

**SOCIAL ENTREPRENEURSHIP AND JESUIT SOCIAL MINISTRIES:  
A NEW PATH OF LIBERATION**

*A thesis by*

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presented to

The Faculty of the  
Jesuit School of Theology  
of Santa Clara University  
in partial fulfillment of the  
requirements for the degree of  
*Licentiate in Sacred Theology*

Berkeley, California

*February 2014*

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**ABSTRACT**

This thesis examines the problem of charity dependency within Jesuit social ministries. Drawing upon liberation theology and Catholic social teaching as a lens to critique dependency, the study presents an alternative model of social ministries that can achieve economically sustainable and become more effective in the struggle for liberation among the poor. Using principles, methods and strategies from the field of social entrepreneurship, I will advance a viable solution to the problem of Jesuit ministries trapped in the cycle of charity dependency, proposing that the Global Social Benefit Institute (GSBI) at the Center for Science, Technology and Society (CSTS) at Santa Clara University can offer such a solution. Because of its innovative and creative methods, a social entrepreneurial model of social ministries can help to unleash both the institution and poor people trapped in poverty and dependency. This thesis will apply the principles of social entrepreneurship as construed by the GSBI to a modern-day case study, namely the Center for Community Resource Development a charity dependent Jesuit social ministry in Belize City, Belize. The case study will serve as a guide for professionals involved in Jesuit social ministries and introduce them to a new and promising methodology for working among poor and marginalized people.

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## ACKNOWLEDGEMENTS

I am grateful to God for a life full of blessings. I am grateful for many friends of mine who have taught me how to struggle for liberation and at the same time to fully depend on God, specifically my friends in Guatemala and the Pine Ridge Indian Reservation. I am also grateful for many of my Jesuit brothers who have dedicated their lives to walk with the poor of this world. I have discovered in writing this thesis that ministering to and walking with God's children who suffer injustices everyday takes a deep commitment. I offer this work to these Jesuits who remain in the commitment to Christ, social justice and the gospel. I am grateful to my Jesuit community here at the Jesuit School of Theology and my province who have given me this opportunity to pursue studies in theology, and for their courage, love and wisdom. I thank my family and all my friends who have been exemplars of service to others.

I wish to express my sincere gratitude to my committee members: Dr. Jerome Baggett, my thesis director, for his dedication, insightful comments, suggestions and encouragement; and Dr. Keith Douglass Warner, OFM, who has been a great teacher and mentor in this process. I am grateful for his generosity with his time, teaching me about social entrepreneurship in connection to faith and justice, and his encouragement.

I am grateful to the faculty, staff, and students of the Jesuit School of Theology of Santa Clara University, who have provided me with a faith-filled community in which to study and pray. I am grateful to the staff at Center for Science, Technology and Society at Santa Clara University, who have provided me with mentoring and expertise to teach me about how to work with the poor in new and innovative ways.

## **Chapter 1**

### **The Problem of Dependency: A Modern Day Narrative**

#### ***Introduction***

After working for more than ten years as a Catholic missionary in the underdeveloped world, both as a layperson and a Jesuit, I have witnessed many missions and social ministries become financially dependent on funds from the developing world, to the detriment of the mission's original vision. Instead of dedicating their time to empowering the people they serve, missionaries often spend more time courting wealthy benefactors and pleasing donors. Such practices can foster a culture of patronage and paternalism within a mission. This dynamic sheds light on a contradiction that exists within Jesuit Social Ministries (JSM) today: Missionaries go to empower poor people, but often end up making them charity-dependent instead. This flawed model of mission undermines the power of the gospel and impedes the authentic liberation of those trapped in poverty.

In light of this contradiction between vision and practice, how do JSMs develop a new model of mission that is economically self-sustaining so that the beneficiaries themselves may create their own path out of poverty and dependency? I use the term "dependency" in two, interrelated senses. First, the missionary or social ministerial institution itself is dependent upon the charitable giving of donors (and thus beholden to the agenda of such donors) and second, the beneficiaries themselves are trapped in a broader, historical cycle of socio-economic dependency. This thesis will address both meanings of the term. While I am deeply concerned about Catholic missions and

ministries as a whole, I write as a Jesuit missionary and thus my main focus here is with *Jesuit* social ministries.<sup>1</sup>

This study will examine the problem of charity dependency among Jesuit ministries and propose an alternative model of mission. Using principles, methods and strategies from the field of social entrepreneurship, I will advance a viable solution to the problem of Jesuit ministries trapped in the cycle of charity dependency, proposing that the Global Social Benefit Institute (GSBI) at the Center for Science, Technology and Society (CSTS) at Santa Clara University can offer such a solution. Because of its innovative and creative methods, this social entrepreneurial model can help to unleash those trapped in poverty and dependency, including those living at the “base of the economic pyramid” (those who make less than \$2.50 a day).

I propose that the GSBI possesses the methodology to transform a struggling social ministry from one trapped in the cycle of financial dependency to a model that can grow and flourish, and eventually become economically sustainable. More importantly, the GSBI and the methodology of social entrepreneurship can teach beneficiaries of various social ministries around the world that they can create their own path out of poverty, that neither the missionary nor the benefactors are ultimately the agents of change for those living in dire poverty. I propose, accordingly, that poor people must

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<sup>1</sup> I define Jesuit social ministry as those social apostolic works sponsored by the Society of Jesus that involve direct social action for and with the poor. According to the Constitutions and Complementary Norms, the social apostolate flows from the overall mission of the Society of Jesus. Its specific goal "is to build, by means of every endeavor, a fuller expression of justice and charity into the structures of human life in common" (NC 298). This definition serves well to introduce the social apostolate which, in its great variety around the world, includes "social centers for research, publications and social action" and "direct social action for and with the poor" (NC 300). A full discussion of Jesuit social ministries that include social centers for research and publication and social action, is beyond the scope of this study. In this thesis I am primarily concerned with those social ministries that provide direct social action for and with the poor, with the objective of their authentic liberation. See *The Constitutions of the Society of Jesus and Their Complementary Norms*, no. 298 and 300, ed. John W. Padberg, S.J. (St. Louis, MO: Institute of Jesuit Resources, 1996), p. 308-309.

forge their own path out of poverty if they are to achieve authentic freedom. In the words of Malcom X, “nobody can give you freedom. Nobody can give you equality or justice or anything. If you’re a man [or woman] you take it.”<sup>2</sup>

This thesis will apply the principles of social entrepreneurship as construed by the GSBI to a modern-day case study, namely the Center for Community Resource Development (CCRD), a Jesuit social ministry in Belize City, Belize. This application does not claim to be the definitive answer to a systemic, ages-old problem. Rather, it will serve as a guide for professionals involved in Jesuit social ministries and introduce them to a new and promising methodology for working among poor and marginalized people.

CCRD was founded in July of 2010 in one of the most impoverished and violent neighborhoods of Belize City, Belize, by three Belizean activists and an American Jesuit missionary. To combat the root causes of crime and violence, CCRD organizes neighborhood communities, increases access to services, provides job training for vulnerable youth, and forms young men and women to be responsible and take pride in their work. Presently, they are heavily subsidized by various donors. However, they are hoping to develop an entrepreneurial model of social ministry so they can move to self-sustainability.

The case study will demonstrate how the method of social entrepreneurship as exemplified by using key principles from the GSBI can launch CCRD into a new and innovative model of Jesuit social ministry. Strategies from the incubator will provide CCRD with the necessary tools to become economically sustainable, allowing a shift in focus of the primary work of the missionary. Instead of committing a majority of time to

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<sup>2</sup> George Breitman, ed., *Malcolm X Speaks: Selected Speeches and Statements* (New York: Merit Publishers, 1965), 111.

establishing relationships with wealthy donors, the missionary will be able to establish relationships of mutuality with the local people, fostering solidarity, and accompanying them in their search for agency and subjectivity.

While my study will focus specifically on Jesuit social ministries, I hope it will make a valuable contribution to other non-profits, non-government organizations, faith-based organizations and any type of social enterprises around the world dealing with the problem of financial dependency in their missions or organizations. Ultimately, I hope that my study will serve as a model of social change and justice for the many people in the world who care about the injustices poor people have to encounter every day.

### *Description of Chapter Content*

The first chapter of the thesis is autobiographical in nature, and serves to contextualize the overarching problem of my entire project: How do we, who are involved in mission within the Church and concerned about the plight of impoverished people, respond authentically to their thirst for liberation? How do we avoid falling into the trap of doing the work for them and reinforcing a culture of dependency? My narrative recounts the years I spent among the Lakota of the Pine Ridge Indian Reservation in southwestern South Dakota, where I witnessed firsthand the effects of dependency upon a subjugated people.

In the second chapter I examine the economic model known as “developmentalism.” I demonstrate that it neither advanced the economies in the underdeveloped world nor eradicated poverty, but often created more economic disparity in the world. This led to a school of thought that advanced a comprehensive critique of developmentalism called “dependency theory.” I show how this sociological analysis

contributed to a deeper awareness of the causes of global poverty and dependency. I then turn to a theological critique of developmentalism. Here I draw upon liberation theology and Catholic social teaching to demonstrate how these disciplines advance the critique of developmentalism to further our understanding of the effects of dependency upon poor people, but more importantly how they lead us to more holistic solutions to our problem.

In chapter three, I present the essential characteristics and principles of social entrepreneurship, a practical, emerging movement that applies business skills and innovative technologies to address the needs of those living in poverty. I also highlight the Global Social Benefits Institute (GSBI), a signature program at Santa Clara University, which serves as learning laboratory for global, innovation-based entrepreneurship in service to humanity. I propose the implementation of social entrepreneurship thinking and strategic principles of the GSBI to JSMs will provide a solution to the problem of dependency.

In chapter four, I make the application of social entrepreneurial thinking to the Center for Community Resource and Development (CCRD) in Belize City, a current JSM struggling with the problem of dependency. Specifically, I will demonstrate how CCRD can move towards economic stability by employing key shifts inherent to social entrepreneurship and through the development of strategic practices from the GSBI. In essence, this case study displays practical steps of how to incorporate a new model of social ministry that will create more impact in empowering the poor to discover their way out of poverty.

### *Educational Background*

I have learned over the past few years that we necessarily understand the world through the lens of our own context and experience. Some of this I learned in the academy, but most of it I discovered in experiencing life itself. However, as a child, I was not taught to think in this manner.

I was educated in Midwestern, Catholic elementary schools beginning in the early 1970's. In general, the teachers encouraged us to think in a linear, rational way, a mode of thought and argumentation born from Enlightenment principles. For the most part, emotions, experience and the data of daily existence did not matter as long as we memorized times-tables, the rules of grammar and the essential Catholic devotional prayers.

It was not until I encountered the Jesuits in my high school and college years that I began to discover new ways of thinking that were both critical and experiential. The Jesuits and their colleagues taught me to question many things—culture, class, race, religion, and even aspects of the Catholic Church. They encouraged me to always try to see the world from different perspectives. While studying philosophy in college, I came to terms with two critical insufficiencies of the epistemology in which I had been schooled. First, a strict rationalism does not seem capable of describing many essential aspects of human existence and the varied forms of human knowing. Second, rational discourse, framed in terms of logic and objectivity, often excludes other forms of knowledge. Thus, I began to pursue alternative forms of knowledge such as liberation theology, the philosophy of personalism, and various strains of Catholic spirituality, all of which critiqued this strict, rational epistemology. Among these various epistemological

frameworks, the most significant and life-giving for me was the one I experienced on the Pine Ridge Indian Reservation, among the Lakota people.

Historically, the Lakota did not pass through the Enlightenment (although they have been negatively affected by it in many ways) and therefore, a rationalistic, scientific worldview is not part of their consciousness. In fact, most Lakota despise such a worldview because it represents the Enlightenment project of evolutionary “progress” that vitiated much of their culture and way of life. The Lakota worldview derives from an oral tradition in which the skills of listening and sharing are primary. No oral tradition can survive unless people know how to listen well and share wisdom.<sup>3</sup> The traditions of story-telling and kinship have allowed the Lakota to survive as a people.

The Lakota have taught me the vital importance of the human story. So my point of departure in this thesis is the telling of my own story so readers may understand why I feel so passionately about issues of dependency and why I continue to search diligently for a viable solution to this problem.

### ***Bound By Dependency***

There are many complicated and difficult things in life that are abstractions to us until we experience them personally: financial bankruptcy, terminal illness, depression, betrayal, family break-up, and so on. For instance, I never fully understood the word *shame* until I moved to the Pine Ridge Reservation. It was there that I discovered what shame leads people to do. Shame does not say, “though I did something bad I am still okay,” but rather, “since I have done something bad, I am bad and worthless. I am not worthy of love or forgiveness. I will never receive love, and, thus, I cannot give it away,

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<sup>3</sup> “Lakota Perspectives and Values,” Oglala Lakota College, accessed November 27, 2013, <http://www.olec.edu/about/philosophy/>.

either.” This shame, produced by years of government dependency and cultural poverty, cripples the Lakota, causing many of them to turn to alcohol, drugs, poverty, and even suicide. They cannot imagine positive alternatives for living.

*Dependency* was another such concept for me until I encountered it head-on with the people I had come to love. I lived, worked, and ministered among the Lakota of Pine Ridge on two separate assignments as a missionary at Red Cloud Indian School.<sup>4</sup> First, as a Jesuit regent from 2002 until 2005, I taught high school Lakota and Catholic spirituality. I lived and taught within the “cattle gate” of the mission, which was often referred to as a symbolic moat-type barrier that separated most Lakota from the Jesuit mission and the “outsiders” who lived there. Many Lakota encouraged us Jesuits and our lay colleagues to move beyond the “cattle gate” if we truly wanted to experience the daily reality of reservation life. I would often visit families and participate in various Lakota religious ceremonies. However, a majority of my time was spent inside the mission boundaries. Most of what I knew of the plight of the Lakota was what the students would share with me, which often was very little because of their shame-honor culture. Many students came from broken homes full of abuse, neglect, poverty and alcoholism. To share their struggles would mean falling into to shame. Most, therefore, would share nothing, and hid these painful aspects of their lives. Though I was aware of these situations, I never knew to what extent they existed.

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<sup>4</sup> The Society of Jesus founded Holy Rosary Mission in 1888 at the request of Chief Red Cloud, a great leader of the Oglala Lakota Indians. In 1969, Holy Rosary Mission was officially renamed Red Cloud Indian School, both as a token of respect for the man whose work had made it possible to found the school and as a part of a program of re-identification. Presently, Red Cloud Indian School administers and finances one high school, two grade schools, six Catholic parishes and one heritage museum. See “Our Story, Our Success,” Red Cloud Indian School, accessed November 4, 2013, <http://www.redcloudschool.org/page.aspx?pid=429>.

After three years at the reservation, I went on to study theology at the Jesuit School of Theology in Berkeley with the hope of returning to the reservation as a Jesuit priest. I wanted to move beyond the “cattle gate” and experience the reservation on Lakota terms, within their homes and communities. After graduation and ordination, I thus returned in 2008 and pastored two small, rural Catholic parishes in the reservation districts, Manderson and Porcupine, both of which were located a good thirty miles beyond the “cattle gate” of the mission. Now it was my turn to experience life on Lakota terms. I soon began to experience the ugliness and demeaning dependency in which the Lakota were trapped.

The Lakota had their dignity denied under the patronage of outsiders – the government, church groups, and even the Jesuit mission for whom I worked and ministered. This system was now over a hundred years old. Charity and welfare had reinforced unbalanced power relations, which were undergirded by the assumption on the part of the outsiders that they were the experts and only through them and their gifts would the Lakota’s suffering diminish.

For my part, I refused to play the role of the expert outsider and to give the Lakota handouts, resources and money. For example, during my tenure as pastor, the administration at Red Cloud Indian School (RCIS) had financially subsidized the parishes for more than a century and had never asked the parishioners to take more financial responsibility, assuming they were incapable. Once I became pastor, I slowly invited my parishioners to take a more active role in the ownership of their local parish. Holding firmly to the principle that one should never do for someone else what they can do for

themselves, I consistently invited them to give of their talents, treasure or time, while gradually reducing some of the subsidies.

A few of my parishioners stepped up and enjoyed the ownership. Most, however, would complain to me that they were entitled to the financial services of RCIS, and asked why they should have to work for the livelihood of the parish. This system created a desensitizing passivity and loss of agency among the people. Most only wanted to receive the handout, the service, the gift, and not take an active role in creating something new. A few fought me for taking away their “privileges.” One Lakota elder even threatened to have me removed from the reservation.

