

How to CHANGE *the* WORLD

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Social Entrepreneurs and the Power of New Ideas



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David Bornstein is a journalist who specializes in writing about social innovation. His first book, *The Price of a Dream: The Story of the Grameen Bank* was selected as a finalist for the New York Public Library Book Award for Excellence in Journalism. His articles have appeared in, among others, the *Atlantic Monthly* and the *New York Times*; and he co-wrote the PBS documentary "To Our Credit." He lives in New York City.

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Dear Reader:

In early 2004, Oxford will release one of the most exciting books I have ever had the privilege of editing: David Bornstein's *How to Change the World: Social Entrepreneurs and the Power of New Ideas*. I'm very pleased to be able to share this advance excerpt with you. Given your interest in social entrepreneurship, I am sure you will enjoy the book.

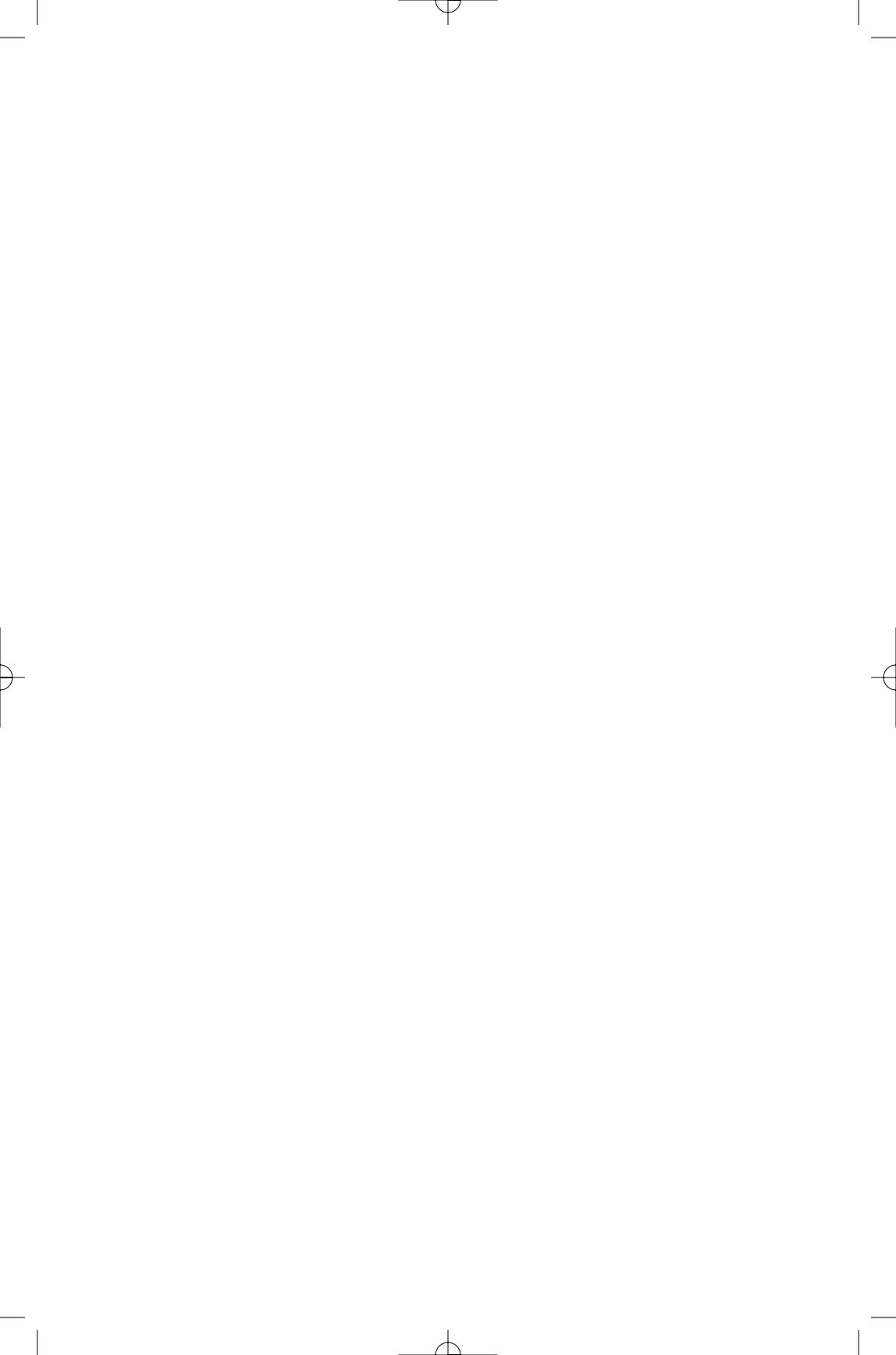
As you know, the field of social entrepreneurship is exploding around the globe – a remarkable story that, as Bornstein points out, goes largely under-reported by the media. Until now, there has been no definitive book that explains what social entrepreneurs do and why they are so vitally important in today's world. Oxford University Press is proud to be publishing this volume, which we believe will quickly establish itself as a must-read for those interested in accomplishing social change through innovation and entrepreneurship.

How to Change the World is an ambitious title for an ambitious work. It represents the culmination of five years of research by David Bornstein, including interviews with hundreds of people in eight countries working in education, health, disability, environmental protection and other fields. It's an impressive combination of anecdote and analysis, full of inspiring stories and useful lessons. I hope you will share my enthusiasm for this remarkable book, and help us to spread its message.

