

The Emerging Ecosystem for Social Innovators

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When it comes to entrepreneurship and social change, the existence of enabling and supportive ecosystems is a key ingredient and catalyst. Organizations like Ashoka who are working to promote social entrepreneurship often find themselves asking the question: Have we succeeded in creating the kind of ecosystem necessary to support social entrepreneurs? While many of us working in the sector may constantly debate the concept of an ecosystems framework, one reality remains -- social innovators might be able to survive without an ecosystem of support, but it is highly unlikely that they will thrive. Vibrant ecosystems of support are necessary for truly transformative systems change. What ecosystems do to support social innovators is as significant as what social innovators do to transform ecosystems. This article will take a close look at what matters to Ashoka Fellows as a guide to building better and stronger ecosystems of support.

What is an Ecosystem?

It is important to remember that ecosystems are controlled by a multitude of factors, and that a social

entrepreneur's ability to thrive depends on an ecosystem's ability to evolve when needed. Ecosystems are dynamic. They are constantly impacted by disturbances and working to find equilibrium again. Nearly 40 years ago Ashoka embarked on founding an ecosystem to support social entrepreneurs, and now this ecosystem is also in a process of seeking equilibrium through evolution. At Ashoka, an ecosystems' framework is important to support social entrepreneurs. Similar to the beliefs of Paul Bloom and Gregory Dees in their article *Cultivating Your Ecosystem*, we believe that it is important to look closely at, and incorporate the broader environment within which organizations operate. This is "particularly important for social entrepreneurs, who must leverage complex systems of interacting players in rapidly evolving political, economic, physical, and cultural environments."

According to Daniel Isenberg, Professor of Entrepreneurship at Babson College, core pillars of an enabling ecosystem of support includes:

1. Financial Capital (grants, crowdfunding, venture capital, debt, etc)
2. Culture/community of support (success stories and societal norms)
3. Market demand (beneficiaries, partners, networks, etc)
4. Human Capital/Talent
5. A strong policy and regulatory environment

6. Supports (legal, accounting, bankers, training and education)

If we want to see social entrepreneurs thrive, it is important to not just understand the pillars mentioned above, but to also understand how the pillars are interconnected and how they evolve over time to support social innovators. The next paragraphs will provide clarification on how Ashoka sees its role in the six ecosystem pillars and what evidence our 2018 Fellows Global Study can support our claims.

Where We Are: Lessons from Three Decades of Supporting Social Entrepreneurs

According to 2018 Global Fellows Study results, 90 percent of Fellows surveyed agree that in their country, Ashoka has been a leader in fostering an enabling ecosystem for social entrepreneurs. This belief may be due to Ashoka's focus on directly or indirectly supporting the majority of the key components mentioned above; often with social entrepreneurs specifically taking on advocacy for a better policy and regulatory environment. In terms of capital, the majority of Fellows believe that having access to the Ashoka stipend allowed them to focus full time on making their ideas a reality.

Furthermore, a very high percentage of Fellows believe that Ashoka has succeeded in helping them to better articulate their ideas as well as to better understand the systems that need to be transformed.

Ashoka has always believed that a peer community of support is one of the most powerful components of an ecosystem for social change. When an Ashoka Fellow has a specific challenge, the answer to that challenge and the support required to overcome it will likely come from his/her own peers in the community. According to the 2018 Global Fellows Study, 70 percent of Ashoka Fellows have received support from other Ashoka Fellows.

From its early years, Ashoka has been using the Fellows selection criteria, which focuses on entrepreneurial profile, ethical fiber, innovation, creativity, and social impact, to also identify and engage new staff members, individuals, and institutional partners. As a result, a community of trustful changemakers was formed and it has been referred to by Ashoka Fellows as one of the most valuable assets they have in their journeys as social entrepreneurs. Our data has specifically shown that 83 percent of Ashoka Fellows are supported by Ashoka staff members, and 50 percent report they have received support from other Ashoka partners.

