desired reality within one societal group or the society as a whole. As such, social innovation comes as a response to the crisis of ‘government failure’, ‘market failure’ and ‘voluntary failure’ that are inherent in all societies. For an innovation to be considered social innovation it should

demonstrate that it is grounded in a social mission and that it generates social value realized through social change. Most social innovations distinguish themselves by virtue of their orientation towards social mission and goals. Social innovations can, therefore, be regarded as new solutions to the needs of people, which have not been fulfilled by the existing market players or governmental bodies, which increase their living standards and welfare. They involve entering a societal group and establishing a collaborative relationship with its members to create a social vision and to formulate specific measures for acting upon it and solving social problems. In this regard, social innovators act as the change agents of society, seizing opportunities others miss, improving systems, introducing new approaches, and creating solutions to regenerate society.

The present study aims at the following objectives:

- (a) To identify the role of social innovation in achieving inclusive growth through discussion of the case of GOONJ Foundation.
- (b) To discuss the basic business model of GOONJ.
- (c) To offer recommendations and suggestions for implementation.

### **Defining Social Innovation**

A social innovation can either approach a social problem that asks for an incremental change for a certain group of people (for example, discrimination in the business environment) or address it may a deep structural problem, that requires a radical change and affects a large number of people, having a large scale impact (for example, on unemployment or poverty). Therefore, in the process of social innovation process, there are multiple players involved with different but complementary roles: civil society (customers, individuals, NGOs, associations, charities, etc.), government, public administration, enterprises, research institutes, and universities. Generally speaking, social innovation comes as a new form of innovation meant to solve social and economic problems and generate social change. However, as a new thing, it also faces many obstacles, like deviation from the mission, fierce competition, limited pool of resources, lack of support from the government, and so on.

Social innovation's primary goal is to create social change and regenerate society. Social innovations are critically driven by a social mission and goal, and the value they create is necessarily shared value (economic and social) between all participants involved. The actual social context has influenced the way innovation is perceived, not only as a tool and source of economic growth and competitiveness but also as a potential tool for achieving social goals and social cohesion in society (Lubelcová, 2012). Social rather than economic concerns are the main drivers in the development and implementation of new ideas for solving problems and improving life standards.

The European Commission (2013) defines social innovation as “the development and implementation of new ideas (products, services, and models) to meet social needs and create new social relationships or collaborations”. In this regard, it is expected that social innovation will give “new responses to pressing social demands, which affect the process of social interactions” (European Commission, 2013). Social innovation is meant to improve social conditions in general, and human quality of life and well-being in particular. To fulfill this goal, social innovations rely on the creativity, awareness, and commitment of all citizens, civil society organizations, local communities, businesses, and public servants together. These

individuals and structures act as innovators, with a clear goal of creating social value, by offering simpler, cheaper, good enough solutions aimed at underserved groups or the ones not served at all, and also by bringing in resources in ways that initially were unattractive.

**Table: Social Innovation Framework**

<b>Author(s)</b>	<b>Social innovation definitions</b>
Cajaiba-Santana (2014).	Social innovations are innovations that act as a driver of social change.
Grimm et al. (2013).	Social innovation makes societies more sustainable and cohesive through inclusive practices, co-production, and proactive grassroots initiatives.
Maclean et al. (2013).	Social innovation/innovator plays an important role in regenerating communities, through community engagement and self-organization.
Lopez Cerezo and Gonzalez (2013).	Any innovation should always be a kind of social innovation. This constitutes a label that includes very diverse types of practices that generate social change.
Lubelcová(2012)	Social innovation is a source of social change and modernization of society. Innovation is not only a tool and source of economic productivity and competitiveness but also a potential tool for achieving social goals and social cohesion in society.
Dawson and Daniel (2010)	Social innovations are the main drivers in the development and application of new ideas for solving problems, improving social conditions and improving the well-being of people in society.
Tanimoto(2010)	Social innovation is a result not only of the entrepreneur's and producer's creativity alone but of the various related stakeholders as well as customers and users. The social entrepreneur identifies social problems, gets ideas and resources and creates social innovation in collaboration with related stakeholders.
Fedotova(2010)	Social innovation is seen as the result of creative activity, the use of which leads to a solution to the problems. Social innovation is a deliberately organized innovation that is introducing the changes that were meant to be introduced.
Echeverria (2008)	Social innovations are innovations oriented to processes, goods, organization, and marketing (Oslo Manual, 2005) that are accepted by society and used for a social purpose.
He and Qiao(2008)	Social innovation means inventing new approaches and advancing sustainable solutions to create social value. This can be achieved by exploring novel business models and developing innovative technical solutions.