Yours sincerely,



Peter Ginna
Editorial Director



The Global Emergence of Social Entrepreneurship

Social entrepreneurs have existed throughout history. St. Francis of Assisi, for example, the founder of the Franciscan Order, would qualify as a social entrepreneur – having built multiple organizations that advanced pattern changes in his "field." Similarly, Florence Nightingale created the first professional school for nurses and established standards for hygiene and hospital care that have shaped norms worldwide. What is different today is that social entrepreneurship is establishing itself as a mainstream vocation not only in the United States, Canada, and Europe, but increasingly in Asia, Africa, and Latin America. In fact, the rise of social entrepreneurship represents the leading edge of a remarkable development that has occurred across the world over the past three decades: the emergence of millions of new citizen organizations.

Consider that twenty years ago Indonesia had only one independent environmental organization. Today it has more than 2,000. In Bangladesh, most of the country's development work is handled by 20,000 NGOs; almost all them were established in the past twenty-five years. India has well over a million citizen organizations. Between 1988 and 1995, 100,000 citizen groups opened shop in the former communist countries of Central Europe. In Canada, the number of registered citizen groups has grown by more than 50 percent since 1987, reaching close to 200,000. In Brazil, in the 1990s, the number of registered citizen organizations jumped from 250,000 to 400,000, a 60 percent increase. In the United States, between 1989 and 1998, the number of public service groups registered with the Internal Revenue Service jumped from 464,000 to 734,000, also a 60 percent increase. Given the long history of citizen activity in the

United States, it comes as a surprise that 70 percent of registered groups are less than thirty years old. And during the 1990s, the number of registered *transnational* citizen organizations increased from 6,000 to 26,000.

Historically, these organizations have been defined in the negative – as *nonprofit* or *nongovernmental* organizations. Today they are understood to comprise a new "sector," variously dubbed the "independent sector," "nonprofit sector," "third sector," or, the term favored in this book, the "citizen sector." Hundreds of universities in the United States, including Harvard, Stanford, Yale, Duke, and Johns Hopkins, have established college courses and centers to study this sector. In New York City, during the 1990s, while overall employment grew by only 4 percent, employment in the citizen sector grew by 25 percent. Similarly, a Johns Hopkins study of eight developed countries found that, between 1990 and 1995, employment in this sector grew two and a half times faster than for the overall economy. Peter Drucker, the management expert, has called this sector America's leading growth industry.

Although public service organizations are far from new, this worldwide mobilization of citizens is new in several respects:

- (1) It is occurring on a scale never before seen;
- (2) The organizations are more globally dispersed and diverse than in the past;
- (3) Increasingly, we find organizations moving beyond stop-gap solutions to more systemic approaches to problems – offering better recipes, not just more cooking;
- (4) Social entrepreneurs are less encumbered by church and state and, in fact, exert considerable pressure on governments (as witnessed in the International Campaign to Ban Landmines and the creation of the International Criminal Court);
- (5) They are forging partnerships with businesses, academic institutions, and governments – and, in many cases, refining the government's representational function; and;
- (6) Because of the natural jostling for position that occurs when a formerly restricted sector suddenly enjoys "open entry" and

new players crowd onto the field, the citizen sector is experiencing the beneficial effects of entrepreneurialism, increased competition and collaboration, and a heightened attention to performance.

There are, of course, many inefficient, wasteful, and corrupt organizations in the citizen sector. However, because of the new surge of activity, citizen organizations increasingly are being pressed to demonstrate their efficacy. Faced with a wave of energetic social entrepreneurs who are building organizations that are strategic and fast moving, people managing sluggish, outdated institutions no longer find "business as usual" to be a safe stance. In fact, it is getting riskier by the day to remain static or to coast on reputation. The arrival of entrepreneurialism and competition represents an early, but fundamental, change in the dynamics of the citizen sector, one that history has shown is highly conducive to innovation.

Despite their magnitude, these changes have gone largely unreported. Almost everyone knows about the explosion of the dot-coms – a much smaller phenomenon – but millions have still not heard the big story: the worldwide explosion of dot-orgs. It is a story with far-reaching implications: By sharpening the role of government, shifting practices and attitudes in business, and opening up waves of opportunity for people to apply their talents in new, positive ways, the emerging citizen sector is reorganizing the way the work of society gets done.

Vera Cordeiro, Brazil: Reforming Healthcare

If Florence Nightingale were alive today, she might be doing something along the same lines as Vera Cordeiro, a physician in Rio de Janeiro who is working to redefine healthcare in Brazil. Cordeiro is the founder of *Associação Saúde Criança Renascer* (Rebirth: Association for Children's Health), the flagship in a network of organizations that extend care to poor children after they are discharged from public hospitals.

Tens of millions of Brazilians live in urban slums that lack decent housing, clean water, and proper sanitation. Millions of children are stunted from chronic malnutrition. Cordeiro founded Renascer in 1991, while she was working in the pediatric ward of Hospital da Lagoa, a public hospital in Rio, because she could not bear to see so many children discharged only to return weeks later, sick again.

From the perspective of a doctor, it makes no sense for a hospital to discharge a poor child back to the slums without following up. But that is the norm today, and Cordeiro intends to change it. To her, health and social conditions are two sides of the same coin. "Hospital treatment as it is conducted today – ignoring poverty and the conditions of the family – is a *false* treatment," she explains.

To date, Cordeiro has extended her work to fourteen public hospitals in Rio de Janeiro, São Paulo, and Recife, bringing direct benefits to 20,000 children and influencing a growing circle of medical practitioners. Her goal is to carry Renascer to every public hospital in Brazil.

