

## The Nonprofit Sector's Role in Poverty Reduction

*“The nonprofits are ... dedicated to ‘doing good.’*

*“But they also realize that good intentions are no substitute for organization and leadership, for accountability, performance, and results.*

*“Those require management, and that, in turn, begins with the organization’s mission.”*

—Peter Drucker

We now turn our focus to the role played by the nonprofit sector, composed of civil organizations and philanthropists contributing to the public interest and reducing poverty. Discussions include the nature of nonprofit organizations (NPOs) and their role in poverty reduction, and a summary of the activities of major leading international organizations. We conclude with inspiring examples of some within-country nonprofit organizations dedicated to reducing poverty.

## What Are Nonprofit Organizations, and Why Are They Necessary?

Nonprofit organizations (also called civil organizations or non-government organizations [NGOs]) stand in the middle between for-profit organizations and government organizations, performing functions that the other two major sectors do not provide or do not provide adequately. The collection of NPOs is sometimes called the Civil Society. The Centre for Civil Society of the London School of Economics provides this definition:

“Civil society refers to the arena of uncoerced collective action around shared interests, purposes and values. In theory, its institutional forms are distinct from those of the state, family and market... Civil society commonly embraces a diversity of spaces, actors and institutional forms, varying in their degree of formality, autonomy and power. Civil societies are often populated by organizations such as registered charities, development nongovernment organizations, community groups, women’s organizations, faith-based organizations, professional associations, trades unions, self-help groups, social movements, business associations, coalitions and advocacy groups.”<sup>1</sup>

Usually, a society has many pressing issues that neither the government nor private for-profit organizations are handling. The vacuum is often best filled by NPOs, frequently providing the most effective voices for the concerns of ordinary people, as well as needed resources. NPOs claim that when governments finally pay attention to a social problem, it is often because civil organizations have led the way and put pressure on government. NPO pressure groups play a role as “trustees for the poor.”<sup>2</sup> They prod government to act and be accountable. And they spread their passion and expertise, as you will read in the following case story.

### Community Emergency Response and Disaster Mitigation in Central America: A Case Story from World Vision<sup>3</sup>

World Vision is one of the largest international Christian relief and development organizations in the world, with a budget in 2007 of \$2.6 billion. Its stated goal is “working for the well-being of all people, especially children.” It was founded in 1950 by Dr. Bob Pierce, who later founded the evangelical organization Samaritan’s Purse. World Vision began by caring for orphans and other needy children in South Korea. Then it expanded throughout Asia and, eventually, into more than 90 countries. It added larger issues of community development and advocacy for the poor as part of its basic mission to help children and their families build a sustainable future. World Vision contributes to people’s needs in five major areas: emergency relief, education, health care, economic development, and promotion of justice. It helps communities recognize the resources within themselves and carry out their own development projects in healthcare, agriculture production, water projects, education, microenterprise development, advocacy, and other community programs.

Hurricane Mitch, which hit Central America in 1998, was so devastating that within a few days Central America’s economic development was set back by about 20 years. Gross Domestic Product (GDP) was reduced by an estimated 60% in countries with already fragile economies. The impact of natural disasters such as this is the greatest on the poor because it increases already marginalized nutrition, reduces resistance to disease, interferes with children’s school attendance, increases the

workload of women and children, and damages infrastructures that then affect productivity and growth. Perhaps the most tragic aspect of the hurricane was that much of the damage would not have occurred if appropriate disaster mitigation efforts had taken place prior to the storm.

Although Hurricane Mitch was a massive disaster, it brought to light the issue of preparation. In 2001, USAID funded the World Vision Central America Mitigation Initiative to improve disaster preparedness, risk reduction, and response initiatives, beginning in Honduras.

