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**STANFORD** SOCIAL INNOVATION *review*

# **What's Next: Leap Forward for Social Enterprises**

By Suzie Boss

Stanford Social Innovation Review  
Spring 2010

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Stanford Social Innovation Review  
518 Memorial Way, Stanford, CA 94305-5015  
Ph: 650-725-5399. Fax: 650-723-0516  
Email: [info@ssireview.com](mailto:info@ssireview.com), [www.ssireview.com](http://www.ssireview.com)

BY SUZIE BOSS

## ECONOMIC DEVELOPMENT

## Namibia Experiments with Aid for All

► In Otjivero, a dusty village in central Namibia, everyone knows where to buy freshly baked bread. Just head to the metal shack where Frida Nembwaya, mother of seven, has opened a bakery. She calls her business “Good Life After Struggle,” which pretty well sums up her story.

Struggle is commonplace in Namibia, where more than half the 2.1 million inhabitants live on less than \$2 per day. Once part of South Africa, Namibia has the most unequal income distribution in the world. It's a place of “sheer hunger next to incredible wealth,” according to Bishop Zephaniah Kameeta, a longtime political activist.

For Nembwaya and nearly 1,000 others in her village, life took a turn for the better two years ago when Otjivero became the pilot site to test an aid concept known as basic income grants (BIG). The program gives every villager—from birth to age 60—a monthly stipend equal to \$13. (Older villagers already qualify for government pensions.) Money for the pilot comes from a coalition of churches, labor groups, and aid organizations eager to find out whether a rising tide can truly lift all boats.

BIG may sound like old-fashioned welfare, but it's actually the world's first universal cash transfer program. Unlike other stipends, this money comes with no preconditions. Everybody in the village gets the same amount

of money and there are no strings attached for how the money can be spent. That sets BIG apart from other welfare programs. Brazil's Bolsa Família, for example, provides stipends to low-income families, but the money comes with expectations about school attendance and health care.

Benefits from BIG have



Everyone in the Namibian village of Otjivero receives a monthly stipend as part of a pilot program to fight poverty.

been far-reaching. Sharp improvements have been documented in everything from child nutrition and school attendance to economic activity. Crime is down, health care has improved, and fewer women are bartering sex for food.

Herbert Jauch, head of research and education at Namibia's Labour Resource and Research Institute, points out that villagers' income has increased by more than the amount of the handouts. “People are now able to engage in more productive activities, which has fostered local economic growth.” New en-

terprises include a dressmaker and brickmaking operation, along with Nembwaya's bakery.

Nonetheless, some remain skeptical. Prime Minister Nahas Angula has said that giving money to rich and poor people alike makes “a joke out of the poor,” according to reports in *The Namibian*. He favors targeted assis-

tance rather than universal aid.

One of the unanticipated outcomes of the project has been an increase in community empowerment. Villagers set up their own 18-member council to offer advice on how to spend money wisely. Eager to curb spending on alcohol, the council convinced pubs to close on the day that monthly stipends are issued.

The coalition's next step is to get political backing for a national BIG. Jauch estimates a national rollout “would cost about 5 percent of the national budget and lift about 30 percent of the population out of poverty.” Some of the cost would be recaptured through taxes on higher-income individuals and offset by growth in local economic development. ■

## VOLUNTEERS

## Bite-Sized Goodness

► In the time it takes to update your Facebook page, you could be making the world a slightly better place. That's the idea behind The Extraordinaries, a Web-based platform for micro-volunteering that's been generating plenty of buzz since its launch last year.

The goal is to harness thousands of currently untapped hours by making volunteering fast, convenient, and bite-sized. While waiting for a bus or cooling your heels at the dentist's office, you could be using your smart phone to tag photos for the Smithsonian, send a study tip to an at-risk student, or map your local parks. “We want volunteering to be as fun and ubiquitous as playing a game,” explains Sundeep Ahuja, cofounder and president of the San Francisco-based business.

The Extraordinaries ([www.beextra.org](http://www.beextra.org)) was founded by a trio with deep experience in social media. Chief technology officer Ben Rigby pioneered the use of mobile phones for youth voter registration when he founded Mobile Voter. CEO Jacob Colker was one of the first to harness Facebook to organize political campaigns. Ahuja was a product manager at MySpace before helping to launch Kiva, the microphilanthropy site.

Traditional community service “has been about carving out a Saturday afternoon or an evening to go do something in person,” Ahuja says. That can be tough to squeeze into a busy



*Students at Christel House India receive help and encouragement from Extraordinaries' volunteers across the globe.*

schedule. What's more, few nonprofits have the capacity to match volunteers' talents with specific tasks. "Even if you have time to give, nonprofits don't necessarily play to your strengths," Ahuja says. It adds up to missed opportunities for potential volunteers and the organizations that could benefit by their efforts.

With its superhero brand (including a Superman-inspired logo), The Extraordinaries is eager to make volunteering not only convenient, but also cool for the millennial generation. "We want people to feel excited—special—about doing something good," Ahuja says.

The Extraordinaries challenges participating nonprofits to think differently about how they engage with volunteers. "This is a chance for organizations not just to engage with people in online conversations," Ahuja says, "but also have them do real work that contributes to the mission. Volunteers love being asked to do something more than write a check or retweet."

Christel House, for example, operates five learning centers for impoverished youth in global hot spots. "We're not top-heavy when it comes to marketing," says development director Nathan Hand, "and we don't really have a structured volunteer program."

