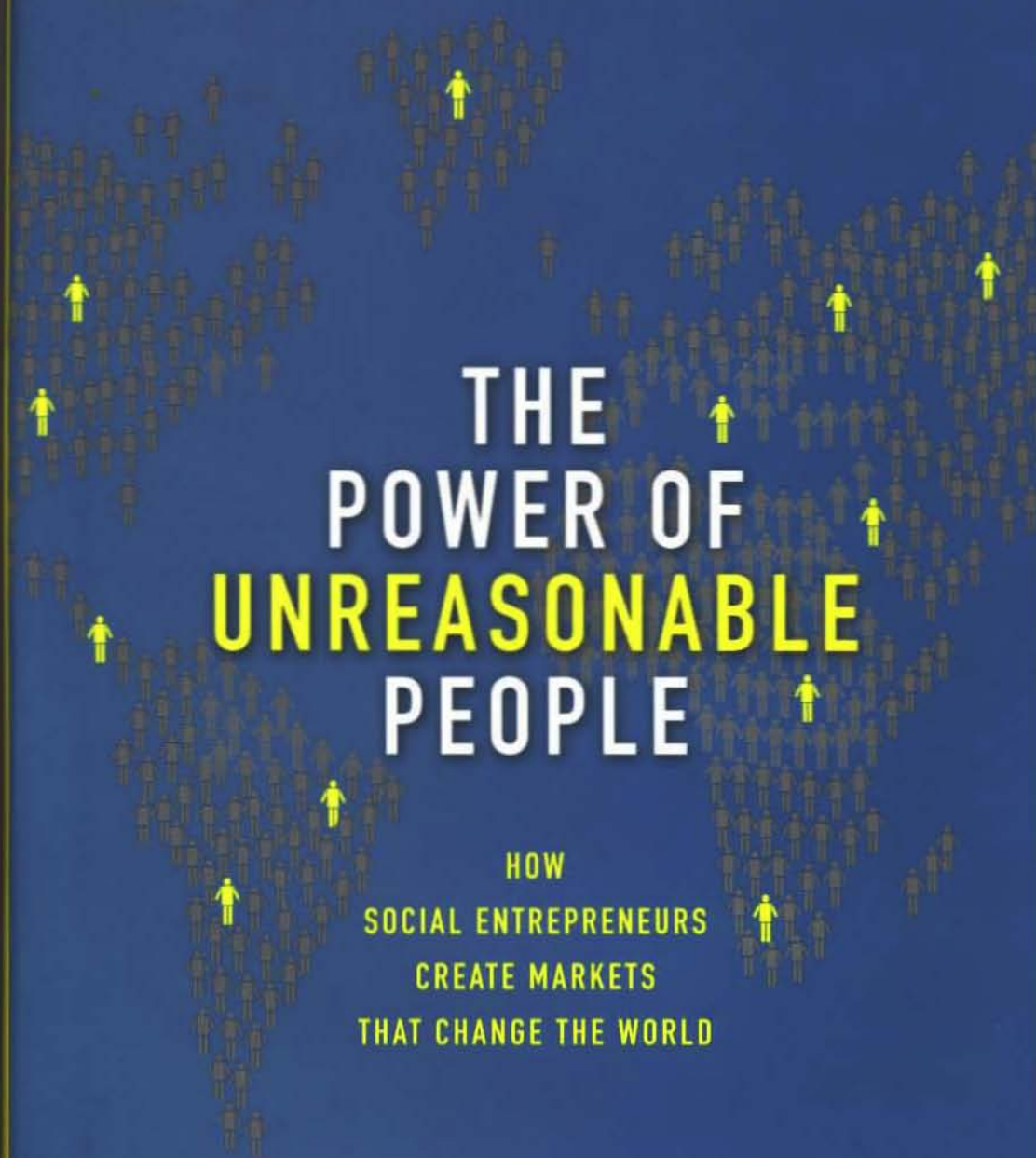


FOREWORD BY KLAUS SCHWAB



THE
POWER OF
UNREASONABLE
PEOPLE

HOW
SOCIAL ENTREPRENEURS
CREATE MARKETS
THAT CHANGE THE WORLD

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the Internet, and entrepreneur-linking networks—internationally. Given the scale of the oppression of women worldwide, this may be a vast opportunity space.

In our typology, the Beijing Cultural Development Center is a leveraged nonprofit venture (model 1), with funding initially coming from international sources, including the Ford Foundation, but more recently from the Chinese government. This is what Wu Qing thinks business can learn from her organization: “It is simple, really. We are all human beings first, women and men second. It is vital for women and men with gender awareness to work together and turn this imbalanced world into a world where women and men . . . not only [are] equal in terms of law but also enjoy equal opportunities across the board. To achieve this, we need people with a deep love for social justice, gender equality, and peace—and who are willing to take action. We have to be well prepared in terms of time, strategy, and a willingness to sacrifice. It is an uphill fight, but it will be worth it.”²⁶

Experience suggests that closed regimes eventually become more open and that, over time, the role of women becomes more critical in determining an evolving economy’s health. As China ages, the gender effects of its long-standing one-child policy are likely to necessitate bringing women into the economic mainstream, a trend that western economies experienced during world wars and, more recently, as the service economy grew. The question for business is this: do we lean into this emerging future or try to turn a blind eye to it?

