

The Jobs Letter

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Essential Information on an Essential Issue

SPECIAL

Social Entrepreneurs

“Third sector organisations contribute strongly to building our communities and are a rich source of talent and ideas. The sector already employs more than 80,000 paid staff and draws on thousands of volunteers. People who are unemployed or unable to undertake full-time work can use opportunities in this sector to reconnect with their communities and gain valuable skills and experience. The Government is working closely with the sector to ensure this happens.

“The Government is committing over \$4 million over the next four years to support the work of social entrepreneurs — people who possess the skills, energy and insight to make a real difference in their communities. By giving these people better training and support, we will ensure that they make an even greater contribution to their communities.”

— **Steve Maharey**,
Minister of Social
Services and
Employment, from
“*Where For Welfare?*
*Social Development And
The Refurbishment Of
The Welfare State*”
speech 6 June 2001 to
the Sydney Institute,
Sydney, Australia.

- Social entrepreneurs are innovators who pioneer new solutions to social problems – and in doing so change the patterns of society. Like business entrepreneurs, they combine creativity with pragmatic skills to bring new ideas and services into reality. Like community activists, they have the determination to pursue their vision for social change relentlessly until it becomes a reality society-wide.

While the term “social entrepreneur” is relatively new to New Zealand, it is certain to become a more common term to describe the contribution of the dozens of New Zealanders who are developing innovative solutions to our social challenges.

- At the last Budget announcements, Social Services and Employment Minister Steve Maharey announced a scheme for supporting social entrepreneurs as part of his overall strategy for fostering “pathways to opportunities”. His scheme will identify 15-20 “movers and shakers” in the community sector each year, and give them the opportunity to take time out from their work to develop their skills and capabilities. (*see page two for more details*)

In many ways, the announcement of this scheme reflects the popular interest in fostering social entrepreneurs by “Third Way” Labour politicians throughout the western world. Support for these social “change-makers”, and the programmes and institutions they create, certainly gained momentum under Tony Blair's British government during the late 1990s. And they have backed their interest with real resources: last year, the UK Millenium Commission allocated a £100 million endowment fund to a new foundation especially set up to foster social entrepreneurship.

- This political interest and support has been driven by the need for governments to find fresh answers to the welfare challenges of this 21st century. Charles Leadbeater, an associate of Tony Blair's favourite think-tank, Demos, argues that the present welfare state is ill-equipped to deal with many of the modern social problems it has to address. And the state seems unable to pursue radical reforms which could make welfare more affordable and more effective.

Leadbeater: “At the risk of caricaturing its complex beginnings, the welfare state was designed for a post-war world of full employment, stable families and low female employment. Those underpinnings have been destroyed by international competition and social change. New social problems of single parent households, drug dependency and long-term unemployment have emerged which the traditional welfare system is not designed to deal with.”

“If we are to develop a more effective and affordable problem-solving welfare system we have to support social innovation. And one of the best ways to do that is to support the work of social entrepreneurs both within and outside the public sector...”

GOVERNMENT TO INVEST IN SOCIAL ENTREPRENEURS

A SURPRISE ENTRY in the Budget announcements last month was the announcement of \$3.6 million (over four years) to be spent “investing in social entrepreneurs”. This scheme has been championed by Social Services and Employment Minister Steve Maharey, and will be managed by the Community Employment Group (CEG).

CEG General Manager Charlie Moore says that the basic philosophy is to identify key “movers and shakers” in the community sector and give them the opportunity to stand aside from their work for a period of time for study, research, or to meet with other social entrepreneurs and their projects.

Moore: “We want to give them the chance to feed themselves, a bit like a sabbatical really. And we want to do some investing in the next generation of

community development practitioners ...”

The parameters of the scheme are still being worked out by CEG, and we can expect a formal announcement on details in the next few weeks.

At this stage, the scheme is expected to support about 15-20 applications, and will involve up to a year of support for the social entrepreneur. Community organisations will be invited to apply on behalf of their social entrepreneur. CEG will provide up to \$10,000 for study and research costs, and up to \$35,000 will go to the community organisation to cover the costs of “back-filling” the social entrepreneur’s position while they are on the scheme.

CEG expects to bring together a community panel to advise on the final selection of participants.

“In the past, the welfare and corporate sectors were regarded as mutually exclusive. Welfare workers were deeply suspicious of the involvement of businesses in community development projects and likewise, the corporate world had little time for the values of social work.

“The evidence suggests that social entrepreneurs have a unique capacity for bridging this divide. In the process, they have been highly successful in dealing with the new challenges of poverty. They have found fresh solutions to social exclusion, solutions that appear to be beyond the capacity of the welfare and business sectors operating in isolation ...”

— Mark Latham, Australian Labour MP for Werriwa, and co-editor of *“The Enabling State”* (2001)

- The title of “social entrepreneur” may be new, but these people have always been with us, even if we did not call them by such a label.

While the concept is gaining popularity, the title has already started to mean different things to different people. Some people, like Charles Leadbeater, use the term to primarily focus on the fostering of innovation and social change. Others use the term to describe anyone who starts a community-based not-for-profit organisation. Still others associate it exclusively with not-for-profit organisations starting for-profit business ventures. The term has also been used to refer to business leaders who integrate social responsibility into their organisations.