The key premise of disaster mitigation is that disasters do not just happen; they result from failures of preparation and development, which increase vulnerability to hazards such as hurricanes. Although nothing can keep most natural disasters from occurring, several actions (desired behaviors, as we have been referring to them in this book) can minimize the impact of annual emergencies:

- Implement proper flood-control measures, including watershed protection and reforestation
- Ensure adherence to building codes
- Install early-warning systems
- Conduct risk assessments, and employ best practices for risk management
- Train communities in basic first aid, evacuation, and rescue techniques

Many communities are aware that these actions need to be taken to reduce disaster impact, but they do not always or often have the human and financial resources necessary to implement them.

World Vision's Community Emergency Response and Disaster Mitigation (CERDM) program was designed to strengthen capacity at the community level by providing training to key individuals in each of the essential areas of disaster management. Armed with the skills taught in this program, communities stand a better chance of reducing the effects of many disasters and possibly even preventing some. This means that rather than seeing all or part of their hard-earned personal and public capital destroyed, communities can use accumulated capital to build better lives for themselves and their children.

World Vision International (WVI) Honduras applied for and was granted funds from USAID to carry out the Central America Mitigation Initiative's (CAMI) activities. Working with communities within World Vision (WV) Area Development Programs (ADPs), local government, national emergency structure, and WVI resources, the Honduras National Office was able to establish a viable preparedness and mitigation program in 13 ADPs (224 communities). The needs in the Latin America and Caribbean (LAC) region, however, extend far beyond what is currently being carried out.

Following the Honduran program, in 2003 WVI extended the scheme to Ecuador, Nicaragua, Guatemala, and Colombia. Thirty communities were included in Ecuador, 37 in Nicaragua, 21 in Guatemala, and 18 in Columbia. Major activities emphasized capacity building for communities in risk management and planning. Eight main workshops were held on the following topics:

- Organization of local emergency committees and rapid-response teams
- Basic concepts of risk management

- Damage assessment and needs analysis
- Risk and resource mapping (see Figure 11.1)
- Basic first aid (see Figure 11.2)
- Evacuation and rescue
- Mitigation measures
- Early-warning systems

A school safety and disasters project also helped establish a culture of preparedness and mitigation among children and adolescent boys and girls attending 30 schools—10 each in Ecuador, Nicaragua, and Honduras.

The CERDM program has been formally evaluated at regular intervals to determine its efficacy. In 2007, a final report on the CERDM program presented encouraging results, with 291 communities in Ecuador, Nicaragua, and Honduras having created emergency response teams and disaster-mitigation processes that were self-sufficient at the grassroots level. Participants reported that the active and skill-based nature of the training workshops provided tangible evidence for them of what they were learning. They particularly appreciated the skills they gained that were concrete in nature, including first-aid and evacuation strategies. And the community-level nature of the project is helping to ensure the sustainability of inputs, with local volunteer committees trained as part of the community's development activities. For the first time in some areas, local government authorities saw community groups as legitimate partners in disaster response.

In Ecuador the impact of the CERDM activities and capacity building in the communities has been so positive that locals even decided to rename the program “Preparing Ourselves for Life.”



**FIGURE 11.1** Risk map training in Guatemala

Source: World Vision



**FIGURE 11.2** School first aid training in Ecuador

Source: World Vision

## What Distinct and Critical Role Do NPOs Play in Reducing Poverty?

As defined by their mission statements, NPOs exist primarily to provide programs and services that have bottom-line benefit to others versus their shareholders. These programs and services might not be provided by local, state, or federal entities or might not be provided at levels that meet (all) citizen needs. Many think of their role as that of a safety net, catching citizens who fall through the cracks and ensuring the availability of programs and services not seen as mission-critical, even appropriate, for government agencies to offer. Their contributions to poverty alleviation and reduction take many forms:

