

*A CHRISTIAN RATIONALE FOR SOCIAL ENTREPRENEURSHIP**

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Introduction

As the world turns the page of the 21st century's first decade there is much to reflect on. In an ever-increasing fashion human ingenuity, creativity, and collaboration have gifted society with truly remarkable things. This list is endless, ranging from vaccinations that have saved millions of lives, to technologies that allow the world to instantly communicate like never before; works of art that tell our most essential stories, a democratization of ideas that has opened up the reality of an education to many for the first time, and much, much more. These things must be celebrated.

This is of course only part of the story. In stark contrast to the achievements lauded above, there is another state of affairs that cannot be overlooked. Even in this age of sophisticated technology and unprecedented opportunity, atrocity, injustice and senseless suffering exist in as great or greater measure than any other point in human history. In both the developing and developed world there are deep chasms dividing rich and poor; countless acts of violence between nations, within nations, and between individuals. Hunger, disease, and lack of opportunity leave many of the world's citizens in poverty's grip with little hope of experiencing anything different.

Historically speaking, early Christianity was always on the side of social good. There is clear indication that Christians cared for the diseased and hungered as much as the enslaved and oppressed. Such care

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was an impetus to the early church's growth.¹ The situation changed, however, after the institutionalization of the church at the time of Emperor Constantine.² Saint Jerome iterates the sentiment of the church's shift to power, "Parchments are dyed purple, gold is melted into lettering, manuscripts are dressed up in jewels, while Christ lies at the door naked and dying" (*Ep.* 22, 32). In the 21st century the church is confronted with a different reality. While the evangelical movement successfully turned the tide away from the social gospel in the late 19th and early 20th centuries, it came at an apparent expense of care for the very people that might be called "neighbor." Combined with recent data that indicates a primary reason for people leaving the Christian faith as a view that the church and her people are hypocrites who do not live out the teachings of Christ, Christianity in the United States is experiencing steady decline.³

The aim of this article is to highlight social entrepreneurship as an effective framework for Christians to address social issues in the current global context. Social entrepreneurship provides Christians with an opportunity for exhibiting the care of others as is inherent in Christian orthopraxis. We will argue that social entrepreneurship can be utilized in Christian engagement of such issues both overseas as well as in the context of the United States. Such engagement demonstrates concern for one's neighbor and love for Christ. A Christian rationale for social entrepreneurship, then, seeks economic, social, environmental and spiritual good of people to raise their quality of life and dignity as created in the image of God.

Social Entrepreneurship

Social entrepreneurship is a rather young field in terms of formal recognition.⁴ Its practitioners, however, "the entrepreneurs themselves" have been in existence for generations, long before anyone coined the term. In the words of Mohammad Yunus, "Do-gooders are the same people who are sometimes referred to as "social entrepreneurs" in formal parlance. Social entrepreneurship is an integral part of human history."⁵

¹Rodney Stark, *The Rise of Christianity: How the Obscure, Marginal Jesus Movement Became the Dominant Religious Force in the Western World in a Few Centuries* (San Francisco: Harper Collins, 1996), 73-94.

²Michael T. Cooper, "From Christendom to Post-Christendom: The Continuing Evolution of the Western Religious Landscape and the Emergence of New Religious Identities," in *Perspectives on Post-Christendom Spiritualities: Evangelical Reflections on New Spiritualities*, ed. Michael T. Cooper (Sydney: Morling, 2010), 1-18.

³Pew Forum on Religion and Public Life, "Faith in Flux: Changes in Religious Affiliation in the U.S." (2009), 7. Internet resource available from <http://pewforum.org/newassets/images/reports/flux/fullreport.pdf> (Accessed 13 February 2010).

⁴Kai Hockerts, Johanna Mair, and Jeffrey Robinson, *Social Entrepreneurship* (New York: Palgrave Macmillan, 2006), 2.

⁵Muhammad Yunus, "Social Business Entrepreneurs Are the Solu-

It occupies a crucial space that is both unique and necessary in addressing many of the world's social challenges.

Social Entrepreneurship in Theory

As Northwestern University's Nathaniel Whitmore has rightfully asserted, social entrepreneurship is still in large part a nascent field.⁶ Bill Drayton, founder of Ashoka, remarked, "By the nineteenth century, a few modern social entrepreneurs began to appear. The anti-slavery leagues and Florence Nightingale are outstanding examples. But they remained islands. It was only around 1980 that the ice began to crack and the social arena as a whole made the structural leap to this new entrepreneurial venture."⁷ While the scholarship has multiplied exponentially in the past decade with many great works by well-respected experts, a normative, universal definition of the discipline is elusive. In a sense, this is to be expected. Given the broad diversity of social entrepreneurship's applications in the real world, each venture is tailored in such a way as to specifically address a social concern in its given context(s). This is not to say there is not agreement or overlap between the definitions offered by scholars and practitioners. As such, social entrepreneurship is still very pliable and opportunity exists to shape the field. Most attempts at defining it will incorporate something to the effect that "social entrepreneurship [is] the innovative use of resource combinations to pursue opportunities aiming at the creation of organizations and/or practices that yield and sustain social benefits."⁸

It must be said at this point that a pursuit of a normative definition of social entrepreneurship could go on in perpetuity. In fact, for some scholars in the field, this is where they have primarily focused their efforts. Paul Light, in *The Search for Social Entrepreneurship* explores the difficulty of defining the field, particularly in regards to inclusivity/exclusivity. In one camp, scholars and practitioners have advocated for a more exclusive definition, one that is located in the individual entrepreneur and their specific endeavor. On the other hand, many have advocated for the inclusion of the organizations, networks, and now scholarly pursuits that are successfully catalyzing the work of social entrepreneurs around the world. Perhaps Light's greatest point is a plea for

tion," in *Social Entrepreneurship: New Models of Sustainable Social Change*, ed. Alex Nicholls (New York: Oxford University Press, USA, 2008), 40.