Perhaps we can expect to see a continuing debate on definitions, especially as the concept starts to attract more attention from politicians and leading philanthropic foundations. Community activists, social service providers and government fieldworkers will probably be quick to appropriate the new terminology in order to raise the profile of their projects for potential funders.

Many community-based social entrepreneurs, when asked to define the term, point to inspirational historical figures as diverse as the Indian Emperor Ashoka, Martin Luther King, Fritz Schumacher, or Florence Nightingale.

But this can overshadow the everyday reality that most communities and many government agencies have a social entrepreneur in their midst — people who are not often fully recognised and appreciated for the unique mixture of skills they bring to establishing new social programmes.

- Father Nic Frances, Executive Director of the Brotherhood of St. Laurence in Melbourne, remembers the time he was first called a “social entrepreneur” ... on a radio program six years ago.

Frances: “The minute I heard the phrase I liked it, and thought it described me. It suddenly encapsulated my training in business, my experience as a hotel and marketing manager and stockbroker, my work as a founder of a welfare organisation, and my journey through ordination to become an Anglican priest. At the time I was trying to

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"We don't need to turn businessmen into social workers ... any more than we need to turn social services into cut-throat business entities.

"The missing element here is what could be described as the social entrepreneurs. These are the people who can make hope possible in the face of stuckness, uncertainty and despair..."

— Vivian Hutchinson, from his speech at the launch of the NZ Mayors Taskforce for Jobs, Christchurch, April 2000.

"Without question, the most exciting work today is not creating another business (there are over 100 million in the world), but what is called "social entrepreneurship", the extraordinary act of bringing people together to transform the institutions that rule, harm, and overwhelm the nature of human existence and our relationship to living systems..."

— Paul Hawken, author of "Natural Capitalism" (1999), from his introduction to the 25th anniversary edition of "Small is Beautiful — Economics as if People Mattered" by E.F. Schumacher

use all these skills and all of my learning to draw in as many people as possible to respond to the social injustice I saw around me."

"Six years after hearing that term "social entrepreneur", I now think there is very little new about it. It is almost what we called in the 1970s and early 80s "bloody good community work" with the added difference that it is not just about us as welfare workers going into a poor community and supporting it ... it is being in that community and harnessing the input of every one in sight — local government, business, statutory authorities, neighbours — anyone with an interest in tackling poverty."

- Beyond the debate on precise definitions, the growing body of literature on social entrepreneurship shows a remarkable agreement about the qualities and character of these unusual individuals:
 - They are one of the most important sources of social innovation, creating new welfare services and new ways of delivering existing services.
 - They create role models that will be a "pattern for change" elsewhere in society.
 - They can be found right across society — in the traditional public sector, in some large private sector corporations, and at the most innovative edges of the voluntary and community sector.
 - They excel at spotting unmet needs and mobilising under-utilised resources — people, buildings, equipment — to meet these needs.
 - They are capable of creating impressive schemes with virtually no resources.
 - They are adept at building networks and generating practical good will.
 - They thrive on the complexity which more static organisations find difficult to handle.
 - They are determined, ambitious leaders, with great skills in communicating a mission and inspiring staff, users and partners.
 - They often find ways of combining approaches to social challenges that are traditionally kept separate.
 - They often create flat and flexible organisations, with a culture of creativity and a core of full-time paid staff.
 - Their projects are capable of producing a huge diversity of financial, human and organisational "outcomes" ... many of which were unanticipated when they started.
- Bill Drayton, founder of the Ashoka Fellows, says that identifying and solving large-scale social problems requires a social entrepreneur because only the entrepreneur has the committed vision and inexhaustible determination to persist until they have transformed an entire system.

Drayton: "The scholar comes to rest when he expresses an idea. The professional succeeds when she solves a client's problem. The manager calls it quits when he has enabled his organization to

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“Voluntary civic society organisations are now recognised as a new “third sector” in all economies. Indeed in the drive to reshape the global economy and redesign its institutions, civic society is the primary source of social innovation.

“With our local experience, common wisdom and systems approach, we can review the many levels from global to local. We can identify many of the new policies, programs, social interventions and innovations most likely to reshape a global economy aligned with principles of fairness, democracy, human development and ecological sustainability...”

— Hazel Henderson, author of *Beyond Globalization* (2000)

succeed. Social entrepreneurs go beyond the immediate problem to fundamentally change the system, spreading the solution and ultimately persuading entire societies to take new leaps.”

- Bill Drayton has been one of the earliest pioneers in the field of fostering social entrepreneurship. In the early 1980s, he was a McKinsey & Co. consultant and assistant administrator at the US Environmental Protection Agency, when he started to fully recognize the power of individual innovation in addressing social problems. This led him to pilot the idea of Ashoka in India, with a budget of less than \$50,000. His efforts attracted a MacArthur Fellowship, which enabled him to work full-time on building the new organisation.

