

**Japan Society
U.S.-Japan Innovators Network**

Essay

**Where are Social Entrepreneurs Going
in the 21st Century?**

**Nine Visions Dedicated to
Social Entrepreneurs in the U.S.**

August 15, 2006

Hiroshi Tasaka

**President, Think Tank SophiaBank
President, The Japan Social Entrepreneur Forum
Professor, Graduate School of Tama University**

Nine Visions Dedicated to Social Entrepreneurs in the U.S.

First Vision:

**An era where all working people aspire to
become social entrepreneurs will arrive.**

Second Vision:

**Investments in social entrepreneurs will spread to
investments in knowledge capital.**

Third Vision:

**Organizations that support social entrepreneurs
will need to develop grassroots media components.**

Fourth Vision:

**When you support a community,
the community will grow.**

Fifth Vision:

**Strategies for innovation will lead into
the emergence of evolution.**

Sixth Vision:

**Corporate transformations will start
the co-evolution of corporations and markets.**

Seventh Vision:

The digital revolution will enable the voices of people in developing countries to reach the world.

Eighth Vision:

The Web 2.0 revolution will accelerate social innovation.

Ninth Vision:

Capitalism for stockholders will evolve into capitalism for social contribution.

Where are Social Entrepreneurs Going in the 21st Century?

In the fall 2005, I was invited by the Japan Society to visit the United States from October 31 to November 4.

I went to Washington D.C., New York, San Francisco, and Silicon Valley, and visited nine organizations related to social entrepreneurship. It was a wonderful opportunity for creative dialogue.

I was moved by the work of these organizations and learned a lot. At the same time, I was given a chance to explore questions that I had about our future: Where are these social entrepreneurs going? What is happening to their social, economic, and cultural climates? And, what is happening to capitalism?

My insights are expressed in this essay “Where are Social Entrepreneurs Going in the 21st Century? - Nine Visions Dedicated to Social Entrepreneurs in the U.S.”

First Vision

An era where all working people aspire to become social entrepreneurs will arrive.

**Bill Drayton
CEO, Chair and Founder, Ashoka**

Ashoka, founded by Bill Drayton, who is regarded as the father of social entrepreneurs, is respected by social entrepreneurs around the world. Ashoka has a global network of social entrepreneurs with 1600 Ashoka fellows in 53 countries.

On October 31, 2005, I had an opportunity to meet with Mr. Drayton, and we discussed the future of social entrepreneurs. I could feel Mr. Drayton's strong will and passion even though he exuded a quiet aura.

When I think of the dialogue I had with Mr. Drayton, one question continually comes to mind:

Who are social entrepreneurs?

Simultaneously, I also came up with my own vision:

An era where all working people aspire to become social entrepreneurs will arrive.

Until now, social entrepreneurs are defined as people whose goal was to use entrepreneurial skills to create ventures that contribute to the society without the pursuit of profits.

This is a great definition, however I think the definition is going to change in the future. There are two reasons for that.

Firstly, the definition of social entrepreneurs as individuals who do not pursue profits will be revised by for-profit corporations.

Nowadays, Corporate Social Responsibility (CSR) is a major trend and so-called for-profit corporations are seriously trying to figure out how to contribute to society through social responsibility and charitable contributions.

Reflecting on these changes, the division between for-profit corporations and non-profit organizations are becoming blurry.

Corporations or organizations in the 21st century need to figure out not only how to contribute to society, but also how to raise capital in order to sustain CSR activities.

Therefore, when we say “non-profit,” it isn’t going to apply only to social entrepreneurs or non-profit organizations.

Secondly, entrepreneurial skills are needed by more than just organizations that engage in business or social ventures.

Along with the rapid advancement of the information revolution, transformation will be necessary in every corner of society and every market place. Entrepreneurial skills, which create innovation and new business, are not only needed by entrepreneurs or social entrepreneurs, but will be needed by major corporations, small-to-medium-sized corporations, public entities such as ministries and municipalities, universities, research institutes, hospitals, and schools.

Social entrepreneurs are defined as people who use entrepreneurial skills to create ventures that contribute to society without pursuing profits. Thus, no matter which organizations or corporations one works at, no matter which area one works in, it is important that everyone work and live as if they are a social entrepreneur.

When I think of this, I realize that we have a great word in Japanese—“hataraku.”

In Japanese, “hata” means “others” and “raku” means “easy.” When you work, you are making other people’s lives easier. In other words, “work” in Japanese means “happiness for the others.” Since ancient times, the word “work” implied that you are working to make other people’s lives and society better, which is the concept of social contribution.

In addition to the traditional value of work in Japan, there is another profound value: “If you light a corner of society, you are a treasure of society.” It is a saying by the Buddhist monk Saicho.