- *Funding.* NPOs provide unique funding resources such as *microfinancing* for additional livestock; *grants* for medical research or for local agencies to carry out disease interventions, including ones for tuberculosis and malaria; and *cash* for medicines, vaccinations, or temporary food and shelter. How different would life be for those with HIV/AIDS in Thailand had they not received microloans for small-business ventures from the Population and Community Development Association?
- *Resources/supplies.* These contributions include a wide range of goods, such as mosquito nets, medicines for river blindness, clothing, food, fertilizers, improved seeds, and home birth delivery kits. How many more malaria cases would there be in Africa alone if the Academy for Educational Development (AED) had not been successful in forming partnerships that resulted in nearly 15 million more people being protected from malaria by insecticide-treated bed nets?
- *Direct services.* Many of these organizations' basic missions are to provide services such as alcohol and drug counseling, job training, tutoring, temporary shelters and meals for the homeless, group homes for orphans of HIV/AIDS, and free telephone counseling services for issues such as tobacco cessation. Would countries like Honduras that experiences frequent if not



annual hurricanes be as prepared for next year's potential storms if World Vision had not provided training to reduce the effects of these inevitable disasters?

- *Expertise.* Often these organizations have developed strong areas of expertise in well-defined techniques such as emergency preparedness, agricultural and livestock productivity, disease prevention and intervention, water sanitizing systems, and family planning. Who would have helped women like Gul-bibi in Pakistan if Population Services International (PSI) had not developed and launched the Green Star Network, which provided medical training, technical support for staff, and information for pharmacists when communicating with their customers?
- *Volunteers.* These organizations are “masters” at inspiring, recruiting, training, and organizing others to contribute their time and talents to efforts such as disaster relief, building homes, helping build check dams, and rescuing victims of a natural disaster. What would the incidence of polio be in the world today without volunteer Rotarians joining the teams of people who immunized more than 2 billion children around the world?
- *Advocacy.* With well-coordinated efforts, well-integrated messages, and considerable passion, NPOs have been successful at advocating for poverty-related issues ranging from subsidized housing to better systems for tracking children in foster care, to meeting the needs of special-needs students. How much progress would we have made on many poverty indicators if the UN had not developed and declared Millennium Development Goals, working to hold countries accountable to quantifiable, measurable goals, seen as key to poverty reduction?
- *Public awareness.* In some cases NPOs are the only ones that can provide the marketing expertise and garner the needed resources to ensure adequate visibility for poverty-related campaigns that need public attention. How effective would an advertising campaign for high school dropout prevention have been, and how much visibility would it have had, without the Ad Council garnering pro bono support from top advertising agencies and strong media partners?

## What Important NPOs Are Operating in the Poverty Area?

Tens of thousands of NPOs around the world are dedicated to helping those in need. In developing countries, the rate of increase in the number of indigenous NPOs is said to exceed the rate in first-world countries.<sup>4</sup> The change is not only in numbers but also in the scope and character of civil society activities and projects. Many NPOs start as charity-based relief organizations. More in the developing world are now into educational reform programs, rural development, health and nutrition, environmental protection, human rights, and opposing corruption. The following sections describe several major NPOs.<sup>5</sup> Other sections have mentioned other key organizations, such as the UN, the World Bank, the World Health Organization, and World Vision.

### ***CARE***

CARE (Cooperative for Assistance and Relief Everywhere) is one of the world's largest international relief and humanitarian organizations, with a staff exceeding 12,000 persons, most of them coming from the nation in which they work. CARE was founded in 1945 to provide assistance to European survivors of World War II through CARE packages sent by friends and families. CARE's continues to provide emergency relief during and after disasters, but today CARE focuses more on addressing underlying causes of poverty as related to health, education, and economic development. CARE's antipoverty campaigns include the World Hunger Campaign, education, HIV/AIDS, Victories Over Poverty, and CARE for the Child. CARE is also an advocate for human-rights polices.

### ***Bill & Melinda Gates Foundation***

The Gates Foundation is the largest transparently operated charitable foundation in the world. Founded in 2000, it doubled in size as

a result of Warren Buffett's promised gifts in 2006. It has an endowment of US\$38.7 billion. The Foundation's primary aims are to enhance healthcare and reduce extreme poverty globally, and, in the United States, to expand educational opportunities and access to information technology. The Gates Foundation runs three programs. The Global Health Program supports eradicating polio, supports HIV/AIDS research, and promotes and distributes vaccines for children. The Global Development Program supports microlending, agricultural development and green revolution, global libraries, and aid to victims of disasters. The United States Program supports Internet access in U.S. libraries, computer science research, charter schools, predominantly black colleges, and scholarship programs for poor students.

