“NGO and Entrepreneurship”
International Seminar

“Can entrepreneurship contribute to the sustainability of NGO actions, whether as an end, a means or a responsible approach?”

Platform text

Paris - July 2008

Organised by Advancia Business School of the Paris Chamber of Commerce and Industry & the NGO Executive Committee associated with the United Nations Department of Public Information (NGO/DPI)
2008-60th anniversary of the Universal Declaration of Human Rights
NGO and ENTREPRENEURSHIP SEMINAR

“How entrepreneurship can enhance the work of NGOs and other actors in the promotion of Human Rights”

15 JULY 2008

HOTEL POTOCKI
PARIS

Organized by

Advancia, Paris Chamber of Commerce
and
NGO/DPI Executive Committee
I. Background

In advance of the 61st Annual DPI/NGO Conference to be held in Paris from 3-5 September 2008 to mark the 60th anniversary of the Universal Declaration of Human Rights (UDHR), the NGO/DPI Executive Committee and Advancia sought to identify ways in which dialogue between the entrepreneurial and NGO communities can lead to innovative collaboration for the implementation of human rights.

II. Participants

ANDERSON, Gretchen B., Management and Search Consultant, On-Ramps
ANDERSON, Alistair, Director of the Charles P. Skene Centre, Aberdeen Business School
BALDACCHINO, Leonie, Lecturer in Creativity, Innovation, and Entrepreneurship, Edward de Bono Institute for the Design and Development of Thinking, U. of Malta
BITTNER, Elisabeth, DG Education and Culture, European Commission
BOCQUENET, Gérard, General Director, UNICEF France
BOGERT, Caroll, Executive Director, Human Rights Watch
BOUMIER, Yves-Louis, Founder, Réseau Agence 22
BRODBAR, Gabriel I., Director Catherine B. Reynolds Foundation, NYU Wagner School
DAVID, Vincent, General Coordinator, Relations d'Utilité Publique
DINGLI, Sandra, Director of Edward de Bono Institute for the Design and Development of Thinking, U. of Malta
FARRINGTON, Colin, Director General, Global Alliance
GARCIA-MUNOZ, Soledad, Professor of Law, Member of the Board, Amnesty International
GRENIER, Paola, Professor, Centre for Civil Society, London School of Economics
HAFREY, Leigh, Senior Lecturer in Behavioral and Policy Sciences, MIT
HENDERSON, Effenus, Chief Diversity Officer, Weyerhaeuser Company
HENNEKINNE, Loïc, Counsellor of the President, Planet Finance
JOHANSSON, Marlene, Associate Professor, Department of Entrepreneurship, Umeå University
LEARY, Deborah, Chair of the Midlands World Trade Forum, Deputy Chair of the United Nations UK Global Compact, Vice President of the British Association of Women Entrepreneurs, Forensic Pathways Limited
LIGHT, Paul, Paulette Goddard Professor of Public Service, NYU Wagner School

1 The Executive Committee of Non-Governmental Organizations (NGO) associated with the United Nations Department of Public Information (DPI) is a 501(c)(3) not-for-profit organization that acts as a liaison between the NGO community and DPI to help increase public understanding of the UN’s purpose, structure, policies, actions and programmes.

2 ADVANCIA is a Teaching Establishment founded in 1863 by the Paris Chamber of Commerce and Industry, whose head office is located at 3, rue Armand Molsant, 75015 Paris
MALDONADO, Sandra, President Fundacion Cultural Baur
PHILIPPART de FOY, Bénédicte, Director, Femmes Actives en Réseau
ROSEN, Jonathan, Executive Director, Institute for Technology, Entrepreneurship, and Commercialization, School of Management, Boston U.
RUELLA, Gwenaelle, President, Jeune Chambre Economique de Paris
SFEIR-YOUNIS, Alfredo, President and Founder, The Zambuling Institute for Human Transformation
SMITH, Brett, Assistant Professor of Entrepreneurship, Center for Social Entrepreneurship, Miami University
WALSH, Michaela, Director Community Leadership, Manhattanville College

Organizers and workshop leaders:

BOROS, Ruxandra, Advancia Professor
DE GONZAGA, Shamina, Chair, 61st Annual DPI/NGO Conference and Vice Chair, NGO/DPI Executive Committee
HOLLER, Pamela, Advancia
HUFFINES, Jeffery, Chair, NGO/DPI Executive Committee
RHANNON, Mc MILLAN, Advancia Professor
KHAVATO, Emmanuelle, Advancia
LAVIOLETTE, Eric-Michael, Advancia Professor
MALNOUE, Charlotte, Advancia
REDIEN COLLOT, Renaud, Deputy Director, Advancia
STEFANATOS, Crystal, Advancia Professor
VIDAL, Louise, Advancia
VINCENT, Stephane, Advancia
VISSIO, Jocelyne, Advancia
WULF, Catharina, Advancia Professor

III. Structure of the meeting

This one day action-oriented seminar comprised 6 workshops (three in the morning and three in the afternoon) that included approximately 10 participants each.