Many Jesuits and Lakota employees at RCIS wanted to perpetuate this charity model of mission and opposed my call for deeper agency among the local people. Suddenly, I was caught in the middle of the ugly dynamics of dependency. The administration and the development team at RCIS fought me for wanting to practice a new model of mission. The fundraising team asserted that if I changed the system, RCIS would not be able to access as much money from the donors. They advised me to respect and accept the labor of the development team, the money from the donors, and the donors’ desires for how their money was spent within the mission. At the same time, as noted, many Lakota opposed me for refusing to give them free money, resources and unhealthy doses of sympathy. I held my ground, however, convinced that this model of mission could not continue. For three years, I stood on my principles, finally leaving in June of 2011. The situation had not improved and I was becoming disgruntled and demoralized.

I came to realize that what I had experienced during those three years as a pastor among the Lakota was the awful effects of full-blown dependency. For the first time I had been in a position to see and feel its numbing effects. Although I was not of the same social status as the Lakota, I began to see things from their side, the receiving end of this cycle of dependency, rather than the *giving* end. Overall, many of those involved in the mission indicated, either directly or indirectly, that we were incapable of making our own decisions and that we should accept their generous gifts to us, and be thankful. I was profoundly disheartened to see these once proud people reduced to such a diminished existence.

Since returning to my studies and presently pursuing an advanced degree in theology, I have learned that dependency is a sickness with a name, and that a cure is possible. The reign of God will not be realized here on earth amidst such stark disparity between those benefactors who claim to be experts on the plight of poor people, and the beneficiaries trapped in the snares of dependency. Ignoring the problem of dependency will not make it disappear. Based on his responses to those whom he encountered in his healing ministry, it is unlikely that Christ would have intended that missionaries create the path out of poverty *for* the people. I do not believe that he wanted “outsiders” to provide free resources, paint school buildings or give out candy bags at Christmas as a healthy model of mission or social ministry, while local people sit back and watch it all happen. When Christ healed the marginalized, the lame, the sick and crippled he demanded that they move on and not to cling to him, and empowered them to do so. It seems he intended that those in need of healing take responsibility for themselves and their own lives after he encountered them face-to-face as equals.

It took me a long time to fully understand this sickness called dependency, and to discover the roots of the problem as well as potential solutions. I had to experience the pain of it, and witness the burden it had inflicted upon a people I had come to love. However, I also felt the sheer joy of their passionate and creative struggle to free themselves from its snare. My dawning awareness of this problem culminated in a sacred ceremony and ensuing conversation with a Lakota woman named Phyllis Good Owl on Christmas, 2003, during my first tenure at RCIS.

### *Celebration, Christmas 2003*

As I entered the sacred tipi of the Red Cloud family just after sunset, I could smell the burning cedar and the embers of fire rising from the smoldering fire-stick set in the middle of the room.<sup>5</sup> A wave of tranquility and peace entered my body. I sat on the ground and began to mentally, spiritually and physically prepare myself to partake in the all night prayer vigil this Christmas Eve. I watched attentively as the drummer of the meeting tied up the drum, a sacred act that occurs before the actual opening of the all night prayer meeting. He ties the water-filled drum after he pushes the deer hide over the top and a few inches over the side in a deliberate and prayerful manner.

He is the one in charge of leading the music throughout the night, and the people are counting on him to drum in a prayerful, creative and spiritual manner. He keeps the song and the prayers going, beating on the drum, in unison with our own heart beats. As I watched and prayed for him, he completed the final knot with the rope. If you were to look at the drum from below, you would see that a star has been made on its bottom foundation. If you were to look at the top of the drum from the same position you will see

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<sup>5</sup> While the name of the family who sponsored this Ancient Native American Church meeting is “Red Cloud,” they have no official affiliation with Red Cloud Indian School, the institution, other than the fact that they are descendants of Chief Red Cloud.

the rope symbolizing the crown of thorns worn by Jesus at his crucifixion. It is quite beautiful. After the tying, the “roadman” (the Native American in charge of leading the meeting) blows his eagle whistle and begins to sing the four opening songs of the ceremony, accompanied by the steady beats of the drummer.

About thirty of my Lakota friends and I began to sing along while the first round of the spiritual medicine, peyote, was passed around for all of us to consume. With the roadman we sang. We sang to the Creator and to Jesus. We sang all night praising the Christ until dawn. At sunrise we drank water and celebrated the fact that Jesus Christ came into the world to save all people. It was this Christmas, celebrated with many friends, and a woman named Phyllis Good Owl, that revealed to me most fully the beauty, reverence and prayerfulness of the Lakota people. Never in my life had I seen a people offer so much dedication, enthusiasm and praise to Jesus and the Creator.

As a Jesuit missionary on the Pine Ridge Indian Reservation, I often prayed with the Lakota in their own manner. These Lakota comprise a chapter of the Ancient Native American Church (ANAC).<sup>6</sup> As I participated in their sacred rites, I was enthralled by the way they creatively and reverently synthesized their Native American religious ritual and the Christian tradition. An integral part of these ANAC gatherings was the sharing of the next day together, outside of the tipi, in conversation, prayer and play. One does not leave the sacred prayer grounds until all are fed a second breakfast and a main meal. The gathering formally concludes with the ceremonial takedown of the tipi, the house of

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<sup>6</sup> For a brief but thorough history of the Native American Church in the United States and on the Pine Ridge Reservation, from a Catholic missionary’s experience, see Paul B. Steinmetz, S.J., *Pipe, Bible, and Peyote Among the Oglala Lakota: A Study in Religious Identity* (Knoxville: The University of Tennessee Press, 1990), 87-151.

prayer, and the ritual extinguishing of the fire which kept us warm throughout the night. Most ANAC meetings end late in the afternoon.

### *Phyllis Good Owl*

It was on this Christmas Eve and day that I finally gained a deeper awareness of how the Lakota people perceived and related to the world. Specifically, I could finally comprehend how they encountered the Great Spirit – the Creator. This insight into the Lakota spiritual world arose through a profound conversation I had that day with Phyllis Good Owl, a middle-aged, traditional Lakota woman and graduate of RCIS. She learned about Catholicism and Jesus during her days there in the 1970's. Though she no longer practiced Catholicism, she worshipped Jesus. She worshipped him in her way, through the Ancient Native American Church. She had a deep faith.

Outside of the sacred tipi of the ANAC meeting on that Christmas morning, Phyllis spoke to me about her strong commitment to the decolonization movement among the Lakota on the Pine Ridge Reservation.<sup>7</sup> In the face of the dominating Anglo-European culture, Native Americans across the United States had been thirsting for many years to find their place within North America. They had struggled to re-discover and create their own Lakota identity and their own way of life in order to become the agents of their own liberation and change. Phyllis thought the best way to fully express herself and seek her own freedom as a Lakota woman was to join the decolonization movement on the Pine Ridge Reservation. She had suffered oppression most of her life growing up on the

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<sup>7</sup> Phyllis was not a part of an official or established decolonization movement. When she speaks about *decolonization* she signifies unbinding and freeing herself (and other willing Lakota) from the subjugation of reservation life. This does not mean leaving the reservation, physically. It entails a different way of life, a life free from living under the tutelage and dependency of the United States government. It means choosing a livelihood where one creates, innovates and seizes the opportunity to be his/her own agent of change, so as to live a life of economic and spiritual freedom.

reservation. However, her oppression was not due to any direct violence or hatred on the part of the Anglo-Europeans. Rather, it was embedded in the paternalism and lack of respect with which many of these “outsiders” either consciously or unconsciously treated the Lakota. There were many people outside of the Native American population who journeyed to the Pine Ridge reservation desiring to help her people, but ended up doing more damage than good. Many outsiders assumed that the Lakota, because of their impoverished state, high unemployment and alcohol abuse were incapable of lifting themselves out of such misery. This would often lead these outsiders to give handouts and provide free services rather than to address the root of the problem, and seek sustainable solutions. For Phyllis, this approach was simply another expression of patrimony and form of colonization. These attitudes often led the Lakota to rely on such outsiders, become dependent on charity, and inhibited them from finding their own way out of poverty.

For Phyllis and many Lakota, the awareness of the need for liberation from the oppressive conditions under which they have lived for over one hundred years was becoming more of a conscious reality. It was difficult to see such a struggle. However, it was also exciting to witness the thirst for freedom. Phyllis told me that, to be an authentic Lakota woman in the modern world, she had to decolonize. There was no alternative, no other path to true freedom. In order to be fully Lakota, she felt it necessary to separate herself alongside other Native Americans who were willing to rise up from the mundane and stagnant state of modern reservation life.

A vital element within Phyllis' life was the Spirit [of Jesus] whom she had come to *know* in profound ways within the sacred tipi of the ANAC.<sup>8</sup> "I want to decolonize and help myself and my people become free, but I do not want to lose the Spirit [of Jesus] in the process," she insisted. As a Lakota, Phyllis always had a strong understanding and experience of the Creator's Spirit in the world through her upbringing within Lakota ritual and belief, in addition to the teachings of the Catholic Church she received as a student at RCIS. Through ceremonies such as the sweat lodge, *yuwipis* (healing ceremonies) and sun dances she came to experience an intimate connection with the Creator and his/her Spirit. Now, as an adult, she had come to a fuller awareness of the Holy Spirit by worshiping Jesus within the ANAC. Praying with and to Jesus, the Christ, the man who walked this sacred earth over two thousand years ago gave her a deeper understanding of the nature of the Spirit of all creation. The ANAC freed her by giving her the capacity to worship Jesus by blending her Lakota and Christian beliefs. Phyllis discovered her own spiritual agency here. She found a way to worship Jesus that did not contradict the essence of her identity as a Lakota.

However, as she entered into the decolonization movement she discovered that many people involved in this undertaking were anti-Christian. They believed that Jesus was the "white-man's" God, the God of those who had destroyed and pillaged their culture. The Lakota would often claim that the "white-man's" God was vengeful. How

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<sup>8</sup> The concept of "Spirit" is a Christian term used when referring to the third Person of the Trinity. Before Christianity arrived, the Lakota would not have called their experience with the Divine, the "Spirit" or the "Holy Spirit," but probably would have used the Lakota term *Skan*, literally meaning sky. However, after the arrival of Christianity the Lakota began to use many different Christian terms when referring to the "Spirit" of the Creator. For a more thorough understanding of Lakota mythology and their understanding of the Spirit see James R. Walker's *Lakota Ritual and Belief*, eds. Raymond J. DeMallie and Elaine A. Jahner (Lincoln, NE: University of Nebraska Press, 1980). For Phyllis, as for most Lakota, to *know* the Spirit of Jesus meant an embodied encounter with the divine. An experience of God was not about ascending to some reality beyond one's senses, or bodily and interior desires. For a Lakota, to know the Spirit was something one saw, tasted, heard, smelt, touched and felt deep within one's gut.

could a Native American ever worship this God, when it was the white people and their God that kept so many Native Americans impoverished, oppressed and confined to the miseries of reservation life? How could Phyllis continue to decolonize and bring the liberating power of the Spirit of Jesus with her, to empower her in her quest for freedom, but also survive without dependency upon the US government or other agencies?

In order for Phyllis to fully decolonize it would entail separating herself socially from those family members who desired to continue living off government subsidies. In a tribal culture, to leave behind one's family and tribe is to lose one's very identity. She was afraid to decolonize, to separate herself from reservation life. To find a new way for herself and her people would be extremely difficult. How would she survive? How would she earn a living? How would she sustain herself, her family and all her relations? I could see the fear in her eyes, watch it convulse her body, and pour down her face in tears.

### ***Conclusion***

I write about Phyllis, because to this day I believe in her quest for freedom and agency. I believe that her craving to break the bonds of dependency that various facets of the U.S. Government, the Catholic Church, some Jesuits, and many other agencies imposed upon her people is holy.<sup>9</sup> The holiness of her quest was that she wanted to decolonize not to spite or harm her oppressors, but to gain freedom and to do so with the help of the Spirit. Unfortunately, during her time at RCIS, she did not learn that

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<sup>9</sup> As mentioned above, when the Jesuits set up their mission they began to evangelize the Lakota people. They believed that the only way the Lakota would be saved from eternal damnation would be by accepting Jesus and entering the Catholic Church. The Jesuits did have success. To this day there are practicing Catholics among the Lakota, though many of these Lakota abandoned their own religious tradition and ritual in order to do so. Perhaps the biggest loss among the Lakota when Christianity arrived was the failure of many missionaries was to see that the Spirit was already alive among the Lakota people. For a more detailed analysis of the Jesuits and their missionary involvement among the Lakota see William K. Powers, *Oglala Religion* (Lincoln, NE: University of Nebraska Press, 1999), 112-116.

decolonization, liberation and Christianity were compatible. As a student of liberation theology and a Jesuit who cares about the plight of the oppressed, I wondered, based on my encounter with Phyllis, “How do I join such a holy quest? Since I am also a person of faith, how can I best assist Phyllis in achieving her dream for liberation? More broadly, how does RCIS at this time in history assist people like Phyllis in their struggle for authentic liberation, without continuing to reinforce patterns of dependency?”

I wanted to accompany her, to join her in her quest to free herself from the culture of dependency and exercise her own agency, but knew I could not. It was not mine to fix. I could not pretend that I was suffering the same oppression. Thus, what precisely was my role as a Jesuit who was living on the reservation but from the “outside?” How do I respond to Phyllis? All I could do at that moment was to listen, and not force any solution. I could only offer my presence and continue to believe in the Spirit [of God], who wants salvation for *all* people. By “salvation” here I am not referring solely to what occurs after death. Salvation signifies that God can liberate poor people from their wretched and oppressive conditions in the here and now.<sup>10</sup> God wants people to exercise their own self-worth and agency. God does not want people to be trapped in the pains of dependency, but to break free from every oppressive condition. Salvation consists of experiencing the reign of God more abundantly on earth, a reality which Phyllis Good Owl, many other Lakota, and all the poor of this world so desperately seek.

Overcoming the negative effects of dependency within missionary circles requires an understanding of the depth and complexity of the issues involved. The purpose of this thesis is to critically analyze the dependency syndrome, specifically in the context of

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<sup>10</sup> For a deeper analysis and reflection on this notion of salvation see Gustavo Gutiérrez’s comments on the Puebla and Medellín documents in *A Theology of Liberation* (Maryknoll, NY: Orbis Books, 1973), xxxvii-xl.

JSMs, and to present a solution in the form of an alternative model of mission that has the potential to be authentically liberating. The next chapter turns to a deeper analysis of the problem.

## Chapter 2

### **The Problem of Dependency: A Theological Critique of Developmentalism and Modernization**

#### *Introduction*

Many JSM's operate in underdeveloped locations throughout the world, dedicating themselves to eradicating the ills of poverty and to furthering the development of poor people. However, these ministries often become financially dependent on funds from the developing world, to the detriment of the mission's original vision. In order for JSMs to continue to grow and empower the people they serve without falling into the traps of dependency themselves, a deeper understanding of development and dependency is necessary.

The purpose of this chapter, therefore, is to examine the economic model known as "developmentalism." I will demonstrate that it neither advanced the economies in the underdeveloped world nor eradicated poverty, but often created more economic disparity in the world. This led to a school of thought that advanced a comprehensive critique of developmentalism called "dependency theory." In this chapter I will consider the effects of developmentalism on the continent of Latin America, where dependency theory originated.

Theologies of liberation initially utilized dependency theory as an analytical tool for understanding the massive poverty and injustice that blighted the continent. In my analysis, I will use principles from liberation theology and Catholic social teaching to advance a critique of developmentalism and further our understanding of the effects of dependency upon poor people. I argue that this analysis will enable JSMs to be more effective in their work with the poor.

## *Developmentalism*

The concept of “development” (or developmentalism), used as a word to describe efforts to improve the livelihoods of the economically poor, became prominent in the West in the 1950s. In the aftermath of World War II, by way of the Marshall Plan, the United States had rebuilt Europe, and much of the continent began advancing economically. In addition, many of these Western nations were granting independence to the countries they had colonized in hopes of advancing their development. The idea of development and the possibility of eradication of poverty became a normative ideal in the West and the hope for colonized nations.

But what exactly did the Western nations mean by *development*? While the capitalist West considered itself “developed,” it presupposed that many non-industrialized countries, mostly in the South, were not. Thus the underlying assumption within developmentalism was straightforward and simple: The underdeveloped world should develop by emulating the path of the capitalist West.

In this view, the quickest path to achieve development for an “underdeveloped” country was modernization, which was measured by the size and productivity of a nation’s economy. Modernization theory implied that the “traditional” culture and values of “pre-modern” societies needed to transition into the urbanized, “modern,” industrial world, which would ultimately integrate them into the Western market system.<sup>11</sup> This project of modernization also had a political agenda, which served as a Cold War

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<sup>11</sup> See Fernando Henrique Cardoso and Enzo Faletto, *Dependency and Development in Latin America*, trans. Marjory Mattingly Urquidí (Berkeley: University of California, 1979), viii.

strategy. Helping poor countries in the South was a means for the Western nations to wean countries from the communist influence of the rapidly growing Soviet Union.

