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Social enterprise case series: Ashoka

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Ashoka

Founded:	1980
Current Leader:	Bill Drayton
Location:	Washington, DC
Sector:	Social Entrepreneurship
Website:	www.Ashoka.org

Ashoka

According to UNICEF and the International Labor Organization, an estimated 218 million children are engaged in child labor. Over 17 million of those children come from South America and the Caribbean. In Ecuador, 34% of the children are involved in child labor. Sylvia Reyes decided to change those statistics by creating an organization called Fundacion Junto con los niños (Juconi). Sylvia established Juconi to instill value into the lives of children living and working on banana plantations in Ecuador. Her organization takes a time-intensive therapeutic approach by reaching out to what she believes to be the core of the problem of child labor; the family. Starting Juconi was not an easy endeavor. Every start up comes with its cost and that's where Ashoka came in. In 2007, Sylvia Reyes became an Ashoka Fellow, which enabled the time and resources to make Juconi a reality.

Sylvia Reyes and many other social entrepreneurs like her have received support from Ashoka. Ashoka is striving to cultivate and shape the citizen sector by supporting innovative social entrepreneurs (Ashoka Fellows), connecting those entrepreneurs through a global network, and building

the infrastructure and financial systems needed in the citizen sector. It was founded in 1980 by Bill Drayton in Washington, DC as a registered 501c3 not-for-profit organization in the United States. It elected its first Ashoka Fellow in 1981 and has since built its global network to over 2000 social entrepreneurs. Currently, Ashoka and its fellows work in over 60 countries on five different continents.

Bill Dreyer, the founder and current CEO of Ashoka, attended some of the top Ivy League schools in the world including Harvard University, Oxford University, and Yale Law School. Before he started Ashoka, he served in various positions throughout his professional career such as a consultant for McKinsey and Company in New York and also worked as Assistant Administrator at the U.S. Environmental Protection Agency. Ashoka was created to address the rapidly expanding field of social entrepreneurship and to recognize the leaders of social change. The intention was to create a global network



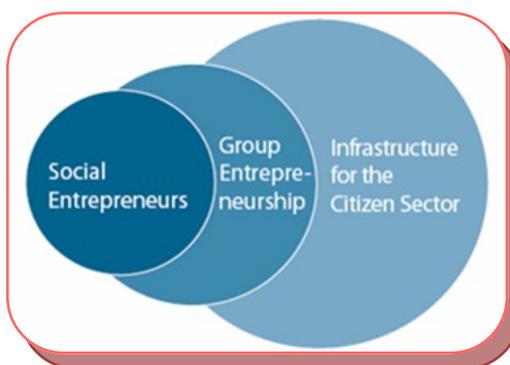
that social entrepreneurs could use to launch social programs designed to target key areas such as human rights, economic development, environment, health, civic engagement, and education. The ultimate goal is to establish a citizen sector that provides the financial and

academic tools to create solutions to the world's most prevalent problems.

Ashoka has expanded at a very fast pace in the 25 years since its inception. It has been able to increase its longevity in funding by being financed primarily by individuals, foundations, and business entrepreneurs from around the world. It does not accept funding from governmental organizations. Instead, individual and institutional endowment has provided Ashoka with long term financing. It believes in furthering the citizen sector without the help of governmental institutions and encourages its fellows to adopt the same principles. This has proven to be successful for Ashoka because it was able to increase its starting operating budget from \$50,000 in 1981 to over \$30 million in 2006. This has enabled Ashoka to scale its organization and now employs over 160 individuals in 25 different countries at regional offices.

With the creation of a citizen sector, Ashoka is aiming to create a platform for social change. The citizen sector will provide social entrepreneurs with support structures to

make their organizations successful and sustainable. By supporting the growth and expansion of the field of social entrepreneurship through resources like seed financing and capital, bridges to business and academic sectors, and key strategic partnerships delivering both financial and social value, Ashoka is hoping to close the gap between business and civil society.



Ashoka's approach aims at three different aspects of the citizen sector; social entrepreneurs, their network, and the infrastructure needed to support it. Ashoka searches for the leading social entrepreneurs in the launch stage of the organizations.

Once an entrepreneur is accepted, Ashoka provides the Fellow with a living stipend for an average of three years. The idea behind the stipend is to provide the Fellow with the freedom to create and implement their organizations to reach optimal success. Ashoka adheres to the venture model and provides funding to the entrepreneurs through small investments through venture capital funding. Ashoka believes that the individual social entrepreneurs are the mecha-



nism that is needed to drive the sector forward and therefore, and by supporting the Fellows financially, Ashoka is able to play a part in the growth and expansion of the field.