There may be no city in which the juxtapositions of wealth and poverty are more stark than Rio de Janeiro, where poor people in hillside *favelas* (urban slums) look out on the rich in beachside enclaves such as Copacabana and Ipanema. Each day

Vera Cordeiro made the commute from her leafy suburb, Barra da Tijuca, where she lived with her husband, Paulo, an IBM executive, and their two daughters, Marina and Laura, to Hospital da Lagoa, which served some of Rio's poorest areas, including the *Baixada Fluminense*, the lowland slums, and Rocinha, the largest *favela* in Latin America.

Rocinha is a massive hillside expanse of cinder block, wood, tin, and cardboard. From afar it is a beautiful sight. At night, lights sparkle and sounds of percussion drift down to neighborhoods below. But although they are not exclusively poor, Rocinha and the other *favelas* that are home to millions in Brazil are unhealthy places. Gangs dominate the slums, and the sound of gunfire is commonplace. Families are pressed together in ramshackle houses, in which children often sleep on damp concrete or dirt. The streets are full of vermin, and the stench of sewage rises from narrow alleyways.

At Lagoa, Cordeiro encountered the by-products: children with pneumonia, tuberculosis, rheumatic fever, anemia, birth defects, and other ailments. The kids often had skin lesions. Many suffered from leptospirosis, a disease caused by bathing in or drinking water contaminated with rat urine, with symptoms of fever, jaundice, vomiting, and diarrhea.

Cordeiro found that many of her patients' mothers were single parents, without child support, living in dilapidated shacks. They lacked basic knowledge about health, nutrition, and sanitation and were totally unequipped to manage their children's illnesses or prevent recurrences.

The children would be admitted to the hospital, treated, and discharged – and then they would be readmitted, sometimes within weeks. It was a grim cycle. "I could not stand to go one more day seeing children locked in this cycle of hospitalization, rehospitalization, and death," Cordeiro said.

"We were stuck," Odilon Arantes, the head of Lagoa's pediatric ward, told me. "Here you have a government-run hospital with the best equipment and the best doctors. After making this huge investment in the children, we just let them go. Of course, we had to discharge the children at some point, but how could we discharge them into the same conditions that

produced the disease?"

One day a one-year-old boy arrived at Lagoa. His hand required amputation. Cordeiro was often called in to counsel patients in stressful cases, and she tried to prepare the boy's mother, Pedrina, for the amputation. Pedrina told her that she had just lost her job as a maid. She didn't know where she was going to live or how she was going to buy food. She couldn't begin to think about purchasing a prosthesis for her son.

That night, as Cordeiro sat in her living room with her daughters, amid the stereo, sofas, and plush carpet, she could not get Pedrina out of her mind. She remembered how shaken she had been when her daughter, Marina, had contracted a serious infection and had been unable to eat for days.

"And I have all this help," she recalled thinking. "I have my mother, two maids, the best pediatricians..." Her thoughts drifted to other mothers she'd met over the years who had had to make what she called "Sophie's Choices": buy medicine for one child or food for them all.

The next morning she canvassed the hospital to solicit contributions for Pedrina. It would help a little, but it was far from a solution.

The following day, Cordeiro was asked to counsel another mother whose seven-year-old son had kidney cancer. This woman was thirty-five but looked sixty. She had ten children. She'd come from another state and was staying with relatives in Rio who were extremely poor.

"The mother asked me if I had something to cover her son," recalled Cordeiro. "She said, 'If I don't have something to cover him, he might catch cold and then the doctor will stop the chemotherapy. Do you have a blanket or a sweater to give me?'"

What good was chemotherapy when patients lacked blankets?

Increasingly, Cordeiro found herself dwelling on these contradictions. In 1991 she was forty-one years old. The previous year she and her husband had reunited after a four-year separation. With Marina thirteen years old and Laura ten, Cordeiro found that she was needed less at home. The time was right to take a new step.



Vera Cordeiro. Credit: David Bornstein

One Sunday in April 1991, Cordeiro wrote a proposal for a healthcare project to stop the cycle of readmissions among poor children. She presented it to Lagoa's directors and was promptly told: "Vera, this is the government's work." Undeterred, she spent the next six months persuading staff in the pediatrics unit to

help her.

On Friday, October 25, 1991, at 7:00 P.M., she brought together fifty colleagues in the playground of her apartment building, announced her plan, and raffled off a set of sheets that her mother, Cordelia, had embroidered. The \$100 they raised was used to cover the incorporation fees for Associação Saúde Criança Renascer, a new organization that would begin where hospital care ended.

A Real Treatment

Today, Renascer's main office is located in a forested park five minutes' walk from Hospital da Lagoa. (For six years, an old horse stable had served as the office.) The building is crowded with psychologists, social workers, nutritionists, volunteers, and mothers of sick children. A storeroom remains stocked with food and medicine. A bulletin board by the entrance lists supplies in need. On various visits, I noticed that the list included fans, shoes, mattresses, cradles, blenders, water filters, eyeglasses, clothes, blankets, a wheelchair, a sewing machine, a nebulizer, a safety fence, and a carriage for a child with hydrocephalus.

The most critical work in Renascer's office takes place in the volunteer room, where volunteers interview mothers about their children and help them develop "treatment plans." On one of my visits, I met a woman named Maria whose seven-year-old son, Daniel, had hydrocephalus, a life-threatening condition characterized by extreme swelling of the head. Maria had grown up in a village and come to Rio as a teenager to support her parents. She had an alcoholic husband and two sons whom she supported by selling sandwiches and juices to police officers at the city morgue.

Daniel had undergone three operations. He needed to have fluid drained regularly from his head. Because it was dangerous for him to move around, he spent most of his time indoors. The volunteers were trying to procure a special carriage so he could spend more time outside.