⁶Nathaniel Whitmore, "About | Social Entrepreneurship | Change.org." Social Entrepreneurship | Change.org. <http://socialentrepreneurship.change.org/about/primer> (accessed November 16, 2009).

⁷Bill Drayton, "Everyone a Changemaker: Social Entrepreneurship's Ultimate Goal." *Innovations (MIT Press)* Winter (2006): 1-16.

⁸Kai Hockerts, Johanna Mair, and Jeffrey Robinson, *Social Entrepreneurship* (New York: Palgrave Macmillan, 2006), 120.

the thought leaders in the field to keep social entrepreneurship from being yet another nomenclature that has been stripped of all meaning. He holds up words like "leadership" and "innovation" as contemporary examples of the devastating erosion of language, citing James Phills who called them, "like a Rorschach test" [full of] conceptual ambiguity."⁹

Central to this idea, however it is defined, is the concept of blended value.¹⁰ Blended value, or "dual/multiple bottom line" is "what results when businesses, whether for-profit or nonprofit " create value in multiple dimensions " economic, social, and/or environmental."¹¹ This is an extremely important distinctive of social entrepreneurship " leveraging market concepts to fuel the work of justice, consequently creating more justice in and between markets, all to fuel the work of social good.

The study of social entrepreneurship has been adopted by many of the world's leading universities, and the list continues to grow.¹² There is rising social consciousness among many MBA and graduate students, faculty and society at large. Loic Sadoulet of Insead (The International Business School in Fontainebleau, near Paris, France) describes the trend, " we have seen student interest shift from investment banking and consulting jobs " the dot.com get-rich model " to social entrepreneurship, a socially conscious model. Google's motto, "don't be evil," resonates more and more with our students. Most now want jobs that make sense."¹³

Universities with dedicated social entrepreneurship programs include Harvard Business School, Oxford's Saïid Business School, and Stanford Graduate School of Business. While others like Yale School of Management, Brigham Young University, Kellogg Business School, London School of Business & Economics, and MIT (and many more) are offering some teaching and research.¹⁴ Christian universities would certainly be in good company by engaging the field.

⁹Paul Charles Light, *The Search for Social Entrepreneurship* (Washington, D.C.: Brookings Institution Press, 2008), 1-21.

¹⁰Jed Emerson, "Blended Value." Blended Value. <http://www.blendedvalue.org/> (accessed 6 December 2009).

¹¹John Elkington and Pamela Hartigan. *The Power of Unreasonable People: How Social Entrepreneurs Create Markets That Change the World* (New York: Harvard Business School Press, 2008), 4.

¹²Matthew Mars and Sharon Garrison, "Socially-Oriented Ventures and Traditional Entrepreneurship Education Models: A Case Review," *Journal of Education for Business* 84, no. 5 (2009): 290-296.

¹³Nazanin Lankarani, "Let your conscience be your guide; Business students warm to idea of not just wealth, but making a difference," *The International Herald Tribune* (Paris), November 3, 2009.

¹⁴Alex Nicholls, "Introduction," in *Social Entrepreneurship: New Models of Sustainable Social Change*, ed. Alex Nicholls (New York: Oxford University Press, USA, 2008), 8-9.

Toward Defining Social Entrepreneurship

While defining social entrepreneurship is a challenge, we understand it as a venture that addresses issues of local and global concern by catalyzing enterprises that create sustainable change for improvement of the social conditions, quality of life and dignity of people as created in the image of God. Such enterprises focus on economic, social, environmental, and spiritual good of a community.

At this point it is important to briefly explore the idea of "good." Although a myriad of nuanced understandings exist that would be difficult to reconcile, a few distinct types of good are important to understand. First, and most basic, is *economic good*. Economic good is exactly as it sounds. This is the good generated by what has traditionally been referred to as the "for-profit" or "business sector" of society. Economic good, in relation to social entrepreneurship, is understood in the sense of wealth creation that is sustainable and relevant to the cultural and societal situation. It does not necessarily mean the propagation of free market capitalism as such an economic system is culturally conditioned. That is, free market capitalism has been somewhat successful in a culture with what Max Weber called a "Protestant Ethic."¹⁵ However, an effective economic system will take into consideration the cultural particularities as it strives to become sustainable. Therefore, economic good seeks the betterment of the quality of life of individuals as conditioned on particular cultural presuppositions.

Second, and a bit more difficult to define, is *social good*. As Rowena Young points out, social good or "social value" is an essentially subjective idea as a result of its social or communal location and derivation; it means different things to different stakeholders. Rowena offers a helpful basic definition of social value as "benefit[ing] people whose urgent and reasonable needs are not being met by other means."¹⁶ Basically, social good represents the types of value added to society that are not necessarily financial. A distinguishing feature of social entrepreneurship is its focus on creating ventures that will address particular social challenges. Be they issues of justice or politics, such venture creation keeps in mind the good of people in society rather than a singularly financial bottom-line. Ventures in social concern focus on hot button issues such as human trafficking, healthcare, human rights, public policy and political advocacy.

In light of its increased attention across all sectors, a third type of good that must be defined is *environmental good*. While it could be defined as a mere sub-category of social good (and it definitely is), due to the numerous innovations surrounding green and clean technology, cli-

¹⁵Max Weber, *The Protestant Ethic and the Spirit of Capitalism* (London: Routledge, 1905 [1922]).

¹⁶Rowena Young, "For What it is Worth: Social Value and the Future of Social Entrepreneurship," in *Social Entrepreneurship: New Models of Sustainable Social Change*, ed. Alex Nicholls (New York: Oxford University Press, USA, 2008), 57.

mate change, and alternative fuels, environmental good deserves a specific treatment.¹⁷ As stewards of creation, social enterprises must take into consideration the good of the environment. The unfettered exploitation of earth's natural resource as well as the over fertilization of soil does more to propagate consumerism than it does to care for God's creation.

