

## Interview between Bill Drayton and Michael Fembek

**Bill Drayton (Drayton):** Social entrepreneurs are just one approach for making change, if you compare to CSR, classic NGOs, social business, bottom of the pyramid approaches.... What makes it special, what makes it better suited to tackling social issues? I would start off by asking a question back: What is the most powerful force in the world, and I think it's always a big pattern-change idea, but only if that idea is in the hands of a really good entrepreneur. It's that combination that moves history, that moves every field, business or social. So when we use the phrase "social entrepreneur", we also mean the entrepreneur's idea and the institution that has to come up to support them.

So why is that combination so powerful? And as distinguished from all the others? I think the reason is very simple: These ideas and the entrepreneurs behind them are about changing the system. And that's what defines the entrepreneur in terms of the nature of the idea – and there are dimensions of entrepreneurial quality that allow them to do it – and of course, changing the system is by far the biggest possible impact. And for everyone who changes the system, you need many, many, many others who adapt it and constantly refine it, you know, in local application. But it's the entrepreneurs, whether it's Andrew Carnegie or Maria Montessori, whether it's electronics or environment, you simply have to have the people, the ideas that allow society to take the next big step.

So that's the first difference, and one way of looking at – you know, one way you can look at – you can measure that is, you know, we do an evaluation of the Ashoka Fellows five years after their startup, and over half of them consistently, over the last nine years, have already changed national policy, and it turns out that three-quarters – more than three-quarters – have also changed the pattern in their field at the national level. So – that last – we don't have eight years of evaluations going back on that one, that's a new measure that the Corporate Executive Board, which is a very leading New York Exchange-listed consulting firm, added into the evaluation this year.

So Ashoka is very good at finding people before they've succeeded and helping them through the start-up years and indeed, they turn out to be entrepreneurs, they are changing the pattern in the field because five years is actually pretty early in the life history.

Now, there's one other level of impact which, again, is only the – only the entrepreneurs can do it because they're the first-level building block, and that's collaborative entrepreneurship, which is something new that Ashoka has developed in recent years. We've been working on it for 10 or 12 years, but it's really coming into its own now in terms of full-scale implementation. And that is a level of impact that has never been done before by business or anyone else, and the way it works is, as you know, we have an open-source looking for any ideas, as long as it really is a big pattern-change idea for the good and in the hands of a great entrepreneur. Once you get a couple of hundred around a common problem, we then know that big change is coming because every one of those social entrepreneurs has bet their life, quite literally, that they are going to be able to cause big change there. So this is not us being smart, having – you know, sitting down in some retreat and saying, 'Oh, we know what's going to come', but this is a very sensitive mechanism and one that can only work at the global level.

Once you know that, then we look at the patterns of the questions the Ashoka Fellows ask and the patterns of their answers. Well, that in itself is very interesting, but what we're really looking for, we're looking to see what is the next S-curve, what is the new paradigm for children or business-social relations or whatever. Once we can see that, then we work back and say, what are the one or two things society has to do to get there and then how do we, working together – that's maybe a third, maybe a half of the, by then, much larger



number of Fellows – so, 300, 500 Fellows – what do we have to do to tip the world by getting those one or two key things to happen. And by focusing on the most important areas – so China, Indonesia, India, Brazil, U.S., German-speaking world, Japanese-speaking world, Arabic-speaking world – you know, it sort of peters out after that. You know, seven to nine places – if we can actually get the change to happen there, you pretty much have the world having made the shift. And so, there is nothing that even begins to compare with scale of impact with collaborative entrepreneurship, which builds on top of the individual social entrepreneurs – and there's an intermediate level, which is the Ashoka community, where Fellows help one another and collaborate together locally and globally. But the ultimate is this global collaborative entrepreneurship, which is – comes out of the uniform quality of the community and the just extraordinary need for global solutions on the one hand – and this is the surest way of knowing where you want to go and how to get there.

**Michael Fembek (Fembek):** Fascinating.

**Drayton:** Is that a – it's a little bit long, I know, but is that an okay response?

**Fembek:** Yes. More than that, thank you. I think you have answered already half of the questions now.

**Drayton:** Well, you got right to the heart of the matter with these questions; they're actually – not surprisingly because you really know it...

All right, so in which fields are social entrepreneurs best able to be successful?

