


## “The global rise of social enterprise”




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### Microfinance

## Dr. Muhammad Yunus



- 2006: Nobel Peace Prize
- By 2009
  - Billions of dollars to millions of people
  - 95 per cent payback rate
  - 75,000 centers -- lending \$1 million per day
  - Replicated worldwide

[www.grameen-info.org](http://www.grameen-info.org)

## The global face of social enterprise



### Vision care

## “Dr. V” (Dr. G. Venkataswamy)


- A 33-year quest to end blindness in India





[www.aravind.org](http://www.aravind.org)

### Microfinance

## Dr. Muhammad Yunus




- “You walk out of the classroom and you see people dying around you”
- “Grameen” = “Village”
- 1976
  - A total of \$27
  - 42 women
  - No collateral
  - In a male-dominated Muslim society




### Vision care

## “Dr. V” (Dr. G. Venkataswamy)



- Today: The largest and most productive eye care facility in the world
  - 2.4 million people served per year
  - 300,000 20-minute cataract surgeries per year (70% free)
  - A network of nonprofit hospitals and vision centers using broadband connections to on-call doctors in city hospitals for instant diagnosis
  - Camps in rural areas screen thousands of patients weekly



**Vision care**  
**"Dr. V" (Dr. G. Venkataswamy)**

- 1992: Aurolab, a nonprofit manufacturing division that supplies high quality ophthalmic consumables at affordable prices to developing countries (lenses, needles, drugs, hearing aids)
- 2008: : Gates Award for Global Health

**Healthcare**  
**Blaise Judja-Sato** *VillageReach* Going the last mile...



- The challenge: "Children dying because they live in the wrong place, and that's unacceptable"
- 2000: Wharton School grad, Accenture consultant, AT&T International executive
- Mozambique: Among the world's poorest countries
- People walk 20 kilometers for vaccines and medicines: "Closed"

**alleviation of poverty and empowerment of the poor**  
**BRAC**




\$485M in annual revenues, 80% earned, operating numerous commercial enterprises that employ low-income men and women (retail handicraft chain stores; second largest liquid milk plant in Bangladesh; poultry hatcheries and feed mills; sericulture process centers; fish and prawn hatcheries; iodized salt factory; cattle breeding; vegetable export; others)

**Fazle Hasan Abed**

One of the largest NGOs in the world: Serves more than 110 million people and employs more than 117,000 in Bangladesh alone -- based in Dhaka, but also operates in six other countries

Founded: 1972

[www.brac.net](http://www.brac.net)




**Healthcare**  
**Blaise Judja-Sato** *VillageReach* Going the last mile...

- Problem: Vaccines are a temperature-sensitive commodity – but there were no reliable sources of energy for clinic refrigerators, lights or sterilizers
- Solution: Propane
- New problem: No propane in Mozambique
- New solution (2001): VidaGas, a for-profit propane distribution company (imports gas, bottles it, sells it to commercial and residential users)

**Development Alternatives Group**



- Mission: To create sustainable livelihoods in large numbers
- Founded: 1983 (Ashok Khosla)
- Based in New Delhi; also operates in Bangalore and Madhya Pradesh
- Numerous commercial enterprises (information technology; housing; energy systems; water; financial services; others)
- 2006: Rs52M annual revenues, 94% earned
- 2006: 500 staff, more than a million people using DA services
- 500,000+ livelihoods created since inception
- 330,000+ houses built since inception using DA technologies

[www.devalt.org](http://www.devalt.org)




**Healthcare**  
**Blaise Judja-Sato** *VillageReach* Going the last mile...


- Within five years:
  - Reached 5 million people through 251 clinics
  - In 2001, only one in three people immunized – by 2006, nine in ten
  - In 2006, 63,000 children immunized by their first birthdays -- 47% more than in 2001
  - Just 2% of clinics run out of vaccine – previously 80%
- Next: Malawi


[www.villagereach.org](http://www.villagereach.org)