### **Social Innovation as an Outcome**

Most approaches defining social innovation adopt a normative standpoint, with respect to its outcome. In this perspective, Phillips et al. (2008), suggest the following definition of social innovation which clearly differentiates social innovation from other forms of innovation. They define social innovation to mean: “A novel solution to a social problem that is more effective, efficient, sustainable, or just than existing solutions and for which the value created accrues primarily to society as a whole rather than private individuals”.

To be considered an innovation, a process or outcome must meet two criteria. The first is novelty. Although innovations need not necessarily be original, they must be new to the user, context, or application. The second criterion is improvement. To be considered an innovation, a process or outcome must be either more effective or more efficient than pre-existing alternatives. To this list of improvements, we also add sustainable or just. By sustainable we mean solutions that are environmentally as well as organizationally sustainable—those that can continue to work over a long period of time.

According to Phillips et al. (2008), social means that the new solution must specifically and unambiguously address a social problem, i.e. a situation which has a negative impact on people’s lives and well-being (e.g. unemployment, delinquency, alcoholism, etc). The value created by this new solution is not primarily captured by individuals or companies for their own personal good or profit but rather accrues to society in general. In other words, the core mission of any social innovation must be the creation of social value rather than private value, i.e. gains for entrepreneurs, investors and ordinary (not disadvantaged) consumers. Indeed, “many innovations tackle social problems or meet social needs, but only for social innovations is the distribution of financial and social value tilted toward society as a whole” (Phillips, Deiglmeier et al., 2008: 39).

### **Social Innovation for Inclusive Growth**

Societies that enjoy economic affluence are not truly prosperous if that affluence benefits only a privileged few, rather than being spread throughout society. That is because social and economic prosperity are intricately linked and highly dependent on each other. Social prosperity requires conditions like good health, well-being, and access to lifelong learning, social inclusion, safety, security, and citizenship.

Social innovation provides a unique opportunity to step back from a narrow way of thinking about social enterprises, business engagement, and philanthropy and to recognize instead the inter-connectedness of various factors and stakeholders.

Social innovation has become even more important for sustainable economic growth in recent times. This is partly because some of the barriers to lasting and sustainable economic growth, can be overcome only with the help of social innovation, and partly because of rising demands for alternative models of economic growth that enhance rather than damage human relationships and well-being.

### **Social Innovation Can Play Four Roles:**

The first role can be conceived as the inside-out function of social innovation - as innovation is a social and organisational process that supports experimentation, the development of new interpretations of reality (aka new mental models and belief systems) and their integration into the organisational setup are crucial to escape organisational myopia. Social innovation is, therefore, an important means for experimentation inside business organisations.

2. The second role may be conceived as an outside-in function of social innovation. Strategic choices about resource allocation are based on beliefs (“gut feelings” -Gigerenzer, 2007) about how markets and competitors and relevant institutions work, and what consumers need. Often these beliefs turn out to be wrong, as the management is not aware of significant changes in consumer preferences or other relevant institutional factors. The monitoring and close interaction and exchange of companies with change agents can break this type of institutional myopia.
3. Another role for social innovation is that companies turn themselves into change agents in order to change institutional framework conditions that are unfavourable for their activities. Recent attempts to bypass traditional banking finance and engage in crowdfunding schemes are an example of the third role social innovation can play in overcoming institutional failures in the context of industrial innovation.
4. The final role is that specific types of social entrepreneurship involve the creation of new businesses and hence the development of new markets.

The inside-out and outside-in functions of social innovation can support the development of specific capabilities related to the particular social and economic context in which companies operate and thereby contribute to the performance of companies and industries.