Despite some political controversy, on the Latin American continent great optimism arose among various governments and schools of thought as nations embarked on this ambitious project. The economies of Argentina, Chile, Mexico and Brazil, to mention a few, were slowly developing and moving towards self-sustained economic development as they began to modernize and imitate Western, capitalist nations. This was a time of hope in Latin America.

### ***Dependency Theory and the Critique of Developmentalism***

Beginning in the 1960s, this optimism for development began to wane as many Latin American nations ceased advancing in their economic growth. Ironically, the development efforts did result in economic growth for the developed nations. The rich grew richer while the poor became worse off. Economic growth did not trickle down to the people. The poor and many others from the underdeveloped world now referred to the term development as “developmentalism” (*desarollismo*) in a pejorative manner.

The deteriorating hope for economic growth impelled Latin American sociologists and economists to analyze the underdevelopment that gripped Latin America, causing them to ask why developmental policies were failing on their continent. From this analysis emerged the theory of dependency.<sup>12</sup> Liberal reformers and Marxists, among others, employed the theory in their attempts to understand economic, political and social differentiations within a global context. They understood “dependency” as:

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<sup>12</sup> See Philip J. O’Brien, “A Critique of Latin American Theories of Dependency,” in *Beyond the Sociology of Development: Economy and Society in Latin America and Africa* (London and Boston: Routledge and Kegan Paul, 1975), 11.

a historical condition which shapes a certain structure of the world economy such that it favors some countries to the detriment of others and limits the development possibilities of the subordinate economics...a situation in which the economy of a certain group of countries is conditioned by the development and expansion of another economy, to which their own is subjected.<sup>13</sup>

According to dependency theorists, the uneven development that occurred in the developing world as a result of the modernization paradigm was an inevitable result of fundamentally unjust relations between “core” nations (primarily Western Europe and the United States) and nations found on the “periphery” of the world economy (most of Latin America, Africa and segments of Asia).<sup>14</sup> Dependency theorists deemed these relations merely another form of colonialism. There were many reasons why developmentalism failed in Latin America, but in general the failure rested on the fact that “core” nations dominated the economies of developing countries through investments, trade, subsidies and military aid. At the same time, they forged internal political alliances with ruling elites who attempted to ensure a stable social climate for their interests, often through repressive measures.<sup>15</sup> As two of the most influential dependency theorists, Fernando Cardoso and Enzo Faletto explain:

Strengthening and modernizing the state seemed so necessary a means of achieving an effective and efficient development policy that Latin American economists turned to the concept of a “political economy” to emphasize the political aspect of their proposals. The Latin American situation seemed to require a type of development concentrating on the nation-state...[yet] neither the social nor the political system was reorganized in the hoped-for direction. This suggests that even though “traditional” society transformed its economic features, some of its old social sectors retained control of the system of power (class struggle). With

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<sup>13</sup> Theotonio Dos Santos, "The Structure of Dependence," in *Readings in U.S. Imperialism*, eds. K.T. Fann and Donald C. Hodges (Boston: Porter Sargent, 1971), 226.

<sup>14</sup> See Fernando Henrique Cardoso and Enzo Faletto, *Dependency and Development in Latin America*, trans. Marjory Mattingly Urquidí (Berkeley: University of California, 1979), 16-18.

<sup>15</sup> See Mary Hembrow Snyder, “Development,” in *The New Dictionary of Catholic Social Thought*, ed. Judith A. Dwyer, (Collegeville, MN: Liturgical Press, 1994), 279.

the decline in the growth rate after the boom of the 1950s, the old problems of the hemisphere reappeared with new social protagonists, or with the same old ones in modern dress.<sup>16</sup>

Without the proper reorganization of the political alliances of old, modernization seemed like an inappropriate means for a nation to develop. In most countries in Latin America this reorganization never happened. The core countries thought this lack of organization was due to traditional and backward cultural norms that impeded modernization and thus economic growth. Fernando Cardoso (a Brazilian sociologist and later president of the country) and his colleague Enzo Faletto (a Chilean historian) had a much different perspective on the root of the problem.

There are many different strands within dependency theory, but for the scope of this chapter I will focus on Cardoso's and Faletto's seminal work, *Dependency and Development in Latin America*, considered by many theorists in Latin America to be the cornerstone of dependency theory literature. In their work Cardoso and Faletto seek to probe the reasons why, after years of political, cultural and economic ties with Europe and North America, Latin America is still in a state of underdevelopment.

They offer many important insights into the problem of dependency. I will focus on two: 1) their historical-structural methodology (which includes an analysis of class struggle); and 2) their critique of modernization.

Concerning historical-structural methodology, Cardoso and Faletto critique the Western approach of developmentalism known as the structural functionalist method, because it focused solely on economic growth. This approach stipulated its own preconceived variables of what would generate economic growth for a given macro

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<sup>16</sup> See Fernando Henrique Cardoso and Enzo Faletto, *Dependency and Development in Latin America*, trans. Marjory Mattingly Urquidí (Berkeley: University of California, 1979), 4, 10.

economy. For example, implementing a free market system and organizing forms of production based on efficiency and capitalistic values were deemed normal and healthy, while values that did not fit into this modern industrial system were deemed as impediments to development. The evolutionary movement of underdeveloped countries from one stage (backwardness/underdevelopment) to another (modernized/developed) was seen to be the only trajectory of development. Societies that did not conform to a free market system or organized production in an efficient, capitalistic mode were perceived as backward and underdeveloped.

Hence, Cardoso and Faletto probe the problem of dependency in Latin America using a different method of analysis, namely, the historical-structural approach.<sup>17</sup>

Working within the Marxian tradition, they examine the stratification in society as a result of the established ways of organizing economic production and also of analyzing the class struggle within. While the developed Western nations' structural approach could only measure economic development from a bird's-eye view, that is, only seeing the positive increase in capital from an all-encompassing macro level, Cardoso and Faletto take a different view. They observe how various groups, cultures and classes have historically functioned within society as a result of or response to developmentalism.

They state:

For us it is necessary to recognize that social structures are the product of [humanity's] collective behavior. Therefore, although enduring, social structures can be, and in fact are, continuously transformed by social movements. Consequently, our approach is both structural and historical: it emphasizes not just the structural conditioning of social life, but also the historical transformation

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<sup>17</sup> See Fernando Henrique Cardoso and Enzo Faletto, *Dependency and Development in Latin America*, trans. Marjory Mattingly Urquidí (Berkeley: University of California, 1979), x.

of structures by conflict, social movements, and class struggles. Thus our methodology is historical-structural.<sup>18</sup>

They reject the idea that internal or national socio-political situations were “mechanically conditioned by external domination.”<sup>19</sup> Thus the conflicts, social movements and class struggles that exist, not only on a macro level between nation-states but also those internal movements of resistance within various nations that are a result of international dependency, need thorough examination. They continue:

Political and economic processes appear...as if they were the expression of a struggle between nation-states, but they also involve conflicts between social groups and classes. In order to explain the historical process from the theoretical perspective of dependence, we must make explicit how international conflicts between states are linked with the internal political struggles as well as with the basic ways whereby both domestically and internationally, the social organization of economic production takes place.<sup>20</sup>

Cardoso and Faletto’s historical-structural method sheds light on important events in Latin American history to suggest that certain fundamental transformations that took place within various nations reflect a positive change in resistance to the domination of the Western nations and the dependency created therein. They go on to mention a series of resistant transformations, such as the stabilization and progress of the Cuban socialist regime, Peruvian military reformism, and the experiment of socialism in Chile, to mention a few.<sup>21</sup> Even though the Western structural functionalist view fails to acknowledge these transformations, they are nevertheless reflections of a mode of development. Cardoso’s and Faletto’s methodology is important because it enables us to

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<sup>18</sup> Ibid., x.

<sup>19</sup> Ibid., 173.

<sup>20</sup> Ibid, 178.

<sup>21</sup> Ibid., 178-79.

see that instances of resistance leading to change are valid forms of development leading away from domination, dependency, and a limited structural-functionalist socio-economic worldview.

Cardoso and Faletto's historical-structural approach to developmentalism also challenged the structural functionalists' modernization theory, which viewed Latin American societies as dualistic in their socio-economic composition.<sup>22</sup> For the structural functionalists every country has its pre-capitalist (feudal) regions and its capitalist (modern and industrialized) regions. On the one hand, underdevelopment, they say, is largely due to the presence of archaic feudal structures that prevent a particular region from fully participating in the larger modern industrialized world. On the other hand, the more developed regions achieve their development only by virtue of their openness to the modern, capitalistic, industrial world. This model originated from the American economist Walt Rostow and his famous work, *The Stages of Economic Growth: A Non-Communist Manifesto*, in which he argues that economic modernization occurs in five basic stages: traditional society; preconditions for take-off; take-off; drive to maturity; and high mass consumption.<sup>23</sup> According to structural functionalists, an underdeveloped country can "take-off" into the process of development simply by opening up to the capitalistic world system. The engine for growth is the exportation of enough raw materials for the global market, an outward-orientated development path, and once this sector grows, takes-off, matures, then that nation will develop its internal economy and

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<sup>22</sup> Ibid., 8-10.

<sup>23</sup> See Walt Rostow, *The Stages of Economic Growth: A Non-Communist Manifesto* (Cambridge: Cambridge University Press, 1990), 4-16.

move to high mass consumption. But Cardoso and Faletto refute this modernization view as the sole path of economic development:

In almost all theories of modernization it is assumed that the course taken by political, social, and economic systems of Western Europe and the United States foretells the future for the underdeveloped countries. The “development process” would consist in completing and even reproducing the various stages that characterized the social transformation of these countries. Therefore, the historical variations, the specificities of each situation of underdevelopment, have little value for this type of sociology.<sup>24</sup>

They further highlight that each country’s history and culture is unique, indicating that there is not just one trajectory for modernization and development. For example, they refer to the labor unions in Brazil and Argentina who, in the middle to late part of the twentieth century, became national organizations and influenced decisions on wage levels in their respective countries. This occurred at a time when urbanization was accelerating but before the process of industrialization. Proponents of modernization would have viewed this phase of change as “abnormal” by comparison with what had occurred in the early stages of development for developed countries. Even though the countries did not fully modernize, however, there were movements of political action that encouraged greater participation of the masses before there was economic growth based on a domestic market. This level of participation by the labor unions in Brazil and Argentina exemplifies a process of development, even though it did not follow the stages of modernization according to the West. The course of development just happened to occur at a different juncture than the process of most industrialized nations. Thus, while underdeveloped countries were considered backward, having reached a lower level of economic reform than the developed countries, Cardoso and Faletto argue that the process and stages of development in Latin American countries were simply different. It

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<sup>24</sup> Ibid, 11. Here Cardoso and Faletto make reference to Rostow’s five stages.

is from this premise that Cardoso and Faletto started to research elements of resistance which emerged as a reaction against dominating forms of modernization.

The value of Cardoso and Faletto's critique of developmentalism highlights that dependency is not one-sided, in the sense that, if nations fail to develop or modernize, they are doomed to permanent and perpetual underdevelopment. On the contrary, the authors argue that within the struggles of dependency, dominated countries and subordinated classes seek to subvert dominant structures, proving that "in spite of structural 'determination,' there is room for alternatives in history."<sup>25</sup> The historical-structural approach perceives history as open-ended. It rejects a linear view of historical development and a dualistic conception of society, which sees countries as either traditional and underdeveloped or modernized and developed. It reveals that people can forge an alternative history. Ironically, however, the authors refuse to codify their method of analysis into a theory, avoiding a universalized explanation for underdevelopment and dependency. To do so would easily dismantle their acknowledgment that historical change is possible. Thus, they portray dependency, not as a category or a theory, but as contextual – as a situation of dependency. Their "theory" (if it must be referred to as such) of dependency is more a way to analyze concrete manifestations of underdevelopment (and reactions to it), so that the people who are trapped in its grips can move history upon a different trajectory.

### ***Theological Critique: Liberation Theology and Catholic Social Teaching***

Because developmentalism failed the people of the underdeveloped world and poverty continued to plague the masses within Latin America, dependency theory

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<sup>25</sup> See Fernando Henrique Cardoso and Enzo Faletto, *Dependency and Development in Latin America*, trans. Marjory Mattingly Urquidí (Berkeley: University of California, 1979), xi.

brought a new awareness to the continent and to the Catholic Church. In light of the Christian faith, theologians began to ask questions about dependency, and the misery it caused, and some incorporated its theories into their own theological reflections.

I will now focus on a theological critique of developmentalism, utilizing core principles of liberation theology and Catholic Social Teaching. I make such a turn for a couple of reasons. First, I write as a Jesuit and one who believes that an authentic notion of development must include spirituality. Subsequently, this spirituality must have a solid theological foundation for it to authentically contribute to humanity's development. Second, an integral method of development must also include letting the poor discover their own solutions. A method of development that impedes the agency of its beneficiaries will only create another form of dependency.

Liberation Theology provides a thorough critique of developmentalism. In this section, I will give a brief overview of liberation theology in addition to elements of Catholic social teaching that offer a critique of developmentalism. Furthermore, because of liberation theology's and Catholic social teaching's core gospel values and their coherence with the essential mission of the Society of Jesus, I deem them essential resources for those ministries working among the poor and seeking to break patterns of dependency.

The phrase "liberation theology," describes both the social movement for which it is named and the coherent set of religious ideas about and for liberation. It is important to make a distinction between these key aspects of the phrase.<sup>26</sup> As a social movement liberation theology attempts to promote action against injustice and oppression and to

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<sup>26</sup> See Christian Smith, *The Emergence of Liberation Theology: Radical Religion and Social Movement Theory* (Chicago: University of Chicago Press, 1991), 25.

promote social transformation. As a set of religious ideas, liberation theology reflects upon the actions of this social movement in light of the Gospel and faith. For liberation theologians, action aimed at achieving liberation comes first and the theological reflection upon such action comes second. Liberation theologians often describe their approach as a “reflection on praxis,” that is, reflecting theologically on the specific actions that spring from and embody the living faith.

Liberation theology arose in the 1960s from the context of the dehumanizing poverty of the majority of the Latin American population. As the people became aware that their wretched condition was due to profound injustice, they also began to realize that such poverty was not God’s will. The misery they encountered daily was contrary to Jesus’ preaching of the reign of God. The central message of this reign was that a life of joy and hope and the experience of God’s love were available to all, on earth, in the present, especially among the downtrodden.

In essence, liberation theology is an attempt to reconceptualize the Christian faith from the perspective of the poor and oppressed. Opposed to traditional European theology, which was abstract, deductive and ahistorical, liberation theology is concrete, inductive and historical. Liberation theology attends specifically to the human experiences of misery, oppression, and underdevelopment that characterize the condition of a majority of the Latin American population. It proclaims that God is working in the world, and that God’s people should therefore be working in history to counter all forms of oppression and domination, whether social, cultural, political, economic or spiritual. Liberation theology undertakes the task of reconstructing both the world and theology

from this perspective in the hope of emancipating those bound by sinful structures of injustice.

Both liberation theology and Catholic social teaching are rooted in the Hebrew prophets, who announced God's special love for the poor and called God's people to a covenant of love and justice. Like liberation theology, the social teaching of the Catholic Church is built on the gospel commitment to the poor and vulnerable. It is a teaching founded on the life and words of Jesus Christ, who came “to bring glad tidings to the poor...liberty to captives...recovery of sight to the blind... [and] set free those who are oppressed” (Lk 4:18-19).

Catholic Social Teaching refers to the Church’s rich body of social doctrine that spans the years from late 19<sup>th</sup> century to the present and is contained in papal and conciliar documents, regional bishops’ conferences, and letters of individual bishops. The cornerstone of Catholic social teaching is the intrinsic worth and dignity of every human person, created in God’s image, and its objective is the transformation of sinful structures that harm the human person. I argue that both Catholic social teaching and liberation theology provide valuable resources for the critique of developmentalism as well as providing holistic visions of human development.

In the following pages I will explore three key themes within liberation theology and Catholic social teaching that support a theological critique of developmentalism and furnish a more integral notion of human development. Furthermore, I will not only critique the developmentalism of the past, but also use these resources to look forward. I argue that a critical understanding of developmentalism from a theological perspective will assist JSM’s to help their beneficiaries realize their full human dignity and break any

bonds of dependency. The three themes are: 1) option for the poor; 2) dignity of the human person; and 3) subsidiarity. This exploration will draw largely from the work of Gustavo Gutiérrez, the Vatican II conciliar document *Gaudium et Spes*, and the papal encyclicals *Populorum Progressio* and *Caritas in Veritate*. I have chosen these particular works because of their keen social analyses and theological perspectives on poverty, human development and the agency of the human person.

### **Option for the Poor**

The Vatican II document, *Gaudium et Spes*, “The Pastoral Constitution on the Church in the Modern World,” called the whole church to the task “of reading the signs of the times and of interpreting them in the light of the Gospel.”<sup>27</sup> In response to that call, national and international conferences of bishops met to examine “the signs of the times” embedded in their own histories in order to decide how best to implement the Council’s decrees.