Rather than raising money for aid programmes, Ashoka focuses on identifying social entrepreneurs who are already working for change. It has a multi-level process for selecting the Fellows, involving nominators, researchers, interviewers, visits to work sites and reviews by professionals from each country. This process has seen Ashoka elect over 1,100 Fellows in 41 countries, and today it “invests” more than \$7 million a year in supporting these change-makers. Almost all of Ashoka’s internal organisational work is done by volunteers. Ashoka does not accept government funding, but raises its grant money from private individuals and philanthropic foundations.

The Fellows are active in education, health, housing, economic development, the environment, and human rights ... mostly in the less-industrialised world and in Eastern Europe. Once selected, Ashoka elects the individual to the Fellowship for life and provides a subsistence income for an average period of three years. The living stipends range from \$2,500 to \$20,000 a year, and enable the social entrepreneurs to focus full-time on their ideas and projects.

This financial support, given at the right time, can be critical to the process of innovation. As Louis Harris, founder of the US Harris Poll and an Ashoka supporter, says: “Change happens because a few people think differently and then take action. I back Ashoka, because it backs the courageous few, and it does so when these people are taking their biggest risk. That’s when a small investment in launching a new way of teaching kids, or a new environmental solution, can truly change how society works...”

- Bill Drayton observes that the past two decades have seen an extraordinary explosion of entrepreneurship and competition in the social sector. Drayton: “The social sector has discovered what the business sector learned from the railroad, the stock market and



ASHOKA

BILL DRAYTON NAMED the Ashoka organization after a 3rd Century B.C. Emperor of India, who is remembered as one of the world’s earliest and most impactful social innovators. After uniting the Indian sub-continent by force, Emperor Ashoka was stricken with remorse and renounced violence.

Ashoka then dedicated the rest of his life to the peaceful promotion of social welfare, economic development, and

tolerance for all religions. He instituted the region's first medical services, launched a vast well-digging program, and developed the first comprehensive infrastructure in southern Asia. He also planted thousands of shade trees along India's hot and dusty roads.

For more information see www.ashoka.org

FLORENCE NIGHTINGALE



ALTHOUGH SHE WORKED in a completely different field, Florence Nightingale was an inspiration behind the establishment of The Jobs Research Trust in 1994. Throughout modern history, this remarkable woman has been considered a role model for social entrepreneurs.

Her fame as “the lady with the lamp” grew out of her compassionate care for British soldiers in Turkey during the Crimean War. The hygienic standards she introduced reduced the death rate in British military hospitals in Scutari from 42% to 2%.

After her return to England she fought for the rest of her life to professionalise the field of nursing. She established standards for sanitation; introduced such innovations in hospitals as patient call lights, dumbwaiters, and hot and cold running water on every floor; and systematized the training of nurses.

Nightingale wrote 150 books and monographs and 12,000 letters. She was also a “passionate statistician” and invented the pie chart. Through relentless lobbying efforts, and the skilful use of influential contacts, she got her ideas adopted first by the British Army and eventually by the medical establishment.

The founding Jobs Research trustees felt that Florence Nightingale was a powerful example of how to work for positive change by distributing good and timely information. This has been a direct influence on the creation of *The Jobs Letter*, and also the inspiration behind our Trust philosophy of “...not telling people what to think, but giving people the tools to think with.”

Trustee Jo Howard writes: “By working like her, we in the Trust hope we will go some way, at least, to being as effective in our own field as she was in hers...”

For more information see
www.jobsletter.org.nz/jrtflorence.htm

“I think one's feelings waste themselves in words... they ought all to be distilled into actions which bring results.”

— Florence Nightingale
1820-1910, English Nurse
and reformer

today's digital revolution: That nothing is as powerful as a big new idea — if it is in the hands of a first class entrepreneur.”

“Each such entrepreneur and idea that succeeds, moreover, encourages many others to care for society's wellbeing and to champion changes they feel are needed. The multiplication of such decentralized concern and effective action is, of course, the essence of the democratic revolution...”

- The surge of interest in social entrepreneurship in Britain came with the election of the Labour government in 1997, and the publication of a Demos think-tank report (*see review*) which profiled several leading British change-makers. Three of the pioneering Londoners in this report included Andrew Mawson, Adele Blakebrough, and Helen Taylor Thompson.

— At Bromley-by-Bow in East London, Andrew Mawson had inherited a derelict Church and transformed it during the last 15 years into a remarkable integrated community project bringing together art and craft studios, a nursery, community care, youth and enterprise activities, fitness facilities, a cafe, a Bengali language programme, a three-acre park, sheltered housing and a full range of health services.

— At Kingston-upon-Thames, in south-west London, Adele Blakebrough was Director of the Kaleidoscope Project, one of Britain's largest centres for the treatment and support of heroin abusers.

— Helen Taylor Thompson had taken over an unwanted NHS hospital at Hackney in East London and turned it into a pioneering, world-class hospice for AIDS patients.

In April 1998, these three social entrepreneurs established the Community Action Network (or CAN) as a learning and support

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"We will be backing thousands of "social entrepreneurs", those people who bring to social problems the same enterprise and imagination that business entrepreneurs bring to wealth creation. There are people on every housing estate who have it in themselves to be community leaders — the policeman who turns young people away from crime, the person who sets up a leisure centre, the local church leaders who galvanise the community to improve schools and build health centres..."