At the next table sat Ivonete, a woman of twenty-five with anxiety lines etched deep into her face. She had been referred to Renascer by a social worker at Hospital da Lagoa after her son Marcos had been hospitalized for dehydration due to diarrhea. At the time, Ivonete had two other children and was pregnant with a

fourth; there were "serious troubles" at home that she didn't want to get into. Renascer had been closely monitoring Marcos's health for a year. Ivonete had learned how to improve the family's hygiene and diet. Renascer also helped the family move out of its damp basement dwelling into a healthier living space. Now Ivonete wanted to start a small business selling sweets. Renascer was helping her to get it started.

The most striking thing about the volunteer room was the seriousness of the work. At every table, mothers and volunteers were discussing problems, making decisions, and planning actions. It wasn't all smiles. Some mothers became frustrated when they ran into Renascer's limitations, and some volunteers became frustrated when mothers didn't live up to their promises. But no one seemed bored or resentful. No one was saying: "That's not my department." or "Fill out this form and come back in three weeks." The prevailing attitude seemed to be: "Let's roll up our sleeves and see what we can do about this problem."

The bottom line was clear: Without Renascer, children like Daniel and Marcos would be hospitalized more often. They would suffer more; their families would suffer more; the doctors would suffer more; and society would bear the expense.

In 1999, the director of Lagoa's pediatrics unit, Odilon Arantes, reported that, between 1991 and 1997, Renascer's follow up had brought a 60 percent drop in readmissions in the unit. The impact, he said, was "stunning." Doctors and nurses



Renascer's volunteer room. Courtesy of Renascer

were now able to do what they had trained to do: heal. "It has completely changed the motivation in the unit," Arantes told me. "Before Renascer, we used to spend lots of effort and money in the emergency room or ICU [intensive care unit] on treatment knowing that there was a high probability that kids might die afterward from lack of assistance and follow up at home.

"Now when we discharge a poor child, we can feel at peace. And this makes our work more meaningful and rewarding."

What, then, in the context of poverty, constitutes a *real* treatment? Cordeiro has found that, on average, it takes about *eight months* of regular contact between mothers and an organization that can address a range of social problems to do the trick. Sometimes it takes twelve or fourteen months, sometimes longer.

And sometimes even that isn't enough. Cordeiro frequently has to remind herself that Renascer does not exist to solve all of Brazil's woes. Its job is to ensure that vulnerable children treated at Hospital da Lagoa actually benefit from the medical care they receive and, as far as possible, stay healthy outside the hospital.

It's a limited mission, with measurable, time-bound goals. The idea is to do it systematically, showing the way so that, in due time, the Renascer treatment becomes the *standard* treatment.

When Cordeiro first arrived at Hospital da Lagoa in 1976, at age twenty-five, she had been assigned to the hospital intake ward, where her job was to diagnose as many as twenty patients each morning. Initially, the days were a blur. In time, however, she learned to steal moments to talk with the patients, many of whom were poor women. Cordeiro had long been interested in the social and psychological roots of illness. After speaking with the mothers, she began to make connections between their physical ailments and the stress in their lives. That led her to lobby the hospital administrators to establish a department of psychosomatic medicine (psychosomatic medicine explores the relationship between emotional stress and illness). In the unit – the first unit of its kind in a public hospital in Brazil – Cordeiro introduced an array of social and psychological treatments to

help patients cope with chronic diseases such as asthma, heart disease, and hypertension.

In 1988, Cordeiro requested a transfer to the pediatric ward, a decision that would set her life on a new course. "I worked with adults for thirteen years and I never thought to start an organization like Renascer," she told me. "But after I came to the pediatric department, I realized that I had two choices: to give up working with children or to continue working in a different way."

The Most Important Person

Renascer's initial team was made up of ten people, including Cordeiro, her mother, Cordelia, a few other psychologists and nurses, and some friends. They operated out of a small room in the hospital. They began by scouring their Rolodexes, seeking contributions of milk, medicine, and food. Each night they consulted with one another on the phone: Who knows where we can get a vaporizer? Should we have a bingo night? "We used to sit around a table and clap hands each time we received a donation of milk or medicine," Cordeiro recalled. "I would think, 'I'm a doctor, and here I am clapping for milk.' But I knew that that was the way we would grow stronger."

Cordeiro's objective was to help the mothers of vulnerable children learn how to prevent recurrences of illness and minimize crises. So she enlisted doctors, nurses, and social workers at Lagoa to identify poor children who were about to be discharged. To entice the mothers to work with Renascer, she offered an incentive: free nutritional supplements and medicine for six months. In exchange, mothers had to agree to visit Renascer's office at least twice a month.

On the first visit, Cordeiro or one of her colleagues would interview the mother, inquiring about the family's income, diet, and other social conditions. Does your house have running water? Does it have a solid roof? Is there a toilet? Do the children sleep in beds? Did they have adequate clothing?

Each family was given a baseline score for poverty, education, employment, housing, and health awareness. Then, over the next six months, Renascer's team would work with mothers one-on-one. In conjunction with social workers and nutritionists, they sketched out treatment plans and set specific, time-bound goals, which might include such things as fixing a

roof, modifying a child's diet, getting into the habit of boiling water, getting a bed for a child, or acquiring the documentation to be eligible for government assistance.

"The key is that the mothers know exactly where they need to go," explained Cordeiro. "Then, step by step, we help them get there."

From the outset, mothers were informed that Renascer would help them gain control of their family's health, but the organization's support was temporary.