### ***Population Services International (PSI)***

PSI is a Washington, D.C.-based nonprofit social marketing organization that works with the private sector to address the health problems of low-income and vulnerable populations in more than 60 developing countries. It runs programs in the areas of malaria, reproductive health, child survival, and HIV. PSI promotes products, services, and healthy behavior that enable low-income and vulnerable people to lead healthier lives. It encourages products and services to be sold at subsidized prices to motivate commercial sector involvement. PSI is the leading nonprofit social marketing organization in the world. It was founded in 1970 and spent its first 15 years promoting family planning. It started promoting oral rehydration therapy in 1985 and HIV prevention through abstinence, fidelity, and condoms in 1988. PSI added work on malaria and safe water in the 1990s. PSI estimates that its programs prevented 218,000 HIV infections, 6.7 million unintended pregnancies, more than 140,000 child deaths from malaria and diarrhea, and 34 million malaria episodes.

### ***Plan International***

Plan, founded over 70 years ago, is a nonreligious, nonpolitical, child-centered development charity with a staff of over 6,000 worldwide and over 50,000 volunteers. It works in 46 countries to provide programs to 1.3 million children and their families. It raised in excess of \$540 million in 2006. Plan addresses health, education, shelter, and livelihood issues in the communities in which it operates. Plan's mission is to achieve lasting improvements for children living in poverty in developing countries. Plan encourages benefactors to sponsor individual children and correspond with them to create a personal bond. The sponsors can see what their money is going toward, and they know that it is properly spent. Donations are used to finance projects that benefit the entire community in which the child lives; they are not given directly to the child. This offers the opportunity to provide school and health services to the sponsor child, as well as his or her community.

### ***Doctors Without Borders (Also Known by Its French Name, Médecins Sans Frontières)***

MSF is a humanitarian-aid nongovernment organization known for its work in developing countries and war-torn regions facing endemic disease. People in a war-torn area often develop diseases and face epidemics due to malnutrition and/or unsanitary water. MSF personnel work to restore food supplies and sanitary water, among other things. They provide healthcare and medical training to populations in more than 70 countries. MSF was created in 1971 by French doctors. It has an international board of directors located in Geneva, Switzerland. MSF recruits annually about 3,000 doctors, nurses, midwives, and logisticians for projects. MSF's annual budget is about \$400 million, with private donors providing about 80%; government and corporate donations provide the rest.

### ***Habitat for Humanity International (HFHI)***

Habitat is an international, ecumenical Christian, nonprofit organization devoted to building “simple, decent, and affordable” housing. Homes are built using volunteer labor and are sold at no profit. Millard and Linda Fuller founded Habitat in 1976. The international headquarters are located in Atlanta, Georgia. Habitat supports and promotes the activities of local, independent affiliate chapters, which initiate and manage all construction, mortgages, and homeowner selection. By 2004, Habitat had built 50,000 houses in the United States and over 175,100 abroad in over 100 countries, sheltering over 1 million people. Homeowner families are chosen according to their need; their ability to repay the nonprofit, affordable mortgage; and their willingness to work in partnership with Habitat. Habitat for Humanity does not discriminate according to race, religion, or ethnic group. Homeowners are usually expected to put approximately 500 hours of “sweat equity” into their own or other project homes. Former President Jimmy Carter has been a high-profile advocate of and participant in Habitat.

### ***Save the Children***

First established in 1919, Save the Children is a leading international organization helping children in need around the world. Its aim is to improve the lives of children through education, healthcare, and economic opportunities, as well as emergency aid in cases of natural disasters, war, and conflict. Members of the International Save the Children Alliance sponsor programs to bring quality education to 8 million children living in countries affected by conflict. Save the Children has also sponsored legislation on the rights of children to be protected from child labor and also has campaigned against the use of child soldiers.

