

Stein, Tine

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Global social and civil entrepreneurs: An answer to the poor performance of global governance

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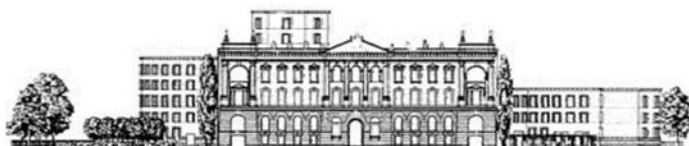
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Global Social and Civil Entrepreneurs: An Answer to the Poor Performance of Global Governance?¹

Tine Stein²

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2 Email: stein@wzb.eu



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Tine Stein

**Global Social and Civil Entrepreneurs: An Answer to the Poor Performance of
Global Governance?**

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Wissenschaftszentrum Berlin für Sozialforschung
Reichpietschufer 50, 10785 Berlin, Federal Republic of Germany

Tel.: +49/30/25491-0 • Fax: +49/30/25491-684

Email: wzb@wzb.eu • Internet: <http://www.wzb.eu/>

Abstract

In recent years a new type of political actor has become increasingly important—cosmopolitan individuals acting transnationally in support of the rights and well-being of their “fellow citizens of the world.” The emerging transnational political awareness of private individuals might be seen as a consequence of the poor performance of global governance by international organizations which have been unable to find convincing solutions to global inequality. In response to this failure, individuals like Bono, Al Gore, Muhammad Yunus and Bill Gates mobilize their specific resources, namely, publicity, ideas, and money, to find solutions to international societal problems. These actors often function directly as “change-makers,” bypassing existing institutional arrangements.

This paper first assesses the different kinds of social and civil entrepreneurs in global civil society, and identifies the specific features of their type of political action. In particular, it will consider to what extent this political action can be characterized as cosmo-political, independent of state structures and intergovernmental cooperation. It will further consider whether such political action can make a real contribution to political change without relying on traditional forms of governance. Second, the paper considers the influence of global and civil entrepreneurs on international organizations and global governance. Can these new change initiators serve as models for better governance? Can they accomplish tasks that cannot be fulfilled by states? Should they be seen as necessary complements to international organizations?

Zusammenfassung

Global agierende "social entrepreneurs" und "civil entrepreneurs" – eine gesellschaftliche Antwort auf die schwache Leistung der Staatenwelt?

In der letzten Zeit ist ein neuer Akteurstypus auf die politische Bühne getreten, der politisch an Bedeutung gewinnt: Weltbürgerlich motivierte Individuen ergreifen politische und soziale Initiativen, um die Rechte und das Wohlergehen ihrer „Mit-Weltbürger“ zu fördern. Dieses Verhalten kann als eine Antwort auf die schwache Leistung der Internationalen Organisationen gesehen werden, die bislang keine überzeugenden Lösungen für die globale Ungleichheit gefunden haben. In Reaktion auf dieses Versagen aktivieren Individuen wie Bono, Al Gore, Muhammad Yunus und Bill Gates ihre jeweils spezifischen Ressourcen, insbesondere Prominenz, Ideen und Reichtum. Dabei verstehen sie sich als „change-maker“, die mit ihren Lösungen oftmals direkt einen sozialen Wandel zu erreichen suchen und dabei existierende institutionelle Arrangement umgehen.

In diesem Beitrag werden zunächst unterschiedliche Typen in Hinblick auf dieses verhältnismäßig neue Phänomen gebildet und hierfür insbesondere der Begriff des Sozialunternehmertums in Anschlag gebracht und weiterentwickelt. Zudem wird erörtert, inwiefern dieses politische Verhalten als kosmopolitisch gekennzeichnet werden kann, das unabhängig von staatlichen Strukturen und intergouvernementaler Kooperationen funktioniert. Weiterhin wird gefragt, ob mit diesen politischen und sozialen Initiativen ein Beitrag zu einem strukturellen sozialen Wandel geleistet werden kann, der über traditionelle Formen von Regieren hinausweist. In einem zweiten Teil werden mögliche Konsequenzen dieser hier als „global social and civil entrepreneurs“ gekennzeichneten Individuen für Internationale Organisationen diskutiert und dabei verschiedene Funktionen herausgearbeitet, die diesen Aktivisten zugeschrieben werden können. Dabei wird auch erörtert, inwiefern die neuen Weltbürger eine subsidiäre beziehungsweise komplementäre Rolle gegenüber der Staatenwelt einnehmen.

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I. Introduction: The Emerging Class of World Citizens

Bill Gates delivered the Harvard University commencement address in 2007, at which time he was awarded an honorary Bachelor's degree by that esteemed institution. In his speech Gates stated that "reducing human inequity is the highest human achievement." Global inequality is one of the most defining characters of our time. Whatever indicators are used as the basis for measurement, whether they stem from normative political theory (for instance, Rawls' notion of primary goods or the capability approaches of Sen and Nussbaum) or consist of merely a collection of common indices such as per capita income, life expectancy, infant mortality, or degree of adult literacy, the results are the same—there are tremendous differences in the levels of affluence both between countries as well as within in countries. Bill Gates expressed his displeasure with science which, in his eyes, has failed to apply its discoveries to reduce inequity. He had left Harvard, he said, knowing nothing about the millions of people living in abject poverty or suffering from deadly diseases, and without considering how these most important problems could be resolved; but he felt that the current generation of students could and should know better. They should judge themselves, he admonished, on how well they "treated people a world away who have nothing in common with [them] but their humanity."

Setting aside the problem that, at first glance, Gates himself appears to be somehow living in the proverbial "glass house," because he could have also "done better" during his professional time with Microsoft: one can hardly say that Gates tried to reduce inequity through monopolistic practices to eliminate competition and pricing policies that excluded millions everywhere. Nevertheless, with regard to his present commitment, he has become the world's largest philanthropists¹ and has remarkably begun to focus on global inequity. One of the key messages of the Bill and Melinda Gates Foundation is that every human life has equal value. The Gates think that it is deeply immoral that millions of children in the developing world are still dying from

¹ See <<http://foundationcenter.org/gainknowledge/research/pdf/fgge08.pdf>>, p. 10, accessed 3 November 2008. The Foundation Center ranked the Gates Foundation in first place, with more than \$33 billion in assets in 2006 compared to the former largest Foundation, the Ford Foundation with more than \$12 billion in assets in 2006. While the Gates Foundation donated up to \$1.56 billion in 2006, the Ford Foundation donated \$532 million. With the blockbuster donation of \$30.7 billion from Warren Buffet, the Gates Foundation will probably be number one in the philanthropic landscape for a quite a long time.

diseases that have been effectively eradicated in the developed western part of the world. Therefore the Gates Foundation spent three quarters of its total donations on global health and global development programs: *circa* 1.5 billion US dollars, compared to the 0.5 billion US dollars donated for educational purposes in the United States.² Obviously, this tremendous expenditure for global purposes makes the Gates Foundation a significant global player as a private investor for public interests.

Recently, there have been a growing number of individuals who have become engaged in the emerging global civil society. Although only a few of them can compete with the Gates Foundation in terms of money, there are many others like Bono, Bob Geldof, Mia Farrow, Natalie Portman, *et alia*—famous examples for the cultural world—who use their celebrity status as a specific resource in order to support the common good and further human rights issues. The activities of these concerned global citizens include collecting charitable donations and putting pressure on politicians and diplomats relevant in the international political realm, in order to further specific causes such as debt relief for developing countries, foreign aid, and the protection of the common environment. Among this group of individual political actors, there are also some who address social needs and global problems directly by offering institutional solutions and empowerment actions for self-help without waiting for governmental efforts. The term “social entrepreneur” has become familiar for describing such individuals. A very prominent example of a social entrepreneur is Nobel Prize winner Muhammad Yunus and his Grameen Bank. By making small, low-interest loans available to the poor, who otherwise would never have had access to such financial services, the efforts of Yunus and the Grameen Bank have altered the societal reality in Bangladesh, where the idea was first implemented, and elsewhere, where it has been taken up. Yunus introduced the concept of microfinance to an international public; his Grameen Bank microcredit scheme has served as an inspiration and functioned as a quasi-pilot program for other international organizations. The World Bank has since initiated its own microfinance programs and the United Nations designated 2005 as the International Year of Microcredit.

