

Part One

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The Essence of Social Entrepreneurship

‘The worst sin toward our fellow creatures is not to hate them, but to be indifferent to them: that’s the essence of inhumanity.’

George Bernard Shaw – *The Devil’s Disciple*, Act 2

A new way to view the world

Social entrepreneurs are people who see the world differently. They see opportunity where others see challenge. They see potential where others see problems. What makes them different from other entrepreneurs is that they have a very strong social conscience. Creating vast personal wealth or a large corporation does not excite them half as much as creating sustainable social change.

There is a difference clearly between a social entrepreneur and a social enterprise. This was explained to me very clearly one day by Charlotte Young who chairs the School for Social Entrepreneurs. It's obvious when you think of it. Of course one is an individual and the other an organisation but here's the point Charlotte made that most people miss:

'Not all social enterprises are started by social entrepreneurs and not all social entrepreneurs start social enterprises.'

The School for Social Entrepreneurs website defines a social entrepreneur as:

'someone who works in an entrepreneurial manner, but for public or social benefit, rather than simply to make money. Social entrepreneurs may work in ethical businesses, governmental or public bodies, quangos, or the voluntary and community sector.'

What makes a social entrepreneur?

A social entrepreneur is usually someone with a real, urgent driving passion to change something they feel strongly about. Often they have witnessed first hand the indignity of a particular social problem and decide to do something about it.

Qualified by personal experience, they are driven by a desire to right a social injustice or simply to make the world a better place. What they may lack in enterprise skills they make up for with doggedness and relentless energy. Give them the skills and you can see world-changing results.

It's really important for you to understand this difference between the social entrepreneur and a social enterprise. Some people find themselves running social enterprises by default, rather than choice. They may not have the attitude, skills or experience or even desire to be a social entrepreneur. More often than not it is an additional responsibility that's been thrust upon them by someone further up the line in their organisation.

For example:

- ➔ A Board of Trustees decide that they want the charity they govern to reduce its reliance on grants and generate income. A very capable, caring senior manager finds themselves leading in a new area they barely understand;
- ➔ A major funding source is lost and faced with imminent closure, a charity team decides to sell their services to paying clients to subsidise service delivery. In theory, this is possible. In practice it means learning to sell and market to a discerning customer group what has until then only been offered for free to the disadvantaged;
- ➔ A public sector department finds itself at risk of closure. Some jobs will transfer to a larger contractor, but most will go. The team decides to form a social enterprise and bid for the contract themselves. They also plan to win work from neighbouring authorities to create the additional budget they need to survive. Driven by concern for their jobs and service users, they are taking a giant leap into the unknown.

6 How to be a Social Entrepreneur

Social entrepreneurs, as the School for Social Entrepreneurs suggests, can be found in all kinds of organisations, as well as working on their own. In fact as my own experience illustrates, you don't need permission to be a social entrepreneur. You just need the passion and drive to make a difference, coupled with the enterprise skills to make it happen.

Finally, here are three well known examples of social entrepreneurs who have started very successful social enterprise.

Michael Young (of Dartington) – helped set up more than 60 organisations in his lifetime, including the Open University, the Consumers' Association and the School for Social Entrepreneurs.

He became a political researcher early in his career which gave him an insight into how communities worked and were influenced. His vision for a more equal society grew out of this work. Empowering individuals to take greater responsibility for themselves and their neighbourhoods became a theme that ran through his work.

Jamie Oliver set up Fifteen to provide opportunities for disadvantaged young people to enter the catering industry. His own background, raised in an Essex pub and leaving school without qualifications to attend catering college, was far from unique. His big break came in 1999 when spotted by the BBC whilst working at The River Café in Fulham. His media career grew from there.

As well as founding Fifteen, Oliver has campaigned widely on issues close to his heart. He brought the varying quality of school dinners to national attention, doing much to improve what schools offer young people to eat.

Muhammad Yunus was a university academic who set up the micro-finance organisation Grameen Bank in

Bangladesh. It was witnessing a famine in 1974 that prompted him to explore ways of increasing the self sufficiency of the rural poor.

He recognised that very small loans, although they could make a huge difference, were not being made because the poor could offer no security to the bank. His Grameen Bank developed a business model where the whole community took responsibility for borrowers repaying their loans.

Leadership beyond authority

You do not need authority to lead social change. Too often it is those in authority who are holding back the change you want to see. Of course there is a fine line between rebellion and campaigning for positive change. Perhaps the difference is in the extent to which others have a hunger to see you succeed. For example:

- ➔ Without the Suffragettes' very public protests in the early 20th century it might have been many more years before British women won the right to vote.
- ➔ Without Nelson Mandela and his fellow ANC campaigners, it would be harder for black people in South Africa to start and grow their own businesses.
- ➔ Without Stephen Whittle, a campaigning academic and founder of the organisation 'Press for Change', transgender people in the UK would probably be facing greater prejudice.