Each time mothers visited the office to pick up food and medicine, they would discuss the progress of their treatment plans with one of Renascer's volunteers. If necessary, mothers might consult with a psychologist, nutritionist, or social worker. With each visit, Renascer recorded changes in the children's health. As problems emerged, the team did whatever it could to try to solve them. That might mean anything from navigating the health system, to procuring a water filter, to helping a mother enroll in a hairdressing course.

In some cases, mothers failed to keep up their ends of the bargain and Renascer "discharged" them. In some cases, Renascer lacked the resources to bring about significant lasting changes in the family. But most of the time, Renascer's work made a real difference, and after a few months, a child was beyond the danger zone or at significantly reduced risk of recurrence, and the mothers had adopted healthier habits. These successes occurred most frequently with acute cases, such as malnutrition, pneumonia, tuberculosis, leptospirosis, and infectious diseases. "This group are the happiest for us, because the sicknesses come from poverty and we can bring a lot of change to them," Cordeiro said.

With chronic illnesses, such as kidney disease, asthma, sickle cell anemia, rheumatic fever, or neurological problems, the goal was to show the mothers how best to manage the conditions at home. And with terminal cases, such as AIDS or leukemia, the goal was to keep the children comfortable until death.

Early on, Cordeiro discovered that she had a gift for attracting helpers. "When Vera first started, she pulled in

everyone," recalled Maria Aparacida Carvalho, who oversees Renascer's job training programs. "She would say: 'Come work with me! Come work with me!' 'We need you!' She has no idea how much energy she projects."

Regina Milanez, who sits on Renascer's steering committee, recalled how she got involved: "I saw Vera on the cover of a magazine and called her up. You know that doctors don't know how to deal with money. When Vera heard that I was a retired financial analyst from IBM, she said: 'Please help us!' So I started coming in twice a week. I looked at the accounts. And I realized I really had a lot of knowledge about how to do this and I was very excited to be doing it. And I developed a series of costing structures to figure how many families we could serve."

Martha Scodro, who is the president of Renascer's steering committee, saw an article in a newspaper. "I had small children and I wasn't working. I went to the hospital to donate some toys and I spoke with Vera. When I told her I was a psychologist, she said, 'We need you! Please go into that room and help take care of that child who is dying.'

"So that's how I started."

Cordeiro gets away with this behavior because her focus is clearly not on herself, but on the work that needs to be done. She seems to spend most of her life thinking about the needs of others. She even seems to experience much of life through other people's eyes. When talking about patients, for example, she instinctively switches to the first person. Rather than say "This woman was worried about her child. She didn't know what to do," she will say "This woman said to me, 'Dr. Vera, please help me. I am so worried about my child. I don't have anywhere to turn.'"

Cordeiro also spends a great deal of time reminding people of their importance to Renascer. The first day I visited her office, she introduced four people as "the most important person in Renascer." None appeared to doubt her sincerity. When Luís Carlos Teixeira, a respected physician who is president of Renascer's advisory council, dropped by one afternoon, Cordeiro declared: "Luís Carlos is our King Solomon! The most important person in the history of Renascer!"

At the outset, Cordeiro saw that she would have to rely on volunteers to reach a large number of children. There simply were not enough professionals to meet demand. However, this approach drew fire from social workers at Lagoa who informed Cordeiro that it was "irresponsible" to have nonprofessionals assisting poor women. Cordeiro countered that what was irresponsible was discharging vulnerable children to the slums and then forgetting about them.

Two questions that Ashoka interviewers commonly pose to candidates during the selection process are: "Who are your enemies?" and "Who are your allies?" "When you have an idea that's going to change how things are done, that means you're changing how people relate to one another," explains Bill Drayton, Ashoka's founder. "You're changing their power positions. You're threatening to obsolete their knowledge, the 'human capital' of their experience. This is not always welcomed with open arms." And social entrepreneurs need to be prepared.

At Lagoa, it was the social workers who initially turned out to be Renascer's "enemies." Why? "Renascer showed clearly what should be done and what wasn't being done," explained Odilon Arantes, the head of the pediatrics department. Tensions mounted until a group of social workers lodged a complaint with Lagoa's directors, seeking to shut down the program.

The hospital directors called a meeting. The social workers aired their grievances. Then one of Lagoa's directors asked Arantes to offer his opinion. He replied: "I had a problem in the pediatrics department, a problem of children returning over and over. Renascer solved my problem. If it goes, I will demand something to replace it." The directors had nothing else to offer.

Afterward, the social workers quieted down, but the directors asked Cordeiro to move Renascer's office outside the hospital. Cordeiro knew she had to stay nearby, but she couldn't afford to rent a space. Then she remembered Parque Lagé, where she had played as a child. There was an abandoned horse stable in the park. Its walls were crumbling, its roof leaked, and a drunk slept on the steps. But it was only a short walk from Lagoa and situated in as tranquil a setting as one could hope for in Rio.

My Idea Would Not Die

In the summer of 1992, Candace Lessa received a call from an Ashoka nominator suggesting that she pay Cordeiro a visit. "The program was incipient then," Lessa recalled. "The innovative aspect was introducing a new notion of what providing medical care was."

That fall, Bill Drayton traveled to Brazil to conduct "selection panel" interviews. As Cordeiro recalled, one of the first questions Drayton asked her was: "What do you expect to have in ten years' time?"

"It's a crazy question," Cordeiro recalls thinking. "I can't even make plans for tomorrow! How can I think about ten years from now?"

But reflecting on that interview almost ten years later, she added: "I'm beginning to see that if you think this way your dreams come true."