When Hand heard about The Extraordinaries, he immediately saw the platform as a way to get the word out about Christel House, and possibly bring more volunteers into its poverty-fighting efforts. He created an action campaign that asks volunteers to send study tips and inspirational messages to impoverished students preparing for high-stakes tests.

Right away, messages started flooding in from around the globe. "When someone from thousands of miles away shares a study tip or an encouraging message with our kids, it really is powerful," Hand says. He's not sure if it will result in longer-term connections with volunteers, "but it has exposed them to a new organization and, potentially, a cause they've never been involved in before."

The Extraordinaries platform is currently available at no charge to volunteers or participating nonprofits. Eventually, using what Ahuja calls the "freemium model," there may be a small fee for certain high-value services alongside the free stuff. ■

## EDUCATION

## The Flattened Campus

► There was no welcoming party for incoming freshmen when the University of the People offered its inaugural slate of classes last September. Indeed, most students enrolled in the world's first online, tuition-free university will never meet face to face. But friendships "are already going strong" among learners who live in Colombia, Indonesia, Sudan, and 50 other countries, says University of the People founder Shai Reshef.

With a goal of dramatically increasing access to higher education, the University of the People is taking advantage of open education content as well as new modes of learning. Around the world, Reshef says, "demand for higher education is so much greater than supply."

Thanks to the Internet, information that was once sequestered on university campuses has become freely available. Since the Massachusetts Institute of Technology started putting lectures and course notes online, the OpenCourseWare Consortium has grown to include lectures, exams, and other content from 200 higher education institutions. Meanwhile, college students are showing an increasing interest in e-learning. In the United States, 12 million students currently take at least some of their postsecondary courses online.

"The Internet lets this information flow all over the world," says Reshef, an Israeli entrepreneur with extensive experience in online learning. "Why should anyone who wants to study be excluded?" His most recent for-profit venture, a homework help Web site called Cramster.com,

convinced him that today's students will readily use social networking tools to help each other. "That's the new social behavior—sharing your life and helping each other online," he says. "We are just bringing their lifestyle into academia."

Although not yet accredited, the University of the People hopes to grant degrees eventually. Its first courses, offered in English only, are in business administration and computer science. Not by accident, these two fields are "culturally neutral," Reshef says. "Computer science is the same all over the world." Students study in cohorts of about 20. They log on regularly to listen to lectures, have discussions, post to forums, and work through problems together.

Unlike traditional lecture halls with the teacher up front, the virtual learning environment casts the professor as more of an advisor. "The professor's role is to be there when the community fails," Reshef explains. "Our instructors jump in if students can't help each other answer a question." Volunteer instructors write and review course materials, review student work, grade exams, and, eventually, will be available for virtual office hours. With about 800 professors, librarians, and graduate students signed on to help, experts currently outnumber students.

The University of the People deliberately started small, with 300 students the first term. But Reshef predicts rapid expansion. The business plan keeps tuition at zero, but charges a small fee for registration and online exams. Reshef himself put up the first \$1 million to get the nonprofit launched, and aims to raise \$5 million more. The model is projected to be financially self-sustaining once enrollment reaches 15,000.

An all-star international advisory committee includes members from Yale Law School, INSEAD, the Confederation of Indian Industry, UNESCO, and the government of Bangladesh. Such votes of confidence can't hurt. "But ultimately, the success of any online community comes down to the participants," says Gary Lopez, executive director of the Monterey Institute for Technology and Education. "Will they dive in, start teaching each other, and working in study groups? It's difficult to predict," he says.

Reshef remains optimistic, especially when he reads the letters that arrive daily from students in Brazil, Kenya, and other countries around the globe. He says, "They all say the same thing: 'You are my only chance in life.' That's exactly why we opened this university." ■

#### NONPROFIT MANAGEMENT

## Leap Forward for Social Enterprises

▶ Rubicon Bakery is deservedly famous for its 12-layer chocolate cakes and other rich confections that generate some \$2 million annually in sales. Each sale helps underwrite job training and other programs for poor and disenfranchised people. This social enterprise works wonders for the 4,000 people in the San Francisco area that Rubicon Programs reaches annually with its bakery and landscaping businesses, along with its housing, mental health, legal aid, and other social services. But for those who are down and out in most other communities, chances are slim of finding the same kind of help.

After 23 years at the helm of

Rubicon Programs, Rick Aubry has decided it's time to take "the next big leap forward," and design social enterprises that can succeed on a national scale. "Most social enterprises have remained local or at best regional," he says. Goodwill Industries and the Salvation Army are rare exceptions, both using a thrift shop model that's more than a century old.

Figuring out what those national solutions might look like is the task facing Rubicon National Social Innovations. The best fit for scaling, Aubry predicts, will be a sustainable idea that fills a widely occurring need. Similar to for-profit franchises, these new enterprises will enjoy the benefits of a national brand, but will still rely on local champions.

One of the first projects launched by Rubicon National is mattress recycling. Getting rid

of 40 million used mattresses annually poses a huge environmental problem in the United States, but labor-intensive recycling doesn't pencil out for big-name mattress manufacturers, who are also not interested in piecemeal solutions.

For the nonprofit sector, however, mattress recycling makes great sense as a new source of job training for the hardest-to-employ populations. Pilot programs are under way in Philadelphia and San Jose, Calif., with a nonprofit partner in each community providing training.

Another idea aims to compete with payday lending. To better serve the "unbanked" market that's paying exorbitant interest rates, the Emerge Loan Program will work with employers to offer affordable short-term loans, plus financial education, as an employee benefit. ■

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