You could say that these three were all political campaigners. In part you would be right, but what drove them was their desire for social change. Challenging the political status quo

was just one way they brought about the changes they wanted to see, for those they cared deeply about. Each of the examples above fits with the School for Social Entrepreneurs's definition of a social entrepreneur.

But what, you might ask, about some of the other campaigns we have seen in recent years? Are all of them examples of social entrepreneurship? Take 'Real Fathers for Justice' as an example. It's a lobby group campaigning for a better deal for divorced dads. Like the Suffragettes, their members chain themselves to railings and get arrested. Like Nelson Mandela, their members are prepared to go to prison for their beliefs. The difference perhaps is that they are campaigning for their own rights, rather than for the wider social or public good.



What works

To bring about the social and environmental change they want to see, social entrepreneurs often bump into political barriers. What works for them is that they want to change the lives of others more than they want to change their own life. Use this as an Acid Test of any social entrepreneur you meet.

Leading Beyond Authority is the ethos that underpins the work of the independent and international leadership development charity, Common Purpose. The organisation runs leadership development courses in 13 countries around the world. The courses bring together people from the private, public and not-for-profit sectors.

The organisation takes people from a broad cross section of the community and exposes them through a learning experience to the complex issues and leadership challenges in various

sectors, cities, regions and countries. The courses have a local, city, regional, national or international focus.

The charity's founder, Julia Middleton, set up Common Purpose because she realised how few people have the opportunity to really understand how to lead in partnership and work collaboratively with a clear understanding of context and how decisions impact society, organisations and individuals. 'We all know the sector we work in', she told me, 'but increasingly those sectors are independent. How can you lead lasting change without an understanding of how everything fits together?'

In an age of career specialism, it is increasingly difficult for leaders to understand the impact of change in one sector upon others. Yet people's lives are in reality complex, all affected to some extent by health, education, faith, justice and commerce. To lead beyond authority effectively, it helps to be able to assemble that human jigsaw.

Moved to make a difference

For many people, programmes such as Common Purpose are the catalysts that spark their personal revolution. You might be a Common Purpose graduate, or more likely to have simply been prompted by some event to realise that you have the ability to make a real difference in perhaps a very modest way.

But a catalyst alone does not start a reaction. You'll remember from your chemistry lessons at school that you also need two or more other compounds. These, with the catalyst's help, are changed into something new.

So what are those compounds that lie within your reach, as they do with every potential social entrepreneur, waiting to be unlocked in some way? Usually they are experiential. Something that has happened in a person's life that when

conditions are right, emerge to provide emotional fuel for the campaign that they choose to mount.

Remember that definition of a social entrepreneur. It is someone who works in an entrepreneurial manner for public or social benefit. Can you now recognise how some of the people you know are actually, in perhaps very modest ways, social entrepreneurs?

They are the people who actually challenge the status quo and step forward. They become sufficiently moved by what they experience or witness that they decide to do something about it. In today's world, the only way to bring about sustainable change is through being enterprising and entrepreneurial. But almost inevitably, something or a combination of different things has provoked them into action.

In the next chapter, we will look at these precursors to social entrepreneurship more closely. If you are to really succeed as a social entrepreneur, you need to dig back into your life to find the events and experiences that will combine to create what makes you uniquely placed and ably qualified for that role.

Here's my summary of this very important point:

Your success as a social entrepreneur will be directly proportional to the passion you feel for what you are trying to achieve. The more pain you have suffered or seen, the more passionately you will pursue your goal and the greater the impact you will have.

Earth, wind and fire – the green dimension

With the exception of a handful of meteorites, there is nothing on this planet that was not there when it was formed. Every

atom of every element that makes up our world has always been here. The catalyst that has enabled things to change, evolve and develop is sunlight. The light and warmth of the sun is all that has been added and for the foreseeable future, all that ever will.

In other words, the planet is a finite resource we all need to take great care of. The scientist James Lovelock studied the way that everything is interconnected. His Gaia theory is widely followed. It suggests that climate, atmospheric composition and sea salinity are all regulated by the world's biomass. In other words, that living things adapt in ways that enable them to best use and maintain the very finely balanced physical environment needed to support life.

Here are some issues that might motivate you to be a social entrepreneur:

- ➔ **Climate change** is going to change everyone's world, sometimes in very dramatic ways, as rising sea levels engulf low lying regions. Do you want to change behaviours in ways that reduce carbon emissions? New industries, such as wind generation, are emerging to provide clean electricity. Can you introduce new ways of balancing human need with our environmental impact?
- ➔ **Sanitation** is a global concern, from European nations pouring raw sewage into the sea to millions of people across Asia and Africa with no access to toilet facilities whatsoever. Just as the bottled water industry has done much to fund well sinking in the developing world, so too could businesses connected with the bathroom fund better sanitation with the huge health improvements this can deliver. Could this be your opportunity?

