



Restless People

How to Change the World

True compassion is more than flinging a coin to a beggar; it comes to see that an edifice which produces beggars needs restructuring.

—Martin Luther King Jr.

If we all did the things we are capable of doing, we would literally astound ourselves.

—Thomas Edison

The purpose of this book is not to create a few more of which, but to call attention to the role of a particular type of actor who produce social change. Social entrepreneurs have a profound impact on society, yet their distinctive impact remains poorly understood and unappreciated. Although they have always existed, their numbers and their presence is on the rise today.

The designation "social entrepreneur" has gained popularity in recent years. America's leading universities offer courses in social entrepreneurship, and numerous journals, magazines, and websites now focus on the topic. However, most of the attention focuses on how to start a social enterprise, and how to use business and management skills to create social change. This book is about the social entrepreneur's role in creating social change, and how to use business and management skills to create social change. It is about the social entrepreneur's role in creating social change, and how to use business and management skills to create social change.

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This is a book about people who solve social problems on a large scale. Most of its characters are not famous. They are not politicians or industrialists. Some are doctors, lawyers, and engineers. Others are management consultants, social workers, teachers, and journalists. Others began as parents. They are scattered far and wide—in Bangladesh, Brazil, Hungary, India, Poland, South Africa, and the United States. What unites them is their role as social innovators, or *social entrepreneurs*. They have powerful ideas to improve people's lives and they have implemented them across cities, countries, and, in some cases, the world.

The purpose of this book is not to exalt a few men or women, but to call attention to the role of a particular type of actor who propels social change. Social entrepreneurs have a profound effect on society, yet their corrective function remains poorly understood and underappreciated. Although they have always existed, for a variety of reasons their presence is on the rise today.

The designation "social entrepreneur" has gained popularity in recent years.¹ America's leading universities offer courses in social entrepreneurship. Journalists, philanthropists, and development workers frequently invoke the term. However, most of the attention focuses on how business and management skills can be applied to achieve social ends—for example, how nonprofits can operate for-profit ventures to generate revenues. While this is an important trend, this book looks at social entrepreneurs differently: It sees them as *transformative forces*: people with new ideas to address major problems who are relentless in the pursuit of their visions, people who simply will not take "no" for

an answer, who will not give up until they have spread their ideas as far as they possibly can.

According to the management expert Peter F. Drucker, the term “entrepreneur” (from the French, meaning “one who undertakes”) was introduced two centuries ago by the French economist Jean-Baptiste Say to characterize a special economic actor—not someone who simply opens a business, but someone who “shifts economic resources out of an area of lower and into an area of higher productivity and greater yield.”² The twentieth-century growth economist Joseph A. Schumpeter characterized the entrepreneur as the source of the “creative destruction” necessary for major economic advances.³

Consider two famous examples: Henry Ford and Steven Jobs. It is well known that Ford and Jobs, by reimagining cars and computers as mass-market goods, “destroyed” the patterns in their industries, paving the way for leaps in productivity and triggering waves of change. This book shows that social entrepreneurs play analogous roles in education, healthcare, environmental protection, disability, and many other fields. “The social entrepreneur changes the performance capacity of society,” notes Drucker.⁴

Drawing on examples from a number of countries, this book illustrates how leading social entrepreneurs advance *systemic* change: how they shift behavior patterns and perceptions. All the characters in this book possess powerful ideas for attacking problems, and they are unwilling, or unable, to rest until they have spread their ideas society-wide. Along the way, the book examines how they actually make change happen—analyzing the strategies, the organizational characteristics, and the personal qualities that explain the social entrepreneurs’ success.

I have chosen to take a global focus because social entrepreneurship is a global phenomenon and the world’s most creative problem solvers are not concentrated in the United States and Canada. Around the world, people are encountering similar problems: inadequate education and health systems, environmental threats, declining trust in political institutions, entrenched poverty, high crime rates, and so forth. But in poorer countries, social entrepreneurs have to reach far more people with far less money, so they have to be especially innovative to advance solutions at scale. Their insights will be useful to all who seek to make a positive mark on the world, whether in the United States and Canada or in other countries.

