



University of Navarra

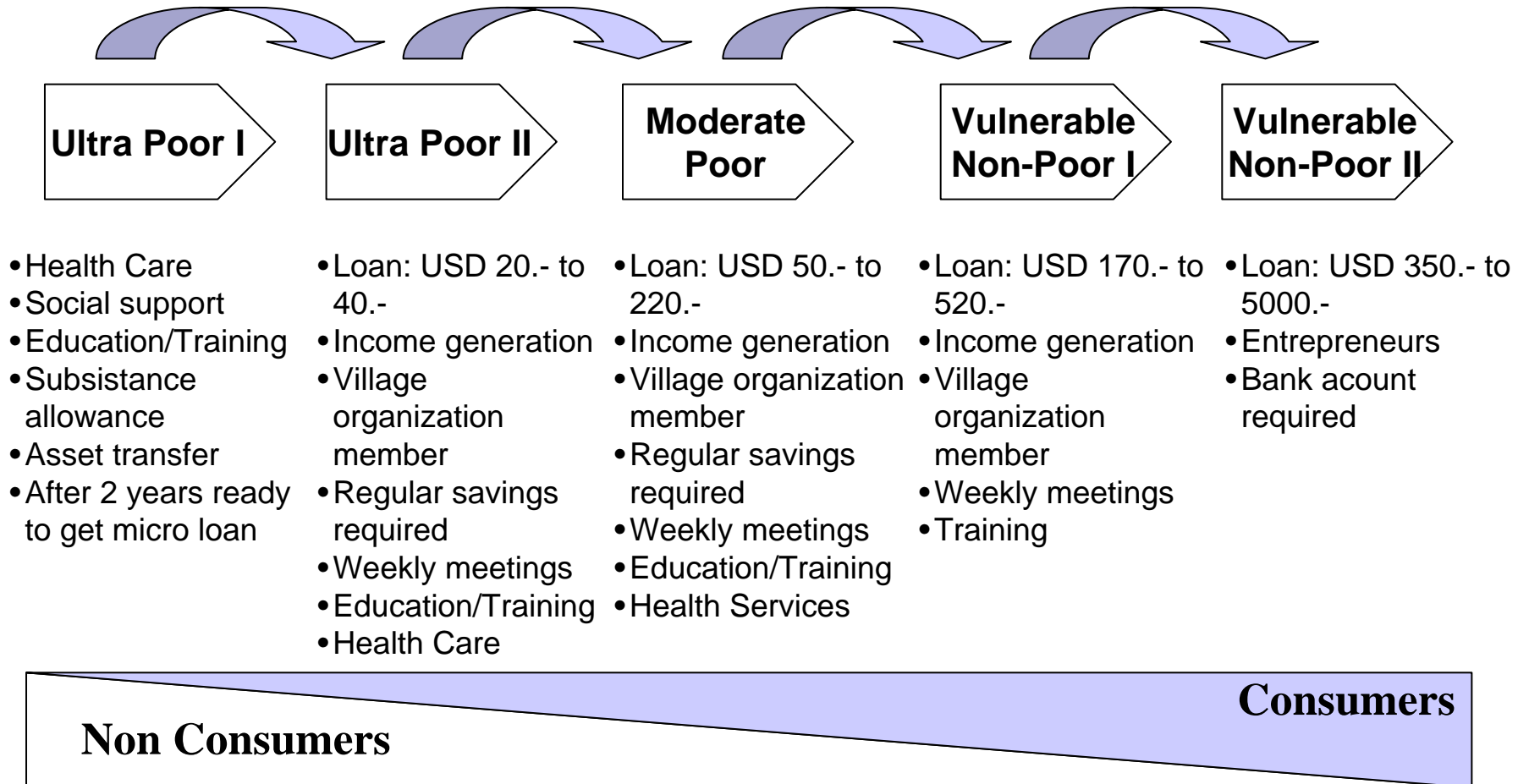


How Social Entrepreneurs Enable Human, Social, and Economic Development