### **GOONJ**

The initiative of GOONJ started with clothes distribution to people on the roads of Delhi. This multi-award-winning social enterprise focused on the ignored basic needs like clothing, sanitary pads for village and slums while changing the dynamics of giving and receiving with dignity. Using the city’s discards, GOONJ fuelled widespread development work across villages in India. Over the last fourteen years, it has built a network of channels from urban to rural India, channelizing clothes and other household material so as to reach people in remote areas. Turning the city’s discard into currency for rural development work, GOONJ has innovatively catalyzed what is threatening to be an environmental disaster and taken the pressure off monetary inputs for wide-ranging rural development.

The decision to start GOONJ was based on the analysis of many problems that arise due to lack of proper clothing. Every year, a large number of deaths are reported due to lack of hygienic and comfortable clothing. On the other end of the spectrum, getting rid of old clothes is in itself a prevalent problem in

today's consumerist society. However, the urban communities wait for a disaster relief activity to donate their clothes because they do not know how else to put them to good use. So, in 1998, Anshu started GOONJ, along with his wife Meenakshi Gupta, with the aim to make clothes available to the needy while keeping their dignity intact. Today, GOONJ runs a nation-wide effort, round the year, to collect used clothes from urban areas and to make it available to those in need.

### **Cloth Value Chain of GOONJ**

GOONJ collects clothes from across the country as part of its flagship programme, VASTRA-SAMMAN (Dignifying Clothing). Any individual or organization who would like to donate clothes can drop the clothes at a local collection centre.

GOONJ has its collection/processing centres in Delhi, Kolkata, Mumbai, Chennai, Jalandhar and Saharsa (Bihar). In addition to these centres, GOONJ leverages its network of volunteers and partner organisations to create local collection centres in other cities. These partner organisations cover the costs of transferring clothes to the nearest processing centre.

In the processing centres, the clothes are segregated, processed and packed for further distribution. The processing centres allow GOONJ to address needs that are specific to the rural areas and cannot be met directly through the clothes given from urban communities. Classic examples of the same are the 'Not just a piece of Cloth' initiative focusing on creating sanitary napkins and the Recycling campaign aimed at converting waste paper and cloth into a range of useful products.

The two key campaigns through which GOONJ distributes the collected and processed clothes are RAHAT and the 'Cloth for Work' programmes. RAHAT aims to provide relief during natural and human-made disasters. The Cloth for Work programme is an ongoing initiative aimed to encourage villagers to take up village level development activities by using clothes as a motivation and reward.

### **Impact and Innovation**

- **Annually deal with over 1000 tons of material;** from clothes, school material to old doors, windows, and computers.
- **Goonj annually initiates over 1000 development activities under its flagship initiative 'Cloth for work' (CFW):** from repairing roads, recharging water ponds, building bamboo bridges to digging wells. Rural communities receive clothes and other material as a reward for their labor. The long term impact on curbing migration, improved sanitation and health and enhancing economic activities, etc. are some of the macro outcomes of this multi-sectoral work.
- **GOONJ's 'Rahat' initiative is known for its systematic approach in large scale relief and rehabilitation work with many innovative approaches.** Apart from working on a series of gap areas it also works on a number of income generation initiatives like Sujni, school bags making, Vaapsi, Village Hats (markets), and tailoring centers to bring back the local economy on track.
- **Over the last 16 years,** GOONJ has turned massive disaster wastage into a resource for development work right from Gujarat earthquake to Tsunami, Bihar floods of 2008, Andhra floods, Uttarakhand

floods, and J&K floods, etc. This is where it works on a lot of rejected material sent by people and other agencies.

- **Over 3.0 million sanitary pads** produced out of waste cloth and reached villages/slums as a viable solution and powerful tool to open up taboo subject of menses under its initiative-“Not Just a piece of Cloth”
- **Over 5,00,000 Kgs** of throwaway waste cloth converted into traditional mattress/quilt (Sujni) as large scale income generation activity in villages.
- **Supporting thousands of children under its initiative ‘School to School’** with basic school material that acts as an incentive to get these children to school, enhance their learning experience, waiving the meager resources of the parents for other pressing needs.

### **The Model**

GOONJ believes it is responsible for every item they collect and though the model initially appeared crystal clear separating the two entities a massive overlap exists as the work of the partners needs to be checked. The task is done by their officials who tour various parts of the country to identify new organizations and to check the activities of the existing partners constantly. For every package that has been sent, a feedback report is mandatory that includes photographs, media clipping, name, age, sex and signature of every recipient and any other notable mention of the activity. All this information is documented and great pains are taken to ensure every piece of material is accounted for.