*Empowerment of women*  
**Maria Teresa Leal**




- College degree in social science and a license to teach elementary school
- **1981:** Visited Rocinha, the largest slum in Rio
- Founded Coopa-Roca: A coop producing quilts and pillows from fabric remnants collected by children




*Agriculture*  
**Amitabha Sadangi** 

- **Solution:** Affordable drip irrigation equipment for use during the dry season
- "The power of one dollar"
  - Use \$1 to irrigate a small plot of land
  - Sell the vegetables not eaten
  - Buy a larger piece of land
- \$1 returns \$10, \$10 returns \$100 . . . \$1 = \$50,000


*Empowerment of women*  
**Maria Teresa Leal**



- **1994:** Began designing for the catwalk
  - Fashion designers teaching the women about production skills and trends
- **Goal:** Flexible employment opportunities for women from low-income families, especially single mothers working from home – today employs more than 150 women




[www.coopa-roca.org.br](http://www.coopa-roca.org.br)


*Agriculture*  
**Amitabha Sadangi** 


- **Thus far:** Two million farmers/\$600 million revenue
- Education for their children, better housing, clothing
- Local distribution centers across India: 40 locations, 2,500 retailers
- **Next:** Pakistan, Sri Lanka . . . eventually Africa

[www.ide-india.org](http://www.ide-india.org)


*Agriculture*  
**Amitabha Sadangi** 

- **1992:** After graduate school, a personal decision: "Get rich or help people"
- **India:** Subsistence farming
  - Only three months of rain
  - Millions of migrant workers (a generational reality)
  - No permanent homes, children not educated
- **Goal:** Create agricultural entrepreneurs



*Environment, small businesses*  
**Albina Ruiz** 

- Graduate degree (industrial engineering): Master's in ecological and environmental management
- "Garbage is money!"
- 75% of the garbage in Peru is not collected -- much goes into rivers and dumps
- Peruvian families prowl through garbage after it's disgorged into the dumps, searching for re-saleable items



*Environment, small businesses*

**Albina Ruiz** 

- **First:** Created a new community-managed system of waste collection
- **Later:** Created a landfill and treatment plant to recover organic waste and transform it into fertilizer
- **Then:** Created dozens of small businesses in towns and villages to collect, transport, treat, recycle and sell
  - Within three years, all the businesses become self-supporting; the model is now being replicated throughout South America

[www.ciudadsaludable.org/es](http://www.ciudadsaludable.org/es)

*Microfinance, agriculture*

**Martin Burt** 

- **Goals**
  - **Social impact:** Teach the poor how to make money, "how to profit from a small piece of land"
  - **Financial viability:** Operate a school that pays for itself (dairy, pork, fish, chickens)



[www.fundacionparaguaya.org.py](http://www.fundacionparaguaya.org.py)

*Microfinance, agriculture*

**Martin Burt**  

- Born in Paraguay
- **1985 (age 23):** Bachelor's degree, University of the Pacific; Master's degree, George Washington University
- Organized *Fundacion Paraguaya*, first microfinance program in the country: "Build a country from the bottom up, not the top down"
- Mayor of capital city Asuncion 1996-2001

*Medical care*

**Victoria Hale**   Institute for OneWorld Health  
A Nonprofit Pharmaceutical Company


- Pharmaceutical scientist (age 40)
- Founded the Institute in 2000
- Purpose: Matching orphan diseases with orphan drugs
- "Black fever"/wipes out bone marrow (no red or white blood cells or platelets)
- Medicine costly (three generations of debt)

*Microfinance, agriculture*

**Martin Burt** 

- **Challenge:** Transform farmers into rural entrepreneurs – "turn inhabitants into citizens"
- Paraguayans had been "growing tomatoes" for thousands of years but were still poor
- **2002:** San Francisco Agriculture School

*Medical care*

**Victoria Hale**  Institute for OneWorld Health  
A Nonprofit Pharmaceutical Company

- The antibiotic has been known for 50 years, but is not being developed or produced
- It cures almost everybody, is safe, and is available at one-tenth the cost
- Indian government willing to distribute the drug free
- Pilot: "One chance" (WHO, Patna hospital)