If we connect the two ideas of “lighting a corner of society” and “working for the happiness of others,” then we can imagine a future vision for grassroots social entrepreneurs: Social entrepreneurs are people who work hard while contributing to the world and helping people no matter how small their projects are.”

In the 21st century, we must create an era where people who work hard at making a difference are able to see themselves as social entrepreneurs.

There are similar ideas in the Western world about helping others; it is not unique to Japan.

There is a fable of two stone cutters that has been passed down in the Western world:

At a construction site, two stone cutters were working. One stone cutter was asked about his work. With a somber expression he replied in an irritated manner, "I am working on these annoying stones." The other stone cutter was asked the same question. His face brightened up and replied in an animated voice, "I am building a wonderful church that will help people meditate."

As one can see, a similar work ethic exists in both Japanese and Western cultures.

How will the definition of social entrepreneurship change in the 21st century?

I think we are entering an era where we need to rewrite the definition of social entrepreneurship.

Social entrepreneurs cannot be limited to people who use entrepreneurial skills to create non-profit ventures that contribute to the society. The definition should be expanded to include the previously noted definition of grassroots social entrepreneurs.

If we promote the definition above as the definition for grassroots social entrepreneurs, it might create a trend where all working people aspire to become social entrepreneurs.

Then, what is the relationship between social entrepreneurs and grassroots social entrepreneurs? The former would belong to the "alpinist paradigm" and the latter the "backpacker paradigm."

If we want to see talented alpinists climb to the top of magnificent high mountains in the future, it is necessary that we have a legendary alpinist now who can inspire the future alpinists.

At the same time, if we want to see talented alpinists in the next era, it is necessary that there are numerous backpackers who love mountains and continue to climb them even if they may not be very high.

Talented alpinists will come out of those numerous backpackers. In much the same way, talented social entrepreneurs will come out of numerous grassroots social entrepreneurs.

This is what the Japan Social Entrepreneur Forum aspires to do. We want to inspire as many people as we can and hopefully there will be numerous grassroots social entrepreneurs who will come out of it.

Second Vision

Investments in social entrepreneurs will spread to investments in knowledge capital.

**Mari Kurahashi
President and Founder, GlobalGiving**

There are two parties: people who donate to social enterprises and social entrepreneurs who engage in social enterprises. GlobalGiving is an organization which connects these two parties on a global level by using the online market place.

Mr. Dennis Whittle and Ms. Mari Kuraishi, former employees of the World Bank, co-founded the organization and started an innovative system where donors are able to choose social projects from around the world and make donations. They call themselves the eBay of social entrepreneurship.

I am proud that this organization was established by a Japanese woman, Mari Kuraishi, and I have a lot of respect for her.

On October 31, 2005, I had an opportunity to meet with Ms. Kuraishi, and we discussed the future of donation and investment for social entrepreneurs.

When I think of the dialogue I had with Ms. Kuraishi, one question continually comes to mind:

How should we invest in social entrepreneurs in the 21st century?

At the same time, I also came up with my own vision:

Investments in social entrepreneurs will spread to investments in knowledge capital.

Currently, for entrepreneurs and social entrepreneurs, donors and investors are important as they provide capital for business.

However, the 21st century will be the era of knowledge capitalism.

When we invest in entrepreneurs and social entrepreneurs, the most important thing is not to invest money in them, but to invest in expanding their knowledge.

What is the knowledge capital that will benefit entrepreneurs and social entrepreneurs?

In a broad sense, I came up with five types of capital.

The first one is knowledge capital. Knowledge capital refers to professional knowledge in areas such as law and finance, as well as vocational wisdom, which includes marketing and planning. Social entrepreneurs need this type of knowledge and wisdom.

The second is relation capital. If you are unable to offer knowledge and wisdom directly, you can introduce people to others who have them. Social entrepreneurs are in need of these types of personal networks. Once the relationship is established, you can borrow knowledge and wisdom from these sources. Therefore, relation capital should be regarded as meta-knowledge capital.

The third is trust capital. Socially respected organizations and institutions can guarantee the trustworthiness of social entrepreneurs. By doing so, these social entrepreneurs will be able to expand their personal contacts. At times, social entrepreneurs are looking for social trustworthiness. Once one is regarded as trustworthy, it is easier to establish relations with new people. Trust capital should be regarded as meta-relation capital.

The fourth is brand capital. Brand capital supports the formation of social evaluation and reputation for social entrepreneurs by introducing their activities to the public through the media. Reputation built through the media has the potential to increase support for social entrepreneurs. Once social entrepreneurs have a good reputation, it is easier to earn trust and establish relationships. Brand capital should be also regarded as meta-trust capital or meta-relation capital.

The fifth is culture capital. Culture capital refers to an atmosphere and culture in an organization and its surrounding community that support social entrepreneurs. This can help encourage social entrepreneurs. Once this atmosphere or culture is created, it is easier to earn trust and to establish relationships, which in turn leads to building a good reputation. Culture capital should be regarded as meta-brand capital, meta-trust capital, and meta-relation capital.