Although the phenomenon of publicly engaged celebrities, philanthropists, and social entrepreneurs in general is not entirely new nor been neglected in social science

² See <<http://www.gatesfoundation.org>>, accessed 3 November 2008.

studies, there are some features here which call for a deeper inquiry. This paper will consider two major complexes of questions. First, which theoretical and conceptual frameworks are most suitable for explaining the phenomenon adequately and for analyzing the specific features of these types of individual political actions? Here, what must primarily be taken into account is the fact that the approach of these individuals is global and that they act as individual political players. Might they properly be understood as global citizens acting in a cosmo-political way, independent of state structures and intergovernmental cooperation? Moreover, do they act as politically and socially motivated entrepreneurs on behalf of social change? These questions will be addressed in the first part of the paper. The second complex of questions is concerned with the influence of global and civil entrepreneurs on international organizations and global governance. Can these new “change-makers” serve as models for better governance? Can they accomplish tasks that cannot be fulfilled by states? Should they be seen as necessary complements to international organizations? After this somewhat tentative discussion, the paper concludes with an outlook that tries to contribute some ideas to the understanding of the evolving international political order in which these “private” individuals take part.

The methodology of the following stems from political theory, in particular its ongoing efforts to develop a conceptual framework with accurate terms for grasping the continuously transforming reality of politics. Each empirical research step is preceded by theoretical endeavors that attempt to make such conceptual problems obvious and to open up avenues of thought in a more prospective direction. What is challenging here is the question of the role that these individual political actors are going to play in the emerging international political order.

II. How to Conceptualize the Phenomena: Entrepreneurship with a Social and Political Character in a Cosmo-Political Dimension

Social sciences offer a full range of conceptual frameworks for analyzing collective political actors, which can be combined with various theoretical perspectives, such as rational choice, historical institutionalism, functionalism, systems theory, and so on. In order to grasp individual political actors the tableau shrinks in some respects. There is some reluctance to direct too much focus to individuals, since the social sciences are usually concerned with collective actors and the structural, institutional and procedural settings in which actions occur. Furthermore, particular constellations of interests and available resources are important subjects of social science research, which are generally seen as a determinant for specific patterns of political behavior. Political behavior is thus more like a dependent variable vis-à-vis these structures and constellations, and not so much a result of any one individual's decision. Against this backdrop, individuals and their political actions remain more of a preferred research subjects for historians, who focus on particular factors such as the character of a person, or his or her individually chosen strategies, goals, and specific ways of acting.

Nevertheless, there are some interesting conceptual frameworks that have been developed in social science in order to comprehend a single individual's political actions. Based on a review of three different strands of scholarly literature, there are three main terms that emerge: leadership, citizenship, and entrepreneurship.

“Leadership” as a concept specifically used in political science (and not in economics) refers mainly to people in power be they elected officeholders, administrators in government agencies, or high-ranking politicians such as party leaders. Leadership ability is determined by a set of characteristics that make some people capable of leading others.³ Normative ascriptions can be found as well: In normative political theory for instance, reasonable statements are made about how an elected political leader should act in order “to refine and enlarge the public views,” as classically stated in the Federalist Papers.⁴ Since the individuals who will be examined in this study act

³ See in general James Mac Gregor Burns: *Leadership*, New York, 1978; and *Transforming Leadership*, New York 2003; for the German discussion the very recently published volume, *Politik und Persönlichkeit*, ed. by Johannes Pollack et al., Wien: Facultas, 2008.

⁴ In describing the differences between a direct democracy and a republic (meaning a representative democracy), Madison points out that one important effect of a small number of citizens being

within neither a governmental structure nor a political party, the political science notion of leadership does not seem to be very appropriate or applicable.

II.1 Global Citizenship

“Citizenship” as *the* political term applied to a person, and which focuses on his or her belonging to a political entity, regardless of his or her status as having been elected or otherwise taking political action, seems much more appropriate to the task here. Based on the assumption that the political world beyond the nation-state is an entity linked to a universal political community—namely, humankind—the idea of “global citizenship” can provide a normative basis. Generally, three dimensions of citizenship should be differentiated.⁵ First, citizenship refers to the legal status of belonging—until most recently, usually to a nation-state or an alliance—in which the citizen has both legal rights and duties. Second, from a political perspective, citizenship means self-rule by the *demos*—the *demos* being nothing other than the citizenry, considered as the only legitimate source for rules that the citizens qua subjects have to obey. In this perspective citizens as part of the *demos* participate actively in political institutions and political debate: they live according to self-defined and self-imposed rules.⁶ The third dimension of citizenship is identity. This refers to the social cohesion and the collective identity of a citizenry, which serves to integrate individual citizens into a political community.

Obviously, the “fellow citizens of the world” do not form a community in the sense of a national citizenry. First, global citizens do not have equal legal status: Whereas the *moral* claim to the validity of human rights, as stated in the Universal Declaration of Human Rights, refers to humankind and emphasizes that no difference shall be made between human beings; the legal claim to validity refers to a specific political community, namely, the community that is bound together within the nation-

elected by the rest is “to refine and enlarge the public views by passing them through the medium of a chosen body of citizens, whose wisdom may best discern the true interest of their country and whose patriotism and love of justice will be least likely to sacrifice it to temporary or partial considerations.” Federalist Papers, Federalist Number X, from the *New York Packet*, Friday, November 23, 1787.

⁵ Dominique Leydet: Citizenship, <<http://plato.stanford.edu/entries/citizenship/>>; Cohen, Jean: Changing Paradigms of Citizenship and the Exclusiveness of the Demos”, in: *International Sociology*, 14 (3), 1999, pp. 245-268.

⁶ Cohen, *op cit.*, pp. 248 f.

state. The legal enforcement of human rights is thus dependent on the constitutional and democratic quality of a particular nation-state. Second, although one can envisage the emergence of a transnational society with a multitude of political actors, there is no similar transnational political debate or engagement in international political institutions that band peoples together into a kind of political *world demos* or “global nation.” Third, although humankind is the most universal community to which, by definition, all human beings belong, it by no means projects a cohesive identity comparable to the great narrative that a nation’s history provides. Usually, solidarity and the readiness to sacrifice on behalf of the well-being of others are dependent on the collective identity of a specific community. The more specific and particular a community is, the more resilient its willingness to share goods among its members will be.

These constraints regarding the transfer of the citizenship concept and its three dimensions to the global sphere have to be taken into account. Nevertheless, as has been widely discussed under the umbrella term of “cosmopolitanism,”⁷ the idea of some sort of grand-scale community among human beings is almost as old as the history of western political thought. In contemporary moral and political philosophy, cosmopolitanism deals with the question of which norms can be derived from this grand-scale community of human beings, and how this community can be fostered and woven into a more integrated one. Morally, duties among human beings can be stated convincingly and compellingly despite coming from very different philosophical angles such as utilitarianism or Kant’s universalism.⁸ These moral cosmo-political aspirations are supplemented increasingly with genuine political cosmopolitanism.⁹ This approach investigates the character of this grand-scale human community, not

⁷ For an overview of the literature, see Pauline Kleingeld: *Cosmopolitanism*, <<http://plato.stanford.edu/entries/cosmopolitanism/>>.

⁸ See in particular Peter Singer for utilitarianism, Peter Singer: *One World. The Ethics of Globalization*, New Haven: Yale University Press, 2002; Onora O’Neill for Kant, Onora O’Neill: *Bounds of Justice*, Cambridge: Cambridge University Press, 2000.

⁹ Among others see David Held: David Held: Principles of cosmopolitan order, in: *The Political Philosophy of Cosmopolitanism*, ed. by Gillian Brock and Harry Brighouse, Cambridge University Press, 2005, pp. 10-27, and David Held: *Cosmopolitanism: A Defence*, Cambridge: Polity Press, 2003; see also Thomas Pogge who sheds light on the fact that the causes of the extreme poverty in the world have much to do with the global economic order on which the affluence of the developed world is based and depends. Therefore he looks for principles and global institutions which are able to reform the international system in order to overcome poverty. Thomas Pogge: *World Poverty and Human Rights*, Cambridge: Polity Press 2002 (2nd edition 2008).

only as a moral community, but also as a political community in relation to the existing conventional political communities, their institutions, and political activities. The universal community of humankind thus complements the world of nation-states and their interrelations based on governmental exchange. Setting aside the question of whether a person's moral duty or duties vis-à-vis others in the human community is or are negative or positive,¹⁰ one can argue that, as long as there is no efficient form of economic global order truly based on principles of justice,¹¹ then the moral obligation for individuals to take action is great.