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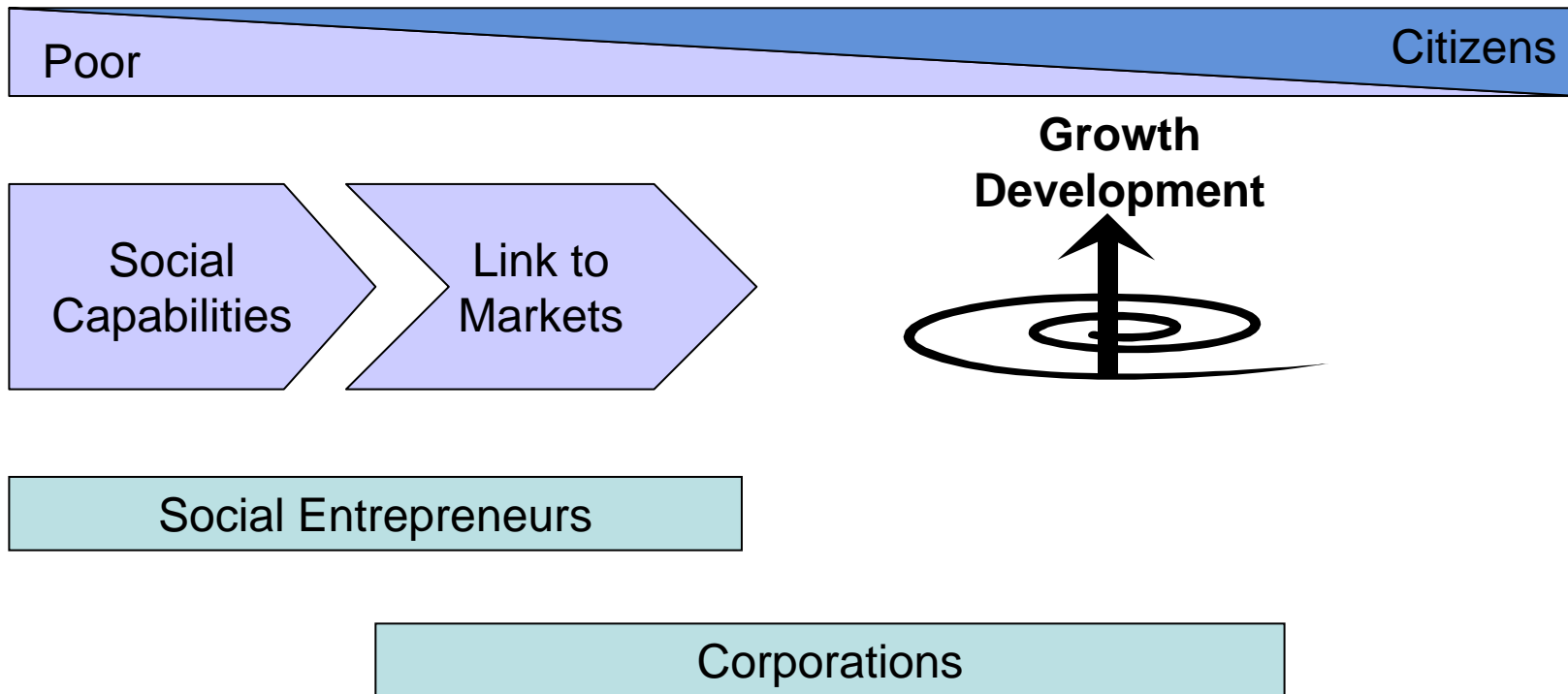
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BRAC – Development up the Poverty Pyramid