Accordingly, the Latin American Episcopal Council (CELAM) gathered in Medellín, Colombia, for two weeks in 1968. This meeting marked a watershed moment in the history of the church in Latin America. The importance of this conference and its documents was the institutionalization of the experience and practice of Catholics in every section of the church, from peasants to archbishops. It thus provided inspiration and pastoral plans for a continent-wide “option for the poor,” encouraging those who were already engaged in the struggle and urging the entire church, both rich and poor, to become involved. Nine years later, the Latin American Bishops’ Conference met again in Puebla, Mexico. Despite many disagreements and conflicts about the principles and

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<sup>27</sup> See Second Vatican Council, *Gaudium et Spes*, no. 4, *The Vatican Council II: Constitutions, Decrees, Declarations*, ed. Austin Flannery, O.P. (Northport, NY: Costello Publishing Co., 1996), 165.

movement of liberation theology among the attending bishops, the members entitled one of the final documents, “preferential option for the poor.”

However, Gustavo Gutiérrez’ liberation theology was the initial systematic attempt to crystallize the concept “option for the poor.” A major aspect of liberation theology’s break with the tradition of European theological thought was the alteration of the starting place of doing theology. This break brought about an epistemological shift in the church and theology and, perhaps, history. It also included Gutiérrez’s critique of developmentalism and his appropriation of dependency theory, among other things. It is important to note that while Gutiérrez appropriated dependency theory in his early development of liberation theology, particularly the work of Cardoso and Faletto, as a sociological tool to articulate the pain and sufferings of the Latin America people from the underside of history, he eventually departs from it:

The theory of dependency, which was so extensively used in the early years of our encounter with the Latin American world, is now an inadequate tool, because it does not take sufficient account of the internal dynamics of each country or of the vast dimension of the world of the poor.<sup>28</sup>

Instead of merely seeking economic growth for the poor and oppressed of Latin America, liberation theologians sought something far more integral. The key concept became “liberation.” Thus, liberation theology attempts to give a systematic expression to the growing self-awareness of oppressed and dominated groups in Latin America. Gutiérrez first critiques developmentalism using the theory of dependency. He then proposes that a developmental solution needs to reach beyond mere socio-economic analysis, as the world of the poor is far richer and more complex. The process of the

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<sup>28</sup> See Gustavo Gutiérrez, *A Theology of Liberation* (Maryknoll, NY: Orbis Books, 1988), xxiv.

development of peoples, and ultimately their liberation, must begin with the poor themselves.

What exactly does Gutiérrez mean by “option for the poor”? From the outset, liberation theology made a distinction, which the Bishop’s Conference of in its “Document on Poverty”<sup>29</sup> adopted, among three notions of poverty: 1) “real” poverty, as an *evil* (that is, as not desired by God), 2) *availability* to the will of God, and 3) *solidarity* with the poor, as well as with the situation they suffer.”<sup>30</sup> Material poverty is death-dealing and must be eradicated. On the other hand, poverty is an attitude of utter openness to God’s will, and a commitment of solidarity with the poor that willingly takes on the conditions they suffer. Thus, in order to make a serious option for the poor, we must understand the complex nature of poverty.

In his essay “Option for the Poor,” Gutiérrez undertakes a multifaceted analysis of poverty. For him poverty ultimately means death.<sup>31</sup> Real poverty consists of “a lack of the basic necessities of life (of a life worthy of a human being); social injustice, which plunders the masses and feeds the wealth of the few; [and] the denial of the most elementary human rights.” These “are evils that believers in the God of Jesus can only reject.”<sup>32</sup> For Gutiérrez this death-dealing reality results in the lack of food, housing, inadequate health and educational needs, the exploitation of labor, chronic

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<sup>29</sup> See Conferencia General del Episcopado Latinoamericano, “Pobreza de la Iglesia: Motivación Doctrinal,” in *Documento de Medellín*. (Bogotá: CELAM, 1968). no. 4, accessed February 1, 2014, [http://www.celam.org/conferencia\\_medellin.php](http://www.celam.org/conferencia_medellin.php).

<sup>30</sup> Gustavo Gutiérrez, “Option for the Poor,” *Mysterium Liberationis: Fundamental Concepts of Liberation Theology*, eds. Ignacio Ellacuría and Jon Sobrino, (Maryknoll, NY: Orbis, 1993), 235.

<sup>31</sup> *Ibid.*, 236.

<sup>32</sup> *Ibid.*, 237.

unemployment, and disrespect for human life. Such deprivation often leads to a suffering that destroys peoples, families, and individuals. This type of poverty is not blessed. It is a curse that tears away at the dignity of the human person and must be eradicated.

On the other hand, according to Gutiérrez this is not all there is to the complexities of poverty. The poor also strive to live a better life. They have a way of thinking, loving, praying, hoping and struggling for a livelihood. To be poor also means struggling for peace and justice, defending one's liberty, seeking greater democratic participation in the decisions of society, and committing oneself to the liberation of all people.<sup>33</sup> There is dignity and hope in the struggle to release oneself from the wretchedness of poverty and the grip of death. In the process of authentic human development, it is vital that humanity espouses the struggle for life.

The "option for the poor" emphasizes the choice on the part of Christians to enter the struggle. It consists of "the free commitment of a decision...it is a matter of a deep, ongoing solidarity, a voluntary daily involvement with the world of the poor."<sup>34</sup> Thus the word "option" signifies an opportunity to embrace the second and third notions of poverty listed above. That is, making oneself available to the will of God and striving to live in solidarity with the poor. This is a poverty that humanizes us. Ultimately, it reveals and makes real the Reign of God. This is where the process of integral human development must begin.

### **Dignity of the Human Person**

While liberation theology and "option for the poor" establish the starting place for holistic development, Catholic social teaching gives us the principle of human dignity as

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<sup>33</sup> Ibid, 236-237.

<sup>34</sup> Ibid., 240.

the foundation of any development process. Every human person is an end and never a means. The human person has a value or worth qualitatively different from anything else in the world. This dignity is rooted in the fact that the human being is made in the image and likeness of God (Gen. 1:26-27) and is therefore capable of being God's partner in the work of human advancement. The principle of the dignity of the human person, therefore, teaches that the person is not only relational but also dynamic. The "person is both an essential structure and an ongoing task."<sup>35</sup> Humans have the freedom to strive for something greater, beyond themselves. That is, they always have the option to move closer to God. Although finite, humans have the freedom within time and history to strive for transcendence. Anything that impedes the exercise of personal subjectivity violates the person's potential to grow deeper into the image of the Creator. Unfortunately, in the 20<sup>th</sup> and 21<sup>st</sup> centuries, with the rise of developmentalism and modernization, many of the developed nations have indeed constructed barriers that made it difficult for poor and marginalized peoples to reach their potential. Fortunately, the church has spoken out on such issues, specifically within its social teaching.

The document *Gaudium et Spes* denounces the damaging effects of developmentalism. Addressing the growing gap between rich and poor, it points to the need for economic reform by articulating the principle of the dignity of the human person. This principle includes the recognition that the ultimate purpose of any economic activity is not profit or domination but the service of people, placing the human person at the center of all economic activity:

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<sup>35</sup> See John C. Dwyer, "The Dignity of the Human Person," in *The New Dictionary of Catholic Social Thought*, ed. Judith A. Dwyer (Collegeville, MN: Liturgical Press, 1994), 736.

The ultimate and basic purpose of economic production does not consist merely in producing more goods, nor in profit or prestige; economic production is meant to be at the service of humanity in its totality, taking into account people's material needs and the requirements of their intellectual, moral, spiritual and religious life.<sup>36</sup>

In 1968, only a few years after the council, Paul VI wrote *Populorum Progressio*, “On the Development of Peoples,” to address the crisis of developmental efforts worldwide, which, as noted above, was widening the gap between rich and poor nations. The important theme in the letter is the concept of “integral development,” which asserts that the notion of human dignity is protected only by promoting the development of the whole human being, by helping people realize their full potential for knowledge, responsibility and freedom in every area of life. For Paul VI, this is what developmentalism failed to do. It was only concerned with economic growth, not the whole person. Thus, development of peoples requires “the concerted effort of everyone, a thorough examination of every facet of the problem—social, economic, cultural and spiritual.”<sup>37</sup>

Like the theorists of the dependency school, Paul VI presents a thorough denunciation of the unjust relations that exist between core and peripheral nations.<sup>38</sup> Despite just condemning the injustice of many core nations, Paul VI does offer another vision for the world. It is rooted in his belief that “development is the new name for

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<sup>36</sup> See Second Vatican Council, *Gaudium et Spes*, no. 64, *The Vatican Council II: Constitutions, Decrees, Declarations*, ed. Austin Flannery, O.P. (Northport, NY: Costello, 1996), 243.

<sup>37</sup> Paul VI. *Populorum Progressio* (March 26, 1967), no. 13, accessed January 26, 2014, [http://www.vatican.va/holy\\_father/paul\\_vi/encyclicals/documents/hf\\_pvi\\_enc\\_26031967\\_populorum\\_en.html](http://www.vatican.va/holy_father/paul_vi/encyclicals/documents/hf_pvi_enc_26031967_populorum_en.html).

<sup>38</sup> *Ibid.*, sec. 54-58.

peace,”<sup>39</sup> which entails the invitation to find creative solutions to the modern problem of development. He calls for bold innovations that will yield profound results so as to overcome the injustices developmentalism has caused.<sup>40</sup> For Paul, there is a sense of immediacy to conquer these injustices. Once eradicated, peace will ultimately ensue, Paul believes, because economic development is intertwined with so many other world issues.

Solutions are not created in isolation. The key to such peace is solidarity and a new humanism that will integrate novel innovations and technologies for the common good. Ultimately, genuine peace is impossible without authentic development, without an economy put at the service of human beings living in solidarity with one another.

### **Subsidiarity**

The final principle in Catholic social teaching that critiques developmentalism is “subsidiarity.” In Catholic social thought, subsidiarity presupposes that the individual and the family precede the state; that is, individuals do not exist for the state but rather the state exists to enhance the dignity of individuals and families entrusted to its care.<sup>41</sup> The principle also applies to institutions, affirming the standard that a higher or larger organization shall not do anything that can be done as well by a lower or smaller one. How does this apply to a critique of developmentalism and move us towards a more holistic notion of development?

The encyclical *Caritas in Veritate*, “On Integral Human Development in Charity and Truth,” directly addresses this question. Pope Benedict XVI wrote *Caritas in Veritate*

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<sup>39</sup> Ibid, sec. 76.

<sup>40</sup> Ibid., sec. 32

<sup>41</sup> See Michael E. Allsop, “The Principle of Subsidiarity,” in *The New Dictionary of Catholic Social Thought*, ed. Judith A. Dwyer (Collegeville, MN: Liturgical Press, 1994), 927.

to address the problems of global development and progress toward the common good, arguing that both love and truth are essential virtues for an effective response. Writing just over forty years after the promulgation of *Populorum Progressio*, Benedict echoes the principle theme in Paul VI's encyclical in calling people to strive for greater development that addresses the whole human person in "love and in truth."

In chapter four, "The Development of People," Benedict praises the enterprises in the world that are embracing the private and public business sectors around the world and, while they do not exclude profit, they do consider it a means for achieving human and social needs. He sees promise in this new form of business in the context of globalization. He hopes that these new kinds of enterprises succeed in finding a home in every country. He encourages the growth of such enterprises, while achieving the goal of a more humane market and society, to be placed in those countries that are excluded or marginalized from the power circles within the global economy. It is here that Benedict calls enterprises in these countries to be rooted in subsidiarity. He encourages such organizations to affirm the rights of the local people, to provide them with economic opportunity so they can develop to their God-given capacity. At the same time, such organizations shall respect the rights of those they employ to act in accord with their own responsibility and creativity. In any development program, the principle of "the centrality of the human person, as the subject primarily responsible for development, must be preserved."<sup>42</sup>

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<sup>42</sup> Benedict XVI, *Caritas in Veritate* (July 7, 2009), sec. 47, accessed January 26, 2014, [http://www.vatican.va/holy\\_father/benedict\\_xvi/encyclicals/documents/hf\\_ben-xvi\\_enc\\_20090629\\_caritas-in-veritate\\_en.html](http://www.vatican.va/holy_father/benedict_xvi/encyclicals/documents/hf_ben-xvi_enc_20090629_caritas-in-veritate_en.html).

This is a prime example of the principle of subsidiarity at play. In this case, the social enterprise or development program should intervene in the community and leverage its power to provide for the unemployed and the marginalized because no other opportunity exists. On the other hand, the enterprise should not do anything for their employees or beneficiaries that they can do on their own. For the human person to develop fully, s/he must be the person responsible for his/her own development and livelihood. As noted, if responsibility is not given to the person to exercise agency and develop to his/her full capacity, a new level of dependency will occur.<sup>43</sup>

Benedict asserts that in order for development programs and enterprises to flourish, they must be adapted to the local context and individual situations, unlike the principles of developmentalism, which only saw one macro, developmental trajectory. Moreover, another essential dimension of integral development is the effort to establish solidarity. In this view, subsidiarity is an application of solidarity. It signifies that any entity needs to stand with the people they desire to serve and protect. Without solidarity, it is impossible for the entity to be part of the process of economic and human development and to listen to the needs of the poor while also implementing the proper procedures to accord them prime responsibility in forging their own development. Solutions for the poor need to be carefully designed in accord with the real lives of the people they serve based on a prudential evaluation of each situation. This can only be accomplished by appropriately balancing the principles of solidarity and subsidiarity.

### ***Conclusion***

The development efforts rooted in the subsidiarity of which Benedict speaks are a radical departure from the model of human progress advanced by developmentalism and

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<sup>43</sup> Benedict addresses this issue throughout the encyclical. Specifically, see sections 25 and 42.

modernization, as are the option for the poor and dignity of the human person. We began this chapter by examining developmentalism, which began in the 1950's. While this effort may have had as its intention the development of the underdeveloped nations, it failed because its only concern was economic growth. Moreover, this theory only recognized the possibility of such growth occurring on a macro level. With such a limited view, proponents of developmentalism failed to take stock of the complexity of the human person, especially the poor one. Moreover, while the work of Cardoso and Faletto brought a new awareness to the people of Latin America and demonstrated that developmentalism did not succeed in leading people out of poverty but only created dependency, their theories never attacked the root causes of poverty.

However, what Gutiérrez showed us in his theology of liberation was that the world of the poor was much more complex than what much of the developed world and even the dependency theorists had thought. While material poverty must be eradicated, the poor have hope and integrity in their struggle for life. We all have the option to dispose ourselves to the other levels of poverty, which will deepen our humanity and draw us into solidarity with one another and with our God.

When it comes to holistic development, what we have learned is that the human person must be central in our efforts. And we must undertake our development from the location of that poor person. As Benedict XVI insists, authentic development balances the principals of subsidiarity and solidarity. Taken together these principles call those of us with resources to provide for those in the underdeveloped world, but to do so by allowing the poor to take for responsibility for their own development, so as not to create another level of dependency. A new field within the business sector that upholds these principles

is social entrepreneurship. It is creating liberatory solutions for many poor people in the underdeveloped world. Many social entrepreneurial enterprises are providing solutions to the problem of “real” poverty and are upholding the principle of subsidiarity, thus countering any form of dependency. We now turn to examine the world of social entrepreneurship.

## Chapter 3

### **A Proposed Solution: Social Entrepreneurship as a Method of Economic Sustainability**

#### *Introduction*

I began this study with Phyllis Good Owl's story to illustrate a real life experience of someone affected by dependency. I then engaged dependency theory itself, arguing for a heightened awareness of this problem on the part of JSMs in order to avoid falling into its traps. In this chapter I present the essential characteristics and principles of social entrepreneurship. It is a practical, emerging movement that applies business skills and innovative technologies to address the needs of those living in poverty. Social entrepreneurship is grounded in real life practices, which are making revolutionary changes among the poor of this world.

The field of social entrepreneurship is growing at a rapid pace and drawing attention from many sectors around the globe. However, its richness, diversity, and promise make it difficult, though necessary, to define.<sup>44</sup> There are different formulations of and theorizations about social entrepreneurship. Hence my interest in this chapter is not to extend a theoretical argument, but to demonstrate how key principles common across SE have been applied to benefit the poor, and could be fruitfully incorporated by JSMs. By way of illustration, I begin with a story that relates how one strain of social entrepreneurship came to be, followed by a working definition.

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<sup>44</sup> See Roger Martin and Sally Osberg, "Social Entrepreneurship: The Case for Definition," *Stanford Innovation Review* (Spring 2007): 28–39. The authors argue that the nascent field of social entrepreneurship holds such great promise that it is necessary to give it as sharp a definition as possible lest it fall into a disrespected discipline and lose its potency and credibility within its professional sector.