Viewed in this context, people like Bill and Melinda Gates, Bono, Muhammad Yunus, and others can be referred to as “cosmopolites,” as citizens of the world. They act on behalf of those within the community of humankind who—at least according to one widely shared view¹²—need help and support in order to live decent and healthy lives, and to be able to fulfill their ambitions and develop their talents. Usually, these global citizens try to ascertain who requires their help most urgently; this is in accord with a common tenet of moral philosophy.¹³ Giving donations or providing material goods, services, or manpower for the benefit of strangers who are not fellow citizens of one's own country can be seen as genuine transnational solidarity.¹⁴ The attribute “transnational” here means an action that takes place among members of different national communities. Since—as is generally known—there is no legal obligation for individuals to share their wealth and resources with others in need across the globe,¹⁵

¹⁰ See, for the latter, Simon Caney: *Global Poverty and Human Rights: The Case for Positive Duties*, in: Thomas Pogge, ed.: *Freedom from Poverty as a Human Right: Who Owes What to the Very Poor?* Oxford University Press, 2007, pp. 275-302; for the former, Pogge, *op. cit.*, 2002, pp. 132 ff.

¹¹ Pogge, *op. cit.*, 2002, pp. 15-20.

¹² The imperative of aid for developing countries, because it is the underlying assumption of the UN's Millennium Development Goals and many other development and foreign aid programs, is not uncontested (see just recently in the German debate Bartholomäus Grill: *Schneepflüge für Guinea. Warum die Entwicklungshilfe gescheitert ist und was wir daraus lernen können*, in: *Internationale Politik*, December 2007, pp. 8-15, and see Thomas W. Dichter: *Despite Good Intentions. Why Development Assistance to the Third World has Failed*, University of Massachusetts Press, 2003). Here, in contrast, it is assumed that official and private development assistance might not always lead to success; however, failed attempts do not call assistance *per se* into question, but rather call for deeper consideration of how such failure can be avoided.

¹³ Stefan Gosepath: *Notlagen und institutionell basierte Hilfspflichten*, in: Barbara Bleisch and Peter Schaber, *Weltarmut und Ethik*, Paderborn: mentis 2007, pp. 214-246.

¹⁴ Katrin Radtke: *Die Entgrenzung der Solidarität. Hilfe in einer globalisierten Welt*, in: *Aus Politik und Zeitgeschichte*, 21/2008, pp. 27-32.

¹⁵ One can argue, as Thomas Pogge does, that powerful and rich countries have a legal duty to reform the international political and economic order. This obligation derives from the respective human right, established in Article 28 of the Universal Declaration of Human Rights: “Everyone is entitled to a

this behavior is voluntarily. “Voluntarily behavior” here does not mean the opposite of obligatory behavior, but rather the opposite of organized solidarity undertaken through governmental action. Obviously, the donors feel morally obliged to support those in need¹⁶ and therefore they would not understand their own actions to be arbitrary. Why some people feel and act apparently altruistically (and certainly not everyone does this), will, on closer scrutiny, probably prove to be based on different reasons. In any case, for those who demonstrate transnational solidarity, the idea of one big universal community consisting of human beings as equals, which transcends the boundaries of nations, religions, or cultures, is absolutely essential. Furthermore, it should be stressed that, in matters of transnational solidarity, or altruism, usually no reciprocity is expected.

There are two interwoven questions which can be separated from one another analytically: first, the sociological or anthropological question of why sentiments of moral obligation for the well-being of strangers evolve, and under which circumstances these sentiments turn into action; and second, the philosophical question of how these obligations might be reasonably established as moral duties.¹⁷ While the first question deals with the motivation for action, the latter addresses justification. Without going into greater detail, it should be stressed that the basic value of human equality is a core proposition for both questions:¹⁸ without assuming that my fellow human being is equal to me, in the sense of equally deserving, I would not be motivated to help him or her when in need, and I would have difficulties justifying why I ought to be responsible for my fellow human beings at all. This basic idea of responsibility derived from equality can indeed be found in the Universal Declaration of Human Rights: “All human beings are born free and equal in dignity and rights. They are endowed with

social and international order in which the rights and freedoms set forth in this Declaration can be fully realized.” See Thomas Pogge: Human Rights and Human Responsibilities, in: *Global Responsibilities: Who Must Deliver on Human Right?* ed. by A. Kuper, London: Routledge, 2005, pp. 3-35.

¹⁶ For Bill and Melinda Gates for example this can be gathered from their statement that they believe every life has equal value. See their mission statement, “Our Approach to Giving,” <<http://www.gatesfoundation.org/about/Pages/our-approach-to-giving.aspx>>, accessed 3 November 2008, and their “Guiding Principles,” <<http://www.gatesfoundation.org/about/Pages/guiding-principles.aspx>>, accessed 3 November 2008.

¹⁷ Both have been widely discussed in the debate surrounding cosmopolitanism: See among others Andrew Linklater: Distant Suffering and Cosmopolitan Obligations, in: *International Politics*, 44, 2007, pp. 19-36; Held, *op cit.*, 2003; Pogge, *op. cit.*, 2002.

¹⁸ Linklater, *op. cit.*, p. 21.

reason and conscience and should act towards one another in a spirit of brotherhood.” Thus, the declaration establishes a moral norm which goes far beyond the principle of mutual toleration. Acting “towards one another in a spirit of brotherhood” is an extensive claim and a truly cosmo-political one, because this claim presupposes the idea of a community of humankind in which the individual members must fulfill a moral obligation not only to respect one another as equals, but moreover to take care of one another as well.

Needless to say, the fulfillment of this norm is dependent on having the opportunities and resources to do so. Morally, those who have many opportunities and resources at their disposal have a greater obligation to respond than do others.¹⁹ Andrew Carnegie, a representative of the first generation of philanthropists, expressed the specific obligation of the wealthy in a frequently cited saying: “The man who dies thus rich dies in disgrace”.²⁰ In this regard, philanthropy is not an act of arbitrary charity but the fulfillment of a societal norm. The rich give back to society what they have gained in a lifetime in terms of opportunities, wealth, and recognition and prominence/celebrity. Since economic prosperity today relies on a world economy, the scope of application for this norm, too, has become global.

In sum, one could say that the above-mentioned individual actors who use their own resources—namely, money, knowledge combined with entrepreneurial skills, and celebrity—for social and political action designed to improve the overall situation of the poor everywhere, without regard to national affiliation, can be truly called “global citizens.” Thus, they are part of a new generation of altruists whose activities define an emerging reality that comes closer to the notion of a world citizenry. As Jürgen Habermas has underlined, for normative concepts such as cosmopolitanism, this is of tremendous significance: “Regardless of how normatively well founded they may be, such projects, by themselves, remain without any consequences, if reality does not accommodate them”.²¹

¹⁹ Peter Singer: What Should a Billionaire Give—And What Should You?, in: *New York Times*, 17 December 2006.

²⁰ Andrew Carnegie: Wealth, in: *The North American Review*, June 1889, pp. 653-664 (here 664).

²¹ Author’s translation; original text reads: “Allein, normativ noch so gut begründete Projekte bleiben folgenlos, wenn ihnen die Realität nicht entgegenkommt”. See Jürgen Habermas: *Eine politische Verfassung für die pluralistische Weltgesellschaft?* in: Jürgen Habermas, *Zwischen Naturalismus und Religion*, Frankfurt am Main 2005, p. 339. The tendency in the direction of a world citizenry seems

II.2 Social and Civil Entrepreneurship

To be able to differentiate more between the specific types of political actions that the new global citizens choose, the term “entrepreneurship” will be helpful. The term is not introduced here because private businesspersons enter the political arena or because the chosen instruments are market instruments, (although neither case is excluded); the term is chosen primarily because it offers the possibility to focus on the fact that individuals take action and to emphasize the way in which they do so. What seems evident with regard to the examples introduced up to now is the entrepreneurial spirit that appears in the political actions of these new world citizens. According to Schumpeter’s influential concept of entrepreneurship, the crucial importance of these specific individuals for economic development has to be acknowledged.²² Among other factors, for Schumpeter, entrepreneurship is the most important one for explaining change in economic systems.²³ If an economic system were dominated by a different type of actor—one who lacks any openness for innovation and acts only within the limits of a given, specified situation (Schumpeter compares this type of individual to an “innkeeper,” a kind of passive administrator)—then probably no change in terms of progress will occur.²⁴ According to this perspective, entrepreneurs are gifted with special skills or talents, which enable them, first of all, to spot new opportunities in a given market situation and, second, to pursue and implement these new opportunities as innovations. To be more specific, entrepreneurial action is action in a dynamic process: an entrepreneur must first perform critical *analysis* of a given situation, which can be defined as a suboptimal equilibrium, in order to determine shortcomings or constraints such as inefficiency of production flows, lack of a product

to be on the increase. Remarkably, Barack Obama in his recent Berlin speech introduced himself as a “citizen of the world”: “Tonight, I speak to you not as a candidate for President, but as a citizen—a proud citizen of the United States, and a fellow citizen of the world.” And after describing the current global challenges such as climate change, transnational terrorism, poverty, he further stated, that “the burdens of global citizenship continue to bind us together” <<http://www.nytimes.com/2008/07/24/us/politics/24text-obama.html>>, accessed 3 November 2008.