Cordeiro found herself moved by Drayton's interest in her idea and her life. He seemed hungry to understand every detail of Renascer's operations. How did they decide when to discharge a child? How did they motivate the mothers? How did Cordeiro plan to spread her idea? How did she plan to engage with the government? No one had ever forced her to think so deeply about the practical obstacles she would face as she attempted to expand beyond one hospital.

Cordeiro outlined her vision: In a government system otherwise characterized by corruption and indifference, the public hospitals remained one of the few doors open to the poor. And a child's illness was a powerful event that could trigger change in a family. It was senseless to provide hospital care to poor children without following up. But this was a new idea, and the health system was not yet prepared to take it on. Citizens had

to develop the systems. Renascer had a solid base of volunteers – no small achievement given Brazil's history of dictatorships. It was helping to unleash the civic spirit of Brazilians. It was also connecting people from upper and lower classes. "I don't know who gains more in the exchange," Cordeiro said. "A person who earns less than the minimum wage can transform the life of someone from the elite. Because poverty is not only a lack of money, it's a lack of a sense of meaning.

"This is the best antidepressant we have. It causes a revolution in people. I am sure it will multiply not only in Brazil, but internationally."

In October 1992, Cordeiro was elected an Ashoka fellow. A year had elapsed since Renascer's launch in the playground of her apartment building. She was working out of a stable with a leaky roof. And now an organization with offices around the world was telling her that her work would change healthcare in Brazil. The distinction came with a Brazilian-level social sector salary – about \$9,000 a year for three years; no fortune by any means, but the timing was critical. It doubled Renascer's budget.

More important than the money, however, was the encouragement: the vote of confidence and the connection to a network of like-minded people. "I remember very clearly the clothes I was wearing" – blue pants with a flower print and a T-shirt – "and how I cried the afternoon that I was told by Ashoka that I was elected a fellow," Cordeiro said. "One of the fears we had at the time was that what we were doing had no name, that it would die even before it could be born. So, it meant so much to me that other people understood the importance and essence of Renascer.

"And I understood then that my idea would not die."

Meanwhile, at home, every family dinner was dominated by discussion about Renascer. It would go on until Laura or Marina would shout: "Mom, are you going crazy? Stop talking about Renascer!" Paulo, Cordeiro's husband, recalled: "This work was brought into the home each day of our lives from 7:00 A.M. until midnight."

"There was no food in the pantry," Cordeiro said. "There

was day-to-day confusion in the household. I had no time and no interest to do things at home."

It didn't take long for Laura, who was ten years old in 1991, to come to despise Renascer. "It was like suddenly having a younger brother, and it caused a lot of anger in my sister and me," she recalled.

Marina and Laura volunteered at Renascer, then quit, then volunteered again. Despite their resentment, they found themselves drawn into relationships with Renascer's families and changed by their experiences. Today, Laura is studying law and plans to devote herself to social causes. Marina, who is also pursuing a law career, adds: "I plan to use my skills to help build a more inclusive society."

"My contribution on a daily basis was to be a supporter," added Paulo. "To understand that more than anything Vera needed time to devote to this."

By 1994, Renascer had 508 dues-paying members whose fees totaled \$4,000 a month. Cordeiro had also received grants from foundations and private sources. While she built up a paying membership, she continued to deepen the work. She persuaded transport agencies to provide discounted bus tickets, which Renascer distributed to mothers.

She launched a program to connect middle-class families with Renascer's families to provide nutritional and medical supplements for six-month extensions as needed. She created a work program to boost the incomes of mothers who had to stay home full time with children.

When a TV producer who had received care at Lagoa got wind of Renascer, Cordeiro was invited to appear on *Fantastico*, a popular variety and talk show. Her appearance led to a spate of newspaper and magazine stories and helped double Renascer's paying membership.

Meanwhile, everywhere Cordeiro went, she invited people to visit Renascer. Before long calls were coming in from out of the blue: "We've heard you have a system that can help us. Can we visit?"

"It was funny," she recalled. "We felt we had just started.

But already doctors were coming to us to learn how to multiply the experience."

The first successor, Reviver (relive), was established in 1993. Next came Ressurgir (reappear), Reagir (react), and Refazer (redo) in 1995. Cordeiro made sure replicators met four criteria before she agreed to work with them: They had to have: (1) a strong working relationship with their hospital, (2) extensive experience treating poor patients, (3) a willingness to sign an agreement promising to uphold Renascer's standards, and (4) a "genuine need" to do the work.

In 1996 and 1997 Renascer's model began attracting considerable attention and Cordeiro won a series of national social service honors. By 1997, the model had spread to three more hospitals. Since then, it has been adopted in nine more hospitals.

A Revolution

In 1998, Cordeiro received a phone call from Anamaria Schindler, the director of Ashoka's Center for Social Entrepreneurship in São Paulo. Schindler had established a partnership with the São Paulo office of McKinsey & Company, and she wanted to know if Cordeiro was interested in having McKinsey consultants work with her pro bono. Cordeiro jumped at the opportunity.

The world's richest corporations pay McKinsey & Company millions of dollars a year for the firm's advice on strategy and how to achieve "organizational excellence." Drayton had initially established contact with McKinsey, where he had worked for nine years, before Schindler turned the relationship into a full-fledged partnership.

In contacting McKinsey, Drayton wasn't looking just to drum up free consulting work for Ashoka's fellows. He saw it as something much more important: an opportunity to build respect and improve coordination between the business and citizen sectors. What better way than by linking McKinsey, a leader in its field, with leading social entrepreneurs at a point when the entrepreneurs were gearing up for expansion? It would be a two-way learning process: The consultants would learn from the social entrepreneurs' strategic insights and their ability to achieve results in difficult contexts, and the social entrepreneurs would benefit from the consultants' management and organizational expertise.