The stories and analysis are intended for a broad range of readers. Anyone who has ever dreamt of solving a problem or making a positive

change in his or her environment will find encouraging and instructive stories here. Additionally, business people and nonprofit managers will see how social entrepreneurs serve large “markets” with limited resources. Foundation donors and philanthropists will find ideas to inform their grant-making. Policymakers will discover problem-solving models with scope for national expansion. Journalists will find a vast landscape of human activity that is underreported. College students and professionals will discover new career paths or opportunities for second careers. College professors will find that the examples serve as useful case studies for a range of courses. And parents and school teachers will discover stories that can inspire young people.

Although this book looks at broad changes across the world, it offers detailed accounts of how those changes actually happen. It is emphatically a book about real people doing real things well. Above all, this book shows that it takes creative individuals with fixed determination and indomitable will to propel the innovation that society needs to tackle its toughest problems. It shows that an important social change frequently begins with a single entrepreneurial author: one obsessive individual who sees a problem and envisions a new solution, who takes the initiative to act on that vision, who gathers resources and builds organizations to protect and market that vision, who provides the energy and sustained focus to overcome the inevitable resistance, and who—decade after decade—keeps improving, strengthening, and broadening that vision until what was once a marginal idea has become a new norm.

Many implications follow from this observation, but they boil down to a fairly simple point. One of the most important things that can be done to improve the state of the world is to build a framework of social and economic supports to multiply the number and the effectiveness of the world’s social entrepreneurs.

The Emergence of the Global Citizen Sector

Social entrepreneurs have existed throughout the ages. St. Francis of Assisi, founder of the Franciscan Order, would qualify as a social entrepreneur, having built multiple organizations that advanced pattern changes in his field.⁵ What is different today is that social entrepreneurship is becoming established as a vocation and a mainstream area of inquiry, not only in the United States, Canada, and Europe, but increasingly in Asia, Africa, and Latin America. The rise of social

entrepreneurship can be seen as the leading edge of a remarkable development that has occurred across the world over the past three decades: the emergence of millions of new citizen organizations.

"It's got to strike you that a quarter of a century ago outside the United States there were very few NGOs [nongovernmental organizations involved in development and social work] and now there are millions of them all over the globe," Peter Goldmark, who was the president of the Rockefeller Foundation from 1988 to 1997, commented to me. "Nobody could make that happen at the same time. Why did they grow? They grew because the seed was there and the soil was right. You have restless people seeking to deal with problems that were not being successfully coped with by existing institutions. They escaped the old formats and were driven to invent new forms of organizations. They found more freedom, more effectiveness and more productive engagement. That is a key terrain."

Twenty years ago, for example, Indonesia had only one independent environmental organization. Today it has more than 2,000.⁶ In Bangladesh, most of the country's development work is handled by 20,000 NGOs; almost all them were established in the past twenty-five years. India has well over a million citizen organizations. Slovakia, a tiny country, has more than 12,000. Between 1988 and 1995, 100,000 citizen groups opened shop in the former communist countries of Central Europe. In France, during the 1990s, an average of 70,000 new citizen groups were established each year, quadruple the figure for the 1960s. In Canada, the number of registered citizen groups grew by more than 50 percent between 1987 and 2002, reaching close to 200,000. In Brazil, in the 1990s, the number of registered citizen organizations jumped from 250,000 to 400,000, a 60 percent increase. In the United States, between 1989 and 1998, the number of public service groups registered with the Internal Revenue Service jumped from 464,000 to 734,000, also a 60 percent increase.⁷ Some estimates hold that there are 1 million citizen groups in Brazil and 2 million in the United States.⁸ Given the long history of citizen activity in the United States, it comes as a surprise that 70 percent of registered groups are less than thirty years old.⁹ Finally, during the 1990s, the number of registered *international* citizen organizations increased from 6,000 to 26,000.¹⁰

Historically, these organizations have been defined in the negative—as *nonprofit* or *nongovernmental* organizations. Today they are understood to comprise a new "sector," variously dubbed the "independent sector,"

"nonprofit sector," "third sector," or, the term favored in this book, the "citizen sector." Hundreds of universities in the United States, including Harvard, Stanford, Yale, Duke and Johns Hopkins, have established college courses and centers to study this sector. In New York City, during the 1990s, while overall employment grew by only 4 percent, employment in the citizen sector grew by 25 percent.¹¹ Similarly, a Johns Hopkins study of eight developed countries found that, between 1990 and 1995, employment in this sector grew two and a half times faster than for the overall economy.¹² Peter Drucker has called this sector America's leading growth industry.