Partners are chosen across the country for implementation of work. Partners are responsible for the distribution of material, sales of sanitary napkins, selection of work to be done for C4W and almost all activities at the rural end. While GOONJ focuses on the urban end, collection of material, selection, and monitoring of partners and most importantly spread the message.

GOONJ works with varied types of organisations as part of the Cloth for Work programme. If a new organisation from any part of the country wants to collaborate with GOONJ, it is provided a clearly defined engagement model where the organisation can combine its current activities with the Cloth for Work programme. For instance, GOONJ is working with over eighteen partner groups in Bihar including established voluntary organisations, young organisations, Gandhian groups, youth groups, and Panchayats.

### **The Financials**

Initial funds were from the savings and own contributions of Anshu Gupta and his family. Though as the word spread, people did come ahead and give money, there was never a dedicated fundraising for the NGO. Projects were done with various corporates that helped and the plethora of awards that the NGO won were most of the times associated with a grant. Scrap material is sold and what can be salvaged is made into various products and then there are individual contributions from people. While the communication of GOONJ does contain an element of accepting funds, the process never highlights it. It is always kept in the background. “We accept funds, but we don’t ask for them”. This is the philosophy with which GOONJ has grown in the past twelve years and they look forward to doing the same. Some

tweaking though has been done; Team 2000 is one such method being adopted. Team 2000 is supposed to be a group of 2000 people ready to commit funds of a certain amount for a certain period, all determined by the donor. Not only will this help GOONJ in their financials, but it will also help them plan out their activities for the coming year with greater certainty. Products that cannot be given in exchange for work are also being made into products, such as in Not Just a Piece of Cloth Great efforts have been made to develop new and innovative merchandise. One such great idea was to use the reel from audio cassettes as a decorative material for purses and folders. Merchandise varying from pouches to carpets is made from recycled material at GOONJ's workshop; however, due to government restrictions, only a limited number of these can be sold.



**Table 1:List of Programs Run by GOONJ**

<b>Initiative</b>	<b>Description</b>
VASTRA-SAMMAN	Nationwide movement highlighting the importance of clothing as a basic need
Cloth for Work	The implementation of VASTRADAAN takes place through Cloth for Work where clothes and other material are provided to the rural community not as charity but as a development resource.
Not just a piece of cloth	Providing clean cloth sanitary napkins to rural women. GOONJ is actively campaigning in rural & urban India to generate awareness on this taboo issue.
Recycling- A Step Ahead	Converting waste paper and cloth into a range of useful products. Two different ranges are developed keeping in mind the utility in urban and rural/slum India. If school bags, tents, and mats are developed for rural areas, a range of fancy bags, yoga mats & wallets are developed to suit urban needs
RAHAT	Initiative for reaching relief in natural & human-made disasters (apart from annual disasters), active since Chamoli earthquake (since 1999). Regular campaign to reach material in the villages where countless people die or suffer due to the scarcity of the basic pair of clothing.
RAHAT Winters	Regular campaign to reach material in the villages where countless people die or suffer due to the scarcity of the basic pair of warm clothing.
School to School	Establishing a relationship between urban and rural schools by channelising school supplies from one to another. Building a sense of empathy among urban children towards the needs of their rural counterparts.
Pratibimb	One to one interaction event between urban and rural children to cement the relationship between them and move them away from the bias led donor beneficiary mindset.
Turning Tsunami Wastage into a resource	A first of its kind initiative; after tsunami wastage into GOONJ worked on over 2 million pieces of waste or undistributed clothes. Around 50 women worked for two years and converted every single unit of this massive wastage into valuable clothing or a product.

GOONJ has brought about remarkable positive changes not only in the life of individuals but to the entire economy that can be discussed as below:

**(a) GOONJ and the Community**

GOONJ's initiatives address the fundamental need for clothing of every human being. Through their initiatives, they have been able to save lives of men, women, and children. And through their Cloth for Work initiative, they help address long-standing infrastructure needs and improve the overall quality of life of the villagers. In addition to these improvements, GOONJ has also been able to create a sustainable social and behavioural impact on the communities they engage with.

