

Sunday Forum: Doing good while doing well

***As Wall Street reels and the safety net frays,
the growing number of social entrepreneurs offers hope
even in the scariest of times, says JERR BOSCHEE***

Sunday, October 19, 2008

Another perfect storm is gathering.

The world's financial markets are gyrating; capitalist greed is hiding in the attic, shame-faced; and the social safety net is fraying.

Jeremiahs on the right and left cry doom. None of us, they claim, has learned from the past. All of us, they predict, will be equally stunned next time the system doesn't work.

Not everybody ...

An almost invisible cadre of men and women throughout the country -- around the globe! -- realized 40 years ago that traditional ways of doing business and operating nonprofits were inadequate.

Trickle-down hasn't worked. Corporate social responsibility hasn't been enough. Philanthropy and government subsidies are strained and falling short. But there's a new movement afoot worldwide. I see it every day in my students at Carnegie Mellon University who are seeking a career in social enterprise.

They're not pursuing degrees in business or social work. For them, it's not an either/or choice. They're finding new routes to old destinations -- and their energy and excitement is invigorating.

Social enterprises go beyond the traditional concept of corporate social responsibility by directly confronting the major unmet needs of society through the businesses themselves rather than grappling with them indirectly through socially responsible practices, such as corporate philanthropy, equitable wages and the use of environmentally friendly raw materials.

An explosion of activity took place in the 1970s and 1980s as entrepreneurs, small businesses and corporations discovered the social markets: Adult day care and childhood learning centers, low-income housing, vocational training and employment programs, home modification services for the disabled and elderly, hospice care, outpatient mental health and rehab services, computer-based education for self-paced learners, alternative schools for potential high school dropouts, private sector prisons and universities, wind farms, psychiatric and substance-abuse centers, home care for the elderly and dozens of others.

Thousands of nonprofits began joining them in the 1990s -- especially in businesses whose employees primarily are people who are developmentally disabled, psychiatrically unstable, recovering substance abusers, former prisoners, physically challenged, or grappling with dozens of other disabilities and disadvantages. Many of these businesses provide hundreds of jobs and have annual sales of \$50 million or more. Collectively, the 117 members of the trade association Workability International employ more than 5 million people in 33 countries and generate annual sales of \$8.5 billion.

The energized young men and women in my classes are determined to do good and do well simultaneously -- and they are joining a movement that's gaining traction all over the world. They realize that when business strategies are driven by quarter-to-quarter earnings and Wall Street tickers, there is no ultimate safety net. When a business world driven by profit alone begins to crumble and government races to the rescue, the social safety net is in jeopardy -- and the turmoil this month is just another reminder that an economy resting on a single bottom line is always in danger.

Social enterprises have a double bottom line: Social impact and financial viability. Some have actually grown to be million-dollar companies, but most remain small- or medium-sized. Yet they survive, even in the worst of times, because they've been driven by a proper balance of mission and money.

My students know that. They realize they can use the best practices of business to address social needs -- and the best practices of nonprofits to inform their pursuit. They have big ideas. They want to change the world. And they will, one social enterprise at a time, along with thousands of others just like them who are emerging from colleges and universities all over the world.

***Jerr Boschee** has been an adviser to social enterprises in the United States and elsewhere for 30 years. He currently is a visiting professor of the practice in social enterprise at Carnegie Mellon University (jerr@orbis.net).*