To convince McKinsey that it was a sound investment – not merely an opportunity to "give back" to society – Drayton, in meetings with McKinsey partners, stressed the institutional logic from the firm's perspective. McKinsey's mission is to help companies understand their environments and develop strategies

and management skills to seize new opportunities. In many countries the growth of the citizen sector was outpacing growth in the business sector by a large margin. At the same time, boundaries between the business, government, and citizen sectors were becoming blurred. These changes were well underway, but the understanding had not yet caught up with the reality.

"Most of it is still unforeseen, but it is probably the most important change in the world today and it promises a rapidly growing opportunity over the next decades," comments Drayton. "If McKinsey knows how to make this business-social bridge, everyone will benefit. The firm will be positioned ahead of the curve to understand new dimensions – economic, social, ethical, professional – and its advice will be better and deeper. Its consultants will better understand the whole future environment. Social clients will benefit from business knowledge and business clients will benefit from the social knowledge. And society will benefit as a whole."

It didn't take long for the marriage between Renascer and McKinsey to take. As with corporate clients, the consultants came in and spent weeks inside the organization, interviewing everybody, inquiring about mission, values, opportunities, problems. "These McKinsey consultants – they're so serious," Cordeiro said. "They wear suits and ties every day. But I love them."

"People fell in love with Renascer," explained Frederico Oliveira, a McKinsey partner who became Renascer's champion in his office. "The organization is straightforward and humble, definitely very ethical, and very action oriented. In fact, you have to hold back because Vera jumps on ideas like crazy. That attitude is very exciting for us."

Consultants analyzed how Renascer selected and tracked its cases, how it managed its volunteers, how it decided when to discharge a child, and how it measured impact. They looked at the organizational structure: who was responsible for what, who reported to whom. They broke down service offerings into "core" and "noncore," defined key "competencies," and assessed where Renascer was strong, where it was weak, and what would need to

be strengthened if Renascer were to grow by 30 percent within the next two years.

With help from the consultants, Cordeiro prepared a \$250,000 "strategic plan" and convinced the Brazilian national development bank to fund it. She established a new position analogous to a chief operating officer to free her from direct management duties. The consultants helped clarify responsibilities and reporting lines. "McKinsey taught me that you need to have a matrix for the guilt," Cordeiro said.

Renascer had records on more than 1,500 families, but the information was not in a form that could be analyzed readily. The consultants helped Renascer develop a database to track cases from admission until a year after discharge. Renascer instituted new documentation systems and produced operations manuals for replicators. The organization also instituted guidelines for evaluating the health, housing, and employment conditions of families, as well as standard re-evaluation cycles for cases.

The discharge criteria was standardized: After Renascer's intervention, a family must have attained a minimum monthly income (after rent) of R\$180 (Brazilian reais; in mid 2003, one real was equivalent to about 35 cents) or R\$250 for families with more than five members. The family must be receiving all available public benefits for seriously ill or disabled children. The house must be a brick structure with a cement floor and no serious damage to the walls or roof, with two rooms, a bathroom, sink, shower, and toilet – either a pit latrine or sewer system – and a water filter. The children's health must be evaluated as "satisfactory" or "good" by Renascer. All children over the age of four must be in day care or receiving special care as needed. All children between five and sixteen years old must be in school. All children under ten must be vaccinated. All family members must have proper government documentation. The mothers must have completed a family planning course.

"What McKinsey did was like a revolution," Cordeiro said. But the revolution was not without complications. What happens, for example, when you apply a business management framework to an organization involved in social change? How do you balance financial and human considerations? How do you

professionalize without losing intimacy? How do you standardize without losing flexibility? These were some of the questions that came up.

For McKinsey, working with Renascer was also a valuable experience. "Nonprofits have a different way of thinking than we're used to," explained Frederico Oliveira, from McKinsey. "They look much more like family-owned companies, with many soft aspects being taken into account in the management. We have to find a way to work in these situations, not just apply our pragmatic, logical frameworks. I think McKinsey as a whole will learn a lot."

In addition to the "sheer personal satisfaction" gained by consultants, Oliveira noted that McKinsey benefited by having its junior and foreign consultants exposed to real-world difficulties rooted in local context. "Any barriers are magnified in nonprofits – lack of resources, infrastructure, management ability," he added. "But they are more savvy at finding constructive solutions and alternatives. They have no information technology department to come and solve their problems."

We Would Still Be Living In The Past

In 2001, Cordeiro was selected as one of Brazil's ten "women of the year" and one of the country's twenty top social leaders. She was also honored as a leading innovator by the Schwab Foundation for Social Entrepreneurship. And in early 2003, Renascer was awarded the \$100,000 "Most Innovative Development Project Award" from the World Bank's Global Development Network.

By 2002, Renascer had assisted 6,000 children and 4,000 other family members in 1,740 families. The replications had assisted another 10,000 people. A 2002 study of families discharged from Renascer reported that the percentage of children whose lives were "at risk" dropped from 42 to 10 percent, while their family's average monthly incomes had increased 58 percent.

The organization had opened a new office. The gift manufacturing program was fast evolving into a professional operation turning out quality bed, bath, and kitchen items. Renascer had also added formal job training. By 2003, more than 600 mothers had completed courses in manicuring, hairdressing, embroidery, seamstress work, and computer operation. Cordeiro had also established a U.S.-based Friends of Renascer to advance international replication of the model.