Educational Opportunities

As people like China’s Wu Qing recognized long ago, few factors are as powerful as education in addressing all these great divides. Educational divides emerge and grow for many reasons, but as the processes of wealth creation become increasingly dependent on information and knowledge, the divides within and between countries become more significant. Entrepreneurial attempts to address

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Opportunities

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these divides range from the grassroots approaches of organiza-
tions like Barefoot College (chapter 1) and First Book (chapter 4)
to ventures designed to democratize different forms of technology,
as explained in chapter 5.

Even in the richest countries, educational divides are stark and,
as a result, have been attracting the attention of some extraordi-
nary social entrepreneurs. Wendy Kopp, for example, turned her
senior thesis at Princeton into Teach For America, founded in 1990.
She pursued potential funders relentlessly, traveled the country,
knocked on high-level doors, and refused to start small. Deter-
mined to begin Teach For America with no less than five hundred
college graduate recruits, she saw achieving this scale from the out-
set as the only way to gain the national profile necessary to inspire
the most talented graduating seniors to *compete* to teach in low-
income communities. Each year, Teach For America recruits and
selects a corps of recent college graduates, trains them, places them
as full-time paid teachers in urban and rural public schools, and
coordinates a support network to help them succeed. In the or-
ganization’s first sixteen years, nearly seventeen thousand people
joined Teach For America. By 2006, forty-four hundred corps mem-
bers were reaching nearly three hundred seventy-five thousand stu-
dents in twenty-five disadvantaged urban and rural communities.

City Year, to take another U.S. example, was founded in 1988
by Michael Brown and Alan Khazei, then roommates at Harvard
Law School. They felt strongly that young people could be a pow-
erful resource for addressing America’s most pressing issues. They
built City Year, a leveraged nonprofit venture, on the belief that
one person can make a real difference and with the vision that,
one day, service will be a common expectation—and a real op-
portunity—for citizens around the world. This vision has stimu-
lated a commitment from the federal and state governments; today,
they represent a significant source of City Year’s funding. In fact,
in 1993, President Clinton applied the City Year model to create
a national network of service organizations, and since then, City
Year has received a good portion of its operating budget from
AmeriCorps.

City Year has also benefited from significant corporate interest. Local and national businesses found City Year a great vehicle for stimulating their employees' community involvement and an ideal way to promote their brand. For example, Timberland, the outdoor gear company, has been closely connected to City Year since the nonprofit's inception, when Timberland CEO Jeff Swartz became an avid City Year supporter. Other companies—including Bank of America, Comcast, and MFS Investment Management—have also provided significant capital and human resources to City Year for pretty much the same reasons: brand enhancement and staff volunteer commitment. And there are thousands of individuals across the United States who donate money to City Year annually.

The organization's signature program, the City Year youth corps, unites young adults aged seventeen to twenty-four in a demanding year of full-time service during which they work in diverse teams to address societal needs, particularly in schools and neighborhoods. These young leaders put their idealism to work as tutors and mentors to schoolchildren, reclaiming public spaces and organizing after-school programs, school vacation camps, and civic engagement programs for students of all ages. More than eleven hundred corps members serve in sixteen sites across the United States and one in South Africa; and City Year has generated 13 million hours of service to communities, helped nearly nine hundred thousand children, and engaged nearly nine hundred thousand other citizens in service.

A fascinating example outside the United States is Javier González, from *abcdespañol*, a hybrid nonprofit venture that generates income through contracts with education departments and multilateral development organizations committed to education. Across Latin America, many students repeat grades because they fail to meet reading and math standards. Not only does this situation increase the cost of national education, but it also prevents students from living up to their potential. González came up with the idea for *abcdespañol* while playing dominoes with his students' parents. He realized that, although they could not read or write, the parents consistently beat him at the game by using deductive

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Through the City Year youth program, the City Year youth population has grown from fifteen to twenty-four in a decade, during which they work in diverse settings, particularly in schools and community centers. They put their idealism to work as they clean up, reclaiming public spaces and organizing school vacation camps, and civic activities for children of all ages. More than eleven million dollars have been raised at sixteen sites across the United States. City Year has generated 13 new business units, helped nearly nine hundred entrepreneurs, and engaged nearly nine hundred thousand

people. Outside the United States is Javier González, a hybrid nonprofit venture that grew out of a partnership with education departments and foundations committed to education. Students repeat grades because they lack basic skills. Not only does this situation hinder educational progress, but it also prevents economic potential. González came up with the idea of teaching dominoes with his students' parents. Though they could not read or write, they could play at the game by using deductive

logic, memorization, inference, and other mental skills needed for learning to read. This observation led him to believe that a key cause of students' low reading skills and high course-repetition rates was the rote learning methods employed in Latin American schools. He decided to figure out how to apply the skills observed in the parents to teach reading, writing, and math.