In other words, in an era of knowledge capital, entrepreneurs and social entrepreneurs are not only looking for money, but are also looking for the five types of capital mentioned above.

What can you do to extend the five types of capital—knowledge capital, relation capital, trust capital, brand capital, and culture capital?

The 21st century is an era in which the information revolution is constantly evolving. The information revolution has reached a new stage called the Web 2.0 revolution.

The Web 2.0 revolution is basically a revolution that people and organizations will use, through the Internet, to offer, obtain, and share the five types of capital—knowledge capital, relation capital, trust capital, brand capital, and culture capital.

As this takes place, the meaning of investment will fundamentally change.

Third Vision

Organizations that support social entrepreneurs will need to develop grassroots media components.

**Cheryl Dorsey
President, Echoing Green**

Echoing Green is an organization that discovers, educates, and supports nearly 400 social entrepreneurs from 30 countries. Named after a line in a William Blake poem, the organization invests in social entrepreneurs and creates an “echoing effect” that resonates with people.

On November 1, 2005, I had a chance to meet with Ms. Cheryl Dorsey, president of the organization, to discuss fostering and supporting social entrepreneurs.

When I think of the dialogue I had with Ms. Dorsey, one question continually comes to mind:

In the 21st century, how will organizations that support social entrepreneurs evolve?

At the same time, I also came up with my own vision:

Organizations that support social entrepreneurs will need to develop grassroots media components.

Presently, organizations that support social entrepreneurs offer various types of assistance including fundraising, personnel training, and providing information. However, there is one function that these supporting organizations should definitely offer.

It is grassroots media.

What does grassroots media mean in the era of the Web 2.0 revolution?

In the time of the Web 1.0, grassroots media meant using websites to offer an enormous amount of textual information and photos. As broadband usage spreads along with the development of PDA's and digital devices, anyone can easily start radio and television stations on the Web.

From here on out, supporting organizations will need to turn to radio and television on the Web in order to propagate the work of the social entrepreneurs they support.

Why is it important to have a media strategy?

It is important because we are entering the era of “attention economy.” When people engage in economic or business activities in society or in the market, it is important to gather as much of people’s attention as possible. A media strategy aimed at capturing people’s attention can add economic value and possibly push economic and business activities forward.

In the era of the Web 2.0 revolution, even if you are part of the grassroots media, your one message could spread rapidly through blogs, SNS, and pod casting once your message generates empathy among people.

Moreover, these messages do not come only in the form of text and photos. They can come in audio-format, sound effects, video, and film. This will enable social entrepreneurs to communicate profound tacit knowing and share wisdom and empathy from the bottom of their hearts.

If organizations supporting social entrepreneurs are going to take into consideration the changes that are likely to take place in the near future, then it is necessary for them to incorporate grassroots media in their efforts.

Echoing Green has called on young people all over the world and has achieved fantastic results by fostering and supporting social entrepreneurs. If this organization is going to evolve further, it is likely to start broadcasting videos on business plans and messages from social entrepreneurs. Grassroots media will become an activity that spreads coherence around the world, which is fitting for the name of the organization—“Echo.”

When you meet Ms. Dorsey, who has a magnetic personality and encourages people with her warm and passionate words, you will know that she teaches important things to young social entrepreneurs.

If you want to engender coherence in society, the most important thing is the personality of social entrepreneurs themselves. The personality of a social entrepreneur is more important than any business strategy.

Fourth Vision

**When you support a community,
the community will grow.**

**Rosanne Haggerty
Founder and President, Common Ground Community**

Common Ground Community offers innovative solutions for ending homelessness. It renovated old historic hotels in New York City into affordable housing for low-income and formerly homeless adults. Thanks to the organization's activities, numerous formerly homeless people manage to lead independent lives.

On November 1, 2005, I had an opportunity to meet with Ms. Rosanne Haggerty, the founder and president of Common Ground Community, and we discussed the future of communities.

When I think of the dialogue I had with Ms. Haggerty, one question continually comes to mind:

In the 21st century, what will happen to communities?

At the same time, I also come up with my own vision:

When you support a community, the community will grow.

Traditionally, a community was created among people living in the same region or place and working together toward a shared goal. However, the Internet revolution that started in 1995 fundamentally changed the way communities exist. People have connected through the Internet and it has created countless numbers of Internet communities with different goals. Communities no longer need to exist in a particular region or place. These Net communities are now having a major impact on our society and market.

What is going to happen now?

From now on, these two communities, "the real community" and "the Internet community" will start merging. First, people who meet on the Internet will start to get together in the real world. Second, a "real" community which is active in a region now has the potential to involve people from all over the world and expand its community through the Net.

In this era of community evolution, what should we be looking at?

I have two visions.

The first vision is the expansion of community.