### ***Muhammad Yunus and the Grameen Bank***

Bangladeshi economist Muhammad Yunus, founder of the Grameen Bank, exemplifies a prototypical social entrepreneur. His story helps us define this field. In the 1970s, Yunus turned his attention to the limited options of poor Bangladeshis to secure even the smallest amounts of credit. The poor of his country had to borrow money at high interest rates from local moneylenders. As a result, many of the poor ended up on the streets begging.

Instead of cursing the situation and blaming others for this misery, Yunus searched creatively for a solution, confronting the injustice directly. He began by giving small loans totaling twenty-seven dollars from his own pocket to forty-two women from the village of Jobra, charging minimal interest. He wanted to prove that poor people were low credit risks.<sup>45</sup> The small experiment had a large effect. To the surprise of many, the women of the village repaid the entire loan after starting small businesses of their own, which led to improving their livelihoods. New loans followed. The small experiment had a ripple effect. Life in Jobra changed.

Yunus discovered that even with the tiniest amounts of capital, women invested in their own capacity to generate income and to improve their lives. Yunus brought vision, innovation, creativity, direct action, and fortitude to his venture. He and the women proved its feasibility, and over two decades Yunus generated a global network of other such organizations that adapted his model to other countries and cultures, establishing microcredit as a worldwide industry. Most importantly, instead of viewing the poor

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<sup>45</sup> See “Grameen—The Mother of Social Business,” *The Grameen Creative Lab*, accessed December 21, 2013, <http://www.grameencreativelab.com/a-concept-to-eradicate-poverty/grameen-the-mother-of-social-business.html>. Also see, Martin and Osberg, “Social Entrepreneurship: The Case for Definition,” 35-36.

women of Jobra as passive beneficiaries, he viewed them as the agents of their solution. And they participated.

Yunus' direct action among the poor of Jobra provides the context to define social entrepreneurship as the use of entrepreneurial skills and thought to address the needs of those living in poverty. This mode of eradicating poverty through entrepreneurial thinking and action is the key to social entrepreneurship.

### *A Working Definition of Social Entrepreneurship*

Gregory Dees, a leading scholar in the field, defines social entrepreneurship by the roles and characteristics of the entrepreneur. He emphasizes the following six points.<sup>46</sup> 1. Adopting a mission to create and sustain social value: The essential ingredient underlying the execution of a social venture's mission is creating social value that is sustainable. Profit is not the gauge of value creation. Rather, creating impact among people in poverty is the greatest value. Social entrepreneurs effectively seek to scale their impact to reach as many individuals and communities as possible. Muhammad Yunus did not provide a social service for merely a select few. Rather, his banking network continued to give loans to impoverished people around the globe. According to Dees, "[social entrepreneurs] are reformers and revolutionaries...[and] though they may act locally their actions have the potential to stimulate global improvements in their chosen arenas whether that is education, health care, economic development, the environment, the arts, or any other social field."<sup>47</sup>

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<sup>46</sup> J. Gregory Dees, "The Meaning of 'Social Entrepreneurship,'" Kansas City, MO and Palo Alto, CA: Kauffman Foundation and Stanford University (October 1998): 4. In defining social entrepreneurship, Dees borrows on the thought of the economists John Baptiste Say and Joseph Schumpeter in addition to entrepreneurial academics Peter Drucker and Howard Stevenson.

<sup>47</sup> Ibid., 4.

2. Recognizing and pursuing new opportunities to serve that mission: Social entrepreneurs are opportunity seekers and problem solvers. Where others see only problems and impossibilities, social entrepreneurs see possibility. They have a vision of how to achieve improvement in the most challenging of situations and are determined to make their vision work. The key is their persistence, combined with a willingness to make adjustments. Rather than giving up when an obstacle is encountered, the social entrepreneur asks how the obstacle may be surmounted.

3. Engaging in a process of continuous innovation, adaptation, and learning: Social entrepreneurs are innovative, creative and willing to think outside of conventional models of development. They use economic and technological innovation to attack social problems while pursuing a more just and humane society. On the funding side, social entrepreneurs look for advanced ways to assure their ventures will have access to resources as long as they are creating social value. Social entrepreneurs do not seek a one-time spurt of creativity, but an ongoing process of exploring, learning and improving. They understand that not every innovation will be a success, and they see failures as learning opportunities as well as obstacles to be overcome.

4. Acting boldly without being limited by resources currently in hand: Social entrepreneurs are resourceful. A lack of resources or funds does not limit their visions. Sector norms or traditions do not inhibit them. They are skilled at doing more with less. Besides optimizing the use of existing resources, they actively expand their resource pool through collaboration with others.

5. Exhibiting heightened accountability to the constituencies served and for the outcomes created: Social entrepreneurs are accountable to their beneficiaries, and they

often ask themselves, “Are the beneficiaries I am serving creating value and improving their livelihoods? Do I understand their needs?” This is because social entrepreneurs want to know that they are actually making an impact. They are also accountable to investors, who want to know that their contributions are indeed stimulating social improvements as promised by the social entrepreneurs.

6. Embody the passion for a solution, but are not the solution themselves: Social entrepreneurs are catalysts. They are visionaries who implement innovative business skills to create social change, reform social systems, and create sustainability in numerous enterprises. They attack the underlying causes of problems, rather than just treating the symptoms or giving a handout.

***Three Key Shifts in Social Entrepreneurial Thinking that Address the Problem of Dependency within Jesuit Social Ministries***

From these six points I glean three underlying shifts that can adequately address the problem of charity dependency within JSMs. These “shifts” are not an outright rejection of charity. I am not advocating for a refusal of such a powerful virtue, although, I do advocate for a change in consciousness, practice and overall structure of JSMs. While the following shifts are relevant for many not-for-profits, NGOs, and other charitable causes committed to improving the lives of the poor, I will address only JSMs, for the sake of convenience and focus.

First, JSMs need to shift from a culture of charity to social ministry as innovative problem solving. Within some charity dependent organizations there is a bias against analysis and problem solving. Empathy, though well-intentioned and necessary, often dominates reason within charity dependent organizations, placing the virtues of compassion and charity over productive outcomes. As a result, many of the resources that

flow into charity-driven organizations do so without serious deliberation, due diligence, assessment, strategy or commitment to learning. Many organizations act out of the virtues of compassion and charity without worrying about whether they are successfully deploying their intended resources to their beneficiaries. According to this perspective, “Why should a charitable actor conduct due diligence? Charitable virtue does not require it. It requires only the right motivation, ‘caritas.’”<sup>48</sup>

Knowing that charity can often be injurious to those for whom it was intended, Dees suggests that the way to change the problem is to create a culture of innovative and communal problem solving within the social venture.<sup>49</sup> Emphasizing the importance of problem solving within a JSM would educate its constituents to go beyond the most immediate triggers of empathy, to identify serious social problems and address them at their root causes. The key shift for JSMs struggling with charity dependency is to first promote the solving of social problems among all constituents – beneficiaries, donors, board members, administrators and employees. This process has the potential open new opportunities for on-going problem-solving in the future.

Second, JSMs need to shift from charity dependency to social impact and sustainability. In the not-for-profit world many organizations are evaluated by the amount of charity they raise to support the mission of their organization and/or the amount they give to their beneficiaries. Few charity organizations track outcome measures tied to their

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<sup>48</sup> See J. Gregory Dees, “A Tale of Two Cultures: Charity, Problem-Solving and the Future of Social Entrepreneurship,” *Journal of Business Ethics* 111, no. 3 (December 2012): 321-334. Within this article, Dees describes the nature of charity (in Latin “caritas”).” He describes how charity is, in fact, an essential virtue, and is useful in the social entrepreneurial world. He makes the point, however, that charity is not enough and that a culture of problem solving enhanced by charity will lead to a better form of development for impoverished people.

<sup>49</sup> *Ibid.*, 322, 326, 329-332.

missions and strategies.<sup>50</sup> Without these measures it is hard to learn what is working or how to improve. Without strong incentives such as valuing social impact rather than purity of motivations or the amount of funding raised, it is difficult to measure whether an organization is truly providing value for its beneficiaries. Further, some organizations may actually fear calculating the social impact their product or service may create because this might diminish the focus on compassion and charity.

The central criterion for social enterprises is not profit, but the social impact their mission creates, as with Yunus' model in Jobra. With the small loans, the women created micro-enterprises such as basket or mat weaving. With their increased income, they were able to repay the original loan. Yunus' project yielded a social return and impacted many. These women were able to become self-supporting rather than becoming dependent on a handout.

The key shift for struggling JSMs is to create a culture that focuses on mission-related, sustainable impact among beneficiaries. In doing so, JSMs will produce a better service or product. They will evaluate themselves on whether they are truly advancing the livelihoods and dignity of those they serve and creating more freedom and self-sufficiency for the community, not just keeping the doors to the mission open.

Finally, JSMs need to shift among beneficiaries from the expectation of handouts to active collaboration through the dignity of work. The expectation of accountability and reciprocity accords with the principle of subsidiarity, empowering beneficiaries and promoting their dignity. As in the case of Yunus' entrepreneurial philosophy, a loan is

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<sup>50</sup> J. A. Sawhill and David P. Williamson, "Mission Impossible? Measuring Success in Non-profit Organizations. *Nonprofit Management and Leadership*, 11 (3), as quoted in See J. Gregory Dees, "A Tale of Two Cultures: Charity, Problem-Solving and the Future of Social Entrepreneurship," *Journal of Business Ethics* 111, no. 3 (December 2012): 324.

more effective than charity in eradicating the injustices of poverty. The beneficiaries had to work to create a marketable product and pay back their loan. The social enterprise and the beneficiaries collaborate in creating a solution. In doing so, the beneficiaries create their own path out of poverty. When poor people pay for a valuable product or service, they become customers and will thus value the product or service instead of merely being passive recipients. They also feel less demeaned or awkward about having to accept charity. Using some market-based methods will also lead to more sustainable solutions and organizations. The shift JSMs can make here is to collaborate with their beneficiaries while also expecting them to reciprocate through their own labor and resources. Such expectations place all constituents on a level-playing field.

*The Global Social Benefit Institute at Santa Clara University*

The essential question that lies before us now is this: How do we implement these principles and practices within JSMs so as to make them more sustainable and economically free? In other words, how do we correct the fundamental error that says JSMs can only fund themselves through charity? I will now consider the Global Social Benefit Institute (GSBI), a signature program at the Santa Clara University.<sup>51</sup>

The GSBI began within the Center for Science, Technology and Society (CSTS), a Center of Distinction at this Jesuit University embedded in the heart of the Silicon Valley. The Center originated through the leadership of then president Paul Locatelli, S.J., who established it in 1997, along with Jim Koch, Emile McAnany and other university figures who sought to strengthen the university's engagement with business

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<sup>51</sup> The Global Social Benefit Institute (GSBI) is a registered trademark enterprise at Santa Clara University. See Santa Clara University, "Center for Science, Technology, and Society," GSBI, accessed February 2, 2014, <http://www.scu.edu/socialbenefit/entrepreneurship/gsbi/>.

communities in the Silicon Valley and worldwide. Today, the Center's mission "is to accelerate global, innovation-based entrepreneurship in service to humanity," ever seeking to engage the intersection between the university and society through an interdisciplinary educational approach.<sup>52</sup>

The GSBI evolved from the Center's interest in the use of science and technology for social benefit. After co-founding and hosting the Tech Awards, a program that honors innovators from around the world who are applying technology to benefit humanity, Jim Koch, one of the founders of the Center, noticed a gap within the awards. He noted that recognized technologies showed little sign of extending their social benefit reach to people throughout the world. He asked Pat Guerra, a seasoned and successful entrepreneur, who was working as the Executive Director for the Center for Innovation and Entrepreneurship (CIE) at Santa Clara University, to think about what might be done to help these innovators and their organizations deploy their products in the service of humanity. Collaboration between CIE and CSTS entailed utilizing market-based lessons of Silicon Valley in conjunction with the promotion of social justice, the mission at the heart of Jesuit education. The collaborative efforts sought to engage the Valley's creative energy, its products, services and business leaders in the challenges faced by the poor in resource-impooverished environments across the globe.

The GSBI was launched in 2002 due to the efforts of a few business school professors and graduate level entrepreneurship curricula. Today it serves as a learning laboratory for global, innovation-based entrepreneurship in service to humanity. GSBI currently includes two capacity development programs for social entrepreneurs. These

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<sup>52</sup> See Santa Clara University, "Center for Science, Technology and Society," accessed December 28, 2013, <http://www.scu.edu/socialbenefit/about/>.

programs are related, though each focuses on different stages of enterprise growth. The GSBI Online offers general business training for earlier-stage ventures to validate their enterprise's model while the GSBI Accelerator offers customized curriculum for more advanced social enterprises preparing to scale their businesses. Both programs are designed for extensive engagement among entrepreneurs, Silicon Valley mentors, and program staff.

The GSBI does not provide answers for social enterprises. Rather, it is a platform that assists social entrepreneurs through mentoring, coaching and an adult learning model to develop sound business plans that enable their organizations to become financially sustainable and scalable. There are several key strategic practices social entrepreneurs learn in the GSBI, which can move JSMs from charity dependency to a social entrepreneurial model. I will focus on three.

***Three Key Strategic Practices of Social Entrepreneurial Thinking that Address the Problem of Dependency within Jesuit Social Ministries***

First, JSMs should develop a value proposition. Value propositions are brief descriptions of an organization stating the value it provides, which defines the target beneficiary and why they will choose the product (or service) offerings over other alternatives.<sup>53</sup> As Yunus states, "A value proposition asks, 'Who are our customers and what do we offer to them that they value?'"<sup>54</sup> Within the GSBI the value proposition of a social venture must be "unique, defensible, and solve a real problem."<sup>55</sup> I must also affect

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<sup>53</sup> Tracy Weatherby, "Value Proposition, Whole Product, and Competition," (digital slides, GSBI Accelerator presentation, June 2013).

<sup>54</sup> See Muhammad Yunus, Bertrand Moingeon and Laurence Lehmann-Ortega, "Building Social Models: Lessons from the Grameen Experience," *Long Range Planning* 43 (2010): 312.

<sup>55</sup> See Santa Clara University, "Center for Science, Technology and Society," accessed January 4, 2014, <http://www.scu.edu/socialbenefit/impact-capital/criteria.cfm>.

important social issues (e.g. clean energy, health, food supply, job creation, equal rights) for the “base of the (economic) pyramid,” beneficiaries.<sup>56</sup>

Second, JSMs need to develop a plan for rigorously measuring social impact. Social impact metrics measure how an organization’s actions affect the surrounding community. Social impact metrics are necessarily specific to an organization depending on what its mission statement and value proposition desire to provide its beneficiaries, but outcomes are universal. Examples of such outcomes would be improved academic performance; reduced violence; increased healthcare; and change in family income. Measuring social impact, or outcomes, offers a lens through which to view social change. GSBI teaches and mentors social entrepreneurs on implementing the proper metrics to assess the outcomes of an organization. These metrics are essential to acquiring social venture investors. Because of its commitment to improving the livelihoods of the poor, the GSBI seeks to mentor organizations whose social impact affects people within a “base of the pyramid” target market.

Third, JSMs need to develop a business model with realistic revenue and cost projections, based on the value the social enterprise desires to provide. A sound business model considers the following criteria: how the social enterprise will acquire revenue or contributed income; what expenses it will cost to run the social enterprise; what will the

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<sup>56</sup> In economics the “base of the economic pyramid,” often referred to “base of the pyramid” or BoP, refers to the four billion people who make less than \$2.50 a day. There are approximately four billion consumers, a majority of the world’s population, who constitute this base. An expanding body of research is exploring how to use market-based approaches to meet their needs and empower their entry into the formal economy. See Allen L. Hammond et al., “The Next 4 Billion: Market Size and Business Strategy at the Base of the Pyramid” (Washington, DC: World Resources Institute, IFC, and the World Bank, 2007), 3.

enterprise need to make all the money it needs in profit (earned income) and how much it will need to acquire in contributed (donated) income as well; what the social enterprise will provide to create social impact among its beneficiaries and the wider community; and what will the metrics be to measure the outcomes? In addition to these essentials, a social enterprise should develop realistic financials and projections of future revenue and costs so as to properly evaluate and plan for economic sustainability for the future. A comprehensive business model has the potential to scale rapidly while being financially self-sustaining (income may include contributed income).

These three practices are the essence of this study. They are the stepping-stones to building an economically sustainable enterprise. I will now examine the social enterprise Anudip, an early participant of the GSBI. Anudip exemplifies a sustainable social venture that is applicable to JSMs seeking to become more sustainable. I will first provide a brief history of the organization. I will then demonstrate how from its inception, Anudip has reflected the three key shifts in social entrepreneurial thinking noted above. For Anudip, these shifts were inherent to the very nature of creating a social venture. Furthermore, I will exhibit how the three strategic practices of the GSBI (the value proposition, business plan, and metrics) support the three shifts.