²² Joseph A. Schumpeter: article “Unternehmer”, in: *Handwörterbuch der Staatswissenschaft*, Bd. 8, Jena, 1928, pp. 476-487, Schumpeter: *The Theory of Economic Development: An Inquiry into Profits, Capital, Credit, Interest, and the Business Cycle*, Transaction Publishers, 1982 [1912/1934]; see for discussion Stephan Kuhnert: An Evolutionary Theory of Collective Action: Schumpeterian Entrepreneurship for the Common Good, in: *Constitutional Political Economy*, 12, 2001, pp. 13-29.

²³ Schumpeter, *op cit.*, 1928, p. 483

²⁴ Kuhnert, *op cit.*, 2001, p. 21.

or service for which there is a demand, etc. The entrepreneur must then *envision* a new product, service, or whatever, and then *create* or *develop* it. Finally he or she must *implement* the innovation successfully on the market. To accomplish all of this, some personal characteristics of an actor seem to be necessary, such as creativity and initiative, readiness to assume a risk, motivation to take direct action, remaining calm and collected and demonstrating courage throughout the process of ups and downs.

If these features are transferred to the societal and political realm, one might be able to explain more rigorously the dynamics of social development and social change, for which countless social innovations that are undertaken by social entrepreneurs are responsible.²⁵ Within the sociopolitical context today, the term “social entrepreneur” has come to replace other older terms previously prevalent in social and political science, such as “moral entrepreneur,” “policy entrepreneur,” or “public entrepreneur”. Martha Finnemore and Katherine Sikkink introduced the term “moral” or “norm” entrepreneur as a means to describe individuals or groups acting beyond the state on behalf of moral ideas and values.²⁶ John Kingdon adopted the term “policy entrepreneur” in order to explain why changes occur in some policy cycles and not in others.²⁷ Elinor Ostrom coined the term “public entrepreneur” in order to conceptualize reforms in the provision of public goods undertaken by local administrations.²⁸ In contrast to these older terms, the term “social entrepreneur” has a broader scope, since it applies to all sorts of individuals, whether they act within governmental structures, political institutions, political parties, or non-governmental organizations, or as single actors like the ones who take center stage here as global citizens. Most important is the difference between the value proposition of social entrepreneurs compared to that for entrepreneurs in the economic system. While traditional entrepreneurs concern themselves mostly with financial value, social entrepreneurs look for social benefit. A social entrepreneur is defined by his or her “mission-related impact” as a central

²⁵ Kuhnert *op cit.*, p. 21.

²⁶ Martha Finnemore and Katherine Sikkink: International Norm Dynamics and Political Change, in: *International Organization*, 52 (4), special issue: *International Organization at Fifty: Exploration and Contestation in the Study of World Politics*, 1998, pp. 887-917.

²⁷ John Kingdon: *Agenda, Alternatives, and Public Policies*, Boston, 1984.

²⁸ Elinor Ostrom: *Public Entrepreneurship: A Case Study in Ground Water Basin Management*, PhD Dissertation, University of California at Los Angeles, 1965, with regard to the term, see pp. 5-9.

criterion.²⁹ According to the definition of Martin and Osberg—who transferred Schumpeter’s understanding to the phenomenon—social entrepreneurs identify:

“(1) a stable but inherently unjust equilibrium that causes the exclusion, marginalization, or suffering of a segment of humanity that lacks the financial means or political clout to achieve any transformative benefits on its own; (2) identify an opportunity in this unjust equilibrium, developing a social value proposition, and bringing to bear inspiration, creativity, direct action, courage, and fortitude, thereby challenging the stables state’s hegemony; and (3) forge a new, stable equilibrium that releases trapped potential or alleviates the suffering of the targeted group, and through imitation and the creation of a stable ecosystem around the new equilibrium ensuring a better future for the targeted group and even society at large.”³⁰

Martin and Osberg illustrate the accurateness of the definition with Muhammad Yunus and his Grameen Bank project; he fulfills the criteria of the definition perfectly. Yunus first identified the unjust situation in Bangladesh where the poorest had no chance to obtain credit through the formal banking system, despite the fact that most request for loans involved very small amounts.³¹ The alternative left to borrowers was to obtain such loans from local money lenders at exorbitant interest rates. Yunus, in an attempt to offset this situation, began a social venture by lending money to the poorest of the poor from his own pockets. Even with tiny sums of money these people were able to purchase some necessary tools, set up a small business, or improve their farming outputs. Yunus, a professor of economics, knew very well that charitable donations would not solve the problem in a sustainable manner in the long run; so he founded the Grameen Bank and invented the system of microcredit, offering very small loans at affordable interest rates, targeting women in particular. The Grameen Bank was successfully established in Bangladesh, due to some very workable by-laws which borrowers must comply with: for instance, loans are given only to women who are affiliated with a group of women and not to unaffiliated individuals. The women in the group work together to guarantee that every loan is paid back. Moreover, all group

²⁹ Greg Dees: The Meaning of “Social Entrepreneurship”, revised version May 30, 2001 <http://www.caseatduke.org/documents/dees_sedef.pdf>, accessed 3 November 2008.

³⁰ Roger L. Martin and Sally Osberg: Social Entrepreneurship: The Case for Definition, in: *Stanford Social Innovation Review*, spring 2007, pp. 29-39, <http://www.skollfoundation.org/media/skoll_docs/2007SP_feature_martinosberg.pdf>, accessed 3 November 2008.

³¹ Muhammad Yunus (with Alan Jolis): *Banker to the Poor. Micro-Lending and the Battle Against World Poverty*, New York, 2003.

members must endorse a specific commitment, namely, to “discipline, unity, courage, and hard work”.³² Today, the Bank operates in more than 80,000 villages, has about 7.5 million borrowers, lending a total of about 67.7 million US dollars per month. The Grameen Bank is owned to 95 percent by its borrowers, and since the mid-1990s has required no donors.³³

There are ongoing discussions, however, about whether the Grameen Bank has been truly successful in terms of empowering women and elevating them from poverty, or whether it has just shackled them to a loan cycle. Some critics question the whole idea of the microcredit, labeling it a neoliberal adoption of capitalistic market structures in developing countries. The admittedly crucial question of to what extent microfinance is a good working tool for elevating people from poverty with a sustainable impact remains open until further reliable research is available.³⁴ Nevertheless, in the case of Yunus, it must be acknowledged that he—as a skillful individual—started a process of social change through creating an alternative social institution which is neither dependent on nor administered by governmental organizations. In addition to the changes generated in Bangladesh, Yunus’ social enterprise has spread in an impressive way: national governments, international organizations, and transnational citizen’s groups such as Kiva (an online platform based in California which describes itself as “the world’s first person-to-person micro-lending website, empowering individuals to lend directly to unique entrepreneurs in the developing world”³⁵) have taken up the idea and implemented microfinance programs. Although Yunus is cer-

³² Moreover, the borrowers commit themselves to bringing prosperity to the families in the group, educating the children, and similar socially responsible actions; see “16 Decisions,” <http://www.grameen-info.org/index.php?option=com_content&task=view&id=22&Itemid=109>, accessed 3 November 2008.

³³ See <http://www.grameen-info.org/index.php?option=com_content&task=view&id=26&Itemid=175>, accessed 3 November 2008.

