Social entrepreneurs can provide the new approaches needed to hasten the process of reducing poverty and hunger. By combining innovative ideas from individuals and investments from public, private, and civil society organizations, such entrepreneurs can guide complex global food systems and rural institutions toward their goals. Often, however, inappropriate and stifling bureaucratic processes, along with insufficient understanding of how food system and rural institutions function, slow the identification and implementation of innovative solutions. As a result, potential social entrepreneurs lack the motivation to take action, and their potential contribution to the global goals of reducing poverty and hunger is lost.

Social innovation—meaning, new strategies, concepts, ideas, and organizations that meet social needs—and social entrepreneurship—a drive for social missions that combine business principles and motivations—are emerging as promising approaches to international development. Recent experiences have shown that introducing entrepreneurial spirit into the development process can improve the effectiveness of intervention programs. World history shows that every society produces its own social entrepreneurs to solve their problems. Yet, until recently, organized efforts to develop and promote the capacity for social innovation and entrepreneurship have been limited. This is in sharp contrast to the private sector, where entrepreneurship has been and continues to be a major force driving development.

Unfortunately, social entrepreneurs are in very short supply in the arena of policymaking. Expanding their number and improving the environments within which they operate effectively would greatly enhance the capacity at local, national, and international levels to address developing-country poverty and hunger problems through planning, policymaking, program design, implementation, and monitoring and evaluation of interventions. It is high time that the public sector—and in particular the social sector—removes the barriers to creative action and provides incentives for social entrepreneurs.

This brief reviews existing paradigms for strengthening capacity for social entrepreneurship and innovation to reduce poverty and hunger. It identifies various approaches for increasing the number of social entrepreneurs at various levels and highlights the challenges developing countries face in building such capacity.

Increasing Capacity for Social Entrepreneurship and Innovation

Social entrepreneurs are needed in adequate numbers in different spheres of development—that is, global, national, and community levels—to enable the effective design and implementation of poverty and hunger reduction programs. Expanding the benefits of social innovation to reduce widespread poverty and hunger will, however, require a plethora of social entrepreneurs who function as change agents by innovating, inspiring, and implementing new ideas at various levels.

At the global level, it is highly unlikely that the Millennium Development Goals (MDGs) related to poverty and hunger will be achieved with “business as usual” approaches. Current approaches to reducing poverty are based on several assumptions: programs designed to address poverty should operate effectively, markets should function and deliver, poor people should have the same opportunities as others in society, and they should have equal access to public and financial services. Social entrepreneurship and innovation are particularly useful when these assumptions break down, as they often do in developing countries. Many are concerned that the MDGs may not be reached through poverty reduction programs led by the public sector alone. Social entrepreneurship and innovation do not replace public-sector interventions, but they can make them more effective and enhance their impact on the ground.

At the national and local levels, several success stories document how social entrepreneurs in different countries have responded to social challenges with innovative solutions. For example, the seemingly simple social innovation of helping poor rural women in Bangladesh to access small-scale, group-based loans through microfinancing continues to be a major poverty reduction strategy in rural Bangladesh. It was the removal of regulatory barriers in the banking sector that allowed individuals to form microfinance groups. In Tanzania’s Iringa region, an innovative idea to identify village volunteers and train them to monitor child growth—
as part of an integrated nutrition program—helped
to reduce infant mortality and child malnutrition
substantially. Although successful, many of these
advances are largely isolated, typically developed as
local interventions that target a limited geographic
area.

While such interventions make a difference in
people’s lives, their impact may not be sufficiently
large to lift millions of poor people out of poverty and
hunger. Such endeavors are simply not supported by
the necessary capacity to scale up and scale out.
Furthermore, most successful social entrepreneurs
operate outside the public sector, partly because
they need the freedom to innovate and to implement
their ideas rapidly. Yet the publicly funded
intervention programs also require innovation,
change agents, and entrepreneurial approaches to
enable a larger impact with fewer resources. The
current challenge is to identify cost-effective
methods of developing a large number of social
innovators and entrepreneurs who can contribute to
the process of reducing poverty and hunger.