### ***The Anudip Foundation: Its History and Dedication to Impoverished People***

The Anudip Foundation began in the Ganges Delta region in West Bengal, India.<sup>57</sup> In 2005, a group of eager social entrepreneurs from India sought to address a critical need in the rural, eastern region of their country. Unemployment was a big

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<sup>57</sup> See Preeta M. Banerjee, “Managing Frugal Innovation at Anudip Foundation,” unpublished manuscript, 2011. Dr. Banerjee is an assistant professor of strategy at Brandeis University International Business School. See also “Anudip: Livelihood Initiatives through Knowledge,” Anudip: Livelihood Initiatives Through Knowledge. <http://anudip.org/>. Accessed November 31, 2013.

problem for young men and women. As agricultural work became less viable as a source of family income, the youth were left with few alternatives. Additionally, in these geographically remote areas young villagers could not receive a level of education that would lead to gainful employment. The social entrepreneurs Radha Basu, her husband Dipak Basu, and a group of other companions began with an ethnographic study, asking a large number of people from cross sections of this region what could be done to improve the community. When asked to prioritize their answers the community came up with three top priorities. Dipak Basu, the current CEO of Anudip, reiterates the response from the community: “Priority number one was livelihoods. Priority number two was livelihoods. Priority number three was livelihoods.”<sup>58</sup> In other words, the community was telling Dipak Basu’s team that they have many problems, such as the absence of safe drinking water, poor governance, lack of good education, and lack of security, but what mattered most to the people was obtaining a reasonable livelihood with a disposable income.<sup>59</sup> If they could acquire the means of securing the necessities of life than they could take care of their problems and become their own agents of change. An important meeting with the local people ensued. From these meetings they eventually launched Anudip.

### **Anudip and the Praxis of the Three Shifts**

#### *Anudip and Innovative Problem Solving*

During their initial meeting, Radha Basu and her team asked the local people what

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<sup>58</sup> Phillip Eukel, “Believing in People,” short film documentary, *Center for Science, Technology and Society*, Santa Clara University, accessed January 1, 2014, <http://www.scu.edu/socialbenefit/education/anudip-imerit.cfm>.

<sup>59</sup> Ibid.

type of employment Anudip could bring to this neglected area of the country. The people expressed their desire to have access to computer technology because they were aware of how much the computer was transforming the economic landscape of many regions of India. The people were articulate, hungry for change and they knew what they wanted. This was the moment in which “we really began to respect the knowledge and the wisdom of the local people,” recounts Basu.<sup>60</sup> Evidently, the people had the answer to their problems within them. They only lacked access to the appropriate resources.

Basu respected their self-awareness and knowledge. Following the initial meeting, she and the team began to craft a plan to solve the problems of unemployment and poverty in the region. They saw an emerging market in information and computer technologies in India. Since it was multi-million dollar industry, Basu and her companions determined that the opportunities in this field could greatly improve the peoples’ livelihoods, and matched their desires. Despite the fact that there were few vocational IT-training providers in the area and those that did exist at the time were located primarily in urban areas, Basu did not let this hold her back. She and the team were determined to create an innovative solution.

From here Basu and companions began to design training programs to fit the needs of these communities. Instead of providing their own infrastructure, they began to partner with various community NGOs across the region to provide the access to and the infrastructure for a large target of communities the team desired to serve. From the sites of local NGOs, Basu and the team would be able to recruit students for their potential programs. From the fruition of these partnerships, the Anudip Foundation was born. In the beginning it opened three Linkage Centers. These Centers offered educational

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<sup>60</sup> Ibid.

programs and in-depth training in IT proficiency and entrepreneurship classes. From there, Anudip created three core programs which exist today.

The first of these is the Market Aligned Skills Training (MAST) program. Within the Linkage Centers, Anudip offers the MAST program, which involves local business employers in India to create course curricula from identified in-demand job skills.

Anudip then trains program participants in these skills and places them with employers. This allows the students to gain expertise and remain in their local area for employment.

The second is the Developing Rural Entrepreneurs through Adoption and Mentoring (DREAM) program. Graduates of the MAST program can receive additional entrepreneurship training through the DREAM program. This entrepreneurship development program allows rural people to start IT enabled micro-enterprises in their communities, raising not only their own incomes, but increasing local economic activity.

Finally, a for-profit sister company of Anudip, Mass Employment through Rural Information Technology (iMERIT), was established and financed in 2010. These centers employ MAST graduates to offer IT services including data entry, web-based projects, graphic design, database development and other business process outsourcing projects to domestic and international clients.<sup>61</sup> The ventures provide IT services for various companies, including data entry, web-based projects, accounting, graphics design and database development for domestic and international clients.

As a social enterprise Anudip made many strategic decisions on its path to creating positive social change. They continually asked themselves: Should the new

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<sup>61</sup> Business process outsourcing involves the contracting of operations and responsibilities of specific business processes to a third-party service provider. Business process outsourcing is a growing field in the information technology field.

enterprise operate as a non-profit? Should it earn an income? What organizational and programmatic structures will allow the enterprise to achieve scale and have maximum impact? Anudip searched for the best tools for achieving its intended impact and was willing to reach across sector boundaries, when necessary, to create the most effective approaches. It appropriately mixed social purpose (the improvement of livelihoods) with the most suitable method of entrepreneurial, market-orientated practice. This blending and crossing the boundaries of business and non-profit social justice sectors is a prime example of social entrepreneurial thinking.

### *Anudip and Sustainable Social Impact*

Anudip has trained over 5,000 marginalized women and youth in West Bengal and has maintained a 70 percent job placement ratio. These new livelihoods have increased incomes to about five dollars a day on average, three times their original livelihood capability, and have affected over 30,000 people (5,000 graduates average a family size of six) since Anudip's inception as a social enterprise.<sup>62</sup> In 2012 alone the number of students that graduated from the MAST programs was 2780, of whom 2512 were placed in jobs and businesses resulting in an employment placement ration of 90 percent.<sup>63</sup> Meanwhile, the cumulative number of students trained in the MAST program since its inception surpassed 8000 in 2012.<sup>64</sup> This economic growth enables people to increase their savings and purchasing power, which in turn further enriches the local communities. Since the DREAM program began in 2008, Anudip has incubated thirty

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<sup>62</sup> Preeta M. Banerjee, "Managing Frugal Innovation at Anudip Foundation," unpublished manuscript, 2011, 8.

<sup>63</sup> See, "Annual Reports: Annual Reports 2011-12," *Anudip*, accessed December 31, 2014. <http://anudip.org/about/annual-reports/>.

<sup>64</sup> Ibid.

startup business units employing seventy-five micro-entrepreneurs.<sup>65</sup> Anudip's iMERIT Centers have employed approximately sixty Anudip graduates, including graduates who have moved on to supervisory positions.

Like other successful social enterprises, Anudip has developed a culture of measuring its social impact. Prior to starting training, students are counseled to develop a baseline against which their progress and economic change can be measured. When asked if Anudip helps to bring people out of poverty, Dipak Basu replied in the affirmative, noting that "We have metrics for that. So when we give undertakings to our donors for grants [we can say] that we will at least increase our student's family income by a factor of three, maybe more, and we do [just] that."<sup>66</sup>

*Anudip and the Expectation of Active Collaboration through the Dignity of Work*

Achieving such high social impact in complex environments is no easy task. Yet the wisdom of much of Anudip's execution lies in its demand for reciprocity from its beneficiaries. If Anudip merely gave handouts, its beneficiaries would never be able to gain meaningful employment, exceed their economic standards, achieve expertise through their trainings, and ultimately, gain their self-worth.

As participants in the GSBI in 2005, Anudip had the opportunity to further develop its enterprise by crafting a solid value proposition, developing appropriate metrics to measure its social impact, and establishing a sound business model with realistic revenue and cost projections.

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<sup>65</sup> Preeta M. Banerjee, "Managing Frugal Innovation at Anudip Foundation," unpublished manuscript, 2011, 8.

<sup>66</sup> Phillip Euekel, "Believing in People," short film documentary, *Center for Science, Technology and Society*, Santa Clara University, accessed January 1, 2014, <http://www.scu.edu/socialbenefit/education/anudip-imerit.cfm>.

## **Anudip and the Key Strategic Practices**

### *Anudip: The Development of a Value Proposition*

As noted, within the GSBI, value propositions are essential to a social enterprise and must solve real social and economic problems for “base of the pyramid” beneficiaries. To become a successful social enterprise, Anudip team members had to continually ask themselves: What value can we bring poor people of this region? What can we offer them of value? From this, Anudip adapted its enterprise to fit the needs of the local people. Their value proposition, the blueprint against which they implemented a structure of social change is: “to teach much desired skills through computer and entrepreneurship courses and market-aligned placement mentoring programs.”<sup>67</sup> Today Anudip’s value proposition blueprint has not changed, but as their enterprise has scaled they have created more outcomes through placing youth in mainstream jobs, providing entrepreneurship opportunities, and employing trained youth directly into their IMERIT Centers. Furthermore, their innovation does not stop there. To this day, it continues to grow, ever searching for new opportunities to wield the maximum social impact. Over the long run, Basu hopes to employ a million people.<sup>68</sup>

### *Anudip: A Plan for Rigorously Measuring Social Impact*

None of Anudip’s successes would have occurred to its present scale had it not had a plan to rigorously measure the social impact it had created. In doing so, it remained

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<sup>67</sup> See Santa Clara University, “Center for Science, Technology and Society: Resource Library,” Anudip Foundation, last modified January 9, 2014, accessed January 8, 2014, <https://www.scu.edu/socialbenefit/resources/library.cfm?id=001A00000W0yE5>.

<sup>68</sup> See Devin Thorpe, “Training for Base of the Pyramid Population Proving Effective in India,” *Forbes*, February 14, 2013, accessed January 8, 2014, <http://www.forbes.com/sites/devinthorpe/2013/02/14/training-for-base-of-the-pyramid-population-proving-effective-in-india/>.

faithful and cognizant of its mission. Students are advised to develop a standard baseline against which their progress and economic change can be measured prior to starting training. The metric enables students to immediately understand their own progress. One moment that stands out for many Anudip staff happened when “a rural graduate who previously would not look trainers in the eye, ascended the podium at an anniversary celebration and said, ‘Before Anudip’s training program, I did not know I could dream. Now I have a voice. I have a business. I will not be married to the highest bidder. I have a place in life and I have made a place for others.’”<sup>69</sup> Additionally, for the overall improvement of the enterprise itself, Anudip uses specific metrics used to track training successes, which include the range of courses, number of students trained, gender breakdown, number of students placed, percentage of students retained in employment within three and six months, and change in family income. These metrics are extremely important for the overall success of a social enterprise. It creates the ability for one to clearly see the growth and impact, as highlighted in the numbers above. Since Anudip instilled a thorough plan and the proper metrics they have been able to leverage their successes to acquire the proper philanthropy, impact investments and funding to scale their enterprise and become self-sustaining. They are well on their way.

*Anudip: A Business Model with Realistic Revenue and Cost Projections*

The achievement of the socio-economic empowerment of Anudip’s primary beneficiaries, the students, springs from an explicit business model. Anudip’s use of the business methods in innovative ways has created substantial and liberating solutions to real social problems. Market-based solutions may not work everywhere but many would

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<sup>69</sup> Preeta M. Banerjee, “Managing Frugal Innovation at Anudip Foundation,” unpublished manuscript, 2011, 10.

agree that there is great potential in attempting to craft solutions among the poor by taking advantage of viable markets and the appropriate business models. Executable business models rooted in rigorous metrics, as stated above, create sustainable enterprises and economic liberation among the poor. Anudip is a prime example.

Another layer to implementing a sound business model is to have realistic revenue and cost projections. Anudip's business model entails acquiring the proper funding so as not to become charity dependent, but economically self-sufficient. To begin, students pay a nominal fee for Anudip's courses within the MAST and DREAM programs. Within their business model these programs are non-profit ventures. iMERIT, however, is a for-profit venture of which Anudip owns a significant stake. Through iMERIT's business process outsourcing services, this sister company of Anudip collects substantial revenue which helps fund the entire foundation. Anudip, therefore, is known as a hybrid social enterprise. They have promoted the idea of hybrid value chains creating collaboration between the non-profit and for-profit organizational sectors creating access to markets that can serve the poorest of the poor in a constructive and holistic way.

Even though Anudip continues to receive funds from private donations and foundations, within their business model they are committed to long term self-sustainability. Their business plan is to increase the funds through their four streams of revenue: student course fees; placement fees paid by employers; fees from trainings offered to external organizations; and IT services through iMERIT. These revenue streams fund the Anudip training programs and help ensure the long-term viability of the organization. Because this business model responds to local needs and has a built-in revenue stream, it is replicable to new areas and can be scaled for greater impact.

Additionally, as of 2011 Anudip has had plans to make 75 percent of its revenue covered by iMERIT and to open two new iMERIT Centers.<sup>70</sup> A major aspect of Anudip's vision is to scale for the benefit of many. The various revenue streams build a solid and reliable financial foundation for Anudip which makes all of their social impact among impoverished and marginalized people possible. Thus, what is Anudip's realistic revenue and cost projections within their business plan? During their last recorded fiscal year, 2011-2012, 35 percent of Anudip's operations stemmed from earned income.<sup>71</sup> Based on these financials, Anudip Foundation is a sustainable enterprise because it instilled an adequate business model. In doing so, it remained faithful to its value proposition and beneficiaries, demonstrated social impact through sound metrics and at the same time increased its potential to scale rapidly while achieving economic sustainability.

### *Conclusion*

This chapter has highlighted the essential characteristics and principles of social entrepreneurship, an emerging business model that teaches us that the application of business skills and innovative technologies can lift people out of poverty. Beginning with the innovative thinking of Muhammad Yunus, I showed how he created a method to catalyze poor people to become their own agents of change. Yunus' model sparked the imaginations of many to look beyond the edge of what seems possible in eradicating material poverty.

I then examined the Anudip Foundation as a new social enterprise that works beyond this edge and is eradicating poverty in new and exciting ways. Overall, a primary

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<sup>70</sup> Ibid., 17.

<sup>71</sup> See "Annual Reports: Annual Reports 2011-12," *Anudip*, accessed December 31, 2014. <http://anudip.org/about/annual-reports/>.

reason that Radha Basu and her team have had success in eradicating poverty is due to the relevance of their thinking about value creation and using business models to provide that value. By listening to the local people, using the power of their imaginations, exploiting new ideas and crafting them within a business model, Basu and her team have been pioneers in establishing new ventures to deliver goods and services to improve the livelihoods of people living in extreme poverty. JSMs have much to learn from Anudip. It is an exemplary model of a modern social enterprise that can impart appropriate applications to a JSM because it yields high amounts of social impact and economically empowers poor people in concrete and measurable ways. Anudip also demonstrates how a JSM could move from dependency to economic independency by incorporating social entrepreneurial thinking and the strategic practices of the GSBI. Since we have such a viable model in Anudip, it is now time to apply this to a living, struggling JSM. I will do so in the next chapter.

## **Chapter 4**

### **A Case Study: The Application of Social Entrepreneurial Thinking to a Jesuit Social Ministry**

#### ***Introduction***

This final chapter is a case study in which I will apply social entrepreneurial thinking to the Center for Community Resource and Development (CCRD), an active JSM that currently raises 97.2 percent of its annual budget from various sources of charity, most of which come from the United States. Herein lies the dependency problem for many JSMs, to which this study seeks a viable solution. Many JSMs are accustomed to sustaining their ministries by depending on these funds, without seeking other streams of revenue. However, as I demonstrate, there are alternatives that, in the long run, will make JSMs less dependent on charity and more effective in their work with the poor.

The following application of social entrepreneurial thinking to CCRD does not purport to be the definitive answer to charity dependency within JSMs. Rather it entails an adjustment in the thinking process about how to render JSMs more economically sustainable and better able to serve their communities. It is my hope that this study will serve as a model for other social ministries facing similar challenges.

Employing the key shifts inherent to social entrepreneurship, and the strategic practices of the GSBI, this case study will demonstrate how CCRD can move towards economic stability. Specifically, I will offer a blueprint of how CCRD might develop other revenue streams to sustain its social ministry, so as to significantly decrease the large amount of charity upon which it relies.

### *The Beginnings of the Center for Community Resource Development*

Since 1893, Jesuits from the Missouri Province have ministered to the people in Belize.<sup>72</sup> They have established schools and parishes across this small country with the majority of their ministries located in Belize City. In 1969, the Jesuits opened St. Martin de Porres Parish, serving a growing population on the south side of the city. From its inception until now, it remains committed to the poor within this area of the city. It has firmly rooted itself in the neighborhood through sacramental formation, education and various outreach projects.