— **Tony Blair, British Prime Minister, from his first policy speech as PM, given on the Aylesbury Estate, London, 2 June 1997**

network for fellow social entrepreneurs. It has rapidly grown to become a role model in the field.

- CAN's essential function has been to link its members via an electronic intranet, supported by face-to-face meetings. Through this electronic linkage, CAN members create their own marketplace to trade information, contacts, services and goods.

CAN has also been establishing Action Centres which provide inexpensive office space and shared resources for social entrepreneurs and their organisations. The first has been set up in the Haymarket area of London, and others are now being planned in Scotland, Wales, North England and Northern Ireland.

— for more information contact www.can-online.org.uk

- More recently, a major new foundation has been established in Britain to co-ordinate funding and support for social entrepreneurs. The unLTD Foundation is based on a partnership between CAN and Ashoka (UK) Trust, as well as Changemakers, Comic Relief, the Scarman Trust, the School for Social Entrepreneurs and the Social Entrepreneurs Network in Scotland.

The new Foundation has successfully won the bid to take over a £100 million pound endowment fund from the UK Millenium Commission. unLTD has developed a three-level strategy to "staircase" the funding of social entrepreneurship throughout Britain.

Level one involves giving as many people as possible the chance to do something for their community with the support of cash, training, advice and mentoring. Funding up to £2,500 is available.

The second level is for projects involving full time employment on ideas that develop from level one. Funding provided for this is up to £15,000. The third level of projects will be supported by a Social

(continued on page ten)

THE LIFE CYCLE OF SOCIAL ENTREPRENEURS

Stage One	Stage Two	Stage Three	Stage Four
Apprenticeship	Launch	Take-off	Maturity
<ul style="list-style-type: none"> • acquire skills and experience • learn the field, problems, players and existing approaches • conceive of, investigate, and flesh out new ideas 	<ul style="list-style-type: none"> • devote 100% of energy to implementing new ideas • create motivational base of operations • test and refine role model programmes • attract support 	<ul style="list-style-type: none"> • spread ideas to regional and national levels • consolidate institution and funding • ideas are recognised and respected 	<ul style="list-style-type: none"> • innovations are widely accepted as a new pattern in society • social entrepreneur is recognised as a change-maker in their field • social entrepreneur may start other innovations and/or play a broader leadership role in society
<i>duration</i> 10+ years	<i>duration</i> 3-5 years	<i>duration</i> 5-15 years	<i>duration</i> unlimited

Source: Ashoka: Innovators for the Public

REVIEW

THESE TWO REPORTS by leading British think-tanks have helped put the work of social entrepreneurs onto the international political and policy agenda.

Both reports argue that social entrepreneurs will be as important in the coming decade as business entrepreneurs have been in the last ten years. Their common concern is that, until now, these unique individuals have had few places to turn for financial support, training or recognition appropriate to their skills and ideas.

INNOVATIONS *that will* TRANSFORM WELFARE



The Rise of the Social Entrepreneur

by Charles Leadbeater
(90 pg, published by Demos 1997)
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• In the post-war era the growth of the welfare state was seen by most people as a symbol of social progress. No more. The welfare state is widely criticised for being inflexible, slowing moving, bureaucratic, de-humanising and disempowering. We will only make social progress if we overcome division and exclusion by restoring a sense of social cohesion. A modern mobile society will only cohere if we are prepared to innovate with new ways of delivering welfare. That is what social entrepreneurs do. That is why they are so important.

• As a society we are stuck. We shoulder an extremely ineffective and cumbersome welfare state, which is not good at generating a sense of social cohesion, promoting self-reliance or delivering services that match those of the private sector. We know it needs sweeping reform. Yet we fear losing our own entitlements or being accessories to policies that will punish the poor. We cannot find a way forward.

We need to commit ourselves to a wave of social innovation, lasting years, to create new welfare services and new organisations to deliver them. We need both new ideas and policies, as well as new institutions to deliver them. We need a new generation of welfare institutions that are voluntaristic, open and flexible yet professional, innovative and business-like. To create a new social welfare system we need a new breed of social entrepreneur. Britain has a long history of welfare innovation. At the time of its

creation, the welfare state was the culmination of this great reforming tradition. Yet one of the greatest costs of the welfare state has been its crowding out of organisations capable of producing welfare reform. We need to return to this voluntaristic tradition of welfare innovation.

Social innovation holds the key to our social ills. Social entrepreneurs are the people most able to deliver that innovation.

• Social entrepreneurs will come from three main sources. It is from the conjunction of these three forces that social innovation will emerge.

— First, there is a growing body of innovation within the public sector, encouraged by contracting-out, local management of schools and devolution of power within the health services. This is encouraging public sector managers and workers to find new ways of delivering welfare services.

— Second, the private sector is showing a growing interest in the social setting for business, particularly the quality of education. This should promote a cross-pollination of entrepreneurial practices from the private sector into areas of welfare.

— Third, the voluntary sector is developing an innovative leading edge which is the most fertile source of social entrepreneurship. Social entrepreneurs are emerging from often small organisations deploying business skills in tackling social settings.

• Social entrepreneurs create assets for communities that would not otherwise exist. The most obvious examples of these assets are new buildings, new services or a revived reputation for an area. But in many ways the most important form of capital that a social entrepreneur creates is social capital.