*Medical care*  
**Victoria Hale**  Institute for OneWorld Health  
A Nonprofit Pharmaceutical Company

- Today: Fighting other orphan diseases
  - Leishmaniasis
  - Diarrheal diseases
  - Malaria
  - Chagas disease
  - Chronic gastrointestinal infections
- Business model: "Affordable, effective and appropriate new medicines"

[www.oneworldhealth.org](http://www.oneworldhealth.org)







- *Vision Entrepreneurs ("Business in a Bag")*
  - Conduct eye care marketing, awareness-generating campaigns
  - Host one-day "vision campaigns" in underserved villages
  - Sell a selection of affordable, high-quality, stylish, VisionSpring-branded eyeglasses
  - Refer those in need of advanced eye care to partner clinics
  - Vision Entrepreneurs set their own hours, ideal for women juggling multiple responsibilities
  - A no-risk micro-consignment model: The Vision Entrepreneurs pay VisionSpring for glasses only after they are sold

*Vision care*  
**Dr. Jordan Kassalow** 

- Medical missions to provide eye care and free glasses
- Two findings:
  - More than 40% simply needed non-prescription glasses – but they were not available
  - Local people needed jobs
- Challenge: Could community members do what the volunteer doctors were doing?




Many, many other individuals . . .

- *Fabio Rosa (Brazil): Agroeletrô Sistema de Tecnologia Adequada* (extending the country's electrical grid to millions of rural Brazilians by using inexpensive materials and simplified construction methods) 
- *Arturo Garcia (Mexico): Red de Agricultores Sustentables Autogestivos – RASA* (a network of peasant-owned and operated cooperatives, all of which reinforce one another) 

*Vision care*  
**VisionSpring**  

- 2001: Scojo Foundation and Scojo New York, a high-end reading glasses company serving the U.S. market, with 5% of pre-tax profits to the Foundation
- 2008: [www.visionpring.org](http://www.visionpring.org)
  - Sold company, changed name/mission: "Reduce poverty and generate opportunities in the developing world through vision"
  - Tens of thousands of poor customers across the developing world have affordable eyeglasses
  - Partners with some of the world's largest NGOs and BOPs to provide sustainable jobs and access to vision care

Many, many other individuals . . .

- *Martin Fisher and Nick Moon (Kenya): Approtec* (a for-profit company that has already provided low-cost tools for 35,000 new small businesses – "moving them from poverty into the middle class")  
- *Scott Beale (United States): Atlas Corps* (a nonprofit that brings highly-skilled nonprofit decision-makers from developing countries to the United States for a year, partnering them with U.S. nonprofits) 





www.tenthousandvillages.com 1946: EDNA RUTH BYLER

- **The IFAT key principles of fair trade:**
  - Creating opportunities for economically disadvantaged producers
  - Transparency and accountability
  - Capacity building
  - Payment of a fair price
  - Gender equity
  - Good working conditions
  - Care for the environment

... working with artisans in 32 countries






- **Challenge:** A private company not eligible to apply for direct funding from donor agencies or international development organizations
- **Solution:** Partnerships with NGOs, such as Africa Now, and rural communities

www.honeycareafrika.com






- **1999:** Founded by a group of Kenyan business people
- Supplies high quality Langstroth Hives and bee-keeping equipment to organizations, communities and individuals in Kenya, Uganda and Tanzania
- **Business goal:** To produce and market high quality honey that will successfully compete on the world market with honey products from elsewhere
- **Social impact goal:** Increase income of rural farmers

*Health care*

### Vestergaard Frandsen

- An international, private sector company working in public health
- Core business: Humanitarian responsibility
- 150 million bed nets
- ZeroFly: Plastic sheeting to combat the combined dangers of natural disasters and disease


- "Money for Honey" program trains farmers in commercial beekeeping, buys their honey at a guaranteed price, then packages and sells it
- Comprehensive package of services, from training to start-up financing, technologies and market access





