

Technology, Social Entrepreneurs and the Global Crisis

1 Abstract

Technology is no longer a mere enabler, it is now central to the way we work, live and play. Actually, a *New Economy* has evolved¹, with its evident signs including the ability for anyone anywhere in the world to gain access to almost any information at any time. Hence, the inability of a section of the world's population to benefit maximally from the popular opportunities that Information and Communication Technologies (ICTs) and its vast youth population provide – in promoting economic transformation and reducing poverty – is of great concern. Recent studies and reports have rightly placed emphasis on the need for developing countries to use ICTs for development, such as the United Nations Development Program's *Human Development Report* which stated that, "... *information and communications technology (ICT) can also make an important development impact, because it can overcome barriers of social, economic and geographical isolation, increase access to information and education, and enable poor people to participate in more of the decisions that affect their lives.*"² ICTs have become useful in the delivery of social value.

While there have been numerous efforts to address development needs across the world, the need to build enduring models – that will not end as pilot projects – has been helped by the emergence of social entrepreneurship, a concept that focuses on sustainability and enables the major actor to adopt business concepts for use in the delivery of social interventions. Social entrepreneurs are individuals with innovative solutions to society's most pressing social problems. They are ambitious and persistent, tackling major social issues and offering new ideas for wide-scale change³. Many social entrepreneurs have found new technologies useful in the delivery of their work and in communicating the results to a wider audience; and this gives them the ability to establish and/or run social enterprises that maximize the opportunities that ICTs provide. Even in the face of the present global financial crisis, social entrepreneurs stand a chance to ride on the wings of technology to reduce the impact of the crisis on their value delivery. This may include the opportunity to gain access to numerous volunteers who will use the opportunity to sharpen their skills while in search of work.

This paper looks at the unique role played by social entrepreneurs and how they are using technology to improve their work. In doing so, they have also happened upon strategies that seem to limit the effect of the global financial crisis on their work. Their core purpose is to create innovative solutions to society's most pressing problems – and, many times, in the face of whatever accompanying challenge may be existent.

¹ *Making the New Economy Grow: An Action Agenda* (2000). A New Economy Task Force Report, July 19, 2000. Progressive Policy Institute

² United Nations Development Programme Human Development Report (2001). Obtained from <http://hdr.undp.org/reports/global/2001/en/pdf/pr1.pdf>. Last accessed on July 5, 2007

³ Culled from http://www.ashoka.org/social_entrepreneur. Last accessed on January 8, 2009

2 Technology for Development

Development may be an object of learning or topic of debate for some, but for the 1.4 billion people who know what it means to live below \$1.25 a day⁴, it is much-needed reality. Regardless of where such individuals are located across the world, development opportunities are embraced regardless of the tools or platforms that present them. With the improvement of new technologies and their application towards socio-economic development, many people-groups have been able to bridge gaps, overcome barriers and improve their chances at improved livelihoods. The *World Economic Forum* describes the role of Information and Communication Technologies (ICTs) as a critical enabler to sustainable socio-economic growth and also a vital ingredient for effective regional co-ordination in the creation of larger markets⁵. Unfortunately, this opportunity has not been equally applicable across the regions that need development the most.

While countries in Asia, such as India and Malaysia, have recorded notable progress in the application of new technologies towards development, much of Africa has remained on the other side of a digital divide. This divide does not only represent the absence of necessary infrastructure, but it speaks to the need for the appropriate application of such technologies towards development. Twenty years ago, 75% of the world's telephones were found in just nine countries, and there were more phones in Tokyo than the whole of Africa. Today, Africa has almost twice as many phones as Tokyo⁶, but it will be impossible to say the same in terms of economic development. For example, the number of telephone lines in Nigeria increased from about 500,000 to almost 40 million between 1999 and 2006⁷, but its economy did not enjoy similar astronomic growth. With Tokyo's GDP put at \$4.367 trillion and – for the same period and source – that of Nigeria, \$115.4 billion; South Africa, \$255.2 billion; Uganda, \$9.44 billion; Cameroon, \$18.37 billion; and Tunisia, \$30.6 billion⁸; economic indices have spoken for themselves.