³⁴ Appraisals of the extent to which microfinance programs have had an impact on poverty vary widely. For a more positive appraisal, see, for example, the research undertaken by the World Bank: *Microfinance in South Asia: Toward Financial Inclusion for the Poor*, 11 July 2007, <<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/SOUTHASIAEXT/0,,contentMDK:21404284~pagePK:146736~piPK:146830~theSitePK:223547,00.html>>, accessed 3 November 2008. For a more critical overview see Thomas W. Dichter: *The Hype and Hope: The Worrisome State of the Microcredit Movement*, <<http://www.microfinancegateway.org/content/article/detail/31747>>, accessed 3 November 2008. Finally, for an overview of the empirical research see Elizabeth Littlefield et al.: *Is Microfinance an effective strategy to reach the Millennium Development Goals?* <http://www.cgap.org/gm/document-1.9.2568/FocusNote_24.pdf>, accessed 3 November 2008.

³⁵ See <<http://www.kiva.org/app.php?page=about>>, accessed 3 November 2008. For more information about “Web 2.0,” particularly as it relates to platforms such as Kiva, see Charles Leadbeater: *We think. The Power of Mass Creativity*, Profile Books: London 2008.

tainly not the only inventor and practitioner of microfinance,³⁶ it is widely acknowledged that he was the most diligent in promoting the idea, developing a model, implementing it in practice, making necessary readjustments, and, finally, consistently and persistently reporting the experiences of the Grameen Bank around the globe. The Norwegian Nobel Committee paid their tribute to Yunus by awarding him the Nobel Prize in 2006 for all of these achievements.

Returning to the other examples of transnationally active citizens mentioned at the beginning of this paper, what needs to be carefully scrutinized is whether all of these various sorts of individual activists are correctly and accurately conceived of or classified as social entrepreneurs. With regard to those whose special resource is private money such as the Gates, the term “philanthropist” brings exactly this to our attention: the philanthropist’s primarily tool is private money spent for public purposes. Insofar as projects are funded that have long-term social impacts, and change societal structures in a sustainable way, then the term “social entrepreneur” would be appropriate too. As Bill Drayton, an expert and activist in social entrepreneurship, has put it: “Social entrepreneurs are not content just to give a fish, or teach how to fish. They will not rest until they have revolutionized the fishing industry.”³⁷ Actually, this quote draws the line between social entrepreneurship and a different type of valuable social activity, namely, the provision of service to society through charity.³⁸ It is worth mentioning that almost the same argument had already been made by John D. Rockefeller, one of the representatives of America’s first generation of philanthropists. He admonished that the work of foundations should differ from the work of charity organizations. While charity is about the alleviation of individual cases of distress, philanthropy in the opinion of Rockefeller should be about “root causes” and giving in a scientific way. To put it more simply: charity gives money to the beggar while

³⁶ For different regional examples, see Sabine Sütterlin: *Mikrokredite – Kleines Kapital, große Wirkung*, Frankfurt am Main 2007, pp. 49 ff; for an historical perspective, see Hans Dieter Seibel: *Does History Matter? The Old and the New World Microfinance in Europe and Asia*, Working Paper, University of Cologne, Development Research Center, 2005, <http://opus.zbw-kiel.de/volltexte/2007/5602/pdf/2005-10_The_Old_and_the_New_World_in_Europe_and_Asia.pdf>, accessed 3 November 2008.

³⁷ See <<http://www.ashoka.org/quotes/4047>>, accessed 3 November 2008. Bill Drayton is the founder of Ashoka, a citizens’ organization that supports social entrepreneurs with grants, provision of professional knowhow, and infrastructure. There are a growing number of funding possibilities for social entrepreneurs; see, for instance, the Skoll Foundation and the Schwab Foundation.

³⁸ Martin and Osberg, *op cit.*, pp. 36 f.

philanthropy tries to change the circumstances that have made the beggar beg.³⁹ This differentiation seems to be analytically clear-cut, however, in reality it is not so easy to determine with any degree of certainty which particular activity within a whole range of activities may have had the greatest impact leading to an overall improvement in a given social situation.

Take, for instance, Bill Gates: Obviously he fulfills some of the defining criteria for a social entrepreneur. As a businessman, Gates is truly a person equipped with entrepreneurial spirit. Moreover, the underlying value proposition of the Gates Foundation is socially grounded (at least since Gates left Microsoft, the insinuation that the Foundation's true purpose is to do public relations for Microsoft no longer has a factual basis). Bill Gates sought out a particular area of social weakness that had not yet been sufficiently addressed by existing political or economic institutions; thus one of the three pillars of the Gates Foundation became "global health." He determined (irrespective of whether he did so auto-didactically as reported in the media or whether he received advice) that one of the main reasons for the high degree of infant and childhood mortality in Africa is connected with the extremely low rates of immunization and the unwillingness of the pharmaceutical industry to develop adequate and affordable medicines for the treatment of widespread diseases. The Gates Foundation's global health programs focus mainly on the prevention of common diseases such as diarrhea, acute lower respiratory infections, HIV/AIDS, and tuberculosis through the development of vaccines, where appropriate, or the development of drugs to treat the already infirm. In so doing, the Gates Foundation intends to operate on as large a scale as possible, which is also one of the defining characteristics of a social enterprise.⁴⁰ However, it remains highly contested whether the Foundation's impact is truly socially valuable in the sense of whether the projects it supports really bring about structural change with long-term positive effects. Critics doubt that unintended

³⁹ See Stanley N. Katz: Philanthropy's New Math, in: *The Chronicle of Higher Education (The Chronicle Review)*, 2 February 2007, p. B6, <<http://www.princeton.edu/~artspol/occaspap/katz-Philanthropy%27s-CHE-2-2-07.pdf>>, accessed 3 November 2008; and Kenneth Prewitt: The Foundation and the Liberal Society, paper prepared for the conference "Legitimacy and Functions of Foundations in Europe and the United States Today", May 27-29 2004, Paris.

⁴⁰ Consider, for instance, this advice to grant seekers: "To use our resources most effectively, we fund projects that have the potential to provide the greatest benefit for the most people over the longest period of time." See <http://www.gatesfoundation.com/GlobalHealth/Pri_Diseases/ALRI/>: this page last appeared 26 September 2008 (Google); cached page accessed 3 November 2008.

consequences of the Foundation's work would neutralize any positive impacts.⁴¹ While admitting the mixed impact results, the Gates Foundations' endeavors are by all means aimed not only at helping people in need but moreover at addressing the causes of the problems. To this extent, the Gateses can be regarded not only as mere charity philanthropists providing social services but also as social entrepreneurs.

Is this also the case for global celebrities who are engaged in politics and boost international attention by demanding immediate action from politicians and decision-makers worldwide? Almost the same unique position as the Gates Foundation occupies in the philanthropic landscape is occupied by Bono in the celebrity field.⁴² His outstanding popularity as one of the world's most famous musicians at present enables him to speak out in different spheres, the societal sphere and the political sphere too. He can reach a mass audience with his (and other celebrities') political message and help to raise awareness for poverty and global inequality and thus collect donations. This shows that nowadays the role of "culture industries" is changing: by attracting a huge mass of people, the rich and famous are important navigators. Celebrities can find a way to get heard by people who would otherwise not deal with subjects such as global poverty. This is why NGOs such as Oxfam have taken on celebrities as ambassadors.⁴³ Musicians and actors can raise the world's awareness of a problem and collect public support for issues. A good example is the huge support concerning Darfur: According to UN-officials, the UN-led peacekeeping force in Darfur would have been unlikely without the ongoing lobbying of George Clooney, Mia Farrow and other celebrities together with the work of non-governmental activist groups. A large part of the celebrities' work is focussed on China and its obstructive policy in the

⁴¹ "Gates Foundation's Influence Criticized", *New York Times*, 16 February 2008 <<http://www.nytimes.com/2008/02/16/science/16malaria.html>>, accessed 3 November 2008.

⁴² It is by no accident that Bill and Melinda Gates and Bono were jointly named by TIME magazine as Persons of the year 2005: "For being shrewd about doing good, for rewiring politics and re-engineering justice, for making mercy smarter and hope strategic and then daring the rest of us to follow, Bill and Melinda Gates and Bono are TIME's Persons of the Year." Nancy Gibbs: The Good Samaritans, in: *TIME*, 19 December 2005 <<http://www.time.com/time/magazine/article/0,9171,1142278,00.html>>, accessed 3 November 2008.

