

SECTION I

SOCIAL ENTREPRENEURSHIP

INTRODUCTION

There are certain kinds of people who garner enormous satisfaction from successfully taking on a “mission impossible” and, by so doing, actually manage to change the world, sometimes in surprising ways. Such individuals are rare, and when we become aware of them and their astonishing achievements, we observe that they cannot easily be pigeonholed or defined by their own circumstances. That is to say, they are the products of rural as well as urban areas; of developing as well as developed countries; of large cities as well as remote areas; they may be Gurkhas from the Himalayan Mountains or Maasais from East Africa. They may be well-known figures, such as Mohammad Yunus, recipient of the 2006 Nobel Peace Prize, or anonymous, unrecognized teachers from small villages.

The question then becomes: If they are such a diverse group, what characteristics do they have in common that allow us to identify them under one unifying rubric? Which of these shared attributes distinguish them from other social activists? These are the underlying questions that inform the book.

In this section, we will introduce the concepts of social entrepreneurship. As a departure point, we will present two cases that illustrate how one single social entrepreneur’s individual passion, commitment, creativity, and entrepreneurial spirit can change an entire country or field of endeavor.

Munir Hasan, Bangladesh: Enhancing the value of mathematics in Bangladesh and bringing youth to International Mathematical Olympiads

Munir Hasan, a Bangladeshi who had always dreamed of turning his country – a place where the general population is not known for possessing

Cambridge University Press

978-0-521-76731-6 - Social Entrepreneurship: Theory and Practice

Ryszard Praszkiar and Andrzej Nowak

Excerpt

[More information](#)

PICTURE 1. Mathematics Festival, Q&A session with the teachers

a significant mastery of the field of mathematics – into a nation of world-class, advanced mathematicians who, under his leadership, would eventually represent the country at the International Mathematical Olympiads.¹ This idea came to Munir Hasan when he was a young university employee. He began his research by talking to those he identified as key players – teachers, parents, students, school authorities – and met with significant resistance. None of his interlocutors saw the value in improving and/or championing the teaching of mathematics. This lack of interest was not limited to the educational community but was echoed in the publishing houses, which refused to produce math textbooks, citing their lack of profitability. Facing the dual failure of his attempts to motivate people by approaching them directly, and of the top-down governmental programs, Munir Hasan continued to grapple with the challenge of how to generate an interest in mathematics, a subject that virtually nobody wanted to study.

Munir Hasan's innovative solution took a U-turn from his original approach, which was forcing the study of mathematics on less-than-willing students and teachers. Instead, he decided to treat the issue as if it were a team sport. He instituted mathematics festivals, known as the Bangladesh Mathematics Olympiad, where students would enjoy competing in regional and

¹ See <http://www.ashoka.org/mhasan>

Cambridge University Press

978-0-521-76731-6 - Social Entrepreneurship: Theory and Practice

Ryszard Praszkiar and Andrzej Nowak

Excerpt

[More information](#)

PICTURE 2. The joy of the Mathematics Festival

national contests. On the day before the actual challenge, students would meet, play, and sing. The following day, they would freely discuss math problems with teachers – a completely new development in the postcolonial authoritarian school system. The festive atmosphere motivated students, teachers, and the local governments, who saw an excellent opportunity for coverage by the media. These developments, in a feedback loop, engaged parents and school principals as well as potential donors to educational programs.

The idea soon caught on throughout the country, as other schools also wanted to have their own festivals. Munir Hasan then turned his attention to the general public and convinced some leading daily newspapers to publish clever mathematical riddles, which triggered enormous interest. In a few months, the riddles section grew large enough to earn its own stand-alone insert.

In a few years, Bangladesh became saturated with interest in mathematics, as increasing numbers of schools and communities started to push for participation in math olympiads on all educational levels; moreover, teachers of other subjects (for example biology) launched their own discipline-specific festivals and olympiad movements. The math textbook business was now booming because of the growing market demand, and math riddles became a regular feature in the print media. Munir also initiated a teachers'

Cambridge University Press

978-0-521-76731-6 - Social Entrepreneurship: Theory and Practice

Ryszard Praszkiar and Andrzej Nowak

Excerpt

[More information](#)

PICTURE 3. Munir Hasan at the Mathematics Festival

organization, so that school teachers, through a self-help movement, could develop their math-teaching skills to much higher standards. Similarly, a university student volunteering organization was helping with the ground operations of festivals and olympiads.

These new developments eventually transformed the entire educational system, and finally, Munir Hasan realized his dream: Bangladesh had become a participant in the International Mathematics Olympiad.² In fact, two Bangladeshi students brought home bronze medals from the 2009 International Mathematics Olympiad held in Bremen, Germany.