Fourth, a category of *spiritual good* must be included, particularly when foundations for engagement are considered. When social entrepreneurship is catalyzed with a Christian worldview, a holistic understanding of the person must include the care for their spiritual condition. Believing that Christianity offers freedom from social problems and that lasting change can only occur at a deep worldview level, social entrepreneurship must enact spiritual good. This is particularly true outside the Western world where religion remains an important aspect of people's lives. Seeking the spiritual good does not assume that Christian involvement in social ventures will have a conversion agenda. On the contrary, Christian involvement recognizes the spiritual nature of people and demands care for "the least of these" (Matt 25:40). Pure religion, after all, is care for the marginalized (Jas 1:27). In fact, Christians would acknowledge the idea that social good, as well as economic and environmental, are among the manifestations of spiritual good. They would expect to see change if there were change toward the spiritual good of people.

Fallacious Dichotomy of Economic and Social Good

In the last 80 years of formal development work, and in developed cultures at large, these distinct types of good and the organizations tasked with pursuing them have become increasingly compartmentalized. While some specialization is necessary, and often effective, a case can be made that economic and social good have drifted too far apart. This explains the failure of large-scale solutions such as the aid industry. Bill Drayton, CEO of Ashoka and a long time pioneer in the field states:

For three centuries the social and business halves of society drifted apart. So far apart that they developed different languages, styles, legal structures, and mutually negative stereotypes of one another. This compounding division was an historical accident, a giant navigational error. Nonetheless, the inertia of division remains strong. Every major need a person has - be it housing or health care - is now served by separate business and social systems that have not talked for centuries. It is hard to

¹⁷Elkington and Hartigan. *The Power of Unreasonable People*, 4.

imagine a more incompetent way of doing things: or a bigger opportunity - a huge society-wide productivity gain.¹⁸

Although there are many that support this separation of economic and social good (such as Milton Friedman), there is precedence for another way. Even early 20th century business leaders and strategists like Mary Parker Follet understood business as both a social and economic institution.¹⁹ This false dichotomy is part of what social entrepreneurship successfully addresses, by re-integrating social good and economic good as concurrent ends and as forces that fuel each other. John Elkington and Pamela Hartigan state, "Currently, one segment of society is trying to maximize profits without much concern for the impact on the well-being of society as a whole, and another segment tries to deal with the fallout. Overall, the system is not working. It is time to change the rules of the game."²⁰ Social entrepreneurship can and should be applied to local and global contexts ranging in scope and scale; this applies to the poorest areas of the world (i.e. the regions that are the target of the United Nations Millennium Development Goals), but also to the social problems that exist in the developed world.

Corporate Social Responsibility (CSR) is another movement related to (and yet distinct from) social entrepreneurship. CSR has sought to address the dichotomy between social and economic good in recent years. Another term for CSR in the literature and public parlance has been "Creative Capitalism" coined by the likes of such corporate giants as Bill Gates and Warren Buffet. In a book by the same title Gates and others make the case for the world's greatest forces for capitalism to also pursue doing good, "making profits and also improving lives for those who don't fully benefit from market forces. To make the system sustainable, we need to use profit incentives whenever we can."²¹

This creative capitalism as described by CSR advocates is largely in the form of corporate donations or aid - which is certainly a wonderful thing in some respects, but an aid-only approach is fundamentally not enough to address the toughest social problems. To the extent in which CSR can be employed to support sustainable, entrepreneurial ventures that help developing nations help themselves it should be pursued to the fullest. In many respects it is similar to the proposition of Jeffrey Sachs that poverty could be completely annihilated in one big push, with a

¹⁸Bill Drayton, "The Citizen Sector Transformed," in *Social Entrepreneurship: New Models of Sustainable Social Change*, ed. Alex Nicholls (New York: Oxford University Press, USA, 2008), 51.

¹⁹Michele Simms, "Insights from a Management Prophet: Mary Parker Follet on Social Entrepreneurship," *Business and Society Review* 114, no. 3 (2009): 351.

²⁰Elkington and Hartigan. *The Power of Unreasonable People*, 82.

²¹Bill Gates, "A New Approach to Capitalism," in *Creative Capitalism: A Conversation with Bill Gates, Warren Buffet, and Other Economic Leaders*, ed. Michael Kinsley (New York, NY: Simon & Schuster, 2008), 7-16.

large enough sum of money. This is not to say it is not valuable (some critics like Easterly seem to fall prey to their own critique of dismissing the “good” in search of the “perfect”), CSR has a vital role to play, but it is not social entrepreneurship,²² and like foreign aid it should not be pursued in a vacuum.²³

Social Entrepreneurship in Practice

What does the social entrepreneurship enterprise or organization look like in reality? First, these types of organizations are not all the same. This is analogous to the varying and multiple approaches to defining the field – social issues are contextual, and so the entrepreneurial solutions to these problems must also fit the context. Second, the organizational approaches are varied. This is not limited to either the “for” or “non” profit sectors, in fact there are many clear examples of social entrepreneurship found in either one or a blend of the two.

The Kelley School of Business developed a typology based on the dimensions of mission and outcomes, stating that while other factors are clearly at play these two help identify at least four distinct types of entrepreneurial ventures. First is a “Social Purpose Venture.” These types of ventures are founded explicitly to solve a social problem, but the venture is for-profit, seeking economic impact on the market. Second are “Traditional Ventures,” which have a primarily economic mission and no explicit social mission. Third are “Social Consequence Ventures.” Much like the second category, there are social benefits, but they are not explicitly linked to the reasons why the organization is in business (this is the closest to CSR discussed above). Fourth are “Enterprising Nonprofits” which have earned income activities, but are primarily focused on social mission. The authors of this typology (and others like Elkington’s “leveraged nonprofit, hybrid nonprofit, and social business” model²⁴) do allow for a combination of one or more of the above models. In fact, the “hybrid” in this typology is probably the best description of most social entrepreneurial ventures.²⁵

As an emerging field, at least in terms of scholarship, social entrepreneurship is in some ways most easily understood by a closer look at some specific ventures themselves. Although it would be impossible to capture every representative case study in this discussion, we will examine a few.