Although such organizations are far from new, this worldwide mobilization of citizens is new in several respects:¹³

1. It is occurring on a scale never before seen.
2. The organizations are more globally dispersed and diverse than in the past.
3. Increasingly, we find organizations moving beyond stop-gap solutions to more systemic approaches to problems—offering better recipes, not just more cooking.
4. Citizen organizations are less encumbered by church and state and, in fact, exert considerable pressure on governments (as witnessed in the International Campaign to Ban Landmines and the creation of the International Criminal Court).
5. They are forging partnerships with businesses, academic institutions, and governments—building new markets and hybrid social-impact businesses, amassing a wealth of problem-solving expertise and changing the way governments work.¹⁴
6. Because of the natural jostling for position that occurs when a formerly restricted sector suddenly enjoys "open entry" and new players crowd onto the field, the citizen sector is experiencing the beneficial effects of entrepreneurialism, increased competition and collaboration, and a heightened attention to performance.¹⁵

There are, of course, many inefficient, wasteful, and corrupt organizations in the citizen sector. However, because of the new surge of activity, citizen organizations increasingly are being pressed to *demonstrate* their efficacy. Faced with a wave of energetic social entrepreneurs who are building organizations that are strategic and fast moving, people managing sluggish, outdated institutions no longer find "business as

usual" to be a safe stance. In fact, it is getting riskier by the day to remain static or to coast on reputation. The arrival of entrepreneurialism and competition represents an early, but fundamental, change in the dynamics of the citizen sector, one that history has shown is highly conducive to innovation.¹⁶ This development is explored in the book's conclusion.

Despite their magnitude, these changes have been underreported. In the United States and Canada, for example, almost everyone has heard about the explosion of the dot-coms—a much smaller phenomenon—but millions have still not heard the big story: the worldwide explosion of dot-orgs. It is a story with far-reaching implications: By sharpening the role of government, shifting practices and attitudes in business and opening up waves of opportunity for people to apply their talents in new, positive ways, the emerging citizen sector is reorganizing the way the work of society gets done.

What Is Driving These Changes?

The simplest explanation for these changes is that the barriers that once impeded them have, with stunning speed, disappeared. The generals in southern Europe, Latin America, and Africa had little tolerance for citizens engaged in serious social reform. Nor did the communists in Central Europe and Russia, the apartheid regime in South Africa or the viceroys in colonial India. In most of these places, authoritarian governments have been succeeded by real or, at least, nominal democracies.

Citizens who seek to build organizations need more than freedom; they also need money. There must be surplus wealth in the economy to finance their efforts. During the twentieth century, the per-capita incomes in free market economies increased by at least 700 percent.¹⁷ The economic expansion was particularly strong during the 1960s and 1970s, when the global economy grew at the rate of 5 percent a year and all regions experienced economic gains.¹⁸ Although the prosperity was far from evenly distributed, the wealth gains—taxed by government or channeled through philanthropy—made it possible for significant numbers of people around the world to earn their livelihoods in the citizen sector. (Today, many citizen organizations are exploring ways to generate their own wealth through earned-income ventures.)¹⁹

The prosperity of the second half of the twentieth century was both a cause and an effect of social and scientific breakthroughs that have

redefined human life. The biggest change is simply that people live longer and have far more freedom to think about things other than staying alive. Since 1900, average life spans have increased by thirty years in the industrialized world and by almost forty years in poor countries, an increase in longevity that has no precedent in history.²⁰ During the 1970s, basic education systems were extended to hundreds of millions of people in the developing world. Between 1970 and 1985, adult literacy rates in the developing world increased from 43 to 60 percent.²¹ The growth of a middle class in many countries along with increased access to higher education—during the 1970s alone, the number of universities in the world more than doubled—has swelled the ranks of people who possess both the knowledge and the financial means to tackle social problems effectively.²²

