National Service or Bust

ACTION TANKING, THE SOCIAL ENTREPRENEUR'S TRAP, AND A PROMISING PATHWAY TO A NEW PROGRESSIVE ERA

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Note to Participants at the 2006 *Gathering of Leaders:* This paper is written in the hopes of generating discussion and critique at Mohonk, and beyond, as well as providing City Year's stakeholders with information on how action tanking concepts have shaped decision-making at City Year. With regards to the latter, for Mohonk readers, please excuse the lengthy material on City Year. At a later date, I hope to research how other organizations have used action tank strategies and tactics; for now, I have stuck with what I know. As you will see, the ideas and concepts in the paper, which have been developed in partnership with Alan Khazei over many years, and which have been informed by lively discussion with the organizing committee for the 2006 *Gathering of Leaders*, are still very much a work in progress. Your feedback and ideas are greatly welcomed through both informal discussion and via email at mbrown@cityyear.org. I want to thank Vanessa Kirsch and Kim Syman at New Profit for encouraging that this paper be written and to Kim for her clarity of editing and conceptualization. I want to thank Andrea Eaton for her tremendous support in writing, editing, and encouragement, and Alan Khazei and Charlotte Mao for their editing skills and feedback, and lifelong partnership.

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I. When No Other Term Seemed to Fit

My college roommate, Alan Khazei, and I started City Year in 1988 because we became passionate about the concept of voluntary national service as a means of building a stronger, more responsive democracy, and the vision that one day the most commonly asked question of an 18-year old could be, "Where are you going to do your service year?"

By the early 1990s, we had begun to describe City Year as an "action tank for national service," mainly because no other term seemed to fit. Although it engaged young people in full-time community service, City Year was not just a program. Similarly, while it deliberately sought to influence public policy, City Year was certainly not a think tank.

Rather it was a combination program and mobilization organization (the "action") and a developer of national service policy proposals (the "tank"): hence, an "action tank." The term seemed to fit how the organization operated, what it was seeking to achieve, and even provided a useful prism for thinking about major organizational and programmatic decisions with far-reaching ramifications, it has turned out, for the organization's development.

Over the years we have begun to think more theoretically about the concept of "action tanking" itself, and the great promise it holds as a tool for social entrepreneurs to leverage their entrepreneurial insights and programmatic solutions into larger scale change across a full spectrum of social, economic and political issues.

Although the roots of America's democracy are very pragmatic, a number of forces, including increasing political and ideological partisanship, as well as the recognition of the limitations of purely governmental approaches, have combined in recent years to make it harder to achieve political consensus and the requisite will to solve pressing public problems. These trends towards political gridlock have been intensified by Post-Watergate media pressures, a 24-hour-a-day cable and internet news cycle that changes the national agenda almost hourly, and the rise of "infotainment" that tends to either crowd out serious public debate or generate more heat than light on major public policy issues.

In this regard, we have come to believe that action tanking, at its greatest level of promise, can ripen into a new governing philosophy for a "New Progressive Era" that can help break political gridlock by building consensus for pragmatic "what works?" solutions to many of the nation's pressing and seemingly intractable public problems, including healthcare for all, school success and lifting people out of poverty.

This paper, written to generate discussion at the 2006 *Gathering of Leaders*, and provide City Year stakeholders with an understanding of how action tank strategies and tactics have shaped the organization's development, is our first attempt to write down our experiences with action tanking and our thoughts on its larger theory and implications, including the limits of pursuing purely programmatic or organizational development objectives—what we have termed, "The Social Entrepreneur's Trap." By removing the barriers that stand in the way of social enterprises effecting large-scale societal change through partnership with the

public and private sectors, and citizens at large, we believe that great economic, social and environmental strides could be made towards societal goals that are widely shared.

The progress of the national service movement over the past few decades has been the result of the work of many organizations, public officials, private sector leaders, and social entrepreneurs, and especially the hard work, dedication and sacrifice by those who have given a year or more of their lives in service to their communities and country. City Year is just one organization among many. This paper's description of City Year's involvement in the national service movement and the launching of AmeriCorps is presented only to give an example of an action tanking approach, and is by no means a complete description of the many contributions of organizations and people to the advancement of national service in America.

We welcome discussion, critique and feedback from our social enterprise colleagues and civic and philanthropic partners to whom we are deeply grateful for their insights, investment and friendship.

II. Passion and Dissonance: City Year's Founding Context

A personal journey through governmental, political, programmatic and academic experiences

Alan and I discovered the national service concept from a policy perspective in 1981, when I took a year off from college to work as a legislative aide on Capitol Hill for Congressman Leon Panetta, whose legislation, H.R. 2500, called for the establishment of a blue ribbon commission to study the idea of voluntary national service. Alan joined me in D.C. as a summer intern, and—inspired by the potential of national service—we worked together to recruit people from across the country to testify at a subcommittee hearing on the bill, including a Gallup pollster and an 80-year old veteran of Franklin Roosevelt's Civilian Conservation Corps.

There were a lot of reasons to get passionate about voluntary national service, the idea of calling on America's youth to give a year or more in service to community and country to tackle pressing domestic needs and problems. First proposed in 1910 as "the moral equivalent to war" by American philosopher William James, the tremendous promise of national service was that it could potentially do so many things at once for the country: meet pressing human and environmental needs; serve as a civic rite of passage for a lifetime of active citizenship for the nation's youth; help complete the Civil Rights Movement and build civic trust by uniting young adults across lines of race and income to serve side by side for a shared public purpose; bring fresh ideas and energy into the nonprofit, civic and governmental sectors; develop new leaders for the common good; inspire the civic spirit of the general population through engagement with national service participants; reinvigorate a progressive