- ➔ **Poverty** is visible on the streets of every city in the world. Just as *The Big Issue* is slowly spreading its business model around the world, so too could you be combating poverty in a real and sustainable way. In London, there is a catering company that employs the homeless as waiters. This not only pays them a wage, but it enables them to mix with people from all walks of life without the embarrassment of being on the street. Does your career background equip you to do something similar?
- ➔ **Ageism** is a growing problem in Western society. Older people are going to have to remain at work for longer as few have adequate pension provision. Just as B&Q makes a point of hiring older people to provide DIY advice to shoppers, you might also have a business idea capable of employing older people in an innovative and interesting way.

The problem is that mankind is now so populous and advanced that our activities are disturbing the natural equilibrium Lovelock describes. Issues such as deforestation, intensive agriculture, pollution and the burning of fossil fuels are all changing the world faster than it can naturally adapt.

The environment is the final dimension to the social entrepreneur's world. Sustainability is only achieved when you successfully balance people, planet and profit. Neglect one and you jeopardise the others. Many would say that failure to maintain this balance is one of the reasons our world is facing environmental challenges such as climate change.

This balance between people, planet and profit is called the 'triple bottom line'.

The triple bottom line is increasingly becoming a concern for organisations of all kinds, not just those with a strong social or

environmental purpose. It is of particular concern to multinationals who need to know that their local businesses and suppliers are behaving responsibly. This is because their customers and end users want to know that they are not damaging the planet, or abusing people in the pursuit of profit.

The Corporate Responsibility Coalition commissioned The London School of Economics to review what was happening in this area. Their report, titled 'The reality of rights', was published in May 2009. It concluded that; 'the activities of transnational enterprises can promote economic development and generate wealth and prosperity, thereby enhancing the realisation of a broad range of economic and social rights. On the other hand, there is no doubt that they can and do perpetrate human rights abuses affecting both workers and communities in many of the host countries in which they operate around the world'.

In the developing world at least, human rights and environmental damage seem almost always to be interlinked. The report cites a few examples:

- ➔ Significant disruption to communities living along oil pipelines in Georgia.
- ➔ Establishing a bauxite smelting within a protected forest in India, considered sacred by locals.
- ➔ Acid rain from oil well gas flares in Nigeria corroding local housing.

Each of these examples, cited in the report, involve multinational corporations that in these situations at least, appear to have put profit before planet or local people.

For many, it is witnessing situations like this that prompt them to become social entrepreneurs or campaigners. Often it takes

local people to see the opportunity to benefit from what might at first appear an intrusive disadvantage. Even if all they achieve is community compensation to fund projects that improve health, education, sanitation or economic survival.

Green Light Trust

In 1988, Ric Edelmann and Nigel Hughes travelled to Papua New Guinea in search of primary rainforest. It had been their long-held wish to witness this most prolific and spectacular ecosystem.

With local tribesmen, they trekked through the dense Hunstein forest of the Upper Sepik, home to some of the 34 different birds of paradise, and many species of flora and fauna then still unclassified.

They learnt that the entire region – 2,000 square miles of pristine forest – was earmarked for the biggest logging operation yet to hit Papua New Guinea. There and then they pledged to support the people in protecting their unique homeland.

They were also asked what was happening in the UK to protect our woodlands and wild spaces for future generations.

Ric and Nigel's commitment to developing these initiatives led to the forming of Green Light Trust. Ric, Nigel and their team have helped many British communities establish, maintain and enjoy their own community woodland. The process helps people reconnect with their environment, get to know their neighbours and most importantly of all, create wild-spaces to be enjoyed by future generations.

The charity also provides environmental training for schools and business as well as working with communities.

There really is no escaping the fact that people, planet and profit are all equally important to the social entrepreneur.

In summary

- ☞ Not all social enterprises are started by social entrepreneurs and not all social entrepreneurs start social enterprises.
- ☞ Social entrepreneurs can be found in all walks of life and sometimes in the most unlikely jobs.
- ☞ Passion and sometimes pain are what drive most social entrepreneurs.
- ☞ What you do is often dictated by experiencing or witnessing injustice.
- ☞ You don't need to wait for permission to be entrepreneurial: just do it!
- ☞ People, planet and profit are all equally important to us all.

Find out more

School for Social Entrepreneurs	sse.org.uk
Fifteen	fifteen.net
Grameen Bank	grameen-info.org
Press for Change	pfc.org.uk
Real Fathers for Justice	realfathersforjustice.org
Common Purpose	commonpurpose.org.uk
The Corporate Responsibility Coalition	corporate-responsibility.org
Green Light Trust	greenlighttrust.org

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