In June of 2009, the Missouri province of the Society of Jesus sent Fr. Brian Christopher, originally from St. Louis, Missouri, to work and minister in the surrounding neighborhood of St. Martin de Porres Parish. With a background in pastoral ministry, conflict transformation and outreach to gang-involved youth, Christopher had a special mission. The Society of Jesus asked him to address the root causes of the upsurge in gang and drug-related violence in the city.<sup>73</sup>

In January of 2010, Christopher and a group of Belizean activists who shared a common vision of a grassroots response to poverty and violence, sat down to discern how they could respond to this need. From the ensuing conversations two insights emerged.

First, Belize is a resource-rich nation, but most Belizeans perceive it as poor and

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<sup>72</sup> The following narrative about the development of CCRD and its present structure stems from two major sources. First, I received information directly from Fr. Brian Christopher who has kept detailed records and annals of CCRD's history to date. Second, I have accessed information about CCRD from the organization's website. See Center for Community Resource Development, accessed January 9, 2014, <http://www.ccrdbelize.bz/>.

<sup>73</sup> The Washington Post reports that according to U.N. data, in 2010, Belize's per-capita homicide rate was the fifth highest in the Western hemisphere. According to Belizean police the rise of violence in the city was due to an abundance of cocaine on the streets, as foreign traffickers pay their local contacts in the raw product, rather than cash. See Nick Mirrof, "Mexican Drug Cartel Reach into Tiny Belize," *Washington Post*, October 11, 2011, accessed January 6, 2014, [http://www.washingtonpost.com/world/americas/mexican-drug-cartels-reach-into-tiny-belize/2011/09/28/gIQA4lxzBL\\_story.html](http://www.washingtonpost.com/world/americas/mexican-drug-cartels-reach-into-tiny-belize/2011/09/28/gIQA4lxzBL_story.html).

economically unstable, which causes many to cease looking for positive and sustainable solutions. Second, the root of the violence and crime is not a result of the often-blamed at-risk youth, but of broken families and community relationships. Poverty had created neighborhoods and communities within the city that are disorganized, violent and suffering from a lack of hope. This impelled Christopher and the Belizeans to focus on a viable solution to the problem. They decided to put their core insights about the struggles within the city into practice. Thus in February of 2010 CCRD was born, a new JSM within Belize City, to address the root problems of violence, crime and poverty, and to provide alternative solutions for the community.

While violent crime is a complex phenomenon, and no quick and easy solutions exist, CCRD began by concentrating its efforts upon four key strategic areas. First, it focused upon enhancing social capital in Belize City by organizing neighborhood communities around their assets and common visions, a model known as “asset-based community organizing.”<sup>74</sup> Second, it sought to increase access to services and other resources in the wider community by networking with governmental and private service providers. Third, it sought to help vulnerable youth find access to jobs through job training and placement. Lastly, it attempted to strengthen Belize’s workforce by forming young men and women who are responsible and take pride in their work.

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<sup>74</sup> Asset Based Community Organizing is a community-organizing methodology that seeks to uncover, and then use the assets (strengths) within the communities themselves as a means for sustainable development. See John P. Kretzmann and John L. McKnight, *Building Communities from the Inside Out: A Path Toward Finding and Mobilizing a Community’s Assets* (Evanston, IL: The Asset-Based Community Development Institute, 1993).

### ***The Vision of CCRD***

CCRD's underlying philosophy attempts to correct the negative image that so many Belizeans have of their city, especially of the south side. Many Belizeans consider entire neighborhoods of this section of the city to be corrupt, degraded and dangerous. Such negative images create social and economic isolation that often leads to crime and violence. The local people ignore the reality that these same neighborhoods contain a wealth of untapped resources and potential. CCRD's philosophy, therefore, is to build upon this neglected reality.

CCRD ministers among impoverished Belizeans so they can recognize their self-worth. Steeped in Jesuit spirituality, CCRD holds that the nurturing of spiritual roots within each person is what further enriches and develops individuals and their communities. CCRD believes that all persons are created in the image and likeness of God and have a deep hunger for meaning in life that can transcend their present situations of violence, crime, and poverty. From this philosophy flow four guiding assumptions. First, social development and economic development are interdependent sides of the same coin. Second, healthy communities are those that can mobilize to create a brighter future. Third, sustainable community development only takes place when neighbors commit themselves to working together. Lastly, when individuals live out of their deepest desires, they find the power and drive to create a new future for themselves, their families, and their communities.

### ***The Mission of CCRD***

From these four assumptions, CCRD developed its mission statement, which reads: "CCRD mobilizes the resources of individuals and communities through capacity

building, advocacy, and participatory programs to create sustainable community development.” From the mission statement CCRD established three different programs that have attempted to directly address the problems of violence and poverty in which young Belizeans are enmeshed.

The first is the Community Action Network (CAN). This program arose from CCRD's asset-based community development method. Its goal is to build upon the assets within communities as a means of sustainable development. CAN operates on the premise that viable community development means far more than the delivery of free services or handouts. Rather, it requires a commitment to building lasting relationships aimed at mutual service within the given community. Through this program community organizers at CCRD facilitate communication workshops, and provide leadership training and other capacity building opportunities for local residents and groups. Presently, CCRD supports only one CAN group, which covers most of Belize City's south side. This local organizing group has taken complete ownership of their purpose and activities. They have administered their own meetings, raised their own money and implemented their own projects, which include: crochet classes, small in-home business ventures (making handbags and jewelry), yard cleaning for elderly residents, and gardening projects. CCRD hopes to scale this program. They envision establishing CAN groups in every neighborhood of Belize City within the next six years.

The second program, the Sweets Community Bakery (SCB), was launched in December 2010. It produces high-quality, traditional Belizean confections and pastries for sale in gift shops, resorts, and supermarkets throughout Belize. CCRD established this leg of their JSM to provide job training and experience for vulnerable youth, ages sixteen

to twenty-nine, who otherwise would have had few other prospects for meaningful employment. Youth who enter the program receive six to nine months of training in the technical aspects of cooking and baking, as well as proper safety and sanitary food preparation techniques. CCRD staff also mentors trainees in multiple life skills to prepare them for future work. CCRD gives some of the revenues from sales of the sweets back to the trainees so they can earn a modest stipend. More importantly the greatest value CCRD offers in this program is developing a deep sense of pride and a new vision of what the youth can accomplish through collaboration and the dignity of work.

Lastly, the Hope through Technology Program (HTTP) was initiated in February 2013. It is a social business venture created and managed by CCRD that provides job training and experience for vulnerable youth ages sixteen to twenty-nine in inventive IT skills, as well as job placement and support. HTTP provides young men and women with a boost in Belize's emerging information technology industry. In addition to providing training, CCRD attempts to contract with local businesses and agencies to provide IT support at a reasonable cost. For instance, in August of 2012, CCRD bid for and was awarded a contract to do a massive document-scanning job for Belize Corporate Services, which is a division of Belize Bank, Ltd. Trainees earn a modest stipend while receiving invaluable real-world job experience. By the end of the program (usually lasting one year), trainees are proficient in the following skills: project design and management, web and graphic design, web marketing and social media, computer networking and computer repair. Within the HTTP program, CCRD staff educates and mentors trainees to think creatively, cultivate innovative problem-solving skills, and build self-esteem to become confident and skilled professionals.

Within the training of both the SCB and HTTP programs, CCRD curriculum is rooted in an innovative pedagogy that educates trainees to develop the ability to think creatively about problems and become self-motivated, self-confident learners. CCRD also give trainees opportunities to learn key life skills that help them to flourish as human beings. Throughout the training periods, CCRD staff evaluates the trainees according to achievement goals related to skills, attitude, and work ethic. CCRD has established these standards in dialogue with local employers in order to prepare trainees adequately for the local workforce. Once trainees reach these benchmarks, CCRD vouches for their character and quality of work with local employers as they move into local employment opportunities. CCRD assists trainees in this entire process and continues to follow up with them even after they secure employment to ensure a successful transition. Both programs also offer classes on budgeting, conflict management, literacy and basic computer classes. HTTP has not completed a full year of operation and thus they only have one trainee working in an IT internship for a Belizean company.

### ***Organizational Structure and Future Challenges***

Administratively, CCRD has an operating board, a majority of whom are Belizeans, with Christopher as the chairman. He is responsible for most of the fundraising, to see that CCRD keeps functioning and offering its major programs. CCRD has a total of five salaried staff members.

CCRD has multiple strengths within its organization. As a JSM that has yet to complete four years of operation, it has successfully established a community organizing program and launched two training programs for youth. The organization is creating

social impact among the youth and community in one of the toughest and poorest areas of Belize.

However, CCRD faces financial problems. In the 2011-2012 fiscal year, CCRD's total expenses were \$66,000 USD while the total revenue from their programs was \$2,000 USD. Therefore, the total earned income from the SCB and HTTP programs was 2.8 percent of their total annual costs, while the rest of the 97.2 percent of income came by way of charity, namely grants and private donors from the United States. We can clearly extract from these numbers that CCRD is a JSM with a wide financial gap to fill in order to begin to move towards economic sustainability.

It is important to note here that for any social organization, economic sustainability takes several years, especially for those working at the “base of the economic pyramid” or in similarly economically deprived areas. The task at hand is to shift CCRD to a social entrepreneurial model that will allow it to not only maintain the organization, but to thrive as a JSM so it can continue to amplify the theological principles mentioned in Chapter Two and effectively release the power of the gospel.

### ***Theological Loci of Human Development***

In regard to the principles of holistic human development, CCRD flourishes in all three areas. First, in terms of an “option for the poor,” CCRD began by targeting the most impoverished and violent part of Belize. Christopher and the local Belizeans established CCRD to eradicate this dehumanizing poverty. They opted to begin the process by starting CAN, a program which dialogues and partners with the local people. Their method began with the human person trapped in poverty, attending to the person's particular social location.

Second, in regards to the “dignity of the human person” the CAN program builds on the assets of the poor, thus seeing them as people who have self-worth and integrity despite the poverty in which they are enmeshed. Additionally, both training programs, SCB and HTTP provide a holistic approach to development, attempting to form the whole person. CCRD is not concerned solely about economic growth. This is not the final outcome of their social ministry, but rather to ensure that the youth they serve develop mentally, spiritually, and economically.

Finally, CCRD practices the principle of subsidiarity. All three programs, CAN, SCB and HTTP, provide training while requiring the youth themselves to become responsible for their own development. Though CCRD provides access to jobs and development, establishing opportunity for people who would otherwise not have the opportunity, at the same time it expects its beneficiaries to find their own path out of poverty. Thus, the practice of subsidiarity is coupled with solidarity. CCRD has provided opportunity and demanded reciprocity, while remaining with the poor in their neighborhoods and not abandoning them. Despite the tremendous efforts and successes of CCRD, its greatest challenge is economic sustainability. It will need to change its model if it wishes to continue its ministry among the people.

### ***Adapting the Key Shifts of Social Entrepreneurship to CCRD***

Since CCRD already exemplifies a JSM that does not give handouts, but has instilled collaboration among its staff and beneficiaries through the dignity of work (the third shift), I will focus on the first and second shifts.

### **CCRD and Innovative Problem Solving**

I propose that in order to shift from a culture of charity to innovative problem-solving, CCRD utilize the CAN program to deepen its relationships not only within the community neighborhoods, but also among those involved within the organization, including beneficiaries, donors, board members, administrators and employees. Here CCRD will be able to add social entrepreneurial thinking to the asset-based community development model, which are fundamentally compatible, because both seek to build upon and nourish the capacities that already exist within the people. The CAN program will also be able to train all its constituents how to problem-solve and transform social and environmental resources into revenue producing goods and services that will build up the common good and create social impact. Members will learn to think creatively and develop solutions about how to generate earned income for the organization, as opposed to solely relying on charitable fundraising to operate as a JSM. Hopefully, this process will instill a social entrepreneurial culture within all aspects of CCRD and continuously improve the livelihoods of all the people CCRD either employees or serves.

### **CCRD and Sustainable Social Impact**

I also propose that CCRD establish a method within the organization that demonstrates sustainable social impact. To do so, I recommend that CCRD focus primarily on further developing their HTTP program because this service has the greatest potential to generate steady income and social impact. For the last decade, the information communication technology (ICT) sector in the Caribbean has been growing, fuelled by the demand of United States' companies looking to outsource their low-tech business processes to English speaking regions. Because Belize is a former British

colony, English is the country's official language. At the same time, the country has been engaged in a slow process of upgrading and expanding its ICT infrastructure.<sup>75</sup> The combination of both factors has created an increasing demand in Belize for men and women skilled in IT. Furthermore, an IT savvy workforce does not yet exist in Belize to meet the demands of this emerging market. With the HTTP program already launched, CCRD presently is in a prime position to meet this demand and to scale this division of its social ministry.

Specifically, I propose that CCRD transition its HTTP program to become an iMerit-like center focusing on business process outsourcing. This will enable CCRD to scale by providing training for more youth, and potentially creating more jobs for this newly trained workforce, either in the local Belizean economy or within the HTTP center itself. Additionally, by following the example of Anudip and its iMerit division, HTTP will generate more earned income for CCRD.

Furthermore, I propose that CCRD partner with the company Samasource, a San Francisco based non-profit, which hires women and youth living in economically deprived areas to perform digital tasks such as transcribing audio files and editing product databases.<sup>76</sup> This form of business process outsourcing is called Microwork, a term the CEO of Samasource, Leila Chirayath Janah, developed when she started the

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<sup>75</sup> See Ben Rowland, Juan José Durante and Dougal Martin, "Belize: A Private Sector Assessment," (New York: Inter-American Development Bank, 2010), 12. The information communication technology (ICT) industry, which provides relatively high paying jobs for Belizeans, is perhaps one of the most promising sources of growth for the private sector, given that Belize is English-speaking and geographically close to the United States. The most promising lines are in development of software, online games, offshore data processing, and call centers. The telecommunications field has benefited from deregulation as the Belizean government has looked to develop this sector.

<sup>76</sup> For a detailed description of Samasource and their social venture see Francisco Gino and Bradley R. Staats, "The Microwork Solution: A New Approach to Outsourcing Can Support Economic Development – and Add to Your Bottom Line," *Harvard Business Review*, 90, no. 12 (2012).

company.<sup>77</sup> Specifically, microwork is a series of small tasks completed over the Internet that together comprise a large unified project. Essentially, microwork is considered the smallest unit of work in a virtual assembly line and requires human intelligence to complete.

As a local partner, CCRD will first have to become a service center and cover approximately \$25,000 for the setup. This cost may be lower for CCRD since it already has the infrastructure of an IT program. Samasource, or a similar business process outsourcing partner, would then have to secure contracts for microwork from technology and data companies and then source it back to CCRD. Samasource, or the other business outsourcing partner, will continue to help CCRD win customers like LinkedIn and Google, and other technological, data driven companies.<sup>78</sup> Thus over time, CCRD will begin to increase its earned income on a regular basis. At this point, the HTTP center could become both a training center and a place of employment for youth. I also suggest that the HTTP center become a for-profit sector of CCRD, thus making CCRD a hybrid organization, one sector functioning as for-profit, and the other as non-profit. Surpluses from the HTTP center could then be funneled back into training operations, so that in time CCRD will create sustainable social impact, grow less dependent on charity, and become a freestanding, sustainable JSM.

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<sup>77</sup> Microwork is a registered trademark of Samasource. See “Company,” *Samasource*, accessed January 27, 2014, <http://samasource.org/company/>.

<sup>78</sup> See Gino and Staats, “The Microwork Solution,” 92, where they describe in detail how Samasource serves as a middleman securing contracts for digital services from large U.S. and European companies to service centers in the developing world.

### *Adapting the Strategic Practices of the GSBI to CCRD*

Now that I have proposed how CCRD would go about making the essential shifts in social entrepreneurship, I will now consider how it could improve as a JSM by employing the key strategic practices from the GSBI.

#### **CCRD: The Development of a Value Proposition**

The first key strategic practice will be for CCRD to develop a value proposition. The most effective method for doing so is to derive the proposition from its mission statement in conjunction with the needs of the community it wishes to serve. It will be important to understand the difference between a mission statement and a value proposition, however, because the significance of each will be quite different. The mission statement of CCRD is: “to mobilize the resources of individuals and communities through capacity building, advocacy, and participatory programs to create sustainable community development.” This mission statement is the proclamation of CCRD’s goals or what it desires to achieve. It is a declaration of its purpose around which all its action revolves. Ideally, for every move CCRD makes the mission statement should be fulfilled.

CCRD’s value proposition will be different from the mission statement in the following ways. First, it will specify what product or service CCRD will be able to actually provide the community in order to fulfill its mission. Second, the value proposition should anticipate that the product or service would create financial profit. Third, the value proposition should state the social value or impact the product or service will create in order to solve the problem in the community. Developing a value proposition will be an essential shift for CCRD in order to move towards a social

entrepreneurial social ministry, because it will force it to do the following: become more cognizant about how to execute its desire for change; create a product or service from which it can derive financial gain (which is essential to its sustainability); and measure whether the product or service is actualizing the desired change. In essence, CCRD's mission statement states "what" change it wants to accomplish, while the value proposition will articulate "how" it will execute that change.