This explains why there has been increased interest in the possibility of replicating the success of the role of technology in development. International organizations, private corporations, governments and civil society organizations have contributed to this work over the years, but the work that non-profits have done in the most unreached areas of the world have been quite significant. These bridge-builders do not build infrastructure for the people to use, they take 'infrastructure' to the people – some of who never understood the existence or power of such new technologies. From Kafanchan (Nigeria) to Kisumu (Kenya), ICTs have earned increased relevance with underserved people-groups, and have in turn improved the socio-economic opportunities that such communities have access to.

⁴ August 2008 figures, *New Poverty Estimates*. Obtained from <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPOVERTY/0,,contentMDK:20153855~menuPK:373757~pagePK:148956~piPK:216618~theSitePK:336992,00.html>. Last accessed on June 5, 2009

⁵ Culled from *The Role of ICT in Human Development*. Obtained from <http://www.mediatoolbox.co.za/pebble.asp?p=54&reid=3118>. Last accessed on June 5, 2009

⁶ Culled from "http://www.globaleye.org.uk/secondary_autumn05/focuson/mobile.html". Last accessed on January 15, 2006

⁷ Data from the Nigerian Communications Commission (NCC)

⁸ Figures from the International Monetary Fund (IMF), 2006. Obtained from "http://en.wikipedia.org/wiki/List_of_countries_by_GDP_%28Nominal%29" and last accessed on June 29, 2007

3 Social Entrepreneurs and ICTs

Building on the same principle adopted by those that seek to build bridges where there are gaps, social entrepreneurs have extended the perimeters of development by building in sustainable strategies that do not only ensure that the gap is filled, but also make provision for the continued generation of resources that can in turn power the good work that they do. In describing social entrepreneurs, one of the most prolific institutions in the field of social enterprise, Ashoka, stated on its website: *"Over the past two decades, the citizen sector has discovered what the business sector learned long ago: There is nothing as powerful as a new idea in the hands of a first-class entrepreneur... Social entrepreneurs often seem to be possessed by their ideas, committing their lives to changing the direction of their field. They are both visionaries and ultimate realists, concerned with the practical implementation of their vision above all else."*⁹

Like other actors in the development space, social entrepreneurs have come to discover the role that new technologies play in the advancement of livelihood opportunities. Ranging from applying simple technology tools in their day-to-day tasks, such as book keeping or stock taking or communication, to promoting their work, advancing advocacy efforts and having ICTs at the core of their innovative idea, these entrepreneurs understand the powers of new technologies in their area of expertise. In my work at Paradigm Initiative Nigeria, we explore the space between ICTs and improved livelihoods – and there are many others who have taken advantage of ICTs in meeting critical needs. Bright Simons, an Ashoka Fellow from Ghana, is "improving the safety of pharmaceutical consumers by providing a way for them to identify fake drugs with the first system anywhere in the world by which consumers and patients can instantly verify the source of a purchased pharmaceutical at no cost, right at the point of purchase, using standard mobile phones and SMS messaging."¹⁰

Social entrepreneurs working in Africa, for example, will speak to the increased relevance of mobile phones at every level of their work. Coupled with the maturing significance of Web 2.0 technologies, social entrepreneurs and all third sector workers now have the opportunity to reach more people, save time on getting their ideas to the beneficiaries and save cost, among others. From social networking websites to blogging, micro-blogging and media sharing, these Web 2.0 tools provide a platform that many third sector actors across the world have not only embraced – but have also improved to serve their work better. A deliberate study of how some social entrepreneurs are advancing their causes on Facebook, various blogs, twitter and Youtube revealed at least the following: ideas spread faster, more people knew about the efforts and much less money was spent on traditional ways of reaching the media and volunteers.

⁹ Culled from http://www.ashoka.org/social_entrepreneur. Last accessed on June 14, 2009.

¹⁰ Culled from <http://www.ashoka.org/bsimons>. Last accessed on June 14, 2009.

4 Crisis or Opportunity

I recently came to understand that in the Chinese, Japanese and Korean languages, the word crisis is represented as 危机, and thanks to a Chinese colleague, I have come to learn what these characters mean. The two characters, pronounced as 'Wei' and 'Ji', will translate to mean 'danger' (or crisis) and 'opportunity' in English.