²²Heidi Neck, Candida Brush, and Elaine Allen, “The landscape of social entrepreneurship,” *Business Horizons* 52, no. 1 (2009): 13-19.

²³William Easterly, “Old-fashioned Capitalism Is Moral Enough,” in *Creative Capitalism: A Conversation with Bill Gates, Warren Buffet, and Other Economic Leaders*. New York, NY: Simon & Schuster, 2008: 104-110.

²⁴Elkington and Hartigan. *The Power of Unreasonable People*, 31.

²⁵Heidi, Neck, Candida Brush, and Elaine Allen, “The landscape of social entrepreneurship,” *Business Horizons* 52, no. 1 (2009): 15.

Some of the most remarkable practical examples of social entrepreneurship come from the field of microfinance. The Grameen Bank, in Bangladesh is the venture that started it all. With only \$27US of his own money, Muhammad Yunus started a tidal wave that opened up credit to many the world's poor for the first time. Historically, formal banks have not lent to those in poverty because they have been deemed high credit risks. Since its inception in 1976, Grameen Bank is 93 percent owned by its borrowers (some of the poorest people in the world), has loaned \$3.9 billion US to poor entrepreneurs, and boasts a 98 percent pay-back rate. These are truly remarkable figures. More than figures, Grameen has invested in over 40,000 villages, employs almost 12,000 people, and has remained self-reliant by consistently turning a profit; proving that "businesses with social objectives can and do work."²⁶

Another example from microfinance is the U.S. based Kiva (www.kiva.org). Kiva has expanded on the local and regional example of Grameen and connected networks of lenders and entrepreneurs around the world. Kiva's stated mission is "to connect people through lending for the sake of alleviating poverty."²⁷ Through their online platform, Kiva has made it possible for anyone around the world to make a small loan to qualified entrepreneurs to start businesses and other social ventures. In just four years, roughly half a million individual lenders (regular people around the world) have donated as little as \$25 at a time, to reach a capacity of \$100 million/year in loans (as of November 2009). Gun Keshari Maharjan is a great example of the Kiva success story (and there are many). Gun lives in Nepal. She and her husband worked menial jobs making kitchen utensils and crafts to sell in the street. She had a vision to open a grocery store. Through an initial loan of \$150 dollars she was able to open the store. It was so successful that she has since been able to buy land, grow her own produce, pay for her children to go to school, and has borrowed and repaid two more Kiva loans to further her business.²⁸ Microfinance is not just for developing regions or far-away places. It is also gaining traction as an alternative to government programs like welfare in many developed nations like the United States.

Although microfinance is one of the leading examples, it is important to say it is only one area of social entrepreneurship and the success of microfinance lies in that it has found a way to fund and connect and fuel multiple *contextual ventures* (like Gun), which are the true success stories. Another example is Big Belly Solar (www.bigbellysolar.com). Big Belly is an example of "Social Purpose Venture" in the Kelley typology. They manufacture and sell 100 percent solar powered trash compactors that replace traditional trash bins in high traffic public centers. Its founder, Jim Boss, explains, "there are about 180,000 garbage

²⁶Muhammad Yunus, *Banker to the Poor: Micro-Lending and the Battle Against World Poverty* (New York: PublicAffairs, 2007), 234-246.

²⁷See <http://www.kiva.org/about> (Accessed 1 March 2010).

²⁸"What is Kiva?". Kiva: Loans that Change Lives. <http://www.kiva.org/about> (accessed November 16, 2009).

trucks in the U.S. [that] burn over a billion gallons of diesel fuel and cost about \$50 billion a year²⁹ the trash pick up frequency is driven by the container, we use technology in the container to reduce the pickup frequency by about a factor of five.²⁹ Big Belly is pursuing multiple bottom lines by remaining a viable, profit turning business, and reducing the harmful effects on the environment, and the waste (environmental, financial, etc.) incurred by all of those garbage truck trips.

Bunker Roy saw a social problem in the "business of poverty" in India and so he founded Barefoot College. He became frustrated with what he called a "top-down" approach to serving India's rural poor - it was a system with resources focused on urban centers where "experts" would devise plans to help meet the poor's most basic needs. Roy established what is now the self-sufficient Barefoot College that recognizes the poor as the experts, and gives them the skills they need to meet the needs of their neighbors in their local context.

This is the only college based in a rural area that is built by the poor and managed by them. Barefoot engineers have solar-electrified the college (the only solar-electrified college in India). Barefoot solar engineers, many of them illiterate women, have solar-electrified thousands of houses in eight Indian states. Barefoot water engineers installed the first hand pumps ever in Ladakh, 14,000 feet up in the Himalayas, something that urban experts had said was technically impossible.³⁰

Other examples include Good African Coffee³¹ founded by Andrew Rugasira that has managed to transform entire communities in Uganda by engaging in the international trade of coffee, thus breaking the cycle of reliance on aid. Family House, another hybrid social entrepreneurial effort, was started by a Cordelia Taylor in Milwaukee, Wisconsin in one of the worst neighborhoods ever run by drugs and gangs. It has now resulted in homes, jobs, medical care, and the transformation of an entire, once devastated community.³² There are of course many other examples.

The final example is, somewhat surprisingly, a large corporation - Whole Foods. At first glance it might seem as though this type of enterprise is outside the box of social entrepreneurship, but upon further inspection it is clear the value created by Whole Foods is incredibly consistent with the criteria and working definition presented in this article. As leading business expert Gary Hamel describes, "Picture, if you can, a company that doesn't think of itself as a company, but as a community of

²⁹Neck, Brush, and Allen. "The landscape of social entrepreneurship," 17.

³⁰Elkington and Hartigan. *The Power of Unreasonable People*, 34-37.