*Health care*

### Vestergaard Frandsen

- **Forbes:** "One of the Ten Things that will Change the Way We Live"
- A portable water purifier for prevention of common diarrhoeal disease – can be carried around for easy access to safe and clean drinking water

vestergaard-frandsen.com







*Safety and medical care*  
**Apopo (Belgium)**

- Developed into a competitive technology by Belgian and Tanzanian researchers and animal trainers

*Mic Billet*  *Chair*    
 *Ron Verhagen*  *Chief Scientist*    
 *Josse Van Steenberge*  *Vice Chair*

[www.apopo.org](http://www.apopo.org)

*Safety and medical care*  
**Apopo (Belgium)**

- Trains sniffer rats to detect explosives and diagnose diseases
  - Landmines
  - Tuberculosis
- Initial financing: Belgian Directorate for International Co-Operation (1997)
- Traces the explosives' vapour emanating from landmines by using the extreme sensitivity of the rats' noses

*Successful social enterprises*

- United Kingdom**
  - Wales: **John Bennett** (*Pack-It*)
  - Scotland: **Graham Bell** (*Kibble Center*)
  - Northern Ireland: **Margaret Lee** (*Cresco Trust*)
  - England: **Penny Newman** (*Café Direct*)
  - England: **Liam Black** (*FRC Group*)
  - England: **Sophie Tranchell** (*Divine Chocolate*)
  - England: **Daniel Silverstone** (*London Remade*)

**Why rats?**

- The only other alternative: Dogs
- Because rats possess significant potential:
  - Highly developed sense of smell
  - Easy to tame, breed and train
  - Small, cheap, and easy to maintain and transport
  - Widespread and adapt easily to different environments
  - Once taught, they love performing repetitive tasks
  - More easily transferred between trainers compared to dogs


**PACK-IT (Wales)** 

*"European 'Social Firm' of the Year" (2005)*  
*"UK Small Business of the Year" (2006)*

Warehousing and stock management  
 Dispatches and postage methods  
 Mailsort services  
 Fulfilment, e-fulfilment and handling


 

[www.pack-it.com](http://www.pack-it.com)



**KibbleWorks**  
LEARNING AND EARNING

- The largest multi-service center in the United Kingdom specializing in work with young people at risk
  - Warehousing and distribution
  - Recycling
  - Trades
  - Marketing <http://www.kibble.org/Kibbleworks.php>
  - Catering
  - Print solutions
  - ICT
  - Vehicle maintenance
  - Administration




**FRC Group**



- Based in Liverpool – creates jobs for the long-term unemployed
- One of Britain's best-known social enterprises
- Today: £3.3 million annual sales, 94% earned
- Three trading companies: Furnishings and removals; retail sales; waste management and recycling



**Revive**  
**BOB'S**

[www.frcgroup.co.uk](http://www.frcgroup.co.uk)



**Cresco Trust**  
cresco

- Belfast: Ben & Jerry's
- Mission Hall Quilts

[www.crescotrust.com](http://www.crescotrust.com)



Mission Hall Quilts




**Divine Chocolate**

- UK: First Fairtrade chocolate bar aimed at the mass market (1998)
- Now available in USA, Sweden, Norway, Holland

[www.divinechocolate.com](http://www.divinechocolate.com)




**Café Direct**

[www.cafedirect.co.uk](http://www.cafedirect.co.uk)




**FAIRTRADE**

- U.K.'s largest Fairtrade hot drinks company (coffee, tea, hot chocolate)
- 2005: £19.8M annual sales, £568,000 in after-tax profits; 86% of profits funded customized support and training for growers
- Buys from 37 producer organizations in 12 countries – more than 250,000 growers
- Raised £5M in expansion funding through a 2004 public share issue



**LONDON REMADE**  
The business of recycling



- Recycling, waste management, sustainable development, environmental consultancy, green procurement
- Achievements since 2001
  - 1.23 million tons of waste diverted from landfill
  - £580 million spent on recycled products
  - 400 businesses advised and supported
  - 320 people trained
  - 916 jobs created or retained



[www.londonremade.com](http://www.londonremade.com)



## For additional information . . .



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