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# Can We Teach Social Entrepreneurship?

Greg Dees, co-founder of the Center for the Advancement of Social Enterprise (CASE) at Duke University’s Fuqua School of Business has been called the “Father of Social Entrepreneurship as an academic subject.” Indeed, he has been observing, studying or working with the field for nearly 30 years, longer than many budding social entrepreneurs have been alive. *Beyond Profit’s* Managing Editor *Lindsay Clinton* talked with Professor Dees recently about using academia to develop the talents of social entrepreneurs, US President Barack Obama’s role in advancing social innovation, and how developing countries can build a supportive ecosystem for social enterprise.

**Beyond Profit (BP): As the so-called “Father of Social Entrepreneurship as an academic subject” you advance entrepreneurship through formal research and study. How important is the relationship of academia to developing social entrepreneurship?**

**Dr. Greg Dees:** Academics contribute to the field in at least three ways. Through research, something that can be done in partnership with practitioners, we can develop knowledge in a more extensive way than is possible for individual practitioners. We’re able to study large numbers of cases in different settings, find the patterns, draw out the lessons, frame them, and share them. When we do this well, the findings are useful for social entrepreneurs, investors, and policy makers.

Through education, we open up new possibilities, particularly for young people. When I was in school in the ’70s, people were doing social entrepreneurially things, but there was no concept or term for it, and no courses on it. Now students see it as an option, because we have the concept.

The third thing that academia does is to validate this concept more broadly in the eyes of society. Once something is accepted as a subject for academic research, you start to see it more in the media, and policy makers take it more seriously. For example, centers on social entrepreneurship at major universities such as Duke, Oxford, and Harvard signal the importance of this concept and the practices associated with it.

**BP: A quote from you on SocialEdge, the Skoll Foundation’s blog, reads, “Progress in the social sphere depends on a process of innovation and experimentation...an active, messy, highly decentralized learning process.” Can you teach something as messy as entrepreneurship?**

**Dees:** Even a messy process works better when the participants are knowledgeable. Nobody is born knowing different financial strategies for supporting a social venture, the key challenges of scaling a social venture, or what has worked to improve early childhood education in developing countries. Social entrepreneurs are more likely to be effective when armed with the best knowledge that can be gained from prior messy experiments. That’s a large part of what we do when we teach.

We’re not “teaching” them to have the personal characteristics required to be a successful social entrepreneur any more than a music teacher teaches the personal characteristics to be a gifted musician. However, good teachers do more than “teach.” They also coax, encourage, inspire, reward, and model the kinds of characteristics associated with success.

Though we don’t teach courage, for instance, we can inspire potential social entrepreneurs to act with courage by exposing them to people like themselves who have started social ventures. A teacher can draw out the potential of a student to be a social entrepreneur and most human beings have that potential if they want to exercise it.

**BP: In India, there is a perception that there isn’t a supportive framework for social entrepreneurs. The government doesn’t provide much support and many of the available networks are not necessarily providing the appropriate tools. What does a supportive social entrepreneurial ecosystem look like?**

**Dees:** In the business world, rather elaborate structures have been developed to support entrepreneurs and their ventures. There are funding options, consulting firms, business publications, and networking organizations, etc. We don’t have nearly as much of that for social entrepreneurs, even in the U.S.

A supportive infrastructure includes financial, human, intellectual, social, and political capital. Basically, we need institutions to match social entrepreneurs with appropriate kinds of funding; institutions that attract and develop the talent that social entrepreneurs need to do their work well; organizations that will develop and share the knowledge that is necessary for entrepreneurs to be effective; and mechanisms that allow social entrepreneurs to connect with people who are relevant to their success.

A supportive environment doesn’t mean that you walk in a door and someone hands you money. It means you have an opportunity to access the capital you need—but on a competitive basis. Ease of access is important, but so is rigor and discipline.

Beyond capital infrastructure, we need public policy officials who will be creative and thoughtful about creating the right environment, including appropriate legal forms of organization, tax laws, and regulations. A simple example of where policy can make a huge difference was Grameen in Bangladesh being permitted to operate as a bank and take savings deposits. This required public policy action and it has been essential to creating the kind of funding structure that has enabled Grameen be completely independent from outside funding for the last decade. MFIs without the ability to take savings deposits have had a much tougher time achieving financial independence.