Where We Need to Go

According to Ann Mei Chang's recent book *Lean Impact*, "Solutions to social challenges are often designed to address a narrow, immediate problem without sufficient consideration of the broader ecosystem or how growth will be achieved over time." What we as supporters in the

social entrepreneurship field need to build are ecosystems that allow innovators to design and scale their ideas within collaborative environments. Global solutions cannot be implemented alone or with a competitive mindset. At Ashoka we are seeing a strong shift towards collaboration in our Fellows that works more with a mindset of abundance as opposed to scarcity. For instance, 90 percent of Fellows report seeing their idea replicated by independent groups/institutions, and these Fellows have collaborated or partnered with an average of more than four other Ashoka Fellows.

However, significant challenges remain for social entrepreneurs in a world where incremental change is rare due to technological advances and uncertainty is constant. The sections below highlight some of the most important challenges from Ashoka's perspective, and areas in which we would like to see reflected within the core pillars of an enabling ecosystem.

Moving Towards Creative Financing Models

Many social entrepreneurs continue to be dependent on philanthropy and donors for financial support. Although 12 percent of Ashoka Fellows have ventures that are fully based on revenues with a wide spectrum of Fellows using hybrid models, it is important to pause and think about how the ecosystem can more creatively unlock varying forms of capital for social entrepreneurs in a way that will allow for sustainability, scale, and collaboration in the long

term. The 2018 Global Fellows Study revealed that one of the top needs of social entrepreneurs is capital. Therefore, the social entrepreneurship ecosystem needs to evolve to include access to more blended forms of financing such as equity financing from venture capital and private equity funds, as well as crowdfunding and other options like debt financing. These traditional forms of investment capital can be coupled or “blended” with donor funding, philanthropy, and government-led financing. Tackling global problems at the pace required to achieve something as ambitious as the UN Sustainable Development Goals for example, will require that providers of all forms of capital join forces.

Building Deeper Connections of Support

The path to social change is a long and difficult one. While Ashoka has succeeded in identifying and supporting social entrepreneurs across the globe, in the 2018 Global Fellows Study we found that Fellows want a stronger connection to other entrepreneurs across borders and regions to deepen learning, create a sense of community, and to build partnerships for systems-level impact. The global ecosystem for social entrepreneurship has yet to provide an efficient way for social entrepreneurs and other changemakers to connect and collaborate with each other in a meaningful way. Traditional entrepreneurs may be able to spread their idea by simply using economies of scale and broadening their consumer base. It is not always

as simple for entrepreneurs seeking social change.

Scaling impact and changing mindsets often requires the leveraging of partnerships and deep collaboration. This necessitates platforms that allow changemakers a way to find each other and formulate the deep connections required to scale ideas. As one of our Fellows said:

"I believe it's not about how much I can scale my operations, but how much I can share what I'm doing with others, for the model itself to be scaled. I mean I'm not looking to have an office in every city of the world, but probably looking to have an ally in every city of the world, and I know that through Ashoka's network I could achieve that."

(Ashoka Fellow, Latin America)

Using Technology for Social Good

The age of incremental change has come to an end as a result of technology. The time has come for social entrepreneurs to not only leverage existing technology for social change, but also to find ways to influence the evolution of technology in a way that creates no harm. The Google X's and Facebooks of the world are thinking in terms of creating technology that can solve global problems with the potential to impact at least a billion people as a target. The ecosystem now needs to evolve to find ways to leverage big data, artificial intelligence, and blockchain technology to solve social problems of a global scale in a positive and effective way. An ecosystem that

allows for the cross pollination between big tech and social entrepreneurs needs to be developed by players from both sides.