**Fembek:** Well, in light of what you just told me, I would still like to ask – this kind of collaborative social entrepreneurship, where would you think is the most promising? Is it more the ecology side, is it more the social side, or – any topic that social entrepreneurship is about?

**Drayton:** Well, right now, we can look at where the largest numbers of entrepreneurs are and where we are furthest along in terms of this collaborative entrepreneurship. And that's a very good indicator. But I think there's a broader answer – and I'll come back to that – there's a broader answer, and that is that the faster change accelerates, the more we are going to have new areas we can't foresee now. But as they come up, they are going to need the social entrepreneurs and the business entrepreneurs because – that's a distinction that will just diminish over time – and the same mechanism, you'll see a number of individual entrepreneurs committing, and then we'll look at the patterns, and then we'll work together to get where the world needs to go. And so I think any field that gets stuck or could move ahead is a great opportunity.

So right now, the two biggest groups of Fellows – about 500 each out of the just short of 3,000 Fellows altogether – are children and young people and then business and society collaborating together, tearing down this distinction. The hybrid value chain work is one dimension of that that's very far advanced now.

So one of your later questions – and let's see if we can find this here – oh, it's number 4. Social entrepreneurs in industrialized countries face very different problems than in developing countries. In industrialized countries, where do you see the biggest need for social entrepreneurs?

Well, first of all, I question that we really have – we live in a world that is that terribly different from the emerging countries. We all share the same planet, and we either are going to fix the environment or it's going to fix us. You can't have financial – you know, as



Creditanstalt pointed out a long time ago – and it just gets more and more clear – you can't have financial regulation that works other than at a global level. And then, you know, you think about – well, both emerging and developed societies have issues with how do they deal with otherness, with immigrants, you know, how do you deal with mass joblessness, which is a problem all over the world. So I am skeptical about the degree of difference.

The area where difference is greatest is in family patterns. So there's obviously a very significant difference in European and Arab attitudes toward women. And that's – there clearly are differences, but – so going back to the two big categories, I think they are absolutely global.

So let me take children and young people first. The old paradigm was learn the world's knowledge and its rules. Now, that's a model that is useful in a very slow-changing, relatively static world. In a world defined by exponentially escalating rates of change and similarly escalating increases in the number of sources of change and combinations of sources of change, it's a really absolutely obsolete definition of what growing up has to be about. And we've learned from the 500 Fellows that there's a different paradigm, that the world hasn't gotten there yet, except for its small elite. And that is, you must first master four absolutely fundamental social skills that allow you to be a contributor in a world of change. And they are empathy, teamwork, leadership, changemaking. Now, any person who does master those skills and knows that fact knows they're able to cause change, contribute to change before they're 21, they are going to be really significant, confident, always learning, able to deal with others, work together in teams – and that's what the world needs. People who don't have those skills are simply not going to have much of a role, if any. They will be miserable, they will not be able to use the knowledge they have, and in the extreme cases where we have maybe 25, 30 percent of the world's people who have not mastered empathy – which is a skill, a very sophisticated skill and one – the standard that's required just as – growing year by year as the rate of change escalates and the complexity of society increases. They will be marginalized. No one cares if you have computer science if you hurt people and disrupt institutions. You're out, finished. It's the cruelest thing you can do to anyone, and we're doing it to literally more than a quarter of the world's people now.

Now, that's a very simple alternative paradigm. You have to have these social skills first and then you go about learning knowledge, which will be a lifelong activity. The half-life of knowledge, like the half-life of everything else, is getting shorter and shorter.

So – now, once you understand that that's the new game for young people growing up, for parents, for educators, for society, and you also realize that any country, whether it's Austria or Thailand or Brazil, is simply not going to make it if it doesn't have a very high proportion of people high in those skills, a high proportion of changemakers, they will be the Detroit and Calcuttas of 15 years from now, whereas those societies that do make this change, who do change how kids grow up right now, they will have the population that will make it possible for companies and for every other institution to be "Everyone A Changemaker™" companies or cities or religious groups or whatever.

Now, we know what to do. The Fellows have got the methodology. If you give us a child, young child who has not mastered empathy at home, in the street, or in school, in 20 hours, they will have grasped empathy. And then you've got to have recess be about group play, where kids are practicing this. And there are ways – things you can do to make the classrooms a place of practicing these skills, which help in terms of learning by all the conventional measures. And then teens have to do the Ashoka Youth Venture thing of having their own dream, building their own team, and leaving an impact – a tutoring



service, a virtual radio station – they and all the kids working with them are mastering these skills.