Steve Bigari, USA: Empowering disadvantaged citizens to successfully pursue their professional careers

The Colorado Springs, Colorado, McDonald's enterprises were facing a serious problem – a high rate of absenteeism among newly hired low-income workers, owing to their difficulties dealing with the considerable obstacles in their personal lives. This state of affairs usually engendered a constant – and costly – cycle of staff turnover and, for the jobless workers and their families, the economic strains of recurring unemployment; such instability often affected the children, who were prone to becoming school dropouts

² See <http://www.matholympiad.org.bd>

Cambridge University Press

978-0-521-76731-6 - Social Entrepreneurship: Theory and Practice

Ryszard Praszkiel and Andrzej Nowak

Excerpt

[More information](#)

and to pursuing drug- and crime-ridden lives. Understandably, attempts to convince employers to retain low-income workers were met with negative responses: “What? I have received too many calls from this guy saying that he is not coming to work because his car has broken down or his kid is sick!” For the employers, this scenario and others like it occurred so frequently that such reactions became the norm and were treated as routine.

Observing this recurrent pattern, Steve Bigari,³ a highly valued and promising franchisee at McDonald’s, resolved to change it in a way that both the employers and the workers would benefit. He refused to accept the notion that because low-income workers have such scant resources and poor coping skills, they see no other way out but to simply leave their workplace, the dire consequences of which he observed firsthand. On the other hand, as a manager he was acutely aware of how much money was being wasted on constantly acquiring and training new staff.

Initially, he met with stiff opposition among his friends and colleagues. “Steve, give up,” they would say. It always has been like that; low-income workers will always drop out, and nothing you do will change that.” Undaunted, he took it on himself to research the problem and to reverse it by making a U-turn at the initial high-potential-conflict situation. He totally modified the way the workers were handled when they called in and reported problems. When someone called in saying she/he could not report to work because of car issues, for example, the call was transferred to the top manager. The latter, seeing the situation as a great opportunity to turn things around, would tell the employee that he was going to send someone right away to help fix the problem; as a bonus, the employee would be taught how to deal with such a problem in the future. Similarly, when someone called in sick, Steve Bigari turned this into a positive learning opportunity, having devised a network of local nongovernmental organizations “social-emergency systems” to train people to handle such situations. He also made deals with car repair shops, arranging discounts for low-income workers. The major change, however, was in the radical reversal of the way the manager responded to the calls.

The results of these sharp shifts in behavior were two-pronged: first, the workers easily adopted the new coping techniques, and the absentee rate rapidly decreased; second, the long-term retention of staff resulted in increased profits for the firm. The win-win strategy motivated others in the organization to pursue this approach. A more far-reaching result was that many of those who were, as Steve Bigari put it, “one crisis away

³ See <http://www.ashoka.org/fellow/3170>



PICTURE 4. Steve Bigari

from dropping out,” became valued managers and advanced rapidly. The relatively small amount of positive reinforcement provided at the beginning of their employment, plus minimal training, were enough to spur on these employees to study and advance professionally. In the end, they became the company’s most loyal and dedicated staff members.

As a manager, Steve Bigari was able to demonstrate the positive financial results of such an approach and encouraged many other firms in the U.S. to duplicate this system. With employers taking a lead role in addressing the problems that contribute to workers’ vulnerability, the cycle of persistent poverty was broken. They helped employees to achieve personal stability and to develop the skills they needed to get a foothold on the ladder to the middle class. Steve Bigari initiated a totally new approach by turning failures, which previously were arguments for firing the employees, into opportunities for learning and growth.

This valuable entrepreneur has since founded a nonprofit organization, America’s Family,⁴ and has created an innovative plan to provide health care

⁴ See <http://www.amfol.com/>



PICTURE 5. Training session at America's Family

coverage to low-wage workers. He persuaded Community Health Centers, a provider of high-cost emergency care, to create the Healthy Workforce program, with an emphasis on disease prevention and health education. To pay for the program, he instituted a payroll-deduction/employer-match system. In this way, employees gained access to affordable health care, while Community Health Centers gained a new source of revenue. Furthermore, because the Community Health Centers program emphasizes prevention and health maintenance, it dramatically lowers workers' dependence on costly emergency services.

