THE NEXT GENERATION OF SOCIAL ENTERPRISE
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OVERVIEW

▪ Historical context
▪ 4 global trends
▪ Contemporary challenges
▪ Case study: hunger and food waste
▪ Call for action: solutions
▪ Social enterprise
▪ Areas of special concern
▪ Q and A
OVERVIEW OF HISTORICAL CONTEXT

- Remarkable violence of the 20th C:
  - World War I and II
  - Civil wars in China and Russia
- Cold War (1947-1991): avoid WWII
  - Economic globalization and political liberalization
  - Fueled unprecedented economic growth
GLOBAL TREND 1: DEMOGRAPHIC CHANGE

1.6 billion in 1900
3 billion in 1960
7.8 billion in 2019
9 billion by 2050?
11 billion by 2100?
GLOBAL TREND 2: TECHNOLOGY INNOVATION

- Game-changing technologies
  - Areas of risk and opportunity:
    - Synthetic biology
    - Virtual life
    - Nanotechnology
    - Robotics
    - Modeling big data
    - Surveillance
    - Wearable technologies
    - Sensors

“We always overestimate the change that will occur in the next two years and underestimate the change that will occur in the next ten. Don't let yourself be lulled into inaction.”  Bill Gates
Global Economy in 1900: $1.1 trillion

Today: $84.8 trillion

Last year 82% of the wealth generated on the planet was captured by 1% of the population.
Global Trend 4: Environmental Impact

- Global environmental change
  - Environmental change on a planetary scale
    - Deforestation
    - Biodiversity loss
    - Desertification
    - Climate change
    - Ocean acidification,
    - Transformation of the global hydrological system
    - Waste
  - Anthropocene
    - Human behavior key determinant of ecological systems and processes
  - Cautious with projections
GLOBAL TRENDS

- We live in a turbulent era of unprecedented growth—and also tremendous inequality
- Great uncertainty about the future
- Trends alarm many analysts

Three challenges are especially pressing:
- Poverty and inequality
- Social exclusion
- Environmental stress
POVERTY AND INEQUALITY

- World extreme poverty: 1.6 billion (20%)
- Economically insecure: 2.3 billion (30%)
- Poverty in US: 40 million (about 13%)
- Poverty in California: 5.6 million (about 14%)
- Near poverty in California: 10.4 million (26%)
INCOME INEQUALITY IN THE UNITED STATES, 1910-2010

POVERTY AND INEQUALITY
SOCIAL EXCLUSION

- Ethnic
- Religious
- Gender
- Age
- Geographic
ENVIRONMENTAL STRESS

- Climate change
- Disruption of ecosystem
- Waste
- Pollution
- Overuse
CASE STUDY: HUNGER AND FOOD WASTE

- HUNGER
  - 870 million hungry (IFPRI) and rising
  - 1.6 billion food insecure (UNDP) and rising
  - 2 billion micronutrient deficient (IFPRI) and rising

- In the US
2017 GLOBAL HUNGER INDEX BY SEVERITY

Source: Authors.
Note: For the 2017 GHI, data on the proportion of undernourished are for 2014-2016; data on child stunting and wasting are for the latest year in the period 2012-2014 for which data are available, and data on child mortality are for 2015. GHI scores were not calculated for countries for which data were not available and for certain countries with small populations. The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the International Food Policy Research Institute (IFPRI), Welthungerhilfe (WHH), or Concern Worldwide.


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[Map showing the global hunger index by severity with color-coded countries and a bar graph at the bottom.]
HUNGER DATA

- Globally:
  - We produce enough food to feed about 11 billion people
  - 1/3 is wasted—1.3 billion tonnes worth over $1 trillion
  - A wasted farm the size of China
  - The 2/3 used is not enough to feed the world’s population
  - Accounts for 25% of water use on the planet
HUNGER DATA

- United States:
- We produce enough food to feed a second US
- 30-40% is wasted—$2200 per household; $165 billion annually
- This includes 52% of fresh produce
- We have 42 million who are food insecure—including 13 million children and 5.4 million seniors
- Almost all food waste goes into landfills—and half of it comes from consumers
**HUNGER DATA**

- Orange County:
  - Over 300,000 people are food insecure each month in Orange County
  - Over 50% of public school children in OC qualify for food assistance
  - 120,000 children in OC are food insecure in the summer
Orange County, one of the most affluent places on the planet, is on the country’s top 10 list for food insecurity.
WHY DO WE WASTE SO MUCH FOOD?

- Overproduction: American families spend about 6% of HH income on food—waste is cheap
- Huge incentives to purchase too much
- Huge serving sizes
- Labeling confuses people
- Good food is thrown out because of liability concerns if it is donated
- Aesthetics
- Consumers are disconnected from food production and know little about food handling and preparation
- No penalties for waste
LA and Orange counties lead the state, nation's counties in economic growth

- Unemployment is 4.4% (US 5.2%)
- Median HH income is $76K (US $53K)
- But median house cost is $725,300 (US $200,000)
- About 61% of the population cannot afford to live here
- There is an endless juggling of shelter, food, health care, transportation—which means persistent and pervasive food insecurity
- Bottom line: perfectly good food is more likely to go into a landfill than feed a person
CALL FOR ACTION
SOLUTION SET

GOVERNMENT POLICY  NON-PROFITS  SOCIAL ENTERPRISE
WHAT IS SOCIAL ENTERPRISE

- **Organizations that address a basic unmet need or solve a social or environmental problem through a market-driven approach.**

- **Social enterprises** span the spectrum of nonprofit to for-profit entities. SEA recognizes three general social enterprise models:
  - **Social Enterprise Alliance**
  - **Opportunity Employment:** organizations that employ people who have significant barriers to mainstream employment.
    - Examples include [Goodwill Industries](http://www.goodwill.org), [Greyston Bakery](http://www.greyston.org) & [Nisolo](http://nisolo.com).
  - **Transformative Products or Services:** organizations that create social or environmental impact through innovative products and services.
    - Examples include [Benetech](http://benetech.org), [Growing Sound](http://growing-sound.org) & [Soles4Souls](http://www.soles4souls.com).
  - **Donate Back:** organizations that contribute a portion of their profits to nonprofits that address basic unmet needs.
    - Examples include [Everly](http://www.everly.co), [The Thx Co.](http://www.thxco.com) & [Songs Against Slavery](http://www.songsagainstslavery.com).
SOCIAL ENTERPRISE

- Business case
  - Description of good or service—what is new?
- Market analysis
- Team qualifications
- Marketing plan
- Financial needs
- Revenue projections

- Case for good
  - What is the social or environmental need/problem?
  - How will this product address it?
  - Is there support for the idea?
  - How will it be tracked?
SOCIAL ENTERPRISE

What is new today?

- The technology angle especially harnessing big data, spatial analysis, AI, modeling, mapping, blockchain etc re social enterprise

Impact bonds as a revenue model: A social impact bond (SIB) is a contract with the public sector or governing authority, whereby it pays for better social outcomes in certain areas and passes on the part of the savings achieved to investors.
AREAS OF SPECIAL CONCERN

Affordable housing

Empowerment of girls and women
Q AND A

People, Social, Profit, Business, Enterprise, Trust, Partnership, Deals, Organic, Talent, Ideas, Investment, Clusters, Micro
Blum Center for Poverty Alleviation

Global Food Summit

PP&D 115 GLOBAL POVERTY & INEQUALITY

LAUNCH EVENT
FOOD PROVIDED
Friday, November 4th
9:00 a.m. to 11:00 a.m
Global Viewpoint Lounge