In their first meeting, Drayton had asked Cordeiro, "What do you expect to have in ten years' time?" On October 25, 2001, Renascer celebrated its tenth anniversary. Cordeiro, fifty-one, recalled the raffle in the playground, the conflict with the social workers, the day she was elected an Ashoka fellow, the years in the stable, the *Fantastico* TV show, the spread to other hospitals, the awards, the McKinsey "revolution," hundreds of volunteers, thousands of children. They had come a long way since the days

of clapping for milk.

And yet, to fulfill her vision of carrying Renascer to every hospital in Brazil, the next ten years will require even a steeper climb. It will take salesmanship, savvy, and stamina to effect change within the health system. Cordeiro will have to spend years working to persuade doctors, hospital administrators, health officials, and funders to adopt the model.

Looking ahead, I can imagine two possibilities: (1) Renascer continues to be influential, but its replications are sporadic and they fail to match the strength of the original; or (2) Renascer transforms itself into a reference and training center that successfully spawns and supports cells across Brazil. Every major decision Cordeiro has taken since 1998 foretells the second result.

When I imagine what the next decade may hold, I am reminded of a comment made by Odilon Arantes when I asked him what the key factor had been in Renascer's success. "Here I can say with absolute assurance that the main element for Renascer's success was Vera," he replied. "Without her, we would still be living in the past. She is so persistent; she insists and insists until she wins."

When I mentioned Arantes's comment to Cordeiro, she insisted that everyone in Renascer had been a "co-creator." She acknowledged that she had been the one to bring people together, but it was their collective energy that made it all happen. "Nobody is more important than any other person," she said. "But sometimes a person has success because that person continues fighting. I think if I have some value it is that I continue fighting."

Why Was I Never Told About This?

After launching its work in India and Indonesia in the early 1980s, Ashoka had begun working in Brazil in 1986, just as the country was emerging from the long enforced shadow of military rule. Social entrepreneurs like Vera Cordeiro were suddenly turning up everywhere – in the Afro-Brazilian community, in the gay community, in the disability community, in the women's movement. "It was perfect timing," recalled Candace Lessa, who had joined Ashoka's Brazil program in 1988. "Brazil was just opening up to democracy. The NGO [nongovernmental organization] network was moving toward social change organizations rather than just political movements. There were a lot of lonely people with no money, and suddenly Ashoka came in supporting people who were taking provocative stances vis-à-vis the status quo."

"But people were also skeptical," Lessa added. "At first, they thought Ashoka was like the CIA. Who was this strange American coming in and interviewing everyone?"

That was the initial concern of Peter Lenny, a left-leaning, Portuguese-English interpreter based in Rio de Janeiro who received a call one day requesting an "emergency replacement" for a finicky North American.

Lenny's first job with Bill Drayton was a five-hour interview with a stonemason from a village in the south of Brazil. "He'd developed this novel way to convert low-class housing into a reasonable neighborhood," Lenny recalled. "In the end, he wasn't selected; he wasn't really a social entrepreneur. He didn't have the awareness of the potential of his own idea."

In time, Lenny got over his skepticism. As he continued working with Drayton, he began to recognize patterns in the way Drayton interviewed people. He saw that Drayton would press

forward with, say, a peasant farmer who knew how to work with people, but he tended to shy away from academics. One of Drayton's acid tests was to ask a how-to question in very specific practical terms in order to see if the person would respond in similarly practical terms (good) or go off on a tangent or give a theoretical answer (not good).

The experience did more for Lenny than teach him how to recognize social entrepreneurs. If not for Ashoka, Lenny says he probably would have left Brazil and returned to live in England.

In the mid-1980s Lenny, like many Brazilians, had begun to lose hope in Brazil's future. After the dictatorship fell, the media turned its focus to corruption, inflation, and crime. It seemed unlikely that free elections and a new constitution would produce genuine social change. "Brazil is very big," Lenny says. "You don't hear about anything that happens at the microlevel. The whole idea that there was this ongoing social activity – these people doing great things – was just totally invisible. No one from the middle class sets foot in a *favela*. And if you hear anything about any sort of social change organization, it's just through the strangest chance, through your maid or a taxi driver."

Through Ashoka, Lenny discovered the work of social entrepreneurs across Brazil, people like Mary Allegretti, who was working to protect the Amazon rain forest from deforestation, while ensuring a livelihood for local Indians and rubber tappers; Silvia Carvalho, an early childhood educator in São Paulo, whose organization, Crecheplan, was improving day care for poor children; Marilena Lazzarini, who had launched a consumer protection movement with her organization, Instituto Brasileiro de Defesa do Consumidor (IDEC); João Jorge Rodrigues, who was turning the percussion band Olodum, in Salvador, Bahia, into a vehicle to activate the political consciousness of Afro-Brazilians; Suely Carneiro, an Afro-Brazilian woman whose organization, Geledés, was laying the foundation for a black women's movement; Ana Vasconcelos, whose Casa de Passagem was focusing national attention on the problem of female child prostitution; Ismael Ferreira, whose cooperative, Associação dos Pequenos Agricultores do Município de Valente, was connecting poor sisal growers in rural Bahia to international markets;

Normando Batista Santos, whose network of community-run schools were reaching remote areas in northeast Brazil; Fábio Rosa, who was delivering electricity to hundreds of thousands of poor people in rural Brazil; Cordeiro, who had founded Renascer to address a hidden gap in the healthcare system; and scores of others.

"Suddenly," recalled Lenny, "I had this view of another Brazil – nationwide – in all sorts of areas – through Ashoka's selection process. And what I saw in a short while I wouldn't have seen if I'd lived in Rio and read the newspapers for ten years.

"And I thought, 'Why was I never told about this?'"

Excerpted from

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