So we know it's critical, we can articulate it, we know what to do, and what we need – what's needed now is that society has to go through the awareness tipping process. And so our job in the collaborative entrepreneurship phase, where we're just now working, is to get the key parts of the world, including German-speaking Europe, to get this. But it's just as important in India or Brazil or South Africa or Poland as it is in Austria, Germany, Switzerland.

**Fembek:** Well, fascinating ideas, thank you.

**Drayton:** Let's see. Are there areas – are there any fields of work where you think it is especially hard to be a social entrepreneur? I think the only areas that are really difficult are those that aren't ripe, and entrepreneurs are really good at knowing when an issue is ripe, the technology is there, people are fed up, attitudes are beginning to change – that's exactly the sort of very, very sensitive judgment that the entrepreneur makes before she or he commits herself or himself to an idea. Because entrepreneurs are not like scholars – you know, they just get no satisfaction from expressing an idea. They'll only be happy when they've actually changed the system. So I think that's the chief thing. The – you know, I've alluded to family patterns – you know, those are harder to change than probably any other single thing, but they are changing. You know, we've had a women's movement. Oh. Well, the women's movement was a social entrepreneurial movement, just as the civil rights movement and – was before it. So those are very – those are not easy, but they are happening.

So, you know, I think anything that's stuck, as long as people give themselves permission to go ahead and see a problem and then start thinking about how to solve it – I mean, really, if you look at the work of the social entrepreneurs, it's not astrophysics. It's really very straightforward problem-solving.

**Fembek:** Okay.

**Drayton:** So we've talked about question 4 already, I think. So, let's see, 5 is a long question. It is difficult to become a social entrepreneur in a country like Austria for lack of tradition, a lack of funding, a lack of understanding, for the need or their needs. What would you recommend to someone who is fascinated by the idea, who has a good idea, but does not know where to start with the funding, with the support network, with the international connections?

Well, I – you know, as I was just saying, I think the biggest barrier is in our heads. The idea that we can't do this, which is reinforced by other people saying, "No, no, you can't do that!" – you know, that's what 12-year-olds and 15-year-olds, as well as 40-year-olds, are faced with all the time. So if you can overcome that psychological barrier, I doubt that there is a single person who will be reading this interview who cannot identify a problem they care about. And if they just gave themselves permission to say, well, now, how can I solve this problem, and then were very persistent in refining the idea – oh, this problem with the idea I had yesterday, now what if we modify it in this way – I bet you everyone could do that. And that's – we believe that everyone can be a changemaker.

Now, it helps a lot if they were given the sort of childhood and teen years that we just were discussing above. It is hard if you don't have those social skills, but it's really – the main barrier is in your head, and then of all the attitudes of people around you. So one of the things that Ashoka tries to do, and why the ESSL Prize is important, is help people see



that, oh, this is a very practical, attractive in every way, way of living one's life. One can really make a difference, it's feasible in terms of supporting family, all those practical things, it's – aligns with your values, and you get tremendous, tremendous satisfaction because you're practicing what gives people most satisfaction, being able to give for the good in a really significant way. There's nothing that makes people happier.

So, once we – if we can just help people see that they really can do this and get them to stop saying, "Oh, I can't do that!" – you know, if you feel you can't do something, you don't even see the opportunity because why would you want to see the opportunity? You'll just feel badly. But once you know that, oh, I know how to do this, I can think through and solve a problem, I can work with other people to make things move – then, you know, you and I and Martin all have the same reaction because we were blessed with a childhood and an environment that said we could. You know, I love seeing a problem. I'm sure you do because we know that we can solve a problem. But if you don't know that, then you don't want to see the problems, and that, of course – you know, the whole thing is short-circuiting.

So, let's hope – and just in terms of Austria, I just can't help pointing out that – Schumpeter, I believe, Austrian, right?

**Fembek:** Right, yes.

**Drayton:** Well, who is the greatest writer about entrepreneurship in the history of writing about entrepreneurship? It's an Austrian, Schumpeter. And, you know...