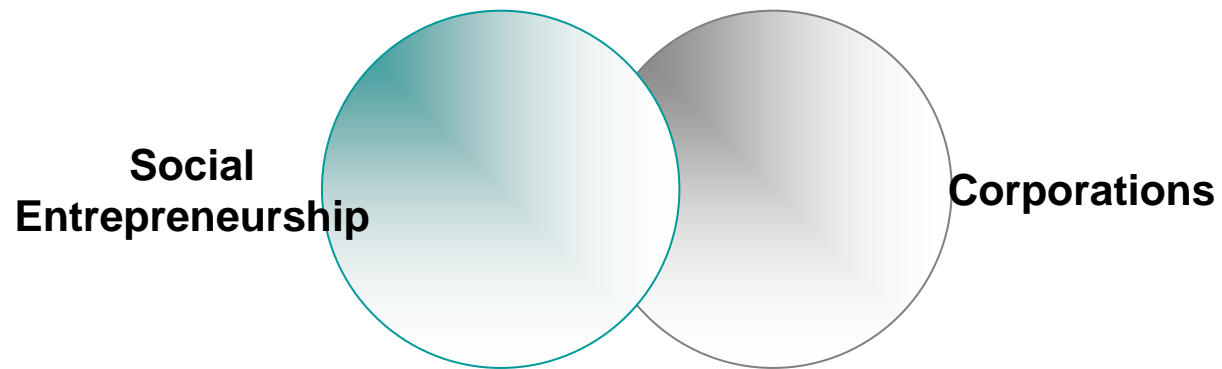


Integrate the poor into social and economic life

1. Build "Social Capabilities" to participate (precondition)
2. Link the poor with markets (economic growth)



Different Structures for Different Dimensions of Value Creation



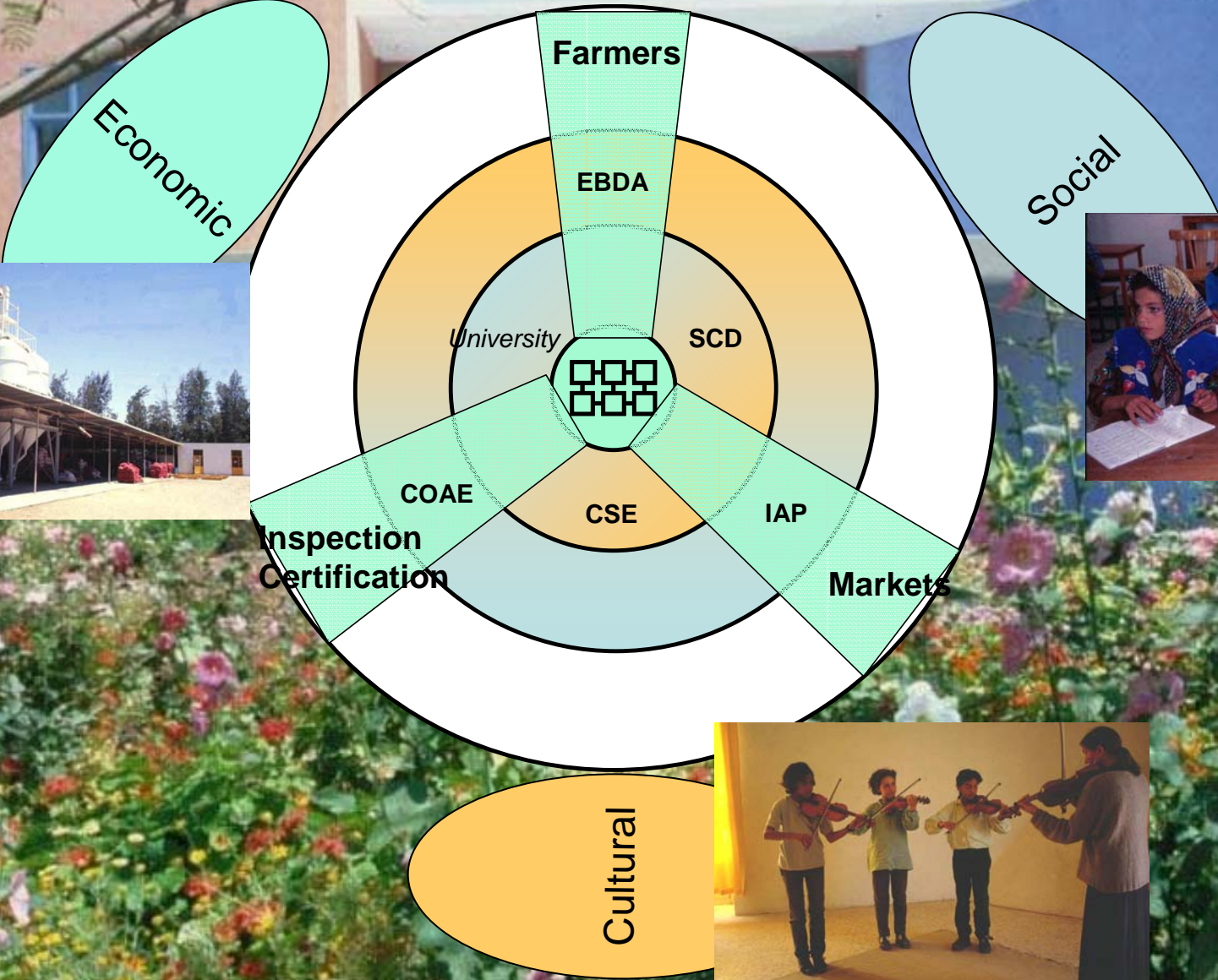
Maximize Social Returns

&

Maximize Financial Returns

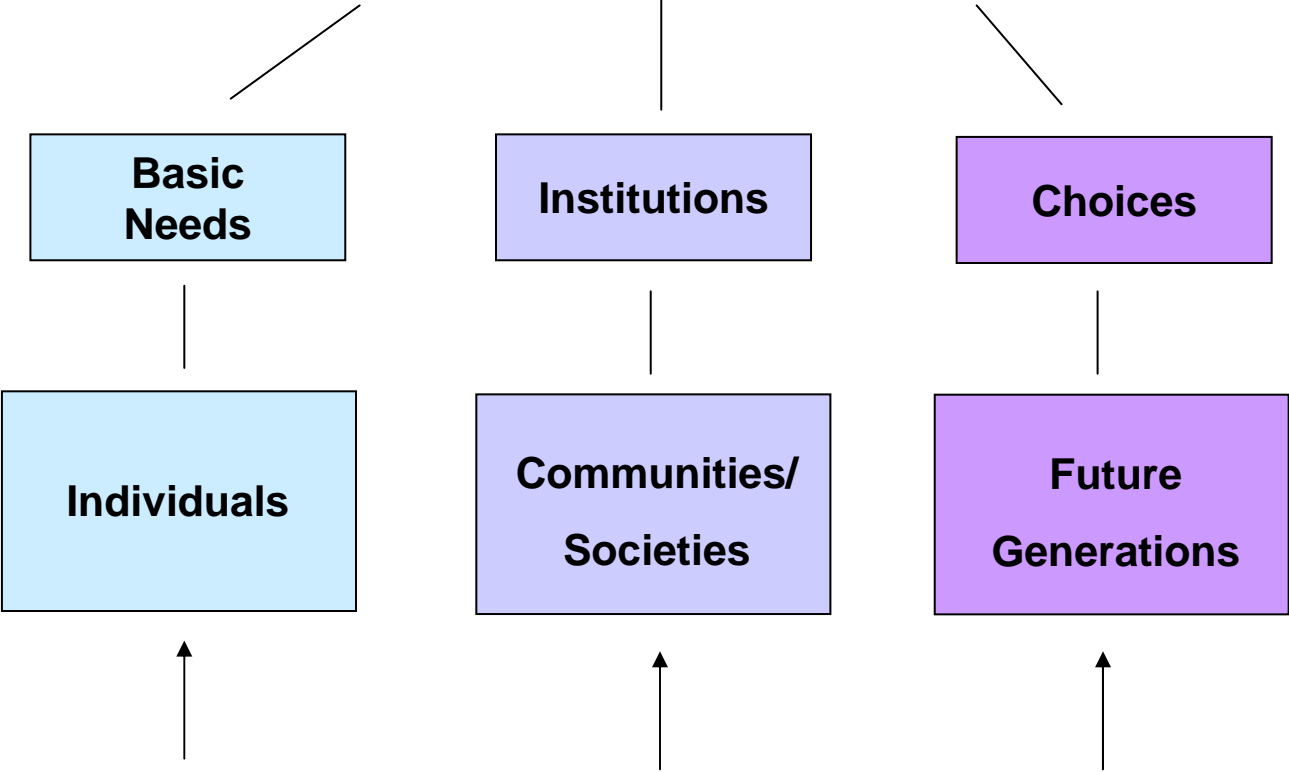
A Holistic Approach: Sekem

Different Structures for Different Dimensions of Value Creation





“Development that meets the basic needs of the present without compromising the ability of future generations to meet their own needs.”



creates social and economic value by catering to the needs of



The catch-up hypothesis was wrong...

Catch-up hypothesis and empirical data.