Social capital is the network of relationships that underpins economic partnerships and alliances. These networks depend upon a culture of co-operation, fostered by shared values and trust. The theory of social capital has been developed most effectively by the American social theorist Robert Putnam in *Making democracy work: civic traditions in modern Italy* and by Francis Fukuyama in *Trust*. Both books analyse the role that trust and shared values play in underpinning long-term relationships and co-operation, which in turn promote shared efforts at innovation.

“Socially entrepreneurial organisations are like social test beds. They offer rare opportunities to conduct practical research and develop social policies. We need to find ways of leveraging the lessons learned in these organisations by transferring their best practice to the public sector...”

— The Rise of the Social Entrepreneur

Social capital matters in the private sector as much as in the voluntary sector. Studies of the success of the German and Japanese economies for instance have underlined the importance of long-term relationships and an ethic of co-operation, which provide the basis for their record of innovation and manufacturing prowess.

• Social entrepreneurs have to be good at communicating the mission. Successful social entrepreneurs are good storytellers.

This storytelling capacity marks them out from business executives and politicians. Ask executives to explain their businesses and they will most likely talk analytically about market share and product segments. Ask politicians what

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they stand for and they will treat you to a mixture of abstract values, detailed policies and well-honed sound bites. Ask social entrepreneurs and they will most likely tell you a story about how a person transformed their outlook by being involved with the project.

- Social entrepreneurs are visionary: they communicate their aims in moral terms. But they do not get hung up on plans and strategies. They are pragmatic and opportunistic. If an opportunity comes along they will try to take it, even if it does not fit their original plan. Social entrepreneurs may be visionary, but they are not sentimental, especially about their users. They are realistic about the nature of the problems their users confront. They see their users are active and demanding people rather than dependent, passive recipients of welfare services.
- Social entrepreneurs are great alliance builders. Their organisations are usually too poor and too frail to survive on their own resources. They can only survive by depending upon a wider network of support. Social entrepreneurs will only succeed if they are good at establishing these networks of support. Successful social entrepreneurs are all good at networking. They are — for different reasons — all socially confident. They will talk to anyone, of any political persuasion, if they think the conversation might help their project.

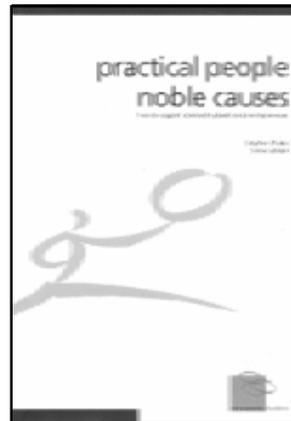
They are ideological chameleons: they cannot be tied down to a political position as this would cut them off from potential supporters. They do not accept a single, simplistic explanation for the problems they deal with. Social entrepreneurs, driven by the need to address real problems, have already gone beyond the traditional divisions of left and right, market and state.

Their language is caring, compassionate and moral. Yet that does not mean they identify with the liberal left: they are highly critical of the statism of the old left and sentimentalised versions of working class communities. They recognise that economic dislocation and global competition have contributed to many of the social problems they are dealing with. But that does not make them anti-business. Instead, they recognise the importance of benchmarking the standards of their own services against those of the private sector.

They would completely reject the libertarian right's radical individualism. Yet they accept much of the right's critique of the way the welfare state has created a dependency culture among many benefit recipients. This ideological flexibility and intellectual agility underpins their ability to innovate.

- The welfare state is blessed with a lot of physical and financial capital. Yet it destroys social and human capital as often as it creates it. It is too bureaucratic to generate the relationships of trust and goodwill, which can start to revive a sense of community and solidarity. The private sector relies on social capital, but it all too rarely creates it. Private sector companies depend upon a relationship of trust with their employees, consumers and the communities where they operate. Yet all too often restructuring, delayering and downsizing have destroyed these bonds of social capital.
- Social entrepreneurs criticise the public sector for an alarming mixture of cumbersome bureaucracy and capricious changeability. Yet a public sector that was too homogeneous, armed with a single, directional policy for the social sector would be almost as bad. It would be a mistake for the state to adopt a blanket policy for the voluntary sector. A policy aimed at promoting social innovation and entrepreneurship needs to be discriminating, without falling into the trap of 'picking winners'.

COMMUNITY ACTIVISM with PROFESSIONAL SKILLS



Practical People Noble Causes

— How to support community-based social entrepreneurs by Stephen Thake and Simon Zadek
 (58pg, published by New Economics Foundation 1997/2000) ISBN 1-8994011-1 available from New Economics website at www.neweconomics.org