In addition, over the past three decades, the women's movement has gained a foothold across much of the world, weakening social constraints that have historically limited women's scope of action and expression.²³ The decline of racial barriers has opened up opportunities for many groups, such as for blacks in the United States, Brazil, and South Africa and for untouchables in India. In Asia, Africa, and Latin America, the postcolonial and postdictatorship generations have become more self-assured asserting their democratic rights. Technology, of course, permits people, money, and information to move quickly and cheaply around the globe.

To sum up, more people today have the freedom, time, wealth, health, exposure, social mobility, and confidence to address social problems in bold new ways.

Supply is up; so is demand.

An equally compelling explanation for the emergence of the citizen sector is that people recognize that change is urgently needed. The communications revolution has given millions of people both a wider and a more detailed understanding of the world. Because of technology, ordinary citizens enjoy access to information that formerly was available only to elites and nation-states. One consequence of this change is that citizens have become acutely conscious of environmental destruction, entrenched poverty, health catastrophes, human rights abuses, failing education systems, and escalating violence.²⁴ Another consequence is that people possess powerful communication tools to coordinate efforts to attack those problems.

One particularly strong impetus to action has been the environmental threat. In 1990, there were 100,000 independent environmental

protection organizations in the world, and most of them had been established during the 1980s.²⁵ “In the past half century, the world has lost a fourth of its topsoil and a third of its forest cover,” write Paul Hawken, Amory Lovins, and L. Hunter Lovins in their book *Natural Capitalism*. “At present rates of destruction, we will lose 70 percent of the world’s coral reefs in our lifetime, host to 25 percent of marine life. In the past three decades, one-third of the planet’s resources, its ‘natural wealth,’ has been consumed.”²⁶

According to a report released by the U.S. National Intelligence Council, over the next twelve years the world will witness significant degradation of arable land, substantially increased greenhouse gas emissions, and a depletion of tropical forests and other species-rich habitats, which will exacerbate the “historically large losses of biological species now occurring.” More than 3 billion people will live in countries that are “water-stressed.” Additionally, by 2010, 50 to 75 million people will be infected with HIV/AIDS in five countries alone: Nigeria, Ethiopia, Russia, India, and China.²⁷

Another major change is that communications technologies have made global inequities far more visible and palpable than ever before. It is one thing to ponder the fact that the poorest half of the people in the world receive only 5 percent of its total income.²⁸ But what happens when those people are watching the economic winners on television every day? The bottom 50 percent no longer languish in incapacity and isolation. Increasingly, they are becoming urbanized, they are organizing, and they are discovering the power of technology.

While concerns have mounted about global problems, so has the conviction that governments are failing to solve them. Over the past two decades democracy has emerged triumphant around the globe, but voter turnout has declined almost everywhere, including in the United States, where it has hit near-historic lows.²⁹ Decades of failed development policies and discouraging wars on poverty, drugs, and crime have led many to conclude that, while governments must be held responsible for translating the will of the citizenry into public policy, they are not necessarily the most effective vehicles, and certainly are not the sole legitimate vehicles, for the actual delivery of many social goods, and they are less inventive than entrepreneurial citizen organizations.

Additionally, governments appear increasingly impotent in the face of concentrated corporate power. (Three hundred multinational corporations control 25 percent of the world’s assets.)³⁰ Too often, governments have failed to take serious measures to safeguard the envi-

ronment, guarantee decent labor conditions, and, more recently, ensure the integrity of financial institutions.³¹ “In the twenty-first century world of global capitalism . . . nations compete for investment flows and the jobs and growth that corporations can provide, and politicians need ever greater funds to compete with their rivals to win over the electorate,” observes Noreena Hertz, associate director of the Centre for International Business at the University of Cambridge, in her book *The Silent Takeover*. As a result, adds Hertz: “Corporations have, in effect, begun to lay down with force what is and what is not permissible for politicians all over the world to do.”³²