Catch-up hypothesis

Backward economies can make larger technological leaps than advanced economies thereby reducing productivity gaps.

Empirical data demonstrate productivity convergence after World War II only in a small set of highly industrialized countries (data from 1950–80).

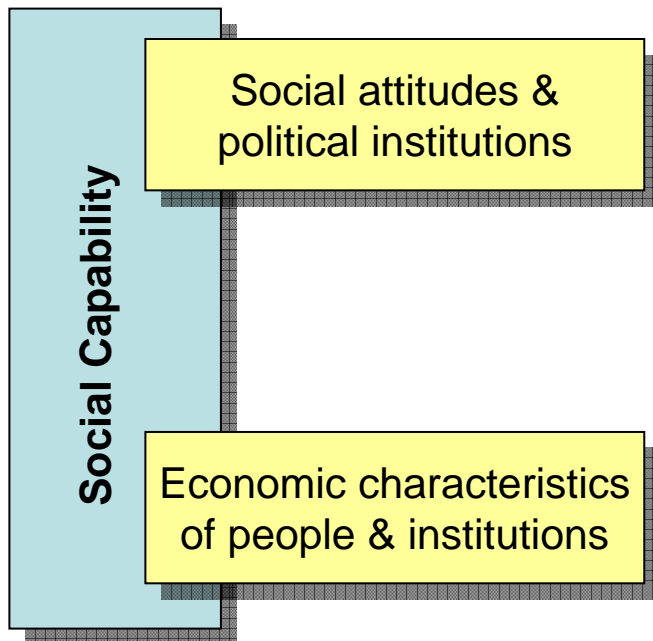
...because it ignored social capability.

Definition and elements of social capability.

Social Capability

The responsiveness of societies to economic opportunity

Abramovitz (1995)



- Secularism (life on earth; science not magic)
- Egalitarianism
- Nationalism (competitiveness; infrastructure; incentives)

- Education (sophisticated machinery; functional)
- Large organization competence
- Corporate law & cultural factors
- Liquid capital markets