Since the Net community was created, we have been able to communicate with people on the other side of the planet in real time. We are also able to share implicit wisdom and unspoken feelings through audio and video. These practices can go beyond the limitations of space and enable us to have a sense of oneness with the people living in this world.

This expansion can encompass the entire planet. In the past, astronaut Russell Schweickart looked at Planet Earth while walking in space and felt that the Earth was one precious community. In the future, our sense of community awareness could expand to the scale of planet awareness.

Community is expanding on a worldwide scale. For example, the moment one community starts a website, the community is no longer limited to one region, and at times it could attract the attention of the world. If the community started to attract people who feel passionate or have profound empathy for that community, do we call them members of that community?

The second vision is a deepening of the meaning of community.

A time will come when people start to notice the hidden agenda of communities. Communities that exist in this world all have goals and engage in certain activities. For example, if there is a community in a region, its goal could be mutual assistance. If there is an Internet community, its objective could be an exchange of knowledge. However, once people engage in activities with the goal of mutual assistance or the exchange of knowledge, it normally leads to the hidden agenda. The hidden agenda is seeing growth as an objective of the community.

By engaging in community activities, each member can grow as a person. By having a dialogue to enhance mutual understanding, or by experiencing the difficulties of understanding each other, each individual can grow as a person. This is, in fact, one of the most important goals of communities. However, the paradox is that communities can not be created based on this goal. Therefore, we call it the hidden agenda.

Then, why are communities places where we can grow as people?

This is because community is a place of contradiction. A community is made up of humans who at times are dictated by their emotions and feelings. Consequently, it is only natural that contradictions exist within communities.

For example, the notion of mutual understanding is contradictory.

When people get together, people wish to understand each other. No matter how much you engage in a conversation and understand some of the other person's feelings, you cannot truly understand what is happening deep inside of that person's heart. However, if you understand the limit and contradiction of mutual understanding, and still try to understand each other, it could potentially bring about a deep sense of empathy.

The notion of independence is contradictory.

For a community that supports destitute people, it must help the impoverished as well as promote independence at the same time. However, the act of support could bring about dependency.

The notion of solitude is contradictory.

No one can live alone. People do not live just by earning a living. Our hearts require more than that and therefore we cannot live in complete solitude. It is hard for anyone to live in complete solitude. When we belong to a community, the community has social functions that give us expectations for our life and work, however, in the end, it is also an escape from solitude. In contrast however, when we think about our growth as a person, relying on someone or something like a community could prevent one from psychologically growing further. In other words, our growth as individuals is to learn how to truly stand on our own feet and obtain aloneness through mental growth while trying to get away from loneliness.

Communities internalize contradiction. Due to this contradiction, we are able to experience mental friction and conflict and are given the opportunity to grow.

When Rosanne took us to the Prince George Hotel, one of the residences run by Common Ground Community, I came across a wall of pictures featuring the residents. The photographs were not the photo ID type, but captured the sparkling smiles of residents living and working in the community.

While looking at the photos, the residents of the community taught me something important: There are 6.5 billion people living on this planet, and every one of them is leading their precious life and is trying to express themselves.

As the trend of the Web 2.0 revolution has started, grassroots people have an opportunity to express themselves as much as they want.

What is the most important thing for a community made of grassroots people?

It is an ability to compassionately gaze at each individual's life as something precious. And this gaze could infuse life into the community.

In front of her apartment building, Rosanne was giving us an explanation of her project, and as one young African-American man walked by, Rosanne said hello to him. She had a gaze that sincerely appreciated the life of this young man. Her compassionate gaze gives life to the community. It is not the money, the organization, nor the facilities. More than anything else, it is the depth of her gaze.

Fifth Vision

Strategies for innovation will lead into the emergence of evolution.

Paul Light

Professor of Public Services, New York University

Paul Light, a professor of Public Services, received a grant from the Skoll Foundation to run a social entrepreneurship project. The goal of this project is to research how social entrepreneurs can start up their own ventures and succeed in scaling up to achieve high results in the long term.

I had an opportunity to meet with Professor Light on November 2, 2005 to discuss innovation.

When I think of the dialogue I had with Professor Light, one question continually comes to mind:

In the age to come, the definition of the word “innovation” is probably going to change.

At the same time, I also came up with my own vision:

Strategies for innovation will lead into the emergence of evolution.

Until now, the word “innovation” was used in the context of technological innovation or business innovation to explain a new thing that was created by humans.

However, when we look at the latest cases of innovation, they seem different. I cannot help asking one question: Was innovation caused artificially by someone or did it happen naturally?

For example, the iPod is known as an overwhelmingly successful product of innovation. However, was the product’s innovation caused by Apple? Of course, iPod is Apple’s innovation since they developed the actual product.

If you look at the phenomenon from a wider perspective, however, iPod is definitely a by-product of a matured product eco-system.