### ***Academy for Educational Development (AED)***

AED is a nonprofit organization working globally to improve education, health, civil society, and economic development. AED operates more than 250 programs in the United States and 150 other countries around the world. Founded in 1961 to provide technical assistance to U.S. managers of higher education, AED subsequently added instructional technology, education reform, and civil society projects around the world. It promotes health in developing countries through environmental communication, social marketing, and other disciplines. Its projects in Africa include controlling malaria, educating girls, improving children's health literacy, and preventing HIV/AIDS.

### ***Mercy Corps***

Mercy Corps is a nongovernmental private voluntary organization. It was founded in 1979 as Save the Refugees Funds to help Cambodian refugees. In 1982, Mercy expanded to other countries and was renamed Mercy Corps. It adopted the broader mission of finding long-term solutions to hunger and poverty. Its income in 2006 was \$205 million. It allocates more than 90% directly to programs.

## **NPOs Within a Country Battle the Poverty Problem**

Several indigenous NPOs located within a country have had a major positive impact on poverty. This section describes two NPOs—one in Bangladesh and the other in India.

### ***Bangladesh's BRAC (Bangladesh Rural Advancement Committee)***

Preoccupied with serious post-independence problems of political and economic instability, the Bangladesh government initially

handed over the bulk of the poverty alleviation job to civil society organizations. The civil society that made a name here was what became one of the world's largest NGOs—Bangladesh Rural Advancement Committee (BRAC).

BRAC was founded in 1972 by Fazle Hasan Abed after the Bangladesh Liberation War; it was set up as a relief organization assisting and resettling returning refugees from India. In nine months, BRAC rebuilt 14,000 homes and several hundred boats for fishermen. Medical centers were opened, and other essential services were ensured. At the end of 1972, BRAC turned toward long-term development needs. It reorganized itself as a multifaceted development organization focusing on the empowerment of the poor and landless, particularly women and children.

Until the mid-1970s, BRAC concentrated on community development through multisectoral village development programs. These included agriculture, fisheries, cooperatives, rural crafts, adult literacy, health and family planning, vocational training for women, and construction of community centers.

In 1974, BRAC started a microcredit program. The BRAC Bank makes a great number of microloans to the poor and has experienced a very high repayment rate. BRAC organized Village Organizations to serve the poorest of the poor—the landless, small farmers, artisans, and vulnerable women. Those who own less than half an acre of land and survive by selling manual labor were regarded as BRAC's target group. BRAC provides collateral-free credit using a solidarity lending methodology, as well as obligatory savings schemes through its Village Organizations. Reaching nearly 4 million borrowers, Village Organizations provide different levels of loans to different poverty groups. Through a recent initiative, BRAC has also reached out to those who, due to extreme poverty, cannot access microfinance. BRAC defines such people suffering from extreme poverty as the “ultra poor.” It has customized a program for the ultra poor that combines subsidies with enterprise development training, healthcare, social development, and

asset transfer, eventually pulling the ultra poor into its mainstream microfinance program. The BRAC Bank also actively finances small and medium-sized business enterprises.

In 1979, BRAC entered the health field in a major way. It established the nationwide Oral Therapy Extension Program (OTEP), a campaign to combat diarrhea, the leading cause of the high child mortality rate in Bangladesh. Over a 10-year period, 1,200 BRAC workers went door to door to teach 12 million mothers how to prepare homemade oral saline. Bangladesh today has one of the highest rates of usage of oral rehydration. BRAC's campaign decreased child and infant mortality from 285 per thousand to 75 per thousand.

In 1996, BRAC launched its Social Development, Human Rights, and Legal Services Program. The goal was to empower women with legal rights and help them become involved with community and ward-level organizations.

In 2001, Abed pushed forward BRAC's education program. As of June 2006, BRAC had established 31,877 primary schools and 16,025 pre-primary schools enrolling nearly 3 million children, 65% of whom are girls. The schools have a dropout rate of less than 5%. BRAC established a university called BRAC University with the aim to train future leaders.