**Fembek:** Peter Drucker, a couple of...

**Drayton:** I didn't know he was an Austrian.

**Fembek:** Yes, he was born in Austria.

**Drayton:** Ah. Well, and you know, Austria has no shortage of business entrepreneurs – Martin is a perfect example...

**Fembek:** Yes.

**Drayton:** I don't have the statistics for Austria, but I can give you the statistics for Germany because we ran into the people saying this all the time when Ashoka got started in Germany: "Oh, we pay all these taxes, this doesn't happen here, the government does everything". But of course, that's nonsense, and if you start in 1960 and come up into this century, what you see is that employment in business has declined slightly. Employment in government doubled from 1960 to 1990 and then has been declining. The citizen sector has quadrupled and is the only sector that is a net source of job growth since 1990. That's Germany. And so – I mean, there are statistics like this all over the world; this is the most vital, fast-growing sector because it's become entrepreneurial and competitive, and we've caught – we've been catching up with business in productivity and scale and now globalization, which is, of course, why this session in Austria is so important. It's part of the – our field taking this third critical step, which it has to learn how to do, which is what is happening, in this meeting is stepping out and globalizing. And that, of course, means that an idea that comes up anywhere in the world quickly goes everywhere else. And that is part of the increased productivity of the field. The impact's scaling. And so the collaborative entrepreneurship that we discussed above is probably the single most important way in which social entrepreneurship is globalizing, but the Globalizer is designed



to help the social entrepreneurs in whatever field, and from wherever they are from, master the skills that business has mastered for quite some time of how to globalize.

Now, we have to do it in a different way because our purpose is different. You know, it's how to change the world, not how to capture a market, but that makes it a lot easier for us to collaborate. And so...

Yeah, so I'm very skeptical about Austria somehow being behind the curve; I think it's probably a matter of the country giving itself permission as well as individuals.

Is that – is this – are these answers the – roughly the right order of magnitude for you?

**Fembek:** That's just perfect. Just one final question: To globalize the project, is one of your strategies among these collaborative entrepreneurship strategies, one part of it's – just my final question. Is it the most important one, or one of many?

**Drayton:** Well, at this moment in the history of the field, globalization is the critical step. You know, we became structurally entrepreneurial and competitive around 1980, very quickly all across the world. And then there was a quick catch-up in productivity, and then in scale, and what's going on now is that the globalization process is really beginning seriously. And so at this moment in the history of the field, the Globalizer is spot-on the most important next step. And of course, it's incredibly important because if we're going to have the world hang together as Jean Monnet and his colleagues helped Europe end its Balkanization and come together after World War II, well, who is the Jean Monnet at the global level? Well, I think it's the competition between the emerging citizen sector, along with their business allies. But you know, we can't solve the environment problem at the national level. And if we want the marginalization of human beings to stop, we have to make sure that every child in every country on every continent masters the skill, the skill of empathy.

So, you know, how – you know, if you understand what we're about, we are going to be a constant pressure to bring the world together because we can't solve the problems without doing that. And so, you know, I think the globalization of our field is very key to ultimately solving the Balkanization of the world, which is extremely dangerous, just as it was in Europe.

**Fembek:** Yes.

**Drayton:** You also mentioned government in a couple of questions here, and I – would you mind if I just added a thought or two about that?

**Fembek:** Yes, please. I think it's enough already. It depends on your – I do have enough material.

**Drayton:** Well, I just – you know, this is a common concern that people have, and I think we have to have a modern entrepreneurial competitive government. It's stuck as the last premodern sector. And it's just driving everybody crazy. We need government to do what only a democratic government can do, which is to represent all of us, to constantly be designing and redesigning the framework, the incentives, the safeguards so that the overall system works. No competitive sector can do that. No one elected Maria Montessori or Muhammad Yunus – a competitive – or for that matter, Bill Gates or Andrew Carnegie. A competitive sector is not representative, and so you have to have government. And the government is falling – as the rate of change is accelerating, the government is falling



further and further behind. I mean, the world just threw out I don't know how many trillions of dollars because we've had a complete failure of imagination in the regulation of finance. We're still having 1930s discussions. It's ridiculous. Well, you know, you have to have government to do that.

Now, I believe that a smart government will understand that the social entrepreneurs are their best ally to allow government to do what it absolutely has to do. Where are the new ideas going to come from? The politically savvy realistic new ideas? The social entrepreneurs, of course. So, you know, I think the citizen sector has a real challenge of how do we help government get out of the ditch and become a modern competitive sector.

**Fembek:** Okay, thank you so much. It was, as always, fascinating listening to you.