³¹Andrew Rugasira, "Goodafrican - TRADE NOT AID: A NEW PARADIGM." Goodafrican - Home. http://www.goodafrican.com/index.php?option=com_content&task=view&id=29&Itemid=48 (accessed November 16, 2009).

³²Barbara J. Elliott, *Street Saints: Renewing America's Cities*. (Radnor: Templeton Foundation Press, 2004), 15-21.

people working to make a difference in the world, where the mission matters as much as the bottom line.”³³ Whole Foods’ founder John Mackey (although not without scrutiny in recent years) wanted to change the way America approached food. In 1978 he began with one small store called “Safer Way” and it has grown to company of over \$7 billion US in 2007.

The reason this company’s growth matters to the topic of social entrepreneurship is that while pursuing “traditional” economic growth Whole Foods has “done a great deal to drive whole food and organic food concepts into the commercial mainstream” — a clear social benefit. In Mackey’s own words,

“the orthodox view among free market economists [is] that the only social responsibility a law-abiding business has is to maximize profits. I strongly disagree. I’m a businessman and a free market libertarian, but I believe that the enlightened corporation should try to create value for all of its constituencies — for customers, employees, suppliers, and the community.”³⁴

Mackey and Whole Foods see profit as a means to accomplishing the end of their social goals. “We want to improve the health and well-being of everyone on the planet through higher quality foods and better nutrition — we can’t fulfill that mission unless we are highly profitable.”³⁵ Although the current magnitude of Whole Foods’ enterprise would cause some scholars to categorize it in the new terminology of “corporate social entrepreneurship” or (CSE),³⁶ it is clear from the beginning of the “Safer Way” story that this is a perfect example of a social entrepreneur taking a risk, achieving scale, and affecting true systemic social change.

The Opportunity for Social Enterprises

Social entrepreneurship seeks to blend the value offered by both the “for” and the “non” profit sectors capitalizing on the power of their intersection. Yunus, the 2006 Nobel Laureate and the so-called “father” of contemporary micro-lending says it this way, “The more we can move in the direction of business [in social ventures] the better off we are. We [then] have unlimited opportunities to expand and do more, and replication becomes so much easier.”³⁷

Social entrepreneurship, we suggest, holds promise to address some of the difficult social issues facing the world today. At the United Na-

³³Gary Hamel, *The Future of Management* (New York: Harvard Business School Press, 2007), 69.

³⁴Elkington and Hartigan. *The Power of Unreasonable People*, 50-54.

³⁵Hamel, *The Future of Management*, 77.

³⁶James E. Austin, Herman B. Leonard, Ezequiel Reficco and Jane Weiskillern, “Social Entrepreneurship: It is for Corporations, Too,” in *Social Entrepreneurship: New Models of Sustainable Social Change*, ed. Alex Nicholls (New York: Oxford University Press, USA, 2008), 170-180.

³⁷Elkington and Hartigan. *The Power of Unreasonable People*, 17.

tions General Assembly in 2000, the countries of the world adopted a resolution to address developmental challenges confronting the planet. Known as the Millennium Development Goals (MDGs), the UN objective is to eradicate poverty by 2015.³⁸ The assembly declared,

We solemnly reaffirm, on this historic occasion, that the United Nations is the indispensable common house of the entire human family, through which we will seek to realize our universal aspirations for peace, cooperation and development. We therefore pledge our unstinting support for these common objectives [MDGs] and our determination to achieve them.³⁹

While much can be said about the UN's assertion regarding itself as an "indispensable common house" its ambition to help people is commendable. The eight MDGs are to: 1) eradicate extreme poverty and hunger, 2) achieve universal primary education, 3) promote gender equality and empower women, 4) reduce child mortality, 5) improve maternal health, 6) combat HIV/AIDS, malaria and other diseases, 7) ensure environmental sustainability, and 8) develop a global partnership for development.⁴⁰

The Declaration was ushered in with great fanfare on the recommendations and advocacy from economists such as Jeffery Sachs and celebrity activists such as Bono. Sachs, in *The End of Poverty*, paints an inspiring picture of how the world's rich can and will end poverty in a generation, primarily through a large-scale infusion of resources from developed to developing nations in an effort to "tip" poverty.⁴¹ Sachs draws on historical examples like the Great Depression for precedent and identifies the target of 2025 as when this dream could be realized, the dream that "we will be the generation to end poverty."⁴²

There has been positive progress. For instance, between 1990 and 2005 the percentage of those living in extreme poverty (less than \$1 US/day) in developing regions dropped from about fifty to almost a

³⁸The United Nations. "The Millennium Development Goals Report 2009." The United Nations. http://www.un.org/millenniumgoals/pdf/MDG_Report_2009_ENG.pdf (accessed 16 November 2009): 4.

³⁹"United Nations Millennium Declaration" (8 September 2000), 9. Internet resource available from <http://www.un.org/millennium/declaration/ares552e.pdf> (Accessed 16 February 2010).

⁴⁰"About the Millennium Development Goals." UNDP | United Nations Development Programme. <http://www.undp.org/mdg/basics.shtml> (accessed December 5, 2009).

⁴¹Malcolm Gladwell, *The Tipping Point: How Little Things Can Make a Big Difference* (New York: Back Bay Books, 2002).

⁴²Jeffrey Sachs, *The End of Poverty: Economic Possibilities for Our Time*. (Boston: Penguin [Non-Classics], 2006), 2-26.

twenty-five percent.⁴³ Credit for this advancement (and others listed in the 2009 UN MDG Report) must be given to the many development mechanisms like the United Nations and the contribution of foreign aid from the developed nations. The aspirations of Sachs and others are certainly admirable but the actualization of those aspirations in reality has been another thing entirely. According to the 2009 Millennium Development Report, the goals are far from being met (even though they remain optimistic), and the marshalling of the tremendous resources required (in the form of foreign aid) is an uphill battle ó a battle that is highly unlikely to be won by 2015.⁴⁴

This approach to addressing the local and global social problems laid out in the MDGs is not without critique from experts like William Easterly, who calls it ill-fated saying developed nations consistently fall prey to a utopian trap he terms "the big push" and end up missing the proverbial forest for the trees (or the dream of ending poverty with one well-placed blow).⁴⁵ It is clear that foreign aid in and of itself is not enough to solve these types of problems. There is the additional need to catalyze enterprises that help raise the dignity of people by valuing them as created for a purpose. Social entrepreneurship provides such an opportunity.