As the field grows through individual entrepreneurs, a network is ultimately created. Ashoka Fellows are provided with a global support network from other Fellows in order to learn from each other, share knowledge and insight, and have the tools need to advance their work. This is done through the Global Fellowship program. This program is designed to connect all of the Ashoka Fellows to one another and provide valuable tools to the advancement of their organizations. The idea is to create a way for the entrepreneurs to see what is going on in the field and make the necessary improvements to their own organizations based on the successes and failures of others. Ashoka caters to the needs of its fellows but also seeks to involve every day citizens in the field of social entrepreneurship. Ashoka has created an online community called changemakers, allowing any individual the chance to share stories and experience in the field of social enterprise. The site engages individuals who want to make change happen and connects them to solutions to the issues they care about. Through these and other initiatives, Ashoka has created an idea that social entrepreneurs and those interested in the field are a group of people

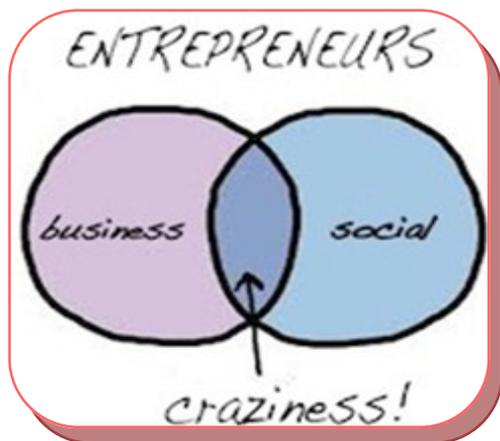


that are connected to improving the world in which they live.

Through the formation of groups and the selection of Fellows, Ashoka has created a new sector; the citizen sector. Ashoka realized that in order for this sector to grow and become a reality, work needed to be put into its infrastructure. It has established a variety of programs focused on funding initiatives to increase financial sustainability, creating partnerships between social entrepreneurs, and creating academic seminars. These programs allow Fellows and future social entrepreneurs the opportunity to stop relying on government funding and to create lasting partnerships within their fields for maximum social impact.

Ashoka's success is based on the social impact that its organizations have. Ashoka measures its impact by using the impact that its Fellows have on the world. It doesn't measure success with a bottom line, but instead, measures systemic change and social impact. Each year, Ashoka conducts a measuring effectiveness study on Fellows that were selected five or ten years prior. It measures based on several components that are based on the original vision of the entrepreneur, the replication of the organization, the influence on policy change in the country that the organization is based or in the world as a whole, whether the organization and the fellow have become a leader in their field, and the affect that the entrepreneurs relationship with Ashoka has had on the organization as a whole.

Ashoka's approach and success is reliant on the success of the Fellows that it selects. The establishment of the citizen sector seems to be in the hands of those social entrepreneurs that Ashoka supports. This can lead to a very important question: Is the creation of the citizen sector a viable solution to the world's most prominent social issues or is the work of individuals that are the driving force behind social change? ■



Author: Deanna Heaney | **Editor:** Esther Chou | **Executive Editor:** Prof. Dennis Shaughnessy

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About the Social Enterprise Institute

The Social Enterprise Institute (SEI) is grounded in the belief that business can be a powerful tool in helping to alleviate poverty in the developing world. Through this vision, the Institute offers resources and programs for students to act as agents and proponents for social change by using business solutions as a sustainable way to assist the poor. The Institute equips students with knowledge on social entrepreneurship and social enterprise development through our growing academic course offerings in Social Entrepreneurship and areas such as micro-finance, social investment and impact measurement. Additionally, the Institute provides students with field exposure with partner organizations in countries all over the world with hands on learning experience, preparing undergraduates at both the academic and 'practitioner' level. For more information about the SEI please visit: <http://www.neu.edu/sei>

About the Case Series

The purpose of the Social Enterprise Case Series is to help spread awareness of social enterprises operating today and to shed light on the issues affecting this rapidly expanding sector. We hope to make information about social entrepreneurship easily accessible to all students interested, no matter their academic discipline. We believe in the power of social enterprise and, more importantly, believe that learning about the extremely diverse approaches within this sector is crucial to driving innovation for new, impactful social enterprise models. In order to accelerate our mission of spreading awareness of social enterprise, we are committed to sharing our publications on an open and free platform.