When the short-term interests of the decision-making elite are bad for the long-term interests of society, there is a problem. It is easy to feel daunted when contemplating this problem. Today, however, the sector providing the leadership, energy, and creativity to help correct it is the citizen sector. “At a time of accelerating change, NGOs are quicker than governments to respond to new demands and opportunities,” Jessica T. Mathews, president of the Carnegie Endowment for International Peace, has written in *Foreign Affairs*. “And they are better than governments at dealing with problems that grow slowly and affect society through their cumulative effect on individuals.”³³

Across the world, social entrepreneurs are demonstrating new approaches to many social ills and new models to create wealth, promote social well-being, and restore the environment. The citizen sector is conspicuously leading the push to reform the free market and political systems. The misnamed “antiglobalization” movement is not, in fact, a movement against globalization, but a strategy crafted by citizens to take back some of the power their governments have ceded to corporations.

For the time being, citizens, uninspired by political leaders, may be voting less, but they are fulfilling many needs in direct ways. Today individuals seeking meaningful work frequently opt to build, join, advocate for, or support organizations that are more innovative, more responsive, and operationally superior to the traditional social structures.

There is a personal side to this story. These people share the desires of people everywhere: to apply their talents in ways that bring security, recognition, and meaning—and to have some fun. What has changed in recent years is that the citizen sector now offers a broad avenue to satisfy those needs: to align what you care about, what you are good at, and what you enjoy doing—every day—and have real impact.

Of course, not everyone is, or wants to be, a social entrepreneur, just as not everyone wants to start a business. But almost everyone

now has the option to participate in this new sector. Because it is growing so fast and in so many directions, the opportunities are wide open for people with diverse interests and skills. Citizen organizations desperately need good managers, marketers, finance experts, public relations agents, computer programmers, writers, salespeople, artists, accountants, filmmakers, and so forth. Depending on the mission, they also need journalists, agronomists, chemists, teachers, doctors, lawyers, biologists, architects, songwriters, engineers, mechanics, publishers, urban planners, psychologists, and the like. And, increasingly, businesses need employees and managers who appreciate the social and environmental dimensions of their work and who can spot opportunities to collaborate with this “other” entrepreneurial sector.

It is important to keep in mind how new these changes are. As recently as twenty years ago, the citizen sector was tightly restricted in most of the world. Social entrepreneurs encountered extraordinary political constraints and they had few identifiable structural supports or networks to turn to for financing, information, or encouragement. In many cases, they faced formidable opposition even within their own families. Even in countries with long histories of citizen organization, such as the United States, until recently relatively few people imagined that they could pursue a career in this sector. Now it is common for graduates of top U.S. universities to do so. Indeed, for anyone who has ever said, “This isn’t working” or “We can do better!”—for anyone who gets a kick out of challenging the status quo, shaking up the system, or practicing a little entrepreneurial “creative destruction”—these are propitious times.

2.

From Little Acorns

Do Great Trees Grow

Every change begins with a vision and a decision to take action. In 1978, an American named Bill Drayton, the assistant administrator of the U.S. Environmental Protection Agency, decided to establish an organization to support leading social entrepreneurs around the world. The idea had been brewing in the back of his mind for fifteen years.

Drayton’s idea was to search the world for individuals with fresh ideas for social change who combined entrepreneurial ability and strong ethical fiber.

Drayton, then thirty-five, was looking for people with compelling visions who possessed the creativity, savvy, and determination to realize their ideas on a large scale: people who would, in his words, leave their “scratch on history.” As he conceived of it, building an organization that could find these wildflowers and help them grow would be the most “highly leveraged” approach to social change possible. It would be the single most powerful thing he could do to speed up development and democratization around the globe. To this end, Drayton set out like a modern-day explorer to map the world’s social terrain in search of its most talented changemakers.

By 2006, the organization that he established—*Ashoka: Innovators for the Public*—had supported more than 1,820 social entrepreneurs (“Ashoka Fellows”) who work in 68 countries across Asia, Africa, the Americas and Europe. It had provided fellows with some \$65 million in direct funding, analyzed their strategies, developed an array of “professional” services to assist them, helped them connect with major companies to construct social-business ventures, and—by virtue of