⁴³ A representative of Oxfam argued: "What celebrities can do ... is that they can help you reach an audience which you wouldn't otherwise get to, one which doesn't listen to institutions but responds to people." Quoted in Andrew F. Cooper: *Celebrity Diplomacy*, Boulder/London: Paradigm Publishers 2008, p. 7. Large NGOs such as Oxfam and Amnesty International have added full-time celebrity wranglers in recent years. See <<http://www.portfolio.com/careers/job-of-the-week/2008/07/27/Celebrity-Wrangler-Lyndsay-Cruz/>>.

Security Council. While Clooney engaged in more traditional forms of diplomacy by going to China and talking to leading government officials about Sudan, Mia Farrow attracted a huge audience with an article in the *Washington Post* claiming that Steven Spielberg had become the “Leni Riefenstahl” of the Beijing’s Olympics since he intended to support the games with his artistic knowledge.⁴⁴ This channel to a mass audience is the resource that has made them important for others, especially politicians depending on a mass audience, which—at least in democracies—is made up of voters. Therefore, powerful politicians might not dare to turn down a celebrities’ wish for a meeting. Indeed, with regard to Bono, it seems almost the other way around: politicians ask him for meetings.⁴⁵

Andrew Cooper has coined the term “celebrity diplomacy” for this phenomenon.⁴⁶ According to his view, in order to be given the label of celebrity diplomats, “individuals must not only possess ample communication skills, a sense of mission, and some global reach. They must enter into the official diplomatic world and operate through the matrix of complex relationships with state officials.”⁴⁷ Although it seems questionable if the term diplomacy is accurate since the actors in mind have neither a specific constituency nor an explicit mandate, which seems essential for being a diplomat, it is nevertheless remarkable to what extent some of the politically active celebrities take part in official state diplomacy and have adopted many features of the diplomatic culture, as is described by Cooper with regard to Bono’s agenda including debt relief, increase of official development assistance and the like, which he approaches in a very professional manner.⁴⁸ At any rate, this kind of “celebrity advocacy”—as James Traub

⁴⁴ Spielberg then criticized the Chinese government and finally resigned from his role as an art consultant when he realized that no real change occurred in Chinese foreign policy concerning Sudan. See James Traub: *The Money Issue: The Celebrity Solution*, in: *New York Times* (Magazine) 09 March 2008.

⁴⁵ As Sarkozy did after being elected President, see Interview with Bono in *Frankfurter Rundschau*, 06 January 2007.

⁴⁶ Cooper *op. cit.*, 2008; see for discussion Heribert Dieter and Rajiv Kumar: *The Downside of Celebrity Diplomacy: The Neglected Complexity of Development*, in: *Global Governance* 14 (2008), pp. 259-264, and Cooper’s response: Andrew F. Cooper: *Beyond One Image Fits All: Bono and the Complexity of Celebrity Diplomacy*, in: *Global Governance* 14 (2008), pp. 265-272.

⁴⁷ Cooper, *Celebrity Diplomacy ...*, 2008, p. 7.

⁴⁸ Cooper, *Celebrity Diplomacy ...*, 2008, pp. 37-51 (especially p. 51).

has termed it⁴⁹—seems to have the ability to be more far-reaching than traditional advocacy undertaken by NGOs.

Coming back to the above-mentioned definition of social entrepreneurship from Osberg and Martin, the celebrities on the one hand fulfill some of the defining criteria, namely bringing in entrepreneurial skills such as individual initiative, innovative ability, creativity, and devotion to his or her idea. And although it might be that the celebrities themselves benefit from their social and political commitment because in so doing they receive good publicity, the social and altruistic intentions of those who are ceaselessly engaged in the projects they support seems undeniable.⁵⁰ On the other hand, the celebrities' type of activity focus is very different than those of Gates and Yunus. While the latter provide social services in the broadest sense in order to create a new equilibrium, the celebrities' action orientation attempts to generate social change through indirect action by influencing others.⁵¹ This is typical for those individual actors who are frequently called "social activists." Social and political activists choose a broad range of activities which are directed towards several target groups, such as governments and international organizations, the electorate and top ranking politicians, consumers and corporations, NGOs and donors. These activities belong more to the field of classic civic involvement and include enlightening the public in order to create political consciousness, lobbying for sustainable reform policies and putting pressure on those who have the abilities and the authority at hand to undertake large scale change by adopting reform programs as governmental or otherwise official policies.

For those social and political activists the term "civil entrepreneur" shall here be introduced.⁵² Since these activists rely on civil liberties and civic virtues, it seems appropriate to emphasize first the citizen nature and second the entrepreneurial spirit of those individuals who take action. The term "civil entrepreneur" is thus just another

⁴⁹ Traub, *op. cit.*, 2008.

⁵⁰ Sometimes motives other than self-branding may play a role. Princess Diana probably had had mixed motives for becoming involved in the anti-landmine campaign. Beside her humanitarian intentions, she presumably also sought a reputable role in the public sphere based on her own merits in order to strengthen her position in the royal dynasty. Her involvement is incidentally the very first example of a celebrity giving a boost to an NGO led campaign.

⁵¹ Osberg and Martin, *op. cit.*, 2007, p. 37

⁵² The differentiation between "civil" and "civic" seems to be fluid. Since the term "civic entrepreneur" is frequently associated with citizens who are committed and involved in municipal politics in an outstanding manner, the term "civil entrepreneur" is therefore more appropriate for the purpose here.

word for the term political or social activist, however, it is more specific because it directs attention to the entrepreneurial initiative and the civil intention.

As a matter of course such ideal types do not often occur in a pure form in reality. However, at times all these types of action can be found in the activities of a single individual. See for instance Bill Clinton and his current activities: As a resource for action he uses his celebrity as former President of the United States—and probably as one of the most famous individuals in the world—and his special connections to the world's power elites in politics and the economy. This enables him to find donors in order to fund social projects and provide social services with his Clinton Foundation; he furthermore lobbies for his Clinton Climate Initiative, a non-governmentally driven program for reducing carbon dioxide emission in which cities, corporations and other actors can join; and eventually presented an interesting political innovation to the public: the annual Clinton Global Initiative. This networking service is like a fair-ground for political and social enterprises where donors can meet people with ideas that address global problems.⁵³ Among other components the Clinton Global Initiative includes the award for the Global Citizen of the year for “extraordinary people whose success in helping others has created lasting, positive social change”.⁵⁴ Thus, Clinton exhibits the features of being a philanthropist, a social and civil entrepreneur all in one. In any case, he considers himself a member of “the doing business”—a feeling that, surprisingly enough, he did not have to the same extent when he held office as President of the United States, which, at least for the era in which “the west” governs “the rest” and until further research shows otherwise, is presumably the most powerful job in the world.

⁵³ “I started CGI in 2005 to help turn good intentions in real action and results.” Bill Clinton, <<http://www.clintonglobalinitiative.org/NETCOMMUNITY/Page.aspx?pid=1392&srcid=1757>>, accessed 3 November 2008.

⁵⁴ *Ibid.* Among the four winners of the first ever Clinton Global Citizen Award in 2007 had been, for example, Faele Abed, like Yunus another impressive social entrepreneur from Bangladesh. Faele Abed founded BRAC, the Bangladesh Rural Action Committee, which is presumably the world's largest NGO, providing social services by 110,000 paid employees with a \$482 million annual budget. According to the Dean of Columbia University's School of Public Health, Allan Rosenfieldt, BRAC is “more like a minigovernment.” Quoted in “Creative Giving. Is Bigger Better?” in: *Forbes*, 2 June 2008, pp. 66-69; for information about BRAC see <<http://www.brac.net>>. One could coin a new abbreviation and call these organizations such as BRAC “AGOs,” meaning “alternative governmental organizations.”

