Social Entrepreneurship: Fad or Reality?

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Opening Remarks by Deepa Prahalad
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Agenda

• Defining social entrepreneurship
• How big is this?
• Examples
• Challenges & Promise
Defining Social Entrepreneurship

- Must be geared toward creating a social change
- Can be voluntary, for-profit or non-profit
- Measures profit and positive returns to society
- Often work in collaboration with other organizations and communities
Social Entrepreneurship is Big...

- Top 10 Microfinance Institutions
  - 171.24K employees, 46.1 M borrowers, and $11.57B Portfolio (Source: Devex)

- Social entrepreneurship is a global phenomenon
  - 5.5% of US GDP, 13.5M US workers (10% of workforce)
  - An estimated $173B value in volunteer work

- New structures emerging
  - Public-Private partnerships
  - B Corp: 500 B Corps in 60 industries, $4.2 B in revenue

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Companies are adopting the idea

- Changing Social Norms
  - 90% of Millennials say that companies should be measured by more than profit (Source: Deloitte)
  - 8,000 companies signed UN Global Compact to promote fair labor standards, sound environmental practices
- Almost all of Fortune 500 gives CSR reports
- Role Models: Clinton, Gates, Buffet
- Intangible value of brands
New Opportunities and Choices
Multiple Players and Approaches

- **Akshaya Patra** (Nonprofit, India)
  - Approach: Mid-day Meals
  - 1.3 M meals/day
  - 9,075 Schools/9 states
  - 1 billion total meals served

- **One Laptop Per Child** (Nonprofit, Global)
  - Low-cost laptops
  - 2.4 M laptops
  - 40+ countries

- **Room to Read** (Global Non-Profit)
  - Libraries/Schools
  - 1.5K schools, 13.5K libraries
  - 11.5 M books/707 published

- **Nokia** (Global MNC)
  - Apps for learning
  - 50M downloads for Nokia Life Tools
  - 70 content providers
  - India’s Most Trusted Brand

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Case Study: India

- Number of NGOs
  - 1970 - 144,000
  - 1980 - 179,000
  - 1990 - 552,000
  - 2000 - 1,122,000
  - 2009 - 3,300,000

- HDI Ranking of India
  - 2000 - 128
  - 2005 - 127
  - 2009 - 132
  - 2011 - 134

Note: Methodology was changed in 2010 to give greater weight to inequality.

Source: Indian Express

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The present extremes...

- Vigil outside Apple store
- Occupy Wall Street

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The Power of Connections

The Golden Temple, Amritsar India

One of the world’s largest free lunch programs
80,000 people fed each weekday
160,000 people fed on weekends
250K roti, 3.3 tons of dal produced each day

(Source, NY Times)