CCRD could derive a value proposition from its mission statement in the following ways. To begin, the problem CCRD wants to solve is the increasing street violence in Belize, which is still a critical problem. The unique value that CCRD provides the community to address this problem (which can fulfill the essentials of a value proposition and be derived from CCRD's mission statement) is targeting impoverished youth to provide holistic formation through job training. The most appropriate program for this purpose is the HTTP program. Thus, I propose that CCRD's value proposition, the blueprint to implement a sustainable structural change and "mission-related impact" should be the following: "CCRD will provide job training in IT skills, specifically through business process outsourcing and microwork for at-risk youth entrapped in cycles of violence and poverty. The job training will build capacity in the youth so they will be able to obtain jobs within the formal economy or within the HTTP center so as to improve their livelihoods as an alternative to violence."<sup>79</sup>

### **CCRD: A Plan for Rigorously Measuring Social Impact**

After the realization of the proposed value proposition, the second strategic practice for CCRD to employ will be the implementation of the proper metrics within the

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<sup>79</sup> "Mission-related impact" is a phrase coined by Gregory Dees. See J. Gregory Dees, "The Meaning of 'Social Entrepreneurship'" (Kansas City, MO and Palo Alto, CA: Kauffman Foundation and Stanford University, October 1998), 2.

organization to assess and measure its progress in creating social impact. Some examples of metrics for CCRD derived from outcomes of the HTTP program might include the following: the number of trainees that will have completed job training in the HTTP program and the number who will have entered the workforce, including the increase of daily income and the number of people impacted directly and indirectly; the number of youths employed in HTTP; and, from an instilled baseline, the amount of economic development and progress trainees will be able to make. I also propose that CCRD implement metrics that will be able to measure the impact within the larger community, beyond the job training. These are called social metrics. Some examples of these might include the number of young people who will enter the varied internships, apprenticeships and the workforce after their HTTP training; the number of youths who will enter college and other educational opportunities as a result of their training; and the possible decrease in poverty, youth unemployment and violence within various communities. Instilling such metrics will also allow CCRD to assess the efficacy of its organizational structure and to determine where its ministry can improve in the future. In essence, measuring social impact will keep CCRD honest so it can continue to provide the best value for the community and to continue to provide solutions to the problems it addresses.

### **CCRD: A Business Model with Realistic Revenue and Cost Projections**

The last strategic practice that I propose CCRD employ in order to move towards economic sustainability is a comprehensive business model. This must include the necessary criteria, such as income, expenses, funding and social impact, so the ministry can develop realistic projections of future revenue and costs in order to properly project

economic sustainability for the future. A viable business model for CCRD should also be able to articulate how it will create, deliver and capture the value proposed in its value proposition.

It is critical to note here that CCRD does not yet have the expertise to develop a business model on its own. Becoming a pioneer, hybrid JSM will take business expertise and years of transition. However, it can be done—it just requires a strategic plan. Thus, in the following segment I will propose the contours of a five-year transition plan that would enable CCRD to significantly reduce the 97.2 percent of charity from the United States upon which it currently relies.

Year one will be the “blueprint stage.” I propose in this initial phase of transition that CCRD blueprint its organizational design as a future hybrid JSM. This will be a year of planning in which CCRD will use its imagination to strengthen its value proposition. This will enable it to refine its HTTP services in order to consistently meet the needs of the community and solve the problems of violence, poverty and crime. In this stage, CCRD will be able to utilize the CAN program to instill a culture of social entrepreneurship throughout its social ministry. Furthermore, it will be able to plan how to launch its for-profit division, the HTTP center. Additionally, a good business model always entails creating partnerships that can assist an organization in areas where it is lacking. I propose, therefore, that CCRD begin to partner with Jesuit alumni business people who may be intrigued by social entrepreneurship and would be willing to help in the planning of the transition of CCRD. These business partners will be able to provide expertise to cover the details of the newly created business model. They will also be able

begin to explore the channels of seed money for the HTTP center so it can prepare to launch as a for-profit division in CCRD.

The second and third years will be the “validation stage.” I propose that within these two years CCRD validate the viability and scalability of its business model described in the blueprint. This would involve running market trials on its HTTP services. For example, CCRD could continue to bid for contracts like it did with Belize Corporate Services in August 2012. Provided that HTTP begins to gain significant traction in its IT services, it would need to measure its success and weaknesses as follows. How successfully will the trainees at HTTP be in delivering on the service contracts? In what areas might its trainees be lacking? How will CCRD be able to develop its training programs to educate trainees sufficiently so they can develop the proper skills to complete the IT work? How will CCRD evaluate and plan for future developments? What resources and skills will CCRD need to run a for-profit division? What experience will CCRD need to develop into a hybrid JSM? Will the HTTP center be able to scale? If so, will there be enough skilled labor? Will the HTTP center have the infrastructure and resources to scale? These are some of the vital questions that will need attention in order for CCRD to develop its HTTP center. It will require rigorous effort and the ability to blend social and financial motives in order to wean itself off of charity.

In the fourth year, if CCRD can meet these challenges it will be able to launch the HTTP center and move into creating partnerships with Samasource and possibly other companies who outsource similar IT work. This will enable CCRD to respond to the demand of the emerging market of U.S. companies looking to outsource low-tech business processes. This would entail moving from small IT projects into larger contracts.

This will not be an easy task and will require business savvy. Such growth and expansion will require the assistance of the Jesuit alumni business communities and other partnerships with business expertise.

During the fifth year of transition the HTTP center should be able to establish a steady stream of earned income. Therefore, I propose that CCRD move into acquiring a new revenue stream at this future stage of its development. The Jesuit alumni business people will be able to seek alternative funding, primarily focusing on acquiring a new and growing field of philanthropy, which does not come in the form of charity or aid, but in impact investing. Impact investing is a form of socially responsible investing endowed to social enterprises, organizations and companies with the intention to generate a measurable social impact alongside a financial return. Impact investors are on the rise and becoming increasingly attractive. Thus, a large amount of capital is flowing into this business sector.<sup>80</sup> I propose that CCRD procure these funds to secure the investments necessary for the resources, labor, educational materials, and staff to fulfill all the potential business sourcing contracts.

Unlike charity, impact investments demand reciprocity and accountability from the recipient. Delving into this world will actually benefit CCRD because it will reinforce a culture of problem solving and the dignity of work. There will be a greater demand on CCRD to become competitive and provide the best IT services possible so it will be able to continuously create earned income and social impact. At this juncture CCRD should

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<sup>80</sup> See Harvey Koh, Ashish Karamchandani and Robert Katz, "From Blueprint to Scale: The Case for Philanthropy in Impact Investing," *Monitor Group* (April 2012), 2, where the authors mention various foundations and organizations which are beginning to make billions of dollars available in impact investing. For example, the authors mention a survey conducted by J.P. Morgan and the Global Impact Investing Network in late 2011 in which they discovered 52 impact investors intended to deploy \$3.8 billion USD of capital collectively over the next twelve months.

have steady revenue streaming into its HTTP center from the IT contracts it services and through impact investing. This revenue will substantially reduce the 97.2 percent of needed charity.

### ***Conclusion***

In this chapter I have proposed how CCRD could move towards becoming an economically sustainable Jesuit social ministry. I have done so by employing key shifts in social entrepreneurial thinking and the strategic practices of the Global Social Benefit Institute, both of which have addressed the problem of dependency within CCRD. The fundamental change that I proposed was for CCRD to become a hybrid social ministry, which would entail the HTTP center becoming a for-profit enterprise. This case study has highlighted the tools necessary for CCRD to succeed in its mission. I suggested developing a value proposition from the mission statement so CCRD could develop a profitable service in the information technology field. This would enable it to address the problem of violence and poverty in Belize more effectively while reducing the amount of dependency upon charity from the United States.

Finally, there is another important outcome within this shift to an economically sustainable model. Over time, as CCRD decreases its dependency upon charity, Fr. Brian Christopher will be freed from spending most of his time fundraising to sustain the mission. As he related to me, a more sustainable model would free him to spend more time among staff and board members in organizational development and spiritual formation, more time ministering in the prisons, on the streets and in the communities where there is great pastoral need.<sup>81</sup>

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<sup>81</sup> Brian Christopher, SJ, email message to author, November 27, 2013.

This process does not end here, however. At this stage, presuming CCRD can make the changes proposed above, it would be a prime candidate to enter both the Global Social Benefit Incubator On-line and Accelerator programs of Santa Clara University, ever increasing its opportunities to create new and exciting solutions for those living in extreme poverty.

## **Conclusion**

I began this study by considering the contradiction inherent in many missionary endeavors: Missionaries go to empower poor people, but often spend more time courting wealthy donors and benefactors in order to sustain the mission, making both the mission and the people they came to serve charity-dependent. In light of this contradiction, I proposed the question: How do missionaries, specifically Jesuits, avoid falling into the trap of doing the work for beneficiaries and reinforcing a culture of dependency? Throughout this thesis I have attempted to provide solutions to this question.

As a theologian, I turned to liberation theology and Catholic social teaching for answers. Gutiérrez' work informed us that the central tenet of liberation theology is the interdependence of faith and historical praxis. Such interdependence establishes the foundation for liberation from dependency and poverty and the restoration of human dignity. Catholic social teaching supports this restoration of human dignity and the need for the poor to become their own agents of change. As we discovered, particularly from the principle of the "option for the poor," this change is not only for people trapped in material poverty. The poor also call those of us who do not struggle with material poverty to another dimension of existence. That is, to dispose ourselves freely to the will of God and to stand in solidarity with those who are struggling to break the bonds of poverty. Opting for this poverty makes us more human, not less. When we choose such a path our perspective on life alters. We become transformed.

This perspective radically alters the missionary task. The people that missionaries come to serve, the people I have referred to throughout this thesis as beneficiaries, no longer are "beneficiaries," but, ideally, agents of change and liberators themselves. The

missionary unexpectedly becomes the “beneficiary,” because the poor begin to evangelize the missionary to a new reality. The relationship between the missionary and the poor person is transformed into one of solidarity and kinship. There no longer exists a power differential between the missionary and the poor person; dependency is destroyed, a life-giving interdependency created and a new reality emerges. I call this reality a sign of the reign of God. It is available to anyone who chooses it.

Second, I turned to social entrepreneurship because its innovative style bears the principles to actually implement historical change and help those involved in missionary work to avoid the trap of dependency. It does so by crossing sector boundaries, bringing new conceptions to the world of business and profit making, challenging the often-idealized “non-profit” world as being morally superior to for-profit enterprises. Frequently when many people hear the term “social ministry” (referring here to the organization) they automatically equate it with non-profit status. Typically, the underlying assumption is that the non-profit world upholds and practices better morals than for-profit organizations or businesses, which often are associated with greed.

The emerging field of social entrepreneurship brings a serious critique to this dichotomy. As this thesis has demonstrated, it is possible to mix the social mission many people associate with non-profits and the kind of social entrepreneurship practice often associated with business. This mixing of sectors can equip JSMs in their desire to join the poor in their struggle for integral liberation.

Further, unlike some entrepreneurs or business practices, for social entrepreneurs the social mission is explicit and central. This obviously affects the way in which social entrepreneurs perceive and assess opportunities. For them, “mission-related impact”

becomes the central criterion, not profit. Wealth is just a means to an end. The concept of mission-related impact is central to this study because of its compatibility with JSMs, for whom implementing its mission is essential for empowering the people they serve.

Acquiring profit, I argue, can actually make JSMs more effective. It has tremendous potential to free JSMs to scale their missions, to increase their social impact and provide more opportunity for people to create their path of liberation. A shift towards a social entrepreneurial model does not diminish the value of the mission statement for a JSM. It holds tremendous potential to enhance it, make it more creative, and ultimately, to spread the power of the gospel in new and exciting ways.

This crossing of sectors may seem new to some of us. However, there are examples of such movements since the beginning of the Society of Jesus. One example revolves around the Japanese missions in the 16<sup>th</sup> century. As a missionary to Japan, the Italian Jesuit Alessandro Valignano crossed sectors to financially support the Jesuits' missionary efforts.

In 1580, the *daimyo* (powerful territorial lords within Japan) Omura Sumitada granted the Society of Jesus legislative authority of the city of Nagasaki. Soon after, the Jesuits controlled the Port of Nagasaki. Valignano recognized that overseas subsidies from the Spanish and Portuguese crowns would subside, therefore he arranged for the Jesuits to enter into the silk trade, which the Portuguese ships carried between China and the newly Jesuit-held port of Nagasaki. The profits provided additional income for mission work in Japan. It was clearly impossible for the Japan mission to be self-supporting for some time to come. Valignano had no other alternative but to find other recourses for revenue and thus relied on financial sources outside the patrimony of the

Iberian crowns.<sup>82</sup>

The Jesuits in Japan established a great business enterprise, maintaining economic self-sufficiency to support themselves and their missionary task by the trade profits.<sup>83</sup>

They became wise businessmen and thousands of ordinary Japanese converted to Christianity.<sup>84</sup> Most of these people were not elites, but simple villagers, peasants, fisherman and merchants.<sup>85</sup> Many modern scholars would agree that perhaps as many as 300,000 Japanese converted to Christianity by the end of the sixteenth century, until Japanese leaders began persecuting Catholics and banned the religion from their country.<sup>86</sup>

At the time of Valignano, missionary efforts entailed saving souls, which meant converting people to Catholicism. Today, the Catholic Church believes there is salvation outside of the church. Within many missionary circles there is now more of an emphasis placed on empowering the people missionaries serve, and eradicating poverty for those living in oppressive situations, than converting them to Catholicism. Also, Catholic understandings of soteriology now hold that salvation is no longer confined to the afterlife, but is something that we can begin to experience here on earth. Most Catholic

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<sup>82</sup> See C.R. Boxer, *The Christian Century in Japan 1549-1650* (Berkeley, CA: University of California Press, 1967), 116-121.

<sup>83</sup> See Gauvin Alexander Bailey, *Art on the Jesuit Missions in Asia and Latin America*, (Toronto: University of Toronto Press, 1999), 58.

<sup>84</sup> It is important to note that Dominicans, Franciscans and Augustinians were missionaries to Asia in addition to the Jesuits. The Dominicans, Franciscans and Jesuits played all played a major role in the conversion of the Japanese. See Stephen B. Bevans and Roger P. Schroeder, *Constants in Context: A Theology of Mission for Today*, (Maryknoll, NY: Orbis Books, 2004), 183-195.

<sup>85</sup> See Gauvin Alexander Bailey, *Art on the Jesuit Missions in Asia and Latin America*, (Toronto: University of Toronto Press, 1999), 187.

<sup>86</sup> See C.R. Boxer, *The Christian Century in Japan 1549-1650* (Berkeley, CA: University of California Press, 1967), 320-321.

missionaries today have a much different missiology than they did in the time of Valignano.

We Catholics still have a lot to learn, however, which brings me back to the second part of the original question of this thesis: How do we avoid falling into the trap of doing the work for the beneficiaries of the mission and thereby reinforce a culture of dependency? There is not one solution to this question, but there are new possibilities. As I have argued throughout this study, one solution with enormous potential entails crossing the sectors of social ministries and social entrepreneurship, especially in work among the poor. This blending of sectors has been an intrinsic part of the Jesuit tradition since its inception. Valignano gives us a perfect example, and there are numerous other examples within Jesuit history that integrate various sectors for the efficacy of missionary efforts. Valignano's determination, risk-taking and imagination can encourage us to think differently about how to do missionary work today. I have placed before us a new way of thinking within the case study in Chapter Four. The incorporation of social entrepreneurial thinking into CCRD, can assist this ministry to break the bonds of dependency and become even more effective in its missionary tasks.

Finally, I want to address the first half of the original question of this thesis: How do we, who are involved in mission within the Church and concerned about the plight of impoverished people, respond authentically to their thirst for liberation? I have been asking myself this question for most of my adult life. It is a question that does not have an easy answer. However, instilling the key shifts of social entrepreneurial thinking and the principles of the GSBI at Santa Clara into the mission of Jesuit social ministries has great potential to bring many poor people in this world and many Jesuit missionaries into

a deep and authentic solidarity with one another.

One person who would like to experience such a world is Phyllis Good Owl. Phyllis does not want to passively live off government subsidies and other institutions that create unnecessary forms of dependency. At the same time, she needs help in freeing herself. As noted, she has had a great desire to decolonize along with her people, and to create a new livelihood for herself. We know that we cannot do it for her, but there is a solution we can offer her. I invite the Jesuits who work with the poor and those trapped in dependency to think about implementing a new model of mission that incorporates social entrepreneurship into social mission. I wholeheartedly believe that if we make this adjustment, we will gradually see the poor with whom we walk begin to construct new paths of liberation.

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