- Creative and energetic leaders play an essential role in making societies work.
 When they are active in politics we call them national leaders; when they turn their attentions to commerce we call them entrepreneurs. By naming them, we recognise them, give them status, help them exploit their full potential. In one part of our society, however, we too often fail to name these leaders, to recognise their qualities and the contributions they can make. We rarely provide adequate support for their efforts: indeed, often our institutions work against them. And yet our lives are influenced by these people, and our future may actually depend on them. They are the "community-based social entrepreneurs".
- Social entrepreneurs are critical to developing sustainable solutions to the challenges of the 21st century.
 The weight of social responsibility is being returned to the community. In order to carry this weight, the social fabric that has been eroded over decades needs to be revitalised and repaired. This will not be achieved through public-sector-led programmes alone. Similarly it will not happen through committees and public meetings alone. Leadership is required, and always has been. Today, a particular brand of leader is needed who goes beyond partial, remedial actions. They will be critical in the development of solutions that enhance the quality of life and are sustainable in human, organisational, financial and environmental terms.
 The community leaders who will be counted tomorrow are those who have the strength and integrity to gain the trust of communities that have been repeatedly let down over the years, who are able to develop new solutions and who are able to make these solutions work in practice.
- Entrepreneurs need support to turn their ideas into reality. The view that "real" entrepreneurs do not need support, since they always win through in the end, is utterly miscast. The history of entrepreneurs is about battling against the odds. But it is also about the help they receive. Sometimes this comes from family or friends. Often, in the case of commercial entrepreneurs, it comes from the many public and private institutions that exist to identify and encourage sound effort and success.

We are neither good at recognising social entrepreneurs, nor good at assisting them with the support and infrastructure they need to develop the solutions and concepts required for the 21st century. In the social sphere, attempts to innovate are often met with closed doors, unhelpful bureaucracies, insensitive sources of funds and sometimes downright destructive aggression. This is

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particularly the case when innovators are trying to improve things within their own communities. Indeed, social entrepreneurs are most effectively marginalised by the dominant institutions in our society when they come from those communities most in need.

- Entrepreneurs — in whatever part of society they are found, and with whatever they turn their hands to — are change agents. In stable times, most authority is accredited to those who give orders. When, however, orders produce dysfunctional outputs or there appear to be no linkages between the bridge and the rudder, there is organisational breakdown. It is at such times that “the timid can become brave”. Entrepreneurs are analytical in that they can identify deficiencies in systems. They are eclectic and borrow concepts from other disciplines to devise solutions. They are no respecters of the status quo. They are often seen as irritants and trouble-makers, for they are typically magpies, drawing ideas and practices from one part of society into another, remoulding society in new and imaginative ways in the process. At times of change they are seen as catalysts with an independent existence. The historian Theodore Zeldin calls these catalytic people intermediaries, who are able to create “...new situations and transform people’s lives by bringing them together without having arrogant pretensions themselves”
- Social entrepreneurs are driven by a desire for social justice. Social entrepreneurs do not create personal wealth for themselves, they create common wealth for the wider community. They build social capital in order to promote social cohesion. They seek a direct link between their actions and an improvement in the quality of life for the people with whom they work and those that they seek to serve. They aim to produce solutions which are sustainable financially, organisationally, socially and environmentally.

“Radical new thinking is what makes entrepreneurs different from simply “good people”. Their vision is not merely to demonstrate the fact that something can work, but to show that their success is not just a one-off piece of luck. Their vision is to set new agendas that others will follow ...”

— Practical People Noble Causes

- Social entrepreneurs can exist in any sector of society. They often have a greater affinity with other social entrepreneurs in very different areas of activity than they have with people working in their own sector. Hence social entrepreneurs from different sectors are able to initiate and maintain constructive dialogue, while other cross-sectoral meetings are held back by the barriers of caution and suspicion. This empathy and understanding based on a sense of common experience does begin to indicate that there are indeed some common traits amongst social entrepreneurs from diverse backgrounds and involved in very different work.
- The traditional voluntary sector is largely averse to risk and entrepreneurial activity. Voluntary and charitable sectors have been orientated towards service provision even more so than the public sector. The concept of doing good is even more pervasive. Moreover they are frequently service providers of last resort and hence from this monopolistic position they are not obligated to offer choice and can impose their own value systems. Traditionally, the major charities have often existed within a world of their own. They raised money through public donations and private endowment, which was

then distributed either through their own agencies or independent bodies to provide services to meet the needs of their particular client groups.

- Radical new thinking is what makes entrepreneurs different from simply “good people”. Social entrepreneurs are not content with a single initiative, they develop networks of initiatives that feed and learn from each other. Their vision is not merely to demonstrate the fact that something can work, but to show that their success is not just a one-off piece of luck or coincidence. Their vision is to set new agendas that others will follow, rather than only work to achieve success for a particular community. This “agenda-setting” characteristic of community-based social entrepreneurs provides the radical new thinking and practice required to deal with today’s social and environmental dilemmas.
- Just as architects and building surveyors look at the physical capital of society and see where it is damaged and in need of repair, so community-based social entrepreneurs look at a community’s social capital. They are able to see a tear here, a hole there and places where the fabric of society has become threadbare. Just like their physical counterparts, community-based social entrepreneurs are able to devise remedies, fill voids, refurbish and renew. But social capital is not merely there to be understood, or even to be repaired or rebuilt. Encouraging people to work together — using and building social capital — is to achieve common goals. Whether it be to open a hospice, encourage small businesses, build a home or reawaken people’s confidence, community-based social entrepreneurs are expert at making relationships work.
- Some, often older, community-based social entrepreneurs gained their experience within traditional work areas. Dissatisfied with what they were required to do, or seeing that existing approaches were not meeting needs, they changed direction, and chose a rockier path. These older people have many of the classic skills needed to be successful in their chosen enterprise. Often they also bring with them the networks of contacts in public institutions and foundations that make the difference between supported effectiveness and obscurity.