Enhanced Support for Twenty-First Century Leadership and Collaboration

The majority of the stakeholders supporting the field of social entrepreneurship focus on preparing social entrepreneurs and their organizations to lead in a competitive world. Services provided by varying stakeholders supporting social entrepreneurs still focus on hierarchical organizational models and competition-driven approaches as opposed to focusing on models of collaboration needed for systemic social change, such as replicating one's idea through government partnerships, open sourcing, franchising, and others. The ecosystem needs more players supporting social innovators in developing skills that will allow them to grow and succeed as empathetic leaders in more collaborative environments. This requires a broad range of non-financial services and capacity building that includes, but is not limited to, adaptive leadership, organizational change and development, design thinking, financial modeling for co-creation, and collaboration. In the last few years, Ashoka's engagement with its Fellows has been prioritizing this kind of support to them and it is preparing them to lead in this new world. According to 2018 Global Fellows Study, 89 percent of Fellows report that Ashoka changed how they

see themselves as a leader, and of those Fellows, 94 percent are leading differently as a result.

Self-Care, Mentorship, and Wellbeing

The journey of a social entrepreneur can be a very lonely one. The current ecosystem is designed to support and promote the hero-driven model, in which a leader is responsible for the success of their own team, organization, and the social impact they set out to achieve. Over the years, including for the authors of this article, we have seen many cases of burnout, anxiety, and depression due to a lack of self-care, mentorship, and personal support. A new ecosystem for social entrepreneurship should recognize the personal needs of social innovators and support them in creating/pursuing the pathways that will allow them to grow as sustainable entrepreneurs and human beings. This requires the creation of a network of mentors who have a deep understanding of the lifestyle of a social entrepreneur. Silicon Valley has become known for having established an ecosystem where successful entrepreneurs mentor new generations of entrepreneurs. The same needs to be provided by the ecosystem supporting social entrepreneurs with an addition -- the ecosystem should value and contribute to the personal wellbeing of such leaders.

Human Capital for Social Change

As practitioners with several decades of combined experience in the social sector in addition to experience in building our own social ventures, finding top talent to work on systems level social change is not an easy task. While Ashoka has worked closely with universities and schools over the years, it is important that all ecosystem players work to engage schools and universities in a way that allows youth to see social change as a career path and to develop the mindsets and skills sets required to pursue that path. If we want to see a generation of empathetic changemakers emerge, this requires structural changes within global education systems that are both technical and pedagogical in nature.

Conclusion

More than any other time, the world is focused on social entrepreneurship as a source of positive change and hope. If we want to see the work of Ashoka Fellows as well as the work of other social entrepreneurs around the world be adopted at a global level, a lot of work needs to be done to build an effective ecosystem that will not only support social entrepreneurs in spreading their ideas, but also society at large in adopting and scaling them.

Author bios

Dina Sherif is the Senior Advisor of the Global Fellowship Team at Ashoka. Dina founded Ahead of the Curve (ATC) in Egypt to promote responsible/sustainable management

practices, more inclusive and equitable economies, and the development of socially innovative business models to support both economic growth and social change. Dina has also founded the Center for Entrepreneurship at the American University in Cairo and serves as an Advisor to the President of Egypt for economic development and job creation. She is the author of several key publications such as the book: *From Charity to Social Change: Trends in Arab Philanthropy*, and key reports including a seven-country study on trends in responsible business practices in the Arab region and the 2015 UNDP Business Solutions Report. In 2016, she was chosen as one of 10 United Nations Global Compact Sustainable Development Goal Pioneers.

Maria Clara Pinheiro is the Director of Global Fellowship at Ashoka. Maria Clara joined Ashoka in 2003 and has worked extensively to select, support, and promote collaborations between leading social entrepreneurs in different parts of the world. After launching Ashoka's Senior Fellows program in 2008, she moved to India to set up the first hub for Ashoka in Bangalore and to build the new leadership team in Asia. Back in Washington DC, she co-created the Wellbeing Project and launched Ashoka's global efforts in building a culture of wellbeing for changemakers. Maria Clara is a meditator at Isha Foundation and is passionate about Yoga and Ayurveda. She graduated from Fundação Getulio Vargas, Brazil.