**(b) Effecting Behavioural Change**

Many initiatives that are picked up as part of the 'Cloth for Work Programme' do not require a facilitator or external technical help. Once GOONJ uses clothing as a motivation for people to take up these tasks, the villagers are able to accomplish them on their own. Seeing the success of such initiatives, eight new Cloth for Work projects have been identified by the villagers including repair of broken dams and roads and building boundary walls for Anganwadis that are situated close to main roads using local wood and Bamboo. More than the tangible benefits, the 'Cloth of Work Programme' has empowered these villagers to address their own problems.

**(c) Instilling Dignity**

Clothes have a strong effect on how people are perceived and more importantly, how they feel about themselves. This was very clear in the example of the Korku tribe in Khandwa – The Korkus have been socially discriminated for centuries and considered 'outcastes'. This perception was aggravated when, due to rising costs, korkus could not buy clothes and often owned only a single pair of old clothes. They were shunned from government offices and the local governing bodies did not want to engage with them. Wearing decent clothing has improved their social standing and perception among other sections of society. For instance, while Korku women were earlier not allowed in Government offices, today they are able to make themselves heard and often represent their cause in front of government officials.

**(d) Providing Employment**

The 'Cloth for Work Programme' provides employment opportunities for many villagers in rural areas. The villagers partake in disaster relief efforts and community programmes. For instance, GOONJ worked with the local Panchayat in Kuthambakkam village in Tamil Nadu to clean the local water body. All the villagers who participated in the initiative were paid in the form of crop, food, and clothing.

The social impact of GOONJ is not only in the villages where it distributes clothes but also in areas where they have processing centres. The GOONJ processing centre in Delhi employs 70 workers, out of which 25 women work with sewing machines and handlooms. Almost all of these women are unskilled and have never worked on machines before.

### **Conclusion and Scope for Future Research**

This case study has focused on the role of inclusive innovation towards economic development by discussing the case of GOONJ foundation. Basically, its business model looks like a chain where the main work is to collect and distribute old clothes which is not the case. Materials are used as a tool to bring ignored issues to light, to talk about basic needs, to bring communities together, to make them aware of their own power, to increase people's participation, to change mindsets and change the present rural infrastructure. Charity is not promoted through this model but it converts the age-old charitable act of giving out old clothing into a developmental resource. It uses the strength of stakeholders to carry out its functions. The biggest asset of people in India's villages is their dignity. Apart from the lack of dignity with which people approach donations in kind, there is a mismatch in what donors give and what victims of natural disasters need. The concept has highlighted clothing as a basic but unaddressed need which deserves a place on the development agenda. GOONJ, in fact, is the genesis of a parallel economy which is not cash based but trash based. It has also evolved two new powerful currencies (material and labour) thus channelizing resources in the right direction and contributing to development, innovatively.

These are all positive developments, although achieving more requires more than inclusive innovation. But despite positive innovation trajectory, there is considerable scope for enhancing the pace and direction of inclusive innovation.

In different parts of the world, business leaders are beginning to experiment with new business models for a number of different reasons, though most of them link to the fact that tomorrow's markets will be very different from today's. New ethical, social and environmental concerns and expectations will powerfully shape the ways in which key stakeholders – among them consumers, customers, employees, and investors – engage with a business.

As a result, a growing number of business leaders are beginning to form creative partnerships with social innovators and entrepreneurs. In the process, they hope to identify and learn from emerging approaches to value creation. The ultimate promise of these trends is that the incremental approaches that have been characteristic of corporate citizenship and social responsibility initiatives will be powerfully enhanced by new solutions that have a much better chance of being replicable and scalable.

Many of the most important social challenges the world is facing today require radical innovation that cuts across organizational, sectoral, and disciplinary boundaries. These challenges require innovative ways of applying new technology along with new forms of organization, new network processes to build human and social capital, and new grassroots-based solutions. The good news is that social innovation is a remarkably creative field. It is growing in popularity and has a global impact. Unfortunately, it is still a nascent field, only beginning to take shape and move beyond anecdotes. It is time to break through business mindsets, strategies and business models that are fit for the 21st century. Even the most ambitious and optimistic business leaders know that they cannot do this on their own. In this context, the emerging discipline of Corporate Social Innovation offers new perspectives, new models and new tools for addressing some of the greatest challenges of our time.

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