In other words, a lot of people now own personal computers and have access to the Internet and the use of broadband. Music is digitized and people can download it easily. It has become part of our lifestyle to listen to music on a mobile device.

If someone proposed the product concept of the iPod ten years ago, the product could not have been produced.

What is happening now? If the iPod is not characterized as a by-product of product innovation, what is it then? The iPod was born due to the evolution of a product eco-system.

A product eco-system is formed when closely linked products and services are created to meet the needs of society.

What does this mean?

To state it in terms of complex systems science, the cutting edge science of our time, we are witnessing the phenomenon of emergence and emergent evolution. In complex systems science, without external intervention, new orders, values, and structures naturally emerge.

Along with the information revolution, society, market, and corporations naturally acquire these properties by strengthening their internal mutual relationships and the disposition of complex systems. Complex systems are a living system where these things happen naturally.

If that is the case, how can we define innovation in the future?

Innovation could be defined as a strategy that could artificially trigger emergence or the emergent evolution of a product eco-system in the market.

Normally, it is not possible to artificially plan or control the living process of self-organization and emergence. However, is it possible to artificially trigger that process?

Complex systems researchers at the Santa Fe Institute in New Mexico are looking into this theme. These researchers often use an insightful phrase called “intentional emergence.”

When we realize that researchers are having heated discussions about a phrase with contradiction, we are reminded of the profoundness of contemporary science.

Innovation in the 21st century will be spoken as the emergence of evolution and can no longer be simply explained in today’s context.

In the 21st century, we must create a strategy of emergence which is drastically different from the strategies which had been traditionally used in management.

Sixth Vision

Corporate transformations will start the co-evolution of corporations and markets.

**Debra Dunn
Board of Directors, The Skoll Foundation**

Debra Dunn is a board member of the Skoll Foundation and a former senior vice president at Hewlett Packard, an IT company which grew along with the development of Silicon Valley. When Ms. Dunn was working for Hewlett Packard, she was in charge of the Global Citizenship project and advocated the importance of corporate social and environmental responsibility, which created a worldwide CSR trend.

On November 3, 2005, I had an opportunity to meet with Ms. Dunn, and we discussed the transformation of corporations and markets.

When I think of the dialogue I had with Ms. Dunn, one question continually comes to mind:

What is corporate transformation in the 21st century?

At the same time, I also came up with my own vision:

Corporate transformations will start the co-evolution of corporations and markets.

In the management world, we often use the phrase, “corporate transformations.”

The president of a company engages in transforming the company. He or she comes up with a new corporate philosophy, advocates cutting edge vision and strategy, fundamentally changes the business model, reeducates the employees, and changes the corporate culture.

These types of corporate transformations have been carried out by many managers and there are a lot of successful examples.

These corporate transformations, at times, fall into a mechanical system paradigm. In other words, it is a way of thinking that says a corporation is a mechanical system and if you redesign, reconstruct, and change the way you maneuver it, performance will go up. This idea is reflected by words such as reengineering or management engineering.

However, corporations are not fundamentally mechanical systems. They should be regarded as living systems. Especially after the information revolution, internal mutual relationships grow, and corporations these days are predisposed to having the characteristics of a complex system, which strengthens the nature of living system.

When the “living system” nature of corporations becomes more prominent, how should we change our philosophy about corporate transformations? If there is a philosophy about corporate transformations that is not based on a mechanical system paradigm but is based on a living system paradigm, what kind of philosophy would it be?

The phrase “corporate transformation” in the 21st century could be replaced by another phrase—the “co-evolution of corporations and markets.”

Corporations are no longer able to transform themselves independently of their surroundings. When everything has an organic link to one another and corporations, markets, and society are showing a disposition toward complex systems, corporations and markets become an entity that co-evolves as one organic system. Like creatures and ecosystems that evolve as a whole, corporations and markets will also evolve together.

For example, after a series of incidents involving corporations such as Enron and WorldCom, people started to question the integrity of corporations and CSR became an important topic. However, the reason CSR is a big trend is not because corporations are putting emphasis on CSR. It is because, at the root, the co-evolution of corporations and markets is taking place using the philosophy of CSR as a catalyst.

Corporate executives are starting to pay attention to management that puts an emphasis on CSR, asking their employees to follow corporate ethics and a code of conduct, and are also participating in environmental or community activities that contribute to society. They are spreading the CSR philosophy and message, and related activities, to markets and society.

As a result of that, consumers who purchase these corporations’ products or receive their messages will eventually empathize with such messages of these corporations and enhance awareness about the importance of CSR and the social contribution of corporations. And their consumption behavior will also change the direction of supporting products by corporations that emphasize CSR.

These two processes will merge into the process of co-evolution, which will accelerate the co-evolution of corporations and markets.

What could be a catalyst to further accelerate the co-evolution process?

The answer is the media.