The participants discussed the existing definitions of social entrepreneurship as well as current modalities of interaction between entrepreneurs and NGOs.

Among the topics discussed were:

- What entrepreneurial skills can be useful for NGOs and how NGOs can help entrepreneurs develop successful business models that integrate a human rights approach;
- How to encourage the commitment of entrepreneurs to social issues and guarantee the relevance and sustainability of philanthropic actions led by the private sector;
- Which factors are necessary for dialogue to take place between corporations and NGOs around human rights issues and how to foster greater accountability of the business sector to human rights norms;
• How to build on internationally agreed commitments and frameworks as a basis for collaboration between NGOs and entrepreneurs and what new mechanisms are required to combat corruption and ensure the effective allocation of funds for social and economic development;
• What business practices could be applied to enhance NGO management and accountability;
• How entrepreneurs can support and stimulate NGO innovation and effective communications;
• How NGOs that promote economic development through the creation of small businesses can ensure that entrepreneurial opportunities are accessible to marginalized populations and that the businesses created benefit the community.

IV. Key Findings

The discussions revealed the absence of a common set of references with regard to entrepreneurs, social entrepreneurship and the application of entrepreneurship to NGOs as well as the lack of an established human rights framework for business.

A. Suggested definitions and premises included:
• Entrepreneurs are actors that combine innovation with rapid growth and risk taking;
• A social entrepreneur brings innovative solutions to persistent social problems;
• Social entrepreneurship articulates the fuelling of a sustainable entrepreneurial spirit and the search for solutions (in the products, the processes, the positioning and the paradigms of the organization) to establish a balance between economic profits and the respect for social, environmental, cultural, and spiritual ecosystems;
• As social entrepreneurs, NGOs can contribute to more equitable and rights-based approaches to globalization by developing models that balance profit and non-profit objectives;
• NGOs can advance respect for human rights and corporate social responsibility by engaging large corporations as well as small and medium enterprises in entrepreneurial initiatives that benefit social and humanitarian causes;
• Entrepreneurship has different implications for NGOs depending on the size and scope of the organization;
• Entrepreneurial methods can help NGOs maintain and expand their membership and funding sources, through continuous innovation in the services provided to meet their target constituencies’ needs.

B. Questions
The discussions stimulated additional questions, which included the following:
• Will the human rights agenda be compromised in the face of economic pressures?
• Can we demonstrate that human rights benefit business?
How can the dominant model of free market economics be adapted to promote human rights?

In the context of business in relation to society, how to guarantee respect for human rights and remedy for violations?

What matters: economic well-being or holistic well-being?

Can the notion that democracy and human rights together with economics are fundamental to human dignity constitute a basis for collaboration between NGOs and entrepreneurs?

Which international frameworks can be used to direct partnerships between NGOs and entrepreneurs e.g. Universal Declaration of Human Rights, Millennium Development Goals, or Global Compact principles?

Is it possible to develop a model of entrepreneurship that favors collective rather than just individual initiative?

How do we add value to the resources of people who live in poverty by recognizing other forms of capital whether human, social or cultural?

What opportunities can advance both the commercial interest of businesses and the goals of NGOs?

Are there enforcing mechanisms that can advance transparency and accountability of the private sector and NGOs at the international level?

C. Points on which there was general approval included:

- Implementing agreed commitments such as the Universal Declaration of Human Rights, the Millennium Development Goals, and other frameworks such as the Global Compact principles, requires innovative collaboration and an entrepreneurial spirit on the part of NGOs and business;
- Communication and education about human rights and corporate social responsibility are necessary to develop a better interaction between the business community and the NGOs, between big and small organizations, between bureaucratic and entrepreneurial approaches;
- Entrepreneurship can become a shared value for both NGOs and for Private Sector

D. Points of divergence
Participants expressed clearly divergent views on:

- the political role of business, with some stating that businesses are separate from politics and shouldn’t assume responsibility for political issues and others stating that businesses are political actors that influence political decisions and decision-makers
- the potential of private sector contributions to NGOs, with some stating that companies can only be useful to NGOs by giving them funds, and others stating that companies have more to offer NGOs than just charity