Three Roles for Social Entrepreneurs
Social entrepreneurs can contribute to reducing
poverty and hunger in many ways and at different
levels within a country. At the macro level, social
entrepreneurs could help formulate and implement
policy; at the business level, they could use their
business skills to address social issues; and at the
community level, they could help solve specific local
problems. Three kinds of social entrepreneurs are
needed, based on their roles and working
environments: policy, program, and business
entrepreneurs. The abilities required by each type of
entrepreneur vary, although several traits are
common to all.

Policy Entrepreneurship
Social entrepreneurs well versed in policy processes
are needed to expand successful local programs into
large-scale national programs with a wider poverty
impact. Bringing about significant changes in policy
at national or global levels, however, requires change
agents at the highest levels of decisionmaking. At the
global level, policy entrepreneurs could influence
policymaking by multilateral aid agencies. At the
national level, they could guide national systems
toward specific strategies, either through innovation
or adoption of ideas that have succeeded in other
places and contexts. At the local level, while their
influence is limited, they could help create a policy
environment that enables other types of social
entrepreneurs to be effective. Developing an
adequate number of policy entrepreneurs in
developing countries with the knowledge and
expertise needed is essential for solving hunger and
poverty problems.

Program Entrepreneurship
Program entrepreneurs are instrumental in designing
and implementing innovative programs to reduce
poverty and hunger funded by development
partners, national governments, and
nongovernmental organizations (NGOs). It is
essential that program managers and implementers
have the entrepreneurial skills to address local
problems with global ideas. With improved capacity
for identifying innovative solutions, local authorities,
elected officials, and leaders could become effective
initiators of grassroots change.

Youth and youth leaders are increasingly seen as
partners in development. Their active participation in
solving development problems could have a profound
impact on reducing poverty and hunger. On the one
hand, many youth are engaged in community affairs,
have a high level of commitment, and are well
connected through information and communications
technologies. On the other hand, the growing
number of educated but unemployed youth in many
countries increases the risk of social instability and
armed conflict. Given appropriate skills, mentoring,
recognition, and support, these individuals could
become effective social entrepreneurs, and their
engagement and collective action could transform
from negative to positive action.

Business Entrepreneurship
Applying the principles of business development to
social problems could be another way of solving the
challenges of poverty and hunger in developing
countries. Social business entrepreneurs use
business principles to implement social innovations.
At least three types of such entrepreneurs can be
identified. The first category encompasses business
leaders who are successful in their own field and
bring their business acumen to bear in solving social
problems—for example, a commercially successful
physician who organizes fellow doctors to provide
health services to the rural poor at no cost, or
minimal cost. The second group views poor people
as a business opportunity. Instead of seeing poor
people as victims or a burden to society, these
entrepreneurs recognize them as potential
consumers of their products and services. Recent
attempts by corporations to devise strategies that
combine business objectives with social concerns are
good examples of social innovation within the
business sector.

The third group is a subset of poor people,
who—although they all fall below the poverty line—
still have different levels of income, resource
ownership, social capital, and entrepreneurship.
Some have become business-oriented social
entrepreneurs with little financial help or training.
Microfinance programs enable poor and otherwise
vulnerable people to organize themselves and
develop businesses, thus addressing their own social
challenges in innovative ways. For example, the
private schools that have emerged in the slums of
India, Kenya, and Nigeria in response to poorly run
government schools indicate that poor people can
address their own social needs. Moreover, futures
markets for goods and services are to be found
among the poor. Building capacity for social entrepreneurship among poor people themselves and connecting them with financial markets could transform poor societies.

**Developing Social Entrepreneurship through Education**

To achieve the MDGs, adequate social innovative capacity is needed at various levels in public, private, and NGO sectors. Existing systems of higher education must gear up to be able to develop the capacity for problem solving. While social entrepreneurship is a relatively new area for capacity development, considerable progress has been made in several spheres.

**Universitywide Approaches**

Increasingly, many developed-country universities and selected institutions of higher learning are adopting an entrepreneurship approach to education. Education in entrepreneurship supports students in becoming leaders, innovators, and creative problem solvers because it blends real-world experience with conceptual learning in the classroom. It seeks to develop entrepreneurial characteristics in students and to simulate reality by bringing actual policy, program, and business cases into the classroom and by employing a participatory, hands-on approach.