III. The Influence of the Global Social and Civil Entrepreneurs on Global Governance

“The United Nations once dealt only with governments. By now we know that peace and prosperity cannot be achieved without partnerships involving governments, international organizations, the business community and civil society. In today's world, we depend on each other.” – Kofi Annan

While global *government* would presuppose an overarching political authority, global *governance* is understood here as an analytical perspective on politics beyond the nation state, which today can be properly understood neither as an anarchical international system with sovereign nation states as the only significant players nor as isolated dealing with international law.⁵⁵ Within this perspective, it is widely held that a variety of actors take part in world politics: states, intergovernmental and supranational organizations, private actors working on behalf of public purposes, such as non-governmental organizations, and those entities working on behalf of private purposes such as corporations or private federations. Referring to these actors as taking part in global governance, means assuming that they contribute in some way to the process of creating a global order through coordinating rules and norms, whether these rules and norms are societal, moral or legal ones; whether they emerge in traditional spheres of authority such as sovereign nation states and their cooperation in international relations or whether they be applicable within other forms of authority such as moral authority exercised by transnational advocacy networks or such as private authority based on economic power.⁵⁶ Aside from being involved in the making of rules and norms, the transnational and global allocation of public goods and the endorsement of

⁵⁵ The famous definition from James Rosenau is rather far-reaching: “Global governance is conceived to include systems of rule at all levels of human activity—from the family to the international organization—in which the pursuit of goals through the exercise of control has transnational repercussions.” James Rosenau: Governance in the Twenty-first Century, in: *Global Governance*, 1, 1995, pp. 13-43 (p. 13 in particular). Taking this approach seriously, then every regulation based on rules with a transnational effect would be part of global governance. Thus, very heterogeneous issues and circumstances would be covered by the term and the only differentiation left would be about the different forms of governance. On this particular objection, see Klaus Dingwerth and Philipp Pattberg: Was ist Global Governance?, in: *Leviathan*, 3, 2006, pp. 392-399 (in particular, pp. 391-392).

⁵⁶ See with further references Klaus Dingwerth and Philipp Pattberg: Global Governance as a Perspective on World Politics, in: *Global Governance*, 12, (2006), pp.185-203 (in particular, p. 193).

human rights can also be seen as a contribution to global governance. Coming back to the above-mentioned “global order”, this term is used here in the broadest sense: embracing global and transnational dimensions. While, from an empirical perspective, the notion of global order refers to any kind of coordinated control of human activity with transnational repercussions—and thus, for example, both self-regulating efforts of private actors and legal norms of supranational federations are included — from a normative perspective, global order refers to a legitimate social and political order as it is acknowledged in the Charter of the United Nations and the Universal Declaration of Human Rights. Thus, global governance as an analytical perspective stresses both the existence of a multitude of actors as well as the relevance of taking part in the emergence of rules and norms and the support of public goods and human rights for the purpose of creating a legitimate global order.

Against this backdrop, it can be stated that these social and political actions of individual actors who here take center stage can be seen as a reaction to deficient global governance as provided by states and international organizations. The new global citizens as part of the incipient transnational civil society may work to offset the fact that the power of governments to control economic interactions has become weaker through globalization and therefore less able to work on the alleviation of global inequality. This reaction towards the poor achievements of current global governance provided by states and international organizations, can be understood as a form of politicization,⁵⁷ however in this case, politicization does not consist of the constructive use of international institutions for one’s own purposes (which indeed is the case for NGOs doing advocacy in international law building processes); nor does it consist of basic opposition (as it can be seen in the anti-globalization movement). The intent rather is to skip over the classic structures and target problem-solving effects directly. To the extent that individual societal actors recognize those tasks that the body of nation-states has failed to fulfill satisfactorily, this can help to contribute to a more differentiated view of global governance on the whole.

With respect to the different types of individual action that have been analyzed here, the respective functions of these actors need to be distinguished. First, with

⁵⁷ For the term “politicization” with regard to global governance, see Michael Zürn et al.: Politische Ordnungsbildung wider Willen, in: *Zeitschrift für Internationale Beziehungen*, 14 (1), 2007, pp. 129-164 (here in particular pp. 139 and 149 ff.).

regard to those individual actors who contribute financial resources and thus provide service to society or even social services, they fulfill a *replacement function*. As long as, for example, official development assistance (ODA) is far from sufficient or does not even reach the figures promised—although the privately mobilized assistance can still be no complete substitute—the contributions of individual actors do carry quite some weight. This becomes clear when the current amount of giving by the Gates Foundation is compared to the ODA of the United States and the ODA of a small country with a traditionally good record in foreign aid.⁵⁸ According to the data collected by the OECD, the United States gave \$21.7 billion in 2007, which is nearly fourteen times as much as the Gates Foundation gave, namely \$1.5 billion. Compared with the sum that Denmark gave in 2007 namely \$2.56 billion, however, the Gates Foundation's giving is not far away from that of a small state. The general objection might be raised that privately mobilized aid lets the body of states and international organizations off the hook. On the other hand, as long as ODA rates do not increase, all private money is actually needed.⁵⁹ Moreover, it might plausibly be assumed that private money can be placed faster and in a less bureaucratic and more effective way than governmental money. It might be that the well known critique directed towards ODA, which suits the economic interests of the giving states more than it suits the needs of developing states, is not as accurate in today's reality as it was in previous decades. However, there might still be a modicum of plausibility in the claim that projects funded with private money do not face these risks.

Second, those individual actors who can be described as social entrepreneurs—which also applies to philanthropists—fulfill a *pioneer function*. In order to achieve social change, they implement an innovative idea with the intention that it works as a model for others to follow, whether these “others” be non-state actors, states or international organizations. This is perfectly demonstrated by the micro-credit idea implemented by social entrepreneurs such as Muhammad Yunus. Since Yunus has untiringly promoted micro-credit projects in trans- and international forums and referred thereby to experience already acquired, many governmental and international institutions now have micro-credit programs on their agendas. One can therefore say

⁵⁸ <<http://www.oecd.org/dataoecd/27/55/40381862.pdf>>, accessed 3 November 2008.

⁵⁹ This might be seen as the application of the principle of subsidiarity in a converse manner.

that here the pilot function has been quite successful. Further empirical research may reveal additional cases⁶⁰ where ideas for social change that were developed and implemented through the work of individuals were later picked up by states and international organizations as public policies and then became even more large-scale.

Third, civil entrepreneurs, especially when they are celebrities, fulfill a *mobilization*⁶¹ and an *integration function*. Although one should be hesitant in assessing that celebrities as diplomats can do a better job than professional diplomats, in one respect, celebrities have a special capability at their disposal that governmental officials and most NGO workers do not have: “They can focus the entire world’s attention on a problem, and they can help build a groundswell of public support for the work that the professionals are doing.”⁶² Insofar as they find a way to a mass audience that is beyond the reach of politicians, they are able to mobilize people for public goods and the well being of others. In doing so, they integrate people across borders. Further empirical research could examine other kinds of celebrities such as religious leaders who not only play an active role in transnational peace-building processes but moreover give voice to the poor and suppressed. Indeed, Pope John Paul II successfully managed his role as a moral entrepreneur—which seems a more appropriate term here. In summary, the work of these societal individual actors can be recognized as being complementary to that of states and international organizations.

As the theoretical discussion has shown, these individual actors could fill an important slot in the global governance system. Just as democratic nation states depend on the characteristics of a free society with the undirected, spontaneous, and pluralistic dedication of its members as politically and socially active citizens, so does a well-functioning and legitimate global political order. The emerging global civil society fulfills somehow the conditions on which—among so many other aspects—the “good” global political order depends. Further empirical research will show the extent to which the theoretical ascriptions may merely be aspirations.

Finally, there is one remaining normative question that should be discussed here. It is the question of legitimacy. The issue of legitimacy arises for all political actors

⁶⁰ For more examples, see David Bornstein: *How to Change the World – Social Entrepreneurs and the power of New Ideas*, New York: Oxford University Press, 2004.

⁶¹ See Cooper, *Celebrity Diplomacy ...*, 2008, p. 114.

⁶² *Ibid.*, p. 127 (Cooper cites a newspaper editorial here).

who wield significant power; and does so in the case of actors as well. Not surprisingly, the greatest amount of critique concerning individual actors has been targeted at the Gates Foundation and its legitimacy.⁶³ Bill and Melinda Gates act in an almost unique manner—they wield a great deal of power as a result of their financial resources and the celebrity status of Bill Gates without having a democratic mandate to do so as representatives of anything or anyone. More specifically, they were neither elected nor appointed to do what they do, and there is no political time limit on what they do. As they are along with Warren Buffet the only trustees on the board of the foundation, they are not held accountable to anyone. No mandatory checks and balances provide them with outside views to guide their decisions and, if necessary, force them to revise incorrect courses or bad policies. At the same time, this criticism needs to be further differentiated. If these individuals' political actions are seen as a general problem, then individual political actions of any nature would begin to arouse suspicion. As stated above, free and undirected societal forces are part of the preconditions on which a political order relies. Nevertheless, societal endeavors as private enforcements of public interests should be open to critical discussion by the public.

