

SOCIAL ENTERPRISE

The steady rise of the 'citizen sector'

Bill Drayton founded Ashoka to give funding to social entrepreneurs. The network is now gathering serious momentum, writes **Clare Goff**

Whenever Bill Drayton spoke about "social enterprise" in the early 1980s his comments met with blank looks. "The smart ones would call it an oxymoron," he recalls.

Today the phrase he coined to describe ideas that combine business acumen with social reform is often on the lips of politicians of all hues, from George Bush Snr to Al Gore. The concept has attracted both interest and money from billionaire financiers, including Warren Buffett. It has also generated a platform at the World Economic Forum at Davos, and is a standard option at many business schools.

Mr Drayton - who says he has been a social entrepreneur since the age of 12 - is specific about its meaning.

"At some deep intuitive level a social entrepreneur knows they have to change the whole of society," says Mr Drayton. "They are married to a vision."

Mr Drayton's own vision was to understand that drivers of economic growth, such as innovation and productivity gains, could be applied to social problems. Faced with the inefficiencies of government and the profit orientation of the private sector, he envisaged the rise of the non-profit, or "citizen" sector, as he calls it.

A quietly spoken 62-year-old, Mr Drayton was 35 when he founded Ashoka, a global organisation that invests in social entrepreneurs. People such as Gloria de Souza, the organisation's first "Fellow", who worked to modernise education in India; Fabio Rosa, who helped bring cheap electricity to rural Brazil; and David Green, an American who has made eyecare affordable to thousands of people in India.

Ashoka, named after an ancient emperor in India who was a social innovator, works as a social venture capital company.

It supports entrepreneurs with a small financial investment, access to its network of Fellows, and marketing and

business expertise from the likes of McKinsey and Hill & Knowlton, the public relations company.

Mr Drayton, a former McKinsey management consultant, studied law at Harvard and Yale and was an assistant EPA administrator under Jimmy Carter, working on pioneering emissions trading projects. He was "always more turned on by social ideas" than business and believes that the "social sector" is just starting to catch up with business.

From an early age Mr Drayton com-

'The citizen groups are talking to the men in suits and beginning to heal the communications bridge'

.....
bined his vision with pragmatism: launching a school newspaper, forming Yale Legislative Services at the law school and uniting students with lawmakers to work together on social policy. "There are few things more enjoyable in the world than having an idea, building a team of people and helping them fly."

Mr Drayton, named as one of America's Best Leaders last year by US News & World, started Ashoka with a budget of \$50,000 and the aim of finding like-minded people. The organisation now has a budget of \$17m and has funded 1,700 Fellows across 60 countries, many of whom have helped bring about change in national policy in their countries.

When Mr Green became a Fellow in 2000 he had "never heard of the term social entrepreneur", he says. He had made expensive medical products available to some of the world's poorest people. In India, at the Aravind Eye Hospital, two-thirds of cataract operations are now free. Mr Green also replicated his successful

self-financing programmes across other areas of health. Support from Ashoka has enabled him to create the necessary scale to become a "paradigm-shifting" venture. Mr Drayton's vision is to bring in business partners to create alliances with Ashoka Fellows that span the globe.

Some of the social entrepreneurs Ashoka has funded are already working on a scale to match that of big international businesses.

Mr Green believes Ashoka is "like a teen entering its 20s", on the cusp of creating societal change on a grand scale.

The corporate world is waking up to the fast growth of the citizen sector, which in Organisation for Economic Co-operation and Development countries has grown almost three times as fast as the rest of the economy since the early 1980s. According to research from Johns Hopkins University, the sector employed 31m people in the mid-1990s.

Most important, says Mr Drayton, the divide between the social sector and business is being bridged. "The citizen groups are talking to the men in suits and beginning to heal the communications bridge."

One of his aims now is to find a way to incorporate the citizen sector in the global financial system. Mr Drayton has been visiting US and European financial institutions with the aim of making social investment attractive to them.

He is also focusing on the next generation. Ashoka is about to take its US-based Youth Venture, which encourages young people to launch their own social businesses, to Europe.

"We don't expect everyone to be a continental-scale pattern-changer but we do think that when someone sees an opportunity for change in society they should take it," says Mr Drayton.

"How can you expect not to have inequalities when only a few take the initiative? Our ultimate aim is to make everyone a changemaker."