BRAC's programs today fall into four groups: economic development, education, public health, and social development. Bill Gates had this to say about BRAC:

“BRAC has done what few others have—they have achieved success on a massive scale, bringing lifesaving health programs to millions of the world's poorest people. They remind us that even the most intractable health problems are solvable, and inspire us to match their success throughout the developing world.”



Today BRAC is present in all 64 districts of Bangladesh, with over 7 million microfinance group members, 34,000 nonformal primary schools, and more than 70,000 health volunteers. The organization is 76% self-funded through its commercial enterprises, which include a dairy and food project and a chain of retail handicraft stores. In recent years, BRAC has taken its range of development interventions to Afghanistan, Sri Lanka, and several countries in Africa. As a result, BRAC is one of the world's largest nongovernment development organizations.<sup>6</sup>

Besides Abed's great contributions to Bangladesh through BRAC, another Bangladesh contributor has been Muhammad Yunus. He was awarded the Nobel Peace Prize in 2007 for his work in his Grameen Bank to extend credit to the poor to empower them to start a business. Yunus calls his bank a "social business" because although it is run for profit, the profit isn't maximized so that it can help the poor. Microfinance today is a worldwide practice that has benefited millions of poor people.

Yunus recently added another social cause—helping beggars give up their life of begging. The Grameen Bank launched the Struggling (Beggar) Members Program. A beggar is given a loan of \$9, collateral- and interest-free. The beggar can choose the repayment schedule. The repayment must not come from money earned from begging. Each beggar is given an identity badge as evidence of the bank's support. The goal is to boost the beggar's morale. Some local shops work with the Grameen Bank and allow beggars to pick up items such as bread, toys, and candy and sell them in the village. The bank pays for these items in case of defaults. The bank provides beggars with blankets, shawls, and umbrellas on credit to be repaid as interest-free loans. As a result, some beggars have given up begging, and others have become "part-time beggars."<sup>7</sup>

### ***SEWA (Self-Employed Women's Association)***<sup>8</sup>

Ela Bhatt organized SEWA in December 1971 in Ahmadabad, India. In April 1972, she registered it as a trade union. Then in 1974, she led 4,000 self-employed women to establish the SEWA Bank as a cooperative bank.

Bhatt saw SEWA Bank as freeing poor, self-employed women from their dependence on informal moneylenders and loan sharks who charged exorbitant interest rates of as much as 10% a day. This practice had trapped the striving self-employed woman starting a small enterprise into “a downward spiral of increasing indebtedness.”

The *Washington Post* quoted Bhatt as saying that her motivation for organizing SEWA as a women's movement and trade union was to empower poor women in the “truest sense.” According to Bhatt, when an oppressed Indian woman joins SEWA and starts earning, she undergoes a liberating change of self-image. “For the first time, she realizes she is not just someone's wife or daughter-in-law. She's a worker, an active producer.”

Bhatt's first important victory came when she challenged an old but, at that time, still enforced British law that kept women from selling their wares in public. The law allowed the police to evict such women from the premises and arrest those who resisted. In the process, the produce that these women were selling got lost, and physical violence often accompanied the eviction or arrest. The Indian Supreme Court in a landmark ruling declared that it was “women merchants' right and a city's duty to provide a separate place for workers in the informal sector to ply their trades.”<sup>9</sup> Then, in establishing SEWA Bank as a cooperative, Bhatt believed that SEWA was enabling the same woman “to nonviolently, in the most Gandhian way, eliminate the husband's total control” over her finances. Bhatt explained that most Indian bankers treated poor, self-employed Indian women “like dirt.” At home and during those times when she

had savings, she had “no place to hide her savings from her husband or son.” At SEWA Bank, her money was safe. Her husband or son could not withdraw from her savings account.

