

# THE IRISH TIMES

## Business **This Week**

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### A venture capital model for social reform



Ashoka founder Bill Drayton explains 'social entrepreneurship' to Gabrielle Monaghan

**T**he word "entrepreneur" conjures up an image of a risk-taker striving to make a profit in a capitalist world, not of someone setting out to transform society.

But when Bill Drayton founded Ashoka 27 years ago and applied a venture capital model to the global social sector, the term "social entrepreneur" was born.

The phrase, coined by the American to describe a concept that combines business acumen with social reform, is now in the vocabulary of many corporate leaders in the US.

Social entrepreneurs regularly feature at the World Economic Forum in Davos and the study of the concept is now a standard option in many business schools.

Ashoka, which pioneered social entrepreneurship, has the financial backing of heavyweights like eBay founders Pierre Omidyar and Jeff Skoll as well as billionaire financier Warren Buffett.

Since the organisation came to Ireland last year and elected its first fellow, Q2 Ability Awards founder Caroline Casey, it has been backed by business entrepreneurs such as Denis O'Brien.

Indeed, the corporate world is waking up to the rapid growth of the "citizen sector", which has grown in OECD countries almost three times as fast as the rest of the economy since the early

1980s. The sector employed 31 million people by the mid-1990s, research from John Hopkins University shows.

"Before we started building Ashoka, there was no such thing as a social entrepreneur," Mr Drayton said.

Mr Drayton, who is a former McKinsey management consultant, studied law at Harvard and Yale and was an assistant administrator at the Environmental Protection Agency under Jimmy Carter.

His encounters with social change began during the American civil rights movement. Mr Drayton was deeply affected by the anti-apartheid campaign and drew similarities between the self-control exhibited by the black community against their white tormentors in the south and the non-violent disobedience practised by Gandhi and his followers.

He travelled the length and breadth of India when he was 19, an experience that was to set the tone of the rest of his life.

"These people were no longer statistics and I came back thinking we have to do something about this," Mr Drayton said.

"While India had fought to get rid of the British and take over government, the operations they built had clay feet."

"In the late 1970s, the hinge of

history was turning. The citizen sector was just about to break out and become entrepreneurial.

"You could see there was a new generation in their 30s who were more confident and thought they could do better. We felt it was the right time. Ashoka shows there is nothing more powerful than a big idea."

Ashoka now supports some 1,800 people in 65 countries who have come up with new ways to change the way society operates. When Ashoka finds such people, through a long and rigorous application procedure, it gives them a small stipend for three years as

well as business and marketing expertise through their partners McKinsey and Hill & Knowlton Communications.

These "fellows," as they are known, can then spread their innovative ideas by taking advantage of a powerful global network of social and business entrepreneurs.

"It's a fast-growing movement worldwide in terms of the number of individuals taking action," said Paul O'Hara, director of Ashoka in Ireland.

Ashoka's mission in Ireland is to create a citizen sector that is entrepreneurial, competitive and

globally integrated. It hopes to achieve this by forming a network of social entrepreneurs whose innovations will be spread worldwide and by building strong bridges between the business and social sectors.

In the medium term, Ashoka plans to import and export social innovations, such as by introducing its youth entrepreneurship programme Youth Venture, and the citizen sector partnership, Young Social Innovators.

"The Irish education system doesn't encourage young people to take initiative - adults run everything and there are few opportunities for young people to lead," said Mr O'Hara, who came to Ashoka from the corporate sector.

"In Ireland, we are only as good as our people. For us to maintain competitiveness, we have to develop entrepreneurial people as we are far too reliant on foreign direct investment and we have to replace that with start-up businesses."

"At head office, I will be developing tools of how to bring Youth Venture and Young Social Innovators across the country, such as by building a brand, funding and trying to get franchise partners in local towns and villages to deliver these programmes."

Bill Drayton will speak at the Mansion House today during the Irish Social Entrepreneurship Forum, which will address pressing social issues such as the health system, the lack of affordable housing, and the integration of immigrants.