E. Points for follow-up
The discussions revealed areas that would benefit from further consideration and problem-solving including:
i. Existing limitations:
- When NGOs become large and established organizations there is less ability to take on entrepreneurial projects
- Both the private sector and NGOs experience a tension between control and creativity
- Regarding the standardization of the managerial processes of NGOs, transparency and accountability, as organizations, NGOs present striking differences when compared with for profit organizations
- NGOs need specific types of management that are adapted to the social, cultural, ethical dimensions of their work, and that take into account the international and local operational needs
- Experience has shown that companies only become willing to address human rights issues once they have been exposed in actions that violate human rights
- Both businesses and business schools tend to view corporate social responsibility as part of marketing rather than an integral part of their goals, structure and activities

ii. Inadequate communication styles and perceptions:
- The private sector resents NGO approaches that assume a moral high-ground; NGOs resent the paternalistic attitude of companies that assume greater competencies because they generate wealth
- Human rights language doesn’t appeal to the business community
- The terms “social entrepreneurship” and “social business” have yet be mainstreamed
- Entrepreneurship is associated with risky investments and not with social investments

iii. Funding:
- There is a tension between how funding is allocated and the goals of recipient organizations
- The private sector and foundations generally wish to fund outcomes rather than generic processes, despite the fact that the work of NGOs entail substantial administrative costs
- The private sector functions with short term quantifiable goals, whereas NGOs function with long range plans and goals that are not as easily measurable
- Corporations often operate according to their own norms and processes when they give funds to NGOs
- NGOs may experience risks related to their autonomy and integrity when accepting funds from the private sector

F. Recommendations
i. Communication and education:
- A new model of media communication that addresses people in their capacity as citizens rather than just as consumers should be developed
- Education-based-approaches focused on ethics could be employed to combat corruption
Consumer education about business practices can be pursued along with efforts to build human rights in the DNA of for-profit organizations.

In view of the increased mobility of people between sectors, networking opportunities for NGOs and companies should be encouraged to generate relationship-building and greater understanding between both sectors.

ii. Enabling partnership:

- International business and political debates should shift from the shareholders’ point of view to the stakeholders’ point of view.
- Legal structures that would facilitate closer working relationships between NGOs and business communities could be promoted.
- The private sector should encourage their employees to volunteer for NGOs in order to develop common actions and a common agenda.
- NGOs could encourage business training and innovation among their employees and volunteers.
- NGOs could provide volunteer opportunities for business students and people working in the private sector.
- Venture capitalists and incubators could welcome an equal proportion of for-profit and non-for-profit start-ups.
- Incubators at universities could encourage research on the opportunities for technical, economic, and social innovations when a start-up becomes global.

iii. Proposals for entrepreneurial collaborations:

- A new entrepreneurial initiative in the forms of consistent interactions between NGOs and the business world could involve big business sponsorship of NGO activities, as well as collaboration between young companies, SMEs, large corporations, NGOs, and local associations.
- An entrepreneurial collaboration between the private sector and NGOs requires mutual respect and that each party identify its helpful resources and the possibility to exchange them in the context of a shared agenda.
- The private sector could provide free legal and accounting advice to NGOs.
- Established companies could help create “brand awareness” of different social causes in collaboration with NGOs.
- The private sector could donate support for communications and websites.
- Financial advisors could help NGOs identify diverse sources of funding to enhance the sustainability of their activities.
- NGOs could provide businesses with important insights on the socio-economic, cultural and political realities and sensitivities of a community in which a company wishes to invest or do business.
- The direct allocation of private sector funds to NGO projects and programmes would increase transparency and effectiveness.
- Standards of reporting on the use of funds contributed should be commensurate to the amount of funding provided.
Successful examples of NGO and private sector collaborations should be studied to identify projects that can be done at a scalable and replicable level.

G. Examples of ongoing projects included:
- Mohamed Yunus - Grameen Bank – entrepreneurial model that builds in human rights
- Ann Roddick and Plus One
- Ben & Jerry’s social concerns
- Tom’s of Maine
- Ethos
- Hewlett-Packard and NGOs tackles youth unemployment in the EU HP launched with NGOs several training centers)
- Microenterprise Acceleration Institute in Middle East and Africa
- Danone water brand funds a programme in Niger

V. Follow-up

Possible follow-up activities include, but are not limited to:
- Circulation of documents to the NGO community via the NGO/DPI Executive Committee network
- Development of project studies on community enterprise as key-initiatives to develop social responsibility
- Development of a project in 2 phases: first, an involvement of young enterprises and young NGOs in a set of common actions for the defense of human rights; at the same time, a set of meetings when young enterprises and NGOs discuss their strategies of development and their managerial practices
- In the context of the French-American Conference of Entrepreneurs (FACE) to take place in NYC in June 2009, ADVANCIA will sensitize the French business community (100 companies) that will be present in the American approach of social entrepreneurship