Younger community-based social entrepreneurs, on the other hand, often do not have the professional background of these older leaders. Possibly with an anger born of the experience of constant rejection, they certainly do have the energy, and often the credibility, legitimacy and networks, at community level. What they lack, however, are many of the things that others take for granted — an understanding of finances and the pitfalls of grant dependency, or how to build organisations that move beyond informal networks.

Too many budding community leaders are knocked back by their lack of experience in dealing with the weight of institutional resistance they face. Too many brilliant ideas never reach trial stage because of the inability of inexperienced innovators to develop them to an operational level, and to articulate their strengths to reluctant sources of support. And, finally, too often leaders flounder at an early stage of implementation because of their weak understanding of how to make organisations work.

- Public policy needs to move from important but essentially passive recognition to active support for community-based social entrepreneurs. This will require first and foremost that policy makers understand the central characteristics of community-based social entrepreneurs and the contribution they make. From this comes an understanding that traditional forms of public provision will generally not offer the kind of support required.

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(continued from page six) Venture Fund which will finance major initiatives to an early stage of development. unLTD will also act as a broker between other private investors and the social entrepreneurs.

— For more information, see www.unltd.org.uk

*"If you give a man a fish ...
you feed him for a day.*

*"If you teach him how to fish ...
you feed him forever."*

— Proverb

*"Social entrepreneurs are not
content just to give a fish, or to
teach how to fish.*

*"They will not rest until they
have revolutionized the whole
fishing industry..."*

— Bill Drayton, founder of
Ashoka: Innovators for
the Public

- The success of CAN in Britain has attracted a great deal of interest in Australia, especially after Australian Labour MP Mark Latham invited Andrew Mawson on a three-week speaking tour in April last year.

This led to the launch of a two-year project, backed by the Brotherhood of St Laurence and the Melbourne-based Hotham Mission, to spark the development of Australian social enterprises, and to establish an Australian network of social entrepreneurs (modelled on CAN).

The inaugural meeting of the Australian Social Entrepreneurs Network (SEN) was held in Sydney in February this year. This conference was attended by over 500 people which included leaders from the public and private sectors as well as politicians. A follow-up conference is being held in Brisbane at the end of June.

— For more information on SEN, contact Vern Hughes email hotham@sub.net.au or website www.sen.org.au

- Several NZ members of Commact, the Commonwealth community economic development association, have attended these inaugural meetings of SEN. Commact has also been commissioned by the Community Employment Group (CEG) to hold a series of meetings around NZ to report on the Australian initiatives, and to stimulate

ENTERPRISE AND THE PUBLIC SERVICE

CHARLES LEADBEATER BELIEVES that the public service is just as much in need of fostering the spirit of enterprise, and can learn a great deal from the innovations of social entrepreneurs. But creating an environment where civil servants themselves think "outside the square" — and learn to take risks — is the first major hurdle to address.

Leadbeater says that traditional methods of holding public servants to account for how they spend public money stress the virtues of predictability and standardisation. A fair and honest public service depends upon people following rules, not bending them.

Equally, the public sector does not reward success. Public service innovators who find a cheaper way to deliver their services may find themselves rewarded with lower budgets or more work for the same pay.

Leadbeater: "Political leaders have much lower tolerance levels for failure than their counterparts in business. Even the smallest mistakes in the public sector can be magnified into an embarrassment at least, a scandal at worst. It is little wonder then that innovation in the public sector lags so far behind the private sphere — the space for innovation is minimal, the costs of failure alarming, the incentives feeble, the personal rewards uncertain."

In the past, Labour politicians have criticised the private sector for investing too little in research and development. Yet Leadbeater points out that the public sector would score very poorly on research and development, compared with most large private sector companies. He asks: "Where are the public sector's innovation centres, its business incubators, the science parks developing the public services of the future?"

Leadbeater recommends:

- the establishment of a string of new business incubators across the public sector;
- the creation of a dedicated innovation and venture fund for the public sector;
- all public sector budgets to include some provision for research and development;
- the establishment of social innovation transfer schemes (where the innovations coming from community-based social entrepreneurs can be more easily identified and adopted).

— Charles Leadbeater, "Sir Humphrey Needs Venture Capital"
New Statesman 27th November 2000
available at www.newstatesman.co.uk/200011270022.htm

local discussions on the concepts of social entrepreneurship. Commact and CEG are following this up with a national conference in Wellington in October, with speakers from the UK, USA and Australia.

— Commact Conference on Social Entrepreneurs, Wellington 4-5 October 2001. For more information, contact Commact Aotearoa, P.O.Box 145, Westport phone 03-789-6477 fax 03-789-8646 email commact@xtra.co.nz

“Public services are suffused with a “can’t do” culture. When Mrs Thatcher came to power, they were frequently paralysed by strikes and union obstruction. Now, they are just paralysed. The Tories set the private sector free, but locked the public sector in chains.

“It was not always thus. Think of how speedily the Wilson government got the Open University going in the 1960s; think further back to the establishment of the BBC and to the success of municipal authorities in gas and water supply.