From the perspective of reducing poverty and hunger, universities can help students gain a better understanding of the complexities of the global food system and how government policy and actions by the private and civil sectors can influence it. Courses are being developed to provide students with a social entrepreneurship approach to the analysis, design, and implementation of actions aimed at improving the global food system. Such an approach could enhance undergraduate and graduate training in policy analysis, with the overall purpose of reducing poverty and hunger in developing countries and promoting sustainable development (see Box 1).

While the trend toward universitywide programs in entrepreneurship education is increasing in developed countries, programs specifically addressing international development issues are still few in developing countries, where the need to build such programs and to make higher education relevant to meeting social needs and challenges is enormous.

**Business School Approaches**

In recent years, business schools both in developed and developing countries have approached the problems of poverty and hunger from the perspective of large-scale entrepreneurship for and among poor people. This approach to business education goes beyond the concepts of philanthropy and corporate social responsibility to business management teaching that applies the energy, resources, and innovations of good business practices to solving the problems of poor people. The approach emphasizes that poor people can be active, informed, and involved customers, and poverty can be reduced as a result by co-creating a market around the needs of the poor. Students are encouraged to develop case studies of social entrepreneurship that address poverty, health, and other social challenges.

Some business schools offer courses on social entrepreneurship (see, for example, social entrepreneurship programs at Duke, Michigan, Oxford, and Stanford universities). Programs are designed to enable students to integrate strategies for social change into their business and entrepreneurial careers. They help students to recognize and address opportunities to create social values. Educational programs at the postgraduate level offer specialization in social entrepreneurship—programs that specifically develop the skills, knowledge, and perspectives necessary to have social impact. Such focused programs are designed to develop the capacity of students to become social entrepreneurs, program managers, and executives in cause-based organizations or volunteers in their communities.

**Developing Local Leadership**

The success of poverty reduction programs depends on the skills and capacity for innovation of the
program managers and local leaders who deliver them. As a trend toward decentralization emerges in many developing countries, the need for strengthening the capacity of local leaders becomes paramount. Approaches for developing the skills needed to address local problems for a new generation of leaders should be expanded. One example of a program that focuses on a specific sector is the Leadership for Environment and Development (LEAD) Program for environmental leadership, which has developed a global network of more than 1,600 individuals from various sectors and professional backgrounds with a strong commitment to sustainable development causes.

NGOs also have a need for a cadre of social entrepreneurs to bring innovation to bear on local problems. Multiplying the success of one NGO or local leader requires an organized way of transferring contextual skills and knowledge to others who are implementing similar programs. For example, the Panchayat Academy in India, a capacity development program for village leaders, has been successful in improving the social entrepreneurial skills of a large number of local leaders. Similarly, the Songhai Center in Benin is training African youth to become social entrepreneurs and change agents for African agriculture.

New approaches to developing social entrepreneurs include young people as development partners. Recognizing the ability of young people to see old problems in new ways, these approaches target youth as potential social innovators. Their energy and idealism, propelled by their connectedness through information technologies, can be effective in addressing the poverty and hunger challenges of their communities. The recent launching of the Youth Institutes by the International Youth Foundation in several developing countries aims to develop youth as social entrepreneurs through leadership training and mentorship.

Conclusion

In sum, achieving the poverty and hunger reduction goals of the MDGs and beyond requires new approaches and skills, which social innovation and entrepreneurship may well be able to provide. Social entrepreneurs and their innovations for reducing poverty should not replace large-scale public-sector poverty intervention programs but rather enhance them with improved effectiveness.

The emerging models of capacity development for social innovation and entrepreneurship need to be scaled up and mainstreamed. Social entrepreneurs should not be limited to the elite and highly educated who have the influence and resources to implement their ideas. Rural volunteers and youth leaders could be trained as social entrepreneurs. Publicly funded development interventions could benefit from implementers and managers who have learned social skills. Professionals with such skills can improve the social impact of business enterprises. Considering the crucial need for social entrepreneurs at policy, program, and business levels, skills related to social innovation and entrepreneurship should be mainstreamed into education programs. Without new approaches and skills in regions where poverty and hunger are chronic, strategies and programs will continue to fall short of their intended goals.


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