

# SOCIAL ENTREPRENEURSHIP:

## **A critical appraisal**

CEDRIC DE BEER

# LET'S TALK ABOUT...

👁️ What is a social entrepreneur?

👁️ What is a social enterprise?

👁️ What are they for?

👁️ The risks

👁️ Depoliticising poverty

👁️ Projectising system change

👁️ The danger of commercialising everything

👁️ A possible approach

## TYPES OF ORGANISATION

- ▶ “Leveraged non-profits”
- ▶ Hybrid non-profits
- ▶ Social business venture
- ▶ Public Private Partnership
  
- ▶ Commercial but “social benefit is part of the DNA”

## TYPES OF FUNDING

- ▶ Grants
  - ▶ Grant/loans
  
  - ▶ Concessionary finance (debt or equity)
  
  - ▶ Commercial rates
- 

“Social entrepreneurs and their organisations are creating innovative models to drive equilibrium change – the disruption of social, economic and environmental forces that enable inequality, injustice and other thorny social and environmental problems that exist.”

THE SKOLL FOUNDATION

“Social entrepreneurs drive social innovation and transformation in various fields including education, health, environment and enterprise development. They pursue poverty alleviation goals with entrepreneurial zeal, business methods and the courage to innovate.”

THE SCHWAB FOUNDATION

- ▶ “Organisations that address a basic unmet need, or solve a social problem through a market driven approach.”
- ▶ “Social entrepreneurs work to solve critical social problems and address basic unmet needs through innovation. Their entrepreneurial endeavours create system change, improving the lives of underserved or marginalised groups.”

THE SOCIAL ENTERPRISE ALLIANCE

'Solving' the world's most intractable problems



*“Trillions of dollars are needed to successfully address the critical social and environmental challenges that face the world today such as the sustainable development goals. In order to meet global need much more capital will need to be unlocked for impact investing”.*

**GLOBAL IMPACT INVESTMENT NETWORK**

# SYSTEM CHANGE TO COMBAT POVERTY

Fifteen leading economists  
say:

- ▶ Pay decent wages everywhere
- ▶ End agricultural subsidies in rich countries
- ▶ Stop land grabs in developing countries
- ▶ End transfer pricing
- ▶ Pay taxes where they are due
- ▶ Regulate tax havens

*Guardian, 16 July 2018*



# TACKLING POVERTY ONE PROJECT AT A TIME... REALLY?



**Delinks  
poverty from  
politics and  
economics**



**Emphasises  
technical  
solutions**

Short term  
Theory of Change  
Logframe/output  
outcome  
Obsessions with  
impact  
measurement  
Isolated from other  
developments



**Projects, not  
organisation**



**Donor control  
of**

What gets  
funded  
Who gets  
funded  
Determines the  
agenda

**THE DANGER OF  
COMMERCIALISING  
EVERYTHING**

▶ **THE COSTS OF SUSTAINABILITY**

- ▶ Moving up-market
- ▶ Change in priorities
- ▶ Competing at a disadvantage
- ▶ Conflict over remuneration
- ▶ Losing people to the private sector



Address local needs



Build models of “new economy” enterprises



Create catalytic development finance



Link with civil society



Be part of a movement, not “the solution”

SO WHAT  
DO WE DO?



Thank  
you

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