The media can accelerate the co-evolution process. If corporations change their awareness, consumers can also change theirs, and vice versa.

The media itself is evolving rapidly now.

Mass media has had a strong influence on the markets for a long time. Now, we are seeing the emergence of an influential Internet media that came out of the Net revolution. Mass media and net media can also accelerate the co-evolution process.

We will also need to have a paradigm shift. Instead of focusing on how to advance corporate transformations, we must focus on the philosophy on how to accelerate the co-evolution of corporations and markets.

For corporate executives in the 21st century, corporate transformations are all about the co-evolution of corporations and markets.

Once we enter the era of the co-evolution of corporations and markets, putting corporate transformations behind us, what will happen when a corporate executive is replaced and corporate policy changes?

Once a corporate executive starts an evolutionary process at a corporation, it automatically triggers the evolution of the market. Therefore, even if the executive leaves the company, the market still evolves and continues the emergent evolution. In the end, the market affects the corporation and not the other way around.

After speaking with Ms. Dunn, I envisioned this co-evolution of corporations and markets. And then, one question came to my mind.

What could Ms. Dunn's achievement be? Perhaps, Ms. Dunn was instrumental in triggering the co-evolution of corporations and markets.

Even after she had left Hewlett Packard, the market evolution she triggered while in the post had already started and it could not have been stopped.

And the market evolution will inevitably accelerate all corporate evolution, including her former corporation.

Seventh Vision

The digital revolution will enable the voices of people in developing countries to reach the world.

**Stuart Gannes
Director, Digital Vision Program, Stanford University**

The Digital Vision Fellowship Program at Stanford University supports individuals in developing countries such as Brazil, Sierra Leone, Mexico, Peru, and India who are engaging in humanitarian issues using digital technology and information technology.

On November 3, 2005, I had a chance to meet with Mr. Stuart Gannes, who is in charge of the program, and to discuss the role of the digital revolution in developing countries.

When I think of the dialogue I had with Mr. Gannes, one question continually comes to mind:

We are living in the time of a digital revolution. What is this revolution going to achieve in the end?

At the same time, I also came up with own vision:

The digital revolution will enable the voices of people in developing countries to reach the world.

Currently, we are living in the so-called digital revolution, Internet revolution, or IT revolution.

Developing countries are also beneficiaries of these revolutions as much as developed countries.

For example, there is “telemedicine,” which uses digital technology. This technology has saved many people’s lives in developing countries. There is also e-learning, which uses technology to provide opportunities for many children in developing countries to learn. Digital technology is also used for environmental protection. This helps prevent developing countries from destroying their environment.

It is an incredible revolution which benefits a lot of people in developing countries.

The Digital Vision Program at Stanford supports individuals who come up with projects and ideas using digital technology that benefits developing countries.

I was deeply moved after I spoke with Mr. Gannes and saw pictures of the projects. I felt that the program benefits people in developing countries tremendously.

As deeply impressed as I was, I also started to ask another question:
In what way will the digital revolution benefit people in developing countries?

The Web 2.0 revolution, which has just begun, is going to provide wonderful opportunities to people in developing countries.

The lifestyle and voice of developing countries can now be transmitted to the rest of the world.

That is one of the most important things that the digital revolution is going to achieve in the 21st century.

We are living in a time where, for example, “YouTube” can show grassroots content to the world, and “Current TV,” a website with video, can communicate messages from the grassroots media to the world.

The Web 2.0 revolution gives an opportunity for grassroots people around the world to have dialogue among themselves in addition to their own personal media.

We must learn what is really happening in the developing countries, how people really live and what they are really saying.

One message, one picture, one video clip by someone in a developing country could potentially generate empathy from people all over the world, thus generating action, and something wonderful could come out of it.

We are living in a time where these things are not just a dream.

Mr. Gannes’ mission has just started and is conceivably one way to change the world. It may sound like an indirect route, but it might be a short-cut for real change.

Eighth Vision

The Web 2.0 revolution will accelerate social innovation.

**Kriss Deiglmeier,
Executive Director of Operations,
The Center for Social Innovation, Stanford University**

The Center for Social Innovation is located within the Stanford University Business School. More than 40 professors and researchers from different departments gather at the center to research, discuss, and implement projects related to social innovation in collaboration with leaders of non-profit organizations in Silicon Valley, presidents of companies, government officials, and social investors.

On November 3, 2005, I had a chance to meet with Ms. Kriss Deiglmeier, director of the Center to discuss the future of social innovation.

When I think of the dialogue I had with Ms. Deiglmeier, one question continually comes to mind:

In the 21st century, how do we achieve social innovation?

At the same time, I also come up with my own vision:

The Web 2.0 revolution will accelerate social innovation.

There are many different strategies and ways of advancing social innovation. It would depend on each country's history and culture, or the tradition and characteristics of the region.