And there are a number of other important supportive factors: media that understands and covers social entrepreneurship, corporations receptive to partnering with social entrepreneurs, and a culture that encourages private initiative to solve social problems.

**BP: The UK has the Third Sector**

**Cabinet Sector office, which supports development of social enterprise in the UK. What has President Obama proposed to do in the US in order to support social enterprise?**

**Dees:** There is strong reason to believe that President Obama will create a White House office on Social Innovation or something along these lines very soon, if not by the time this interview is in print. I would not be surprised to see the Obama administration propose a social innovation fund that might require matching funds from the private sector. Several conversations are underway about how such a fund should function and who should control it.

**BP: Speaking of the Obama White House...they are pretty busy at the moment juggling the needs of ailing banks and insurance companies. What effect do you think the current economic crisis will have on social enterprise?**

**Dees:** It is having a ripple effect in economies around the world, and is putting stress on people, businesses, and governments everywhere. As a result, there is speculation that a much larger number of people will fall into poverty in developing and developed countries. This increased need will create pressure for more innovative solutions and more resilient business models for addressing social problems. Everyone is going to be looking for more ways to leverage their limited resources, talent and skills, and one way to do that is to partner with social entrepreneurs. Governments are going to be strapped for cash and will look to social entrepreneurs to deliver social value, and businesses are going to be looking for new sources of revenue, including in base of the pyramid markets.

Of course, organizations that are heavily dependent on major foundation funding are going to struggle, as endowments shrink. Many in the founda-

tion world say the worst is yet to come. If tight money forces people to be more disciplined, it is not completely a bad thing. It will heighten performance assessment and evaluation.

**BP: Where do you think the sector will be in ten years?**

**Dees:** Ten years go pretty quickly. I have friends who are impatient for rapid change. The current crisis might work to accelerate the change, but changing the basic paradigm for solving social problems will take time. In ten years, I do think we are going to see much more of a common understanding and knowledge of the role social entrepreneurs can play in creating a healthy vibrant society. Leaders are going to recognize that social entrepreneurs can serve as a powerful learning laboratory for society in terms of how we might solve problems, and we'll see them get more recognition.

That's going to play out in the way that governments relate to social entrepreneurs. We're going to see experiments with "government by network," or decentralized governance, which is an attempt to serve public objectives through a variety of institutional structures, including social entrepreneurs. We are also going to see businesses experiment with social entrepreneurship. Of course some of these experiments will fail, but some are likely to change the way businesses operate.

I would like to believe that we'll also see a breakdown in the old way of thinking that organizes institutions around legal frameworks. It used to be that the social sector was synonymous with nonprofit organizations. I hope we can move past the old simple categorization of three sectors—business, government or nonprofit—and just talk about organizations in terms of what they are trying to accomplish. The problem is that people

associate "social" with "nonprofit," and nonprofits with charity and that's not really the image we want to convey.

I agree with Muhammad Yunus, in his book *Banker to the Poor*, that charity doesn't usually solve the underlying problem. And while we may need it from time to time, we also sustainable solutions. I hope that people will start to think about social entrepreneurship as a problem solving mechanism, not just some variation on charity.

**BP: Yunus has become an icon not only for microfinance, but also for social entrepreneurship. Are there any other people that you think should be up there with him, as a mentor?**

**Dees:** There are so many amazing social entrepreneurs that it is hard to single anyone out for all-star status. Of course, Bill Drayton has long been a mentor to many of us in the field and a social entrepreneur in his own right. Fazle Abed, if you want to take another Bangladeshi, has done phenomenal work. Abed's organization, BRAC, doesn't get the kind of recognition that Grameen gets, but it does phenomenal work, and has a long track record of entrepreneurial ventures. In the U.S., Wendy Kopp, founder of Teach for America, is often cited as a stellar social entrepreneur. However, I think it is a mistake to simply make heroes of the visible successes in this field. Many grassroots social entrepreneurs are doing amazing work. And social entrepreneurship is essentially a team sport. We need heroes, but most of the heroes I know would be the first to tell you that they do not do it on their own.