González works directly with education authorities in many countries, sharing his domino-based methodology with a core team of national educators or people (not necessarily teachers) who are committed to their communities. Each one of them learns the approach to pass it on to others and create a solid group of trained people who will then spread the methodology to target communities. In this fashion, the system can reach thousands of people, teaching them to read and/or do math in three to four months. Rather than assuming a traditional authority-figure role, the teacher motivates the students, ensuring their smooth progress. Students focus on relating to others, sharing ideas, and seeking compromise. Using the teaching method, they broaden their ability to grasp the necessary written language and math skills while deepening their emotional intelligence and problem-solving skills.

The same strategy applies in working with adults. The method has been adapted for teaching Spanish, English, Portuguese, and four indigenous languages: K'iché, Mam, Kaqchikel, and Q'eqchi'. The system has played a significant role in reducing the illiteracy rate in some Central American countries. In Guatemala alone, illiteracy dropped from 60 percent to 30 percent from 1995 to 1999.

There is a huge opportunity to cross-pollinate all forms of education with the perspectives, experience, and business approaches of leading social and environmental entrepreneurs. Meanwhile, consider the meteoric rise of Net Impact. Started in 1993 by MBA students who wanted to use their business skills to both make money and achieve positive social change, Net Impact currently has over eleven thousand paying members. With more than 120 student and professional chapters on four continents in seventy-five cities and eighty business schools, a central office in San Francisco, and partnerships with leading for-profit and nonprofit organizations, this

extraordinary social venture enables members to use business for social good in their graduate education, careers, and communities. In 2006, the Net Impact annual conference drew over sixteen hundred participants. At Harvard, the student-organized group that focuses on social entrepreneurship is now the largest on campus, boasting nine hundred graduate students.

The message for leaders—whether they are in the public or private sectors or work in civil society institutions—is that education will be a key part of the solution to all the challenges sketched in this chapter. What the successes of organizations like *abcedespañol*, *City Year*, *Net Impact*, and *Teach For America* demonstrate is that removing the barriers to learning can release a flood of energy and, in the process, lay the foundations for more sustainable future economies.

Digital Opportunities

Enthusiasts may talk of “growing up digital,” but the IT revolution has created its own divides. Meanwhile, the impact of enterprises like *Grameenphone* has underscored the importance of new technologies like cell phones, computers, and Internet connections for people worldwide, whether rich or poor. Still, it is an astounding fact that more than 80 percent of people in the world have never heard a dial tone, let alone surfed the Web. Some argue that the gap between information haves and have-nots is closing; others say that it is widening. Former UN secretary-general Kofi Annan warned of the danger of excluding the world’s poor from the information revolution. As he put it: “People lack many things: jobs, shelter, food, health care and drinkable water. Today, being cut off from basic telecommunications services is a hardship almost as acute as these other deprivations, and may indeed reduce the chances of finding remedies to them.”²⁷

Despite the momentum in this sector, even the most skilled entrepreneurs make mistakes along the way. As in other areas, such failures often contain the seeds of long-term success. In Brazil, for

"*The Power of Unreasonable People* profiles a new generation of entrepreneurs whose path-breaking innovations and courageous leadership have driven remarkable change in the world. They deserve our recognition and support."

—HENRY KRAVIS, founding partner, Kohlberg Kravis Roberts & Co.;
founder, Kravis Leadership Institute

"A new generation of unreasonable thinkers will find much to inspire them in *The Power of Unreasonable People*. This book demonstrates how market-based solutions can combine with compassionate entrepreneurs and democratizing technology to tackle society's most intractable problems."

—MARC BENIOFF, Chairman and CEO, salesforce.com and Salesforce.com Foundation

"Full of reasonable—if surprising—facts about apparently unreasonable people, this powerful book brims over with insights and inspiration."

—JEROEN VAN DER VEER, CEO, Royal Dutch Shell plc

"In *The Power of Unreasonable People*, Elkington and Hartigan chart the rise of a new generation of change makers who refuse to accept the world as it is, and who see what's possible and get to work. This is a thoughtful, uplifting, and timely book about the phenomenon of social entrepreneurship and the extraordinary women and men who just may be our best hope for a better future."

—JEFF SKOLL, founding President, eBay Inc.; cofounder, Participant Productions;
and Chairman, Skoll Foundation

"I believe in the power of unreasonable people and in the power of books. You hold in your hands concrete evidence of both beliefs—and a personal invitation to help change our world for the better."

—PAULO CÔELHO, bestselling author, *The Alchemist*

"A wonderful read and primer for anyone who cares to make a difference. Truly the best work I have read on the *raison d'être* for social entrepreneurship."

—ALLAN HASSENFELD, CEO, Hasbro, Inc.

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