Since the Center for Social Innovation is located in Silicon Valley, the best strategy is to take advantage of their location. Silicon Valley is the focal point of the Web 2.0 revolution.

In the business world of search engines such as Google, mega business innovation is taking place. It is not only innovating the business world, but it is also making drastic changes in society.

The Web 2.0 is the best tool for social innovation.

What is the Web 2.0 revolution?

In summary, it is a result of the evolution of the Internet revolution. The Internet revolution, which started in 1995, is entering its second stage after 10 years. That is the Web 2.0 revolution.

Let me explain the evolution of the Internet revolution. There were three fundamentals to the Internet revolution.

The first one is easy access to information (barrier free information revolution).
The second one is the easy dispatch of information (grassroots media revolution).
The third one is the sharing of high-knowledge (knowledge sharing revolution).

The Web 2.0 revolution brings forward these three fundamentals.

Firstly, the barrier free information revolution will advance into a revolution for the use of collective wisdom.

In other words, thanks to the Net revolution, we can now find information or knowledge very easily by using search engines and keywords.

As for the Web 2.0 revolution, we are able to generate new types of knowledge and wisdom by borrowing the knowledge and wisdom from a large number of people from around the world.

The Web 2.0 revolution is about using the Net community, collecting wisdom from many people in society, and making good use of the collective intelligence.

Secondly, the grassroots media revolution will advance into a revolution that fuses producers and consumers.

The Internet revolution enables anyone to easily dispatch their message to the world using home pages and e-mail magazines.

The Web 2.0 revolution eliminates the difference between the sender of the message and receiver. Grassroots people are able to enjoy grassroots content. It is also eliminates the difference between the consumers and producers, and enable “prosumer product development”, where corporations and consumers develop products together.

The Web 2.0 revolution is a fusion of corporations and customers, producers and consumers, publishers and readers, television stations and viewers. The senders and the receivers fuse and become one.

Thirdly, the knowledge sharing revolution will advance into a revolution of non-verbalization.

The Internet revolution enables us to share knowledge that could be expressed verbally in society and in the market.

The Web 2.0 revolution is not only about verbal information such as words and text. It enables us to share non-verbal information such as photography, graphics, sounds, music, and film. As a result of this, we share not only knowledge but also wisdom and empathy, which cannot be verbally expressed.

Therefore, the Web 2.0 revolution is about sharing non-verbal information.

These are the changes that will be brought to society and the market by the Web 2.0 revolution.

As we make use of collective wisdom, fuse producers and consumers, and share non-verbal knowledge in the days of the Web 2.0 revolution, business models in the market and social systems in society will change drastically and rapidly.

As an organization based in Silicon Valley promoting social innovation, the Center is in an ideal situation for using a strategy that makes the best use of the Web 2.0 revolution.

The Web 2.0 revolution has just started.

Ninth Vision

Capitalism for stockholders will evolve into capitalism for social contribution.

Julie Trell
Director of All Things Fun, Meaningful and Rewarding,
Salesforce.com Foundation

The Salesforce.com Foundation is located in San Francisco and was established by Salesforce.com. Mark Benioff, Chairman and CEO of the company wrote a book called “Compassionate Capitalism.” The Salesforce.com Foundation was established so that revenue, employees, technologies, and networks could be used to contribute to society, starting with the education of children.

On November 4, 2005, I had a chance to meet with Ms. Julie Trell to discuss the future of capitalism and corporations.

When I think of the dialogue I had with Ms. Trell, one question continually comes to mind:

In the 21st century, what happens to capitalism?

At the same time, I also came up with my own vision:

Capitalism for stockholders will evolve into capitalism for social contribution.

Capitalism that revolves around shareholders is the global capitalism of today. However, those days are ending soon.

Because, as trends in Corporate Social Responsibility (CSR) are spreading in the world, our society is asking the following three questions:

First: Who owns corporations?

Second: Who do corporations serve?

Third: Why do corporations exist?

We are giving a lot of thought to corporate activities. In the beginning, Corporate Social Responsibility (CSR) meant abiding by laws or corporate ethics. It was used to express the idea that corporations do not do bad things to the society.

Since becoming a trend in the U.S., and after a series of scandals at companies like Enron and WorldCom, it is only natural that CSR is closely associated with ethics.

However, as CSR becomes a worldwide trend, the meaning of the word is changing rapidly into something deeper.

If we think about the meaning of CSR one more time, we realize it is not about doing harm to the society. CSR is about being good to and for society, which is the real mission of corporations. When we think about it, we understand that social responsibility also means social contribution.

What is social contribution by corporations?

Sometimes, this word is misunderstood.

Traditionally, social contribution by corporations was not about taking part of their revenue and giving it back to the society. Recently however, as CSR becomes trendy, a lot of companies say they use part of their revenue for activities that contribute to society.