This Asian interpretation of 'crisis' appears to be quite instructive. When the world woke up to the news of a global financial crisis, as if it just happened upon us without any triggers, most people were quick to measure the losses. However, that may be a surface-only view of the situation if we do not consider the 'stubborn' growth of social enterprise efforts even in the midst of the crisis. If social entrepreneurs are known to create innovative solutions to society's most pressing problems (even in the face of whatever accompanying challenge may be existent), then, it may be important to learn from how some social entrepreneurs saw opportunity even in the midst of the global crisis.

Recent news reports¹¹ have suggested that the end of the global financial crisis is near, but the development community must not lose the lessons that the opportunities within the crisis seek to teach. Social entrepreneurs working in developing economies will be quick to state that even before the popular global crisis, they are daily faced with communities that have known crisis – many of them even accepting the conditions as 'not out of the ordinary'. A series of conversations, during the peak of the global financial crisis (late 2008), with about twenty social entrepreneurs working in such communities show their adoption of new technologies and how it helped avoid the hard-biting effects of the crisis. In fact, some of them saw huge opportunities during the same period. For Kingsley Bangwell, founder of Youngstars Foundation based in Jos, Nigeria, automated book-keeping was useful in reorganizing administrative costs during the same period.

The social entrepreneurs who demonstrated openness to Web 2.0 platforms were able to record huge cost savings on activities such as surveys, information sharing and communication, among others. Taking advantage of online platforms, they were able to reach survey respondents faster and created awareness using tools like Facebook and Twitter. The opportunity to use mobile tools such as SMS (as compared to voice) allowed many such entrepreneurs spend less on communications – and they have shown the willingness to take advantage of these cost-saving technologies even if there is a huge increase in their resource base.

At the same time, many people who were laid off work and needed to either fill gaps in their resumes or spend the time on useful ventures took up the task of volunteering on many of the projects run by the social entrepreneurs I discussed with. In the March 19, 2009 edition of *Time*, Dan Kadlec wrote the article, *Nonprofit Squeeze: Donations Down, Volunteers Up*¹², in which he reported that "The good news is that volunteers are stepping

¹¹ See <http://www.foxnews.com/story/0,2933,456509,00.html> and http://finchannel.com/Main_News/Ukraine/Tymoshenko_Forecasting_That_Global_Financial_Crisis_Will_End_In_2010_. Last accessed on June 14, 2009.

¹² Culled from <http://www.time.com/time/magazine/article/0,9171,1886544,00.html>. Last accessed on June 14, 2009.

forward as never before. For instance, applications through the AmeriCorps online system for volunteer service in February were up 208% compared with the same month last year.” Jennifer Corriero, co-founder and Executive Director of Canada-based TakingITGlobal (TIG), explained that TIG has seen a huge increase in the number of volunteers during this period.

The *Red Cross* in Iceland and *BootsnAll Travel* advised their readers, through their websites, to volunteer as part of the strategies to wade through the financial crisis¹³. Social enterprises that had the online attention of these volunteers were the beneficiaries of the ‘crisis’ – or opportunity. Many people have also stated that the crisis provided them the opportunity to rethink their career goals, leading to decisions that include resource (time and money) contribution to social good; and this has been helpful to the work of social entrepreneurs.

There was also the need for corporations to save cost, hence the need to reduce donations but maintain the perception of commitment to social good. In doing this, resources have been carefully committed to social entrepreneurs who have the ability to combine technology-enabled cost savings with visible good. While many observed the huge reduction in the availability of resources at the peak of the crisis, some social entrepreneurs earned new clients who will probably retain their services beyond the lifespan of cost-saving measures. In the midst of the crisis, many social entrepreneurs who employ the powers of technology (for cost-savings, reach, etc) have found opportunity.

The development community owes the world the opportunity of retaining the lessons learnt during the financial crisis and the opportunity described in this paper deserve special attention: technology-enabled social entrepreneurship. The power of technology may be common knowledge in developed economies, but huge lessons remain to be learnt by developing economies that have remained on the unfair side of the digital divide; many of them because of the focus on mineral resources above (and beyond) technology-enhanced human capital.

¹³ See http://www.redcross.int/EN/mag/magazine2009_1/14-15.html and <http://www.bootsnall.com/articles/09-05/the-financial-crisis-5-reasons-why-its-a-perfect-excuse-to-volunteer-abroad.html>. Last accessed on June 14, 2009.