Through their work with Steve and his organization, hundreds of workers are able to obtain computers, affordable child care and housing, reliable transportation, and online access to education. Clients of America's Family can purchase low-cost computers through a payroll-deduction program; they receive their computers by paying 50 percent of the cost and get free Internet service as a bonus. America's Family recently partnered with citizen groups and a government housing provider to create a 100-unit hotel that provides its clients with low-cost transitional housing. America's Family also works with car dealers and banks to help employees establish credit and qualify for loans, and trains employees to manage these loans through an

online course on personal finance. By 2006, 100 percent of the 1,200 clients of America's Family had access to affordable housing, child care, cars, and e-mail. Many have progressed from subsidized to private health insurance. After a year under the America's Family program, the profits in four companies increased by \$300,000. Turnover rates were 63 percent lower after one year and an additional 29 percent lower after two years. America's Family has already expanded from Colorado Springs, Colorado, to Dallas, Texas, and is now launching programs in Denver, Colorado.

These inspiring and fascinating stories of social entrepreneurs and many others like them lead one to wonder how these individuals manage to achieve such remarkable results. What are the methods and the traits that distinguish these change agents from other outstanding social leaders? What terms can best describe their unique approach?

In the next three chapters, we will address these questions. In Chapter 1, we will present a review of the existing definitions of social entrepreneurship, showing how they can be applied to the cases of Munir Hasan and Steve Bigari. In Chapter 2, drawing from those definitions, we will introduce the concept of five pivotal dimensions of social entrepreneurship. Chapter 3 will contemplate the practical aspects of identifying and distinguishing what makes a social entrepreneur.

1

Defining Social Entrepreneurship: An Overview

One of the classical definitions of social entrepreneurship and the social entrepreneur is provided by Dees (1998), who says that social entrepreneurs play the role of change agents in the social sector by:

- adopting a mission to create and sustain social value (not just private value)
- recognizing and relentlessly pursuing new opportunities to serve that mission
- engaging in a process of continuous innovation, adaptation, and learning
- acting boldly without being limited by resources currently at hand,
- exhibiting a heightened sense of accountability to the constituencies served and for the outcomes created

When we consider the cases of Munir Hasan and Steve Bigari, there can be no doubt that both acted as change agents; that they were committed to a social mission and they relentlessly were searching for, recognizing, and pursuing new opportunities to serve that mission; that they were engaged in a process of continuous learning (often prompted by failures) and innovation; and that they acted boldly against all odds, with limited resources (especially in Munir's case).

Still keeping in mind these two cases, let's explore some other definitions. Martin and Osberg (2007) see social entrepreneurs as those who:

- target underserved, neglected, or highly disadvantaged populations (Munir targeted the educational system; Steve targeted low-income workers.)
- aim at large-scale, transformational benefits that accrue either to a significant segment of society or to society at large (Munir changed

Cambridge University Press

978-0-521-76731-6 - Social Entrepreneurship: Theory and Practice

Ryszard Praszkiar and Andrzej Nowak

Excerpt

[More information](#)

the whole educational system related to teaching mathematics, as well as the related societal mindsets; Steve coordinated the career paths and life cycles of low-income workers with the interests of employers.)

Most definitions of social entrepreneurs emphasize the innovative character of their initiative (Alvord et al., 2004). Munir changed mindsets through festivals, whereas Steve totally reversed the way low-income workers were treated and used their failures and problems as learning opportunities.

Finally, we see that Munir and Steve also meet Bornstein's (1998) characterizations of social entrepreneurs. He states that social entrepreneurs:

- open new possibilities by introducing innovative ideas
- combine visions with down-to-earth realism
- are creative and highly ethical problem solvers
- exhibit a total commitment to their ideas of social change

THE ASHOKA DEFINITION

Ashoka: Innovators for the Public, a citizen-sector organization, identifies and supports leading social entrepreneurs who are considered to be engines of social change and role models for the citizen sector, and helps them to achieve maximum social impact.¹ Ashoka's Founding CEO, William (Bill) Drayton, is credited with having coined the term "social entrepreneurship" (Hsu, 2005; Sen, 2007). Moreover, the special role of Bill Drayton and his organization has been widely noted in the media.

In 2005, Drayton was named by *US News & World Report* as one of "America's 25 Best Leaders," and in 2009 the Center for the Advancement of Social Entrepreneurship (CASE) honored him with the CASE Leadership in Social Entrepreneurship Award.² An article in the October 16, 2009, edition of the *Washington Post* titled "A Nobel Prize For Leadership?" states, "In our era, the father of social entrepreneurship is Bill Drayton, who began Ashoka 30 years ago. Drayton merits the new Nobel leadership award."³

Bornstein (2004) considers the Ashoka definition of social entrepreneurship the most comprehensive; according to Ashoka (2000), social entrepreneurs can produce small changes in the short term that reverberate through existing systems, ultimately effecting significant change in the

¹ See <http://www.ashoka.org>.

² See <http://www.caseatduke.org/events/leadershipaward/07winner/index.html>.

³ October 18, 2009. Available at <http://www.washingtonpost.com/wp-dyn/content/article/2009/10/16/AR2009101603977.html>.