Current State of the Globe⁴⁶

There are approximately 6.7 billion people in the world today. Twenty-one percent (1.4 billion) of the world's population lives on less than 1.25 USD per day, an increase from 1.37 billion in 2006. The United Nations estimated that the number of those living in extreme poverty will have increased by 55-90 million in 2009. The situation does not seem to be moving toward improvement with a global economy still feeling the pangs of recession. Despite global economic growth in the early part of this decade and the concomitant increase in employment, the unemployment rate began to climb in 2008. From a low of less than 2 percent in 2007, unemployment spiked in 2009 to 6.6 percent. While the global economy is recovering, unemployment is expected to be at 6.5 percent in 2010.

Eighty percent of the world's impoverished live in regions where Islam, Hinduism and Buddhism are dominant. In those regions, unem-

⁴³The United Nations. "The Millennium Development Goals Report 2009." The United Nations. http://www.un.org/millenniumgoals/pdf/MDG_Report_2009_ENG.pdf (accessed November 16, 2009): 4.

⁴⁴Ibid: 47-50.

⁴⁵William Easterly, *The White Man's Burden: Why the West's Efforts to Aid the Rest Have Done So Much Ill and So Little Good* (Boston: Penguin [Non-Classics], 2007), 37-40.

⁴⁶The data for this section is extracted from the 2009 MDG Report.

ployment reaches from 30-80 percent. The countries of these regions are experiencing the fastest population growth. Having been asked about the greatest challenges facing the world, former president Jimmy Carter indicated in his Nobel lecture after being awarded the Peace Prize in 2002, "I decided that the most serious and universal problem [in the world] is the growing chasm between the richest and poorest people on earth."⁴⁷ The problem is acutely felt in these regions.

Poverty is of course one of the leading factors to numerous social issues. For example, one third of the child mortality rate of 9 million in 2007 was caused by under-nutrition. In fact, in 2008, an estimated 1.1 billion people were undernourished. Poverty places people in extreme circumstances and contributes to the increasing numbers of individuals caught in unfair labor practices. An estimated 12 to 27 million people are enslaved in conditions where they are unable to acquire freedom due to constraints placed on them by employers.⁴⁸ Such slave conditions occur primarily with women and children and many are often used in the sex industry. Some 900,000 people are trafficked annually as slaves. In one instance, according to UN International Labour Organization ([ILO](#)), in 2005 approximately 9.49 million people were used in forced labor in the Asia-Pacific region. Human trafficking is the third most profitable illegal moneymaker in the current global economy.⁴⁹

While the countries of the developed world have taken notice and provided monetary relief to improve social situations, they have often done so blindly. Africa has benefited from foreign aid and has emerged in pop culture as a preferred cause for consumers and corporations alike over the past decade. Sub-Saharan African nations are at the heart of the MDG discussion being the home of 50 percent of the world's poorest people,⁵⁰ Aid relief in Africa has done an incredible job in providing some relief. However, 70 percent of African governments are dependent on foreign aid. The US sends \$40 billion US in aid to Africa while only \$17 billion US is directed to investment. This has created a climate of "self-perpetuating bureaucracies and disincentives for development."⁵¹ The result of foreign aid has not been positive. What was thought to once be a help to African nations has in fact exacerbated poverty. Dam-

⁴⁷Jimmy Carter, "Nobel Lecture," Oslo, Norway 10 December 2002. Internet resource available from http://nobelprize.org/nobel_prizes/peace/laureates/2002/carter-lecture.html.

⁴⁸See for example Kevin Bales, *Disposable People: New Slavery in the Global Economy* (Berkeley: University of California Press, 2004), 8-9.

⁴⁹See U.S. Department of State, *Trafficking in Persons Report* (Washington, D.C.: U.S. Department of State 2004).

⁵⁰Dambisa Moyo, *Dead Aid: Why Aid Is Not Working and How There Is a Better Way for Africa* (New York: Farrar, Straus and Giroux, 2009), 5.

⁵¹Mindy Belz and Alisa Harris, "Minding Africa's Business," *World*, (10 October 2009):37.

bisa Moyo, who is an economist and native African, points out in *Dead Aid* that many African nations who have been on the receiving end of about \$1 trillion US over the past half-century are as poor or poorer than they were 40 years ago.⁵²

Poverty is exacerbated by the number of refugees. Today there are an estimated 15.2 million refugees and 26 million internally displaced people. Lack of educational opportunities perpetuates poverty as well. In 2007, 72 million children were denied the right to education. Nearly half of out-of-school children have never had any education. Over half of them are girls. This lack of educational opportunities forces families into situation where children are used for forced labor, both physical and sexual.

Disease is also a contributor to poverty. When people are ill they are unable to work. Many illnesses today are easily preventable. In a world were nearly one million people die each year from this preventable disease, simple insecticide treated bed nets have proven to be an effective means for the control of malaria. Still, approximately 330 million people are infected annually. HIV/AIDS continues to be a burden. While there are cultural peculiarities tied to this disease, two-thirds of the victims live in Sub-Sahara Africa. Fifteen million children world-wide lost a parent to AIDS in 2007. Over 47 million children in Sub-Sahara Africa have lost one or both parents to the disease. Clean water would help in many situations where diseases run rampant. Reality is, however, that 13 percent of the world's population relies on unimproved water sources for drinking, cooking and bathing.