Social contribution should be a built-in mission for corporations. Corporations can contribute through actual ventures. This is the first social contribution that corporations must think about.

Before capitalism took up its current form, which revolves around shareholder interests, social contribution by corporations was traditionally a widely accepted way of thinking for most companies in the world.

In that sense, trends in CSR, which look like an evolution to the future of global capitalism, are actually a regression to the origin.

In Japan, a work philosophy that Japanese can be proud of has existed for a long time. Traditionally, Japanese have had this ideology of giving back to society through their work.

Again, we can look at the word “hataraku,” which means work.

As I stated in the First Vision, in Japan, hataraku means happiness for the others. Traditionally, there has been this idea that working is not only about putting bread on the table, but it is also an activity that betters society and other people’s lives.

Over the years, for Japanese corporations, the idea of working for society and others has provided workers with good motivation. At the same time, many Japanese corporations have carried on the legacy of contributing to society through work with a Japanese style management mentality.

This perspective on labor does not only exist in Japan. There is the fable of two stone cutters, which has been passed down in Western corporations over the years, as mentioned in the First Vision.

I would like to repeat it again.

At a construction site, two stone cutters were working. One stone cutter was asked about his work. With a somber expression he replied in an irritated manner, “I am working on these annoying stones.” The other stone cutter was asked the same question. His face brightened up and replied in an animated voice, “I am building a wonderful church that will help people meditate.”

If we look at work for people and society and contributing to society through work, we will come to understand what revenue means for corporations.

It could be summarized in a quote by Mr. Konosuke Matsushita, who is revered as a management god in Japan:

“Corporations contribute to society through their work.”

“Revenue is a sign that corporations contributed to the society.”

“High revenue reflects the voice of people that corporations should use the revenue to give back to society.”

As CSR is receiving more attention in this world, corporations all over the world are being asked to contribute more to society and not to just continue on as profit-seekers.

Where is capitalism going then?

When I ask this question, I think about Georg Hegel, the philosopher of German Idealism. According to his dialectic, the world in which we live develops as if we are climbing up spiral stairs.

When we observe people climbing a spiral staircase from the side, they climb, they advance and move forward. When we observe the same movement from above, they look as if they are walking in the same circle. However, they are moving up the flight of stairs.

If the law of spiral development of matters is correct, then global capitalism is going around in a circle and moving up into a higher stage.

What we might see beyond the current trends of CSR is perhaps something that we already know. This idea is included in the book “Compassionate Capitalism,” written by Mark Benioff, CEO of Salesforce.com.

When we think of compassionate capitalism, it sounds as if capitalism is returning to its roots.

It also reminds me of Ashoka, the first organization that we visited in this trip. Ashoka is named after an ancient king in India. He was a wise king, who governed the country with compassion.

It is probably not a coincidence. While capitalism is transforming into a new phase, it is also returning to its old values and its origins.

Cherished values, that we have almost forgotten, are coming back in our lives.

It is the beginning of a wonderful new era.

On the clear day, you can see forever.

What role will the social entrepreneurs play in the 21st century?

With this question in my mind, I visited social entrepreneurs at nine organizations in the U.S. and engaged in various discussions with them.

Through these dialogues, I was able to deepen my understanding about the future of social entrepreneurs from a variety of viewpoints. In the end, I think my perception ultimately converged into one question.

What is the future of capitalism in the 21st century?

When I reflect on the nine dialogues, I came up with the following nine visions about the future of social entrepreneurs and capitalism:

First Vision:

An era where all working people aspire to become social entrepreneurs will arrive.

Second Vision:

Investments in social entrepreneurs will spread to investments in knowledge capital.

Third Vision:

Organizations that support social entrepreneurs will need to develop grassroots media components.

Fourth Vision:

When you support a community, the community will grow.

Fifth Vision:

Strategies for innovation will lead into the emergence of evolution.

Sixth Vision:

Corporate transformations will start the co-evolution of corporations and markets.

Seventh Vision:

The digital revolution will enable the voices of people in developing countries to reach the world.

Eighth Vision:

The Web 2.0 revolution will accelerate social innovation.

Ninth Vision:

Capitalism for stockholders will evolve into capitalism for social contribution.

Everyone that I had an opportunity to engage in dialogue during this trip had wonderful personalities. When I spoke with them, I had the same deep feelings that I usually feel when I am spending time with social entrepreneurs in Japan.

The best management resource for social entrepreneurs is personality.

I would like to express my sincere gratitude to the people who agreed to meet and speak with me during my trip to the U.S.

Along with my gratitude, the nine visions that I stated in this essay are a message to them.

The day I left San Francisco, my last stop, the sky above California had no clouds and was as clear and blue as I've ever seen.

As I was standing still in the airport lobby, a memorable song was playing in the background,

“On a clear day, you can see forever.”

The lyrics of the song symbolized what I felt during this trip.

We have a good future ahead of us.