“Labour’s challenge is to re-establish a sense of pride, purpose and dynamism in public services, to liberate them as decisively as Mrs Thatcher liberated the private sector, to make social and civic enterprise as much a magnet for young talent as London City or e-commerce...”

— **New Statesman** editorial,
27th November 2000

- These support networks may be coming at just the right time. A New Economics Foundation report (*see review*) in 1997 concluded that while social entrepreneurs are more widely recognised as catalysts for innovation, their work is still often done in the face of frustration and isolation.

The report identified several key elements of assistance that social entrepreneurs require:

- recognition and status ... not merely for the individual’s self-gratification, but as a means of leveraging support for their initiatives.
 - personal financial support ... to enable them to pursue their central vision.
 - peer group support ... with other social entrepreneurs to share projects, experiences and ideas.
 - mentoring ... from individuals with practical experience relevant to their immediate and long-term strategic needs
 - specific training ... particularly in areas such as organisation development and finance.
- A growing trend in supporting social entrepreneurship can be found within a new generation of “venture” philanthropists who want to see a better strategic use made of their donations and grants. Rather than simply pouring money into the holes opening up in our welfare state, many corporate and private foundations are now seeking to have a greater impact on social problems by directly funding the social entrepreneurs identified as driving change and innovation.

One of the main reasons behind this change of focus amongst philanthropists is the huge proliferation of citizens groups around the world in the last two decades.

David Bornstein, author of a forthcoming book on social entrepreneurship, says that as many as a million new organizations have been established around the world since the 1970s to focus on issues such as the environment, human rights, health care, education, disability, democracy, women’s rights, and poverty. This explosion has not been matched by an equal growth in philanthropic backing: in the United States, while the number of nonprofit organizations has grown by 55% since 1987, philanthropic giving has grown by just 15%.

Bornstein: “With new organizations outpacing resources, governments, foundations, and private citizens have to be judicious about allocating their support. Not every investment will yield a worthwhile social “return.” The whole venture industry is grounded in the twin assumptions that: 1) it is possible to identify sources of great potential, even in very young businesses; and 2) there is simply no

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more powerful way to invest money than to place it in the hands of an entrepreneur with a good idea. These insights are beginning to invade the social arena..."

"Of the million new organizations in the world, which ones will succeed in changing systems and bringing real improvements to large numbers of people? The best guide is to look for the social entrepreneurs behind them — to systematically search for the restless, tenacious individuals who have a broad vision for social change and who simply will not give up until they have built it."

RESOURCES *weblinks*

- **CAN (Community Action Network)**, established by Andrew Mawson, Adele Blakebrough and Helen Taylor Thompson as a mutual learning and support network for social entrepreneurs.
www.can-online.org.uk/
- **Ashoka: Innovators for the Public**, which identifies and invests in social entrepreneurs in 41 countries worldwide.
www.ashoka.org
- **Changemakers** — resources, ideas and opportunities for people interested in learning more about innovative social change.
www.changemakers.net
- **Demos** — an independent think tank and research institute based in London which aims to help reinvigorate public policy and political thinking and to develop radical solutions to long term problems.
www.demos.co.uk
- **Mark Latham website** promoting "Third Way" welfare reforms in Australia
www.thirdway-aust.com
- **The School for Social Entrepreneurs**, established by Lord Michael Young in 1997.
www.sse.org.uk
- **unLTD: The Foundation for Social Entrepreneurs**, which manages a £100 million fund to foster social entrepreneurship.
www.unltd.org.uk
- **COMMACT**: Commonwealth Association for Local Action and Economic Development with national chapters in the UK, Malaysia, India, South Africa, Australia and New Zealand.
www.cbs-network.org.uk/COMMACTUK.html
- **Australian Social Entrepreneurs Network (SEN)**, established in 2001
www.sen.org.au

RESOURCES *speeches and papers*

- **Steve Maharey** "Where For Welfare? Social Development And The Refurbishment Of The Welfare State" speech 6 June 2001 to the Sydney Institute, Sydney, Australia.
www.executive.govt.nz/speech.cfm?speechalph=34948&SR=1
- **Mark Latham**, Australian Labor MP for Werriwa, "Stakeholder Welfare" speech 11 January 2001, at the International Conference on Asset-Based Welfare, hosted by the Institute for Public Policy Research and the Centre for Social Development, London.
www.thirdway-aust.com/articles/new/StakeholderWelfare-Internationa%20Conference110101.htm
- **Andrew Mawson**, CAN-UK, "Social Entrepreneurship and Community Action" transcript of speech to the Brisbane Institute, April 2000
brisinst.org.au/papers/Mawson_CAN/print-index.html
- **Fr Nic Frances**, Executive Director, Brotherhood of St Laurence "What is a social entrepreneur?" Impact November 2000
www.bsl.org.au/inform/inf104.htm
- **David Bornstein**, "Changing the World on a Shoestring" The Atlantic Monthly January 1998
www.theatlantic.com/issues/98jan/ashoka.htm
- **Paul Hawken**, "The Resurgence of Citizens' Movements"
www.electnet.org/dsp_essay.cfm?intID=83

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