In such conditions of poverty peace and stability are threatened. Yunus, the Bangladeshi micro-lender, stated in his 2006 Nobel Peace Prize address,

Peace is threatened by an unjust economic, social and political order, absence of democracy, environmental degradation and absence of human rights. Poverty is the absence of all human rights. The frustration, hostility and anger generated by abject poverty cannot sustain peace in any society. For building stable peace we must find ways to provide opportunities for people to live decent lives.⁵³

Framework for Applying Social Entrepreneurship

There are numerous ways in which social entrepreneurial ventures might be catalyzed to address the needs so apparent in the MDGs. Being that the discipline is new and continues to be tested, its application is still theoretical on many levels. Nevertheless, as Christians and Christian universities explore the field it is important to keep at the forefront the

⁵²Moyo, *Dead Aid*, 5-35.

⁵³Muhammad Yunus, *Creating a World Without Poverty: Social Business and the Future of Capitalism* (New York: Public Affairs, 2007), 238-239.

notion that social entrepreneurship is entirely contingent on the particular cultural context in which a venture is launched. We have identified three important steps in the process of catalyzing social ventures. First, we suggest a phase called "Pilot Project." The pilot project focuses on research. This phase evaluates needs and possibilities for sustainable ventures by sending research teams, in the university case, of students and faculty to study the issues in a particular context. The pilot phase seeks to develop relationships with key individuals in a community who will be able to actualize and indigenize the potential venture. The pilot project represents the initial efforts toward a sustainable venture and assesses the feasibility for the continuation of the project.

The second phase would be "Build Project." The building phase takes the pilot project to the next level. It focuses on local entrepreneurial leadership of the venture and moves it out of the hands of the researcher. It looks for mechanisms that will assist in making the project sustainable over the long term. The research team may decide to continue with the project, but deliberate leadership change must take place for the project to become indigenized. Finally, "Sustain Project" would be the last phase. The ultimate goal in the social enterprise is for it to be sustainable in the society. Sustainability is measured by leadership, funding and viable connections to local and global markets. A sustainable venture will have its own sense of corporate social responsibility as it gives back to the community.

Critique of Social Entrepreneurship

Social entrepreneurship is not without its critics. Alix Rule, drawing from die-hard free-market economists like Milton Friedman offers a harsh critique. Rule defines approaches like social entrepreneurship and their attempts to reintegrate social and economic bottom lines as the "Good-as-Money" approach. Throughout the course of this article, that integration has been represented positively; Rule sees it differently. Rule fears the Good-as-Money approach is diminishing our capacity to determine what is social good, "[it] makes it impossible to discuss the value conflicts involved in social change by conceptually vacating the need to do so" once social value starts mimicking economic value, it is hard to maintain a nice distinction between the two.⁵⁴ What Rule is essentially afraid of here is "the death of free market ideology" — essentially that as any external impositions (like social bottom lines) creep into markets, freedom diminishes, and their ability to function could be restricted.

Rule clearly takes cues from Friedman, who in commenting on the philosophy of CSR circa 1970, stated,

í I have called [the doctrine of social responsibility] a fundamentally subversive doctrine in a free society. There is one and only one social responsibility of business — to use its resources and engage in activities designed to increase its profits so long as

⁵⁴Alix Rule, "Good-as-money," *Dissent* 56, no. 2 (2009): 86-95.

it stays within the rules of the game⁵⁵ without deception or fraud.

Friedman and Rule fear *any* encroachment of social pressure on the markets. If this were a unilaterally imposed proposition they might have a fair point, but it appears they are offering a bit of a wedge argument or straw man. Rule goes on, "If privatization discharged responsibility for social welfare to the lowest bidder, the drive to reconceive social good has carried that doctrine one conceptual step further. A regime of good-as-money abdicates the definition of social value to its financiers."⁵⁶ While a scenario like this would certainly not be desirable, this has not been the effect of social entrepreneurship efforts around the world.

Peter Drucker agrees that Friedman's argument has merit while suggesting it is not so simple, "But it is also clear that social responsibility cannot be evaded. It is not only that the public demands it. It is not only that society needs it. If the managers of our major institutions, especially business, do not take responsibility for the common good, no one else can or will."⁵⁷ Where Friedman and Rule disagree slightly is that Friedman sees blended value pursuits as "socialist" or "collectivist" and says that you cannot pursue those "means" without eventually adopting their respective "ways." His specific concern appears to be a Communist government/economy (and given the climate of the time he was writing this is likely the case). One of Rule's primary concerns is that the government will no longer be the "locus of social change." This seems a bit perplexing, as Rule aggressively advocates for free markets, but seems to also advocate a socialist government-based philosophy of addressing social problems. It all comes back to the fear that the "wrong" voices (a subjective distinction to be sure) will be shaping what is defined as "good." This is perhaps a valid concern, but once again lacking as a rationale for abstaining from a chance to affect positive social change.

Both critiques seem to rely on a slippery slope or worst-case argument — both also ignore the potential (and proven) benefits. The goal of social entrepreneurship is not to annihilate traditional ventures in either sector. It is not calling for the death of the "for-profit" or the conversion of every "non-profit." Its aim is to leverage the opportunity of a blended value approach, allowing the functioning of truly free markets to drive social change (as evidenced in the examples above). Clearly the current systems and structures have not proven to be complete solutions in and of themselves. Further, a strong case could be made that government

⁵⁵Milton Friedman, "The Social Responsibility of Business," in *Creative Capitalism: A Conversation with Bill Gates, Warren Buffet, and Other Economic Leaders* ed. Michael Kinsley (New York, NY: Simon & Schuster, 2008), 287-297.

⁵⁶Rule, "Good-as-money," 93.

⁵⁷Peter F. Drucker, *People and Performance: The Best of Peter Drucker on Management* (New York: Harvard Business School Press, 2007), 257.

should not necessarily be the primary locus of social change, but instead individual citizens and private groups can and should leverage their abilities to improve the lives of those around them.