SEWA has an all-Indian membership of close to a million women. It represents the interests of four types of female workers:

- Hawkers, vendors, and small businesswomen such as vegetable, fruit, fish, egg, and other vendors of food items, and household goods and clothes vendors.
- Home-based workers such as weavers, potters, ready-made garment workers, women who process agricultural products, and artisans.
- Manual laborers and service providers such as agricultural laborers, construction workers, contract laborers, handcart pullers, domestic workers, and laundry workers.
- Producers and services who invest their labor and capital in carrying out their businesses. This category includes agriculture, cattle rearers, salt workers, gum collectors, and cooking and vending workers.

Here is where a noteworthy difference between civil society and the government becomes clear. By its very definition, a civil society does not have to partition the entire poverty marketplace to arrive at a segment targeting decision. But the government must start its poverty-reduction planning by partitioning the total poverty marketplace. Then it has to understand the differing priority needs of the resulting segments before proceeding to segment targeting.

The case of SEWA also shines new light on market segmentation. Bhatt and her SEWA members segmented themselves as a group of vulnerable poor women with legitimate needs, calling for assistance. Because the required assistance was not forthcoming from the government because of legal and cultural circumstances, these women formed a self-help segment that sourced the assistance they sought from among themselves and from within their organized segment members.

## Social Marketing in the Nonprofit Sector

### *How Does the Social Marketing Approach Differ from Current Traditional Approaches?*

Nonprofit organizations offering social marketing solutions to reduce poverty are probably more likely to be thought of as social enterprises, with their leadership characterized more often as entrepreneurs than administrators. They are committed to wide-scale social change and recognize that this requires innovative new products and services, delivered through new sustainable networks, often in partnership with the public and private sectors. The change begins with a commitment to influencing the behaviors of the clients they serve, offering a “hand up” in addition to or instead of a handout—“teaching a man to fish and thus feeding him for a lifetime.” Table 11.1 contrasts traditional poverty-related activities of a nonprofit, with those that are oriented toward social marketing. As with the public sector, these solutions may need to be added to the mix of offerings. In other cases, they should replace existing approaches to have the most impact.

**TABLE 11.1 Adding the Social Marketing Solution to the Mix for Nonprofit Organizations**

<b>Poverty-Related Issue</b>	<b>Traditional Solution</b>	<b>Social Marketing Solution</b>
Homelessness	Provide donated clothing, temporary shelter, and meals served by volunteers.	Provide programs to achieve self-sufficiency, including job training and placement services.
Disaster relief	Send food, clothing, and other basic necessities to communities hit by natural disasters.	Offer “train the trainer” programs on disaster preparedness in local communities.
Malaria	Provide funding to distribute free mosquito nets to pregnant women.	Provide information, often face to face, that will help persuade women that the treated nets will not harm their unborn child.

<b>Poverty-Related</b>	<b>Traditional Solution</b>	<b>Social Marketing Solution</b>
<b>Issue</b>	<b>Traditional Solution</b>	<b>Social Marketing Solution</b>
Literacy	Develop and implement campaigns to increase awareness and concern about a country's literacy rate.	Recruit and train volunteers to conduct weekly study sessions and mentor high school students and young adults to help them achieve their full potential.

### ***What Does It Take to Adopt a Social Marketing Approach?***

As may be apparent, social marketing initiatives are likely to require new and different ways of doing business for the nonprofit. Although its mission and client focus might not change, several increased efforts and resources are often required. To illustrate, we describe what it took for a nonprofit called FareStart, founded more than 15 years ago in Seattle, Washington. Its mission is to “empower homeless and disadvantaged men, women, and families to achieve self-sufficiency through life skills, job training, and employment in the food services industry.”<sup>10</sup> FareStart makes use of the following strategies:

- *Increased effort to identify and support specific behaviors.* FareStart's focus is working with homeless and disadvantaged people who are interested in a career in the food services industry. FareStart supports them in acquiring required job skills and then securing employment.
- *Increased direct contact with clients.* FareStart offers a 16-week program that includes on-the-job training in its downtown restaurants and kitchens. These locations offer weekday lunches; a Guest Chef Night once a week, where students work with volunteer premier regional chefs to prepare and serve a three-course gourmet meal; and catering for dinners, cocktail parties, and business lunches. These programs contribute over 40% of the organization's annual operating budget.