In fact, with regard to the current legal situation concerning individual donors and foundations, all that remains is public discussion and critique. As a legal restraint in the US, the primary requirement is that revenues and expenditures are disclosed in order to reap the benefits of tax exemption.⁶⁴ The one fundamental alternative would be not permitting “individual donors and foundations substantial freedom to define

⁶³ The critique that is directed towards “celebrity advocates” focuses rather on the question of output legitimacy; thus, the campaign “Product (RED)TM” led by Bono has raised suspicion of being a cheap “possibility that everyday people can engage in low-cost heroism.” Buying products labeled with “Product (RED)TM” is shopping for good—with every product sold, a percentage of the profit is dedicated to the UN’s Global Fund. The critique is that Bono does not pay attention to questions such as whether the labor conditions in the production process are fair or if environmental standards are met. Therefore, these products do not fulfill the high standards of ethical and sustainable trade. See Lisa Ann Richey and Stefano Ponte: Better (Red)TM than Dead? Celebrities, Consumption and International Aid, in: *Third World Quarterly*, 29 (4), 2008, pp. 711-729 (in particular, p. 723).

⁶⁴ This applies on the federal level. The “Internal Revenue Service” states that a private foundation has to file a specific form containing the revenues and expenses, which is subject to public disclosure. “In addition, there are several restrictions and requirements on private foundations, including: (1) restrictions on self-dealing between private foundations and their substantial contributors and other disqualified persons; (2) requirements that the foundation annually distribute income for charitable purposes; (3) limits on their holdings in private businesses; (4) provisions that investments must not jeopardize the carrying out of exempt purposes; and (5) provisions to assure that expenditures further exempt purposes.” See <<http://www.irs.gov/charities/charitable/article/0,,id=96114,00.html>>, accessed 3 November 2008. For an international comparison, see Helmut K. Anheier and Siobhan Daly (eds.): *The Politics of Foundations. A Comparative Analysis*, London and New York: Routledge, 2007.

their own purposes and to further them”⁶⁵ but instead imposing a bundle of legal restrictions on them concerning the foundation’s management, its concepts, and its decision-making processes. One can assume that the more restrictions are imposed the less willingness there will be to use private money for public purposes.

Coming back to the Gates Foundation, the public had taken vivid interest in the way that its assets are managed in the stock market. It turned out that the Gates Foundation does not have an ethical stock policy, which means not investing in corporations employing exploitive methods, and not taking care of the environment, thus causing environmental damage as has been the case with some of the oil corporations in the Niger Delta.⁶⁶ According to media coverage, the Foundation first promised to review its investments but then, however, withdrew this pledge.⁶⁷ The Gates Foundations’ legitimacy depends not only on its stock policies but moreover and even more importantly on how internal mechanisms have been established to ensure accountability and effectiveness. In order to get a clear picture of the Foundation’s performance in this respect, transparency is a necessary precondition. Whereas, on the one hand, the internet presentation of the Gates Foundation is very sophisticated and professional, on the other hand, the Gates Foundation is reluctant to provide more detailed information, for example information dealing with the successes and failures of their programs.⁶⁸

Fundamentally, the institutional design of the Gates Foundation is simple: the three members of the board, namely Bill and Melinda Gates and Warren Buffet, hold the decision-making power. Recently the Foundation has introduced new advisory panels to guide strategic planning, one for each of the main branches of the Founda-

⁶⁵ Katz *op. cit.*, 2007, p. 5.

⁶⁶ “Dark Cloud over Good Work of Gates Foundation,” in: *Los Angeles Times*, 07 January 2007, <<http://www.latimes.com/news/nationworld/nation/la-na-gatesx07jan07,0,6827615.story?coll=la-home-headlines>>, accessed 3 November 2008. This article provoked some attention in the foreign media; see for example “Kinder verseucht, aber gegen Masern geimpft,” in *Süddeutsche Zeitung*, 10 January 2007, <<http://www.sueddeutsche.de/kultur/artikel/548/97451/>>, accessed 3 November 2008.

⁶⁷ “Not many speak their mind to Gates Foundation,” in *Seattle Times*, 03 August 2008, <http://seattletimes.nwsourc.com/html/localnews/2008088717_gatescritics03m.html>, accessed 3 November 2008. The Foundation’s own statement in this regard is rather vague; see <<http://www.gatesfoundation.org/about/Pages/our-investment-philosophy.aspx>>, accessed 3 November 2008.

⁶⁸ See the remarks of Joel Fleishman, quoted in the above-mentioned article: *Seattle Times*, 03 August 2008. See also Joel Fleishman: *The Foundation. A Great American Secret. How Private Wealth is Changing the World, Public Affairs*: New York 2007, preface, p. xiii: “... it is essential that the Gates Foundation lead the foundation sector by becoming a model of what a transparently run foundation can be.” Up to now, the Gates Foundation has been very reluctant in granting interviews for academic purposes.

tion's work, in order to bring in outside voices and critical partners.⁶⁹ However, since the advisory panels do not have any decision-making power, a more far-reaching approach would have been opening up the board of trustees; as it is, the board seems too small to adequately ensure that a diversity of views influence the Foundation's decision-making.⁷⁰ An expert on the US foundational landscape has noticed that foundations, while putting "the power of concentrated money behind individuals ... transform ... American pluralism into a polyarchy with effective firepower. The greatest contribution of America's private foundation, therefore, is in continually empowering widely diverse individuals and groups, holding a rainbow of views".⁷¹ This holds true for the global civil sector as well.

⁶⁹ The panels are seen as "part of the foundation's ongoing effort to seek out the counsel of outside voices who can help increase the impact of its work. [...] The advisory panels will function for an initial period of three years, at which time the foundation and panel members will evaluate next steps. Each panel will meet twice a year, and members will be available to provide advice to the program presidents on strategic issues. The chair will moderate panel meetings and work with the president to develop meeting agendas and post-meeting reports for the foundation's CEO and trustees" (19 September 2007), <<http://www.gatesfoundation.org/AboutUs/Announcements/Announce-080204.htm>>. This page last appeared on 8 September 2008 (Google); cached page accessed 3 November 2008.

⁷⁰ Pablo Eisenberg: Gates: Role Model in Need of Remodeling, in: *The Chronicle of Philanthropy*, 08 March 2007.

⁷¹ Fleishman, *op. cit.*, 2007, preface, p. xvi.

IV. Summary and Outlook

As has been described here, in the emerging global civil society one particular type of actor is becoming politically more significant: namely, the politically active individual who, as a “citizen of the world,” engages in transnational activities for the benefit of his or her fellow human beings. Through their activities, these actors hope to effectuate comprehensive societal change in order to overcome social inequality and to achieve worldwide recognition of human rights. In contrast to many NGOs, who seek to influence the process of setting and implementing policy standards through advocacy, these actors consider themselves to be “in the doing-business” (Bill Clinton). Instead of taking the circuitous route through the established political institutions charged with collective standard setting, some of these actors aim for a direct impact in problem solving by providing, for instance, healthcare or educational facilities and equipment, or by trying to transform social norms directly. Each of them contributes in their own special way, bringing in the particular resources that they have at their disposal. With regard to the examples examined here, three main resources turned out to be of special importance: money, entrepreneurial skills, and celebrity. Mainly on the basis of these resources, three different types of socially valuable action have been considered here: philanthropic action, which provides service to society and even social services; social entrepreneurship, which brings about structural change and large-scale effects; and civil entrepreneurship, which focuses on innovative and effective forms of influencing others, namely powerful elites such as high-ranking politicians, CEOs and groups of people such as consumers and voters.

To what extent this social and political engagement of cosmopolitan activists targeted at social change can be empirically considered as an effective and legitimate societally driven force that contributes to global governance remains an open question. Aside from their obvious positive potential, a number of critical questions concerning the legitimacy of such activities should be taken into account as well, in particular, as discussed here, issues of checks and balances and control.

In any case, with regard to the still incomplete picture of the building of political order beyond the nation-state, the politically active individual who engages in transnational activities for the benefit of his or her fellow human beings should be regarded as one further tile in the mosaic. In horizontal relationships between the citizens, transna-

tional solidarity deepens: This is what citizens of the world owe to one another as fellow members of the world community, as addressed in the Universal Declaration of Human Rights.

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