Finally, if the dangers Rule identifies are in fact true (the erosion of truth claims, etc.), this should be motivation for engagement, not a rationale for retreat. Institutions and organizations committed to investing in the leaders that will positively impact the world (like Christian universities) should be first in line to help shape these types of conversations.

Criticism of Christian Involvement in Social Entrepreneurship

Social entrepreneurship as a strategy for advancing the cause of Christ will undoubtedly fall under criticism from many sides. We can anticipate the criticism from the secular world who will see such involvement as simply manipulating social resources for proselytizing purposes. Such criticism results from the impression that Christians do not care for anything but a person's eternal salvation. While this is a worthy concern on the part of Christians, it will take the demonstration of faith in acts of charity to recover a balance between concern for both the physical and spiritual lives of people. This holistic approach is modeled in the life of Christ himself. Near the end of his ministry and on his way to Jerusalem Christ taught that his sheep would be those who care for the thirsty, hungry, naked, sick and imprisoned (Matt 25:31-40). Such care must have a proper focus on Christ himself as Mary demonstrated at her house in Bethany (Matt 26:6-13). It also needs to be balanced with making disciples (Matt 28:18-20).

Criticism will also come from within. Some evangelicals will consider a focus on social entrepreneurship as reverting back to the early 20th century when, as David Bosch articulated, "God and humans were reconciled by deifying the latter and humanizing the former."⁵⁸ There is certainly a danger for such a regression to a purely social gospel. Gerald Anderson identified the effect that the social gospel had on missions. He indicated that Christianity became one among many equally relevant religions. Evangelism by the proclamation of the gospel was superseded by activities that focused on transformation of society. Thus, the social gospel focused on salvation in this life resulting in a mission emphasis on society rather than an individual.⁵⁹ These are important lessons that the Christian engaged in social entrepreneurship must not forget. Doing so will result in a social gospel and we must not repeat this part of Western Christian history.

⁵⁸David Bosch, *Transforming Missions: Paradigm Shifts in Theology of Mission* (Maryknoll, N.Y.: Orbis, 1991), 322.

⁵⁹Ibid.

Successes

The question remains, are social entrepreneurs successful in addressing the most pressing social issues like those addressed in the MDGs? Furthermore, while the shortcomings of foreign aid, and the sustainability issues of other development approaches have been highlighted, is social entrepreneurship any different? The answer to both questions is yes. Unlike multinational corporations, or bureaucratic governments social entrepreneurs are able to contribute more effectively to social, human and economic development.⁶⁰ In an in-depth study of the 74 social enterprises in the Schwab network, 76 percent are directly or indirectly having positive effects on one or more of the MDGs. These include efforts like ApproTEC, which impacts at least three MDGs by distributing low-cost technologies like water pumps and seed presses; and Transfair USA which certifies farmers to be "Fair Trade" breaking them into global markets and directly affecting three MDGs as well. The efforts that were not deemed to be directly addressing MDGs were located in countries that were too "developed," which brings up a valid point that social entrepreneurship is also effectively addressing social issues within developed countries.⁶¹

To gain an even deeper understanding, the UN has identified a Human Development Index (HDI) for the more intangible "quality of life" factors that are more complex than statistics like \$1/day. Of these enterprises studied, 60 percent were making strides in nations that were in the lowest third of HDI – essentially social entrepreneurship is working where people need it most. Social entrepreneurship is addressing social problems around the world by "breaking the cycle and offering a proactive way out."⁶² This is happening in the poorest places on earth (i.e. the Grameen Bank and Kiva,) and in some of the richest places on earth (i.e. Whole Foods and Family House.) While the priority in the field should be placed on the urgency of addressing the poorest regions and the MDGs, it is clear that every society, no matter how wealthy, can benefit from the efforts of social entrepreneurs.

Conclusion

Social entrepreneurship is a burgeoning field in both academic pursuit and real-world application. The efforts of social entrepreneurs are making a positive impact all over the planet; many in regions where positive social change is needed most. It is not a panacea, but it is a welcomed and much needed addition to the traditional approaches of "doing good" like foreign aid, traditional nonprofit ventures, and government programs. As institutions committed to being a force for good in the world, Christian universities are uniquely suited to incorporate structures,

⁶⁰Kai Hockerts, Johanna Mair, and Jeffrey Robinson, *Social Entrepreneurship* (New York: Palgrave Macmillan, 2006), 236-237.

⁶¹Ibid., 242-254.

⁶²Ibid., 254-255.

resource and personnel that will empower future generations of social entrepreneurs.

We argue that Christians and Christian universities need to consider involvement in social entrepreneurship. Christians hold a high view of humanity as created in the image of God. No matter their religious or socio-economic situation, people matter to God and should matter to Christians as well.

Christians also believe that God is concerned with issues of social justice. It grieves the heart of God that people live in the impoverished situations when resources are available to help. Christians also believe that the proclamation of the gospel comes in both word and deed. The two cannot be separated (Matt 25-28). Christians must always keep in mind that behind the cultural issues are people who need Christ. So while we might work to eradicate poverty, lasting change will not occur until we engage people. Such people have both material and spiritual needs.

To engage in these areas requires thoughtful identification of issues of both local and global concern. As such, the Christian must be aware of one's society as well as the issues shaping the sundry cultures in society. An awareness of such issues comes by deliberate observation of and dialogue with these cultures. In addition, awareness comes by the study of the development of the issues and the worldviews of the people. Identifying cultural issues will always have in mind that behind them is an individual who has the need for Christ.

Because Christians are concerned for the spiritual dimension of the person, engaging such issues must be from a distinctly Christian perspective. Believing that God is omnipresent and omniscient as well as the plenipotentiary continued work of the Holy Spirit, the cultural issues in the world are not unknown to him. In fact, God continues to be at work in cultures. It is the responsibility of the Christian to identify where God is at work and participate in what he is doing with concerted efforts to proclaim Christ's redeeming work in culture. Thus, it is necessary to have a solid theological foundation in order to address the world's social problems. Social entrepreneurship merits the attention of Christian universities.