- *Increased partnering with the private and public sectors.* FareStart reaches out to potential employers in the food-service and espresso industries on behalf of its clients. Through its Contract Meals program, FareStart provides nutritious meals 365 days a year to homeless shelters and childcare centers, including public-sector programs such as Head Start.
- *Increased resources allocated for new-product development.* In 2003, FareStart developed a new program, with a goal of addressing the estimated 800 homeless youth in Seattle. The eight-week Youth Barista Training and Education Program, in partnership with YouthCare, gives at-risk youth ages 16 to 21 job training and placement, life-skills lessons, and employment counseling in a classroom setting. It also offers on-the-job training for the competitive espresso industry.
- *Increased attention to measuring results.* Graduates are prepared to step into and thrive at jobs in restaurants and other positions in the food-service industry. Over the past 16 years, FareStart has provided opportunities for over 2,400 people to transform their lives. More than 80% of FareStart graduates are employed within 90 days of program completion.

## Summary

NPOs cover a great range and diversity of organizations that fill the gap in people's needs that government and private enterprise fail to address, or address inadequately. Several were mentioned in this chapter, including funding, resources/supplies, expertise, direct services, advocacy, and public awareness. The activities of these organizations highlight problems and opportunities that often prompt a positive, if delayed, response from government and private enterprise. Over time, government and private enterprise are becoming more attuned to NPOs and are showing greater willingness to partner with them in some of these activities. Chapter 13, "Getting the Three Sectors to Work Together," describes examples of this partnering.

## Endnotes

- <sup>1</sup> The Centre for Civil Society, London School of Economics Web site, [http://www.lse.ac.uk/collections/CCS/what\\_is\\_civil\\_society.htm](http://www.lse.ac.uk/collections/CCS/what_is_civil_society.htm). Retrieved March 9, 2009.
- <sup>2</sup> Gerald Meier, *Emerging from Poverty: the Economics That Really Matters* (New York: Oxford University Press, 1985).
- <sup>3</sup> World Vision, "Community Emergency Response and Disaster Mitigation E-Brochure," March 2007.
- <sup>4</sup> See, for example, David Bornstein, *How to Change the World: Social Entrepreneurs and the Power of New Ideas* (New York: Oxford University Press, 2004). Bornstein reports a near-phenomenal growth of civil society and "citizen organizations" in just the past 20 years in all countries in the first world to the third world: "Today, Indonesia has more than 2,000 independent environmental organizations from only one 20 years ago. In Bangladesh, most of the country's development work is handled by 20,000 NGOs; almost all of them established in the past 25 years. India has well over a million citizen organizations. Slovakia, a tiny country, ... more than 12,000. Between 1988 and 1995, 100,000 citizen groups opened shop in the former countries of Central Europe. In France, during the 1990s, an average of 70,000 new citizen groups were established each year. ... In Canada, the number of registered citizen groups has grown ... to 200,000. In Brazil, this number has jumped ... to 400,000. In the United States, the number of public service groups registered with the IRS in 1998 is 734,000. ... Finally, during the 1990s, the number of registered international citizen organizations increased from 6,000 to 26,000."
- <sup>5</sup> The information on these organizations is drawn from various articles in Wikipedia, where further annotations can be found.
- <sup>6</sup> For more on BRAC, see BRAC online and in Wikipedia.
- <sup>7</sup> See Muhammad Yunus's two books: *Banker to the Poor: Micro-Lending and the Battle Against World Poverty* (2003) and *Creating a World Without Poverty: Social Business and the Future of Capitalism* (2008).
- <sup>8</sup> Kolima Rose, *Where Women Are Leaders: the SEWA Movement in India* (New York: St. Martin's Press, 1993).
- <sup>9</sup> Sourced from <http://www.gdrc.org/icon/sewa-1.html>. Viewed December 14, 2004.
- <sup>10</sup> FareStart information was retrieved from [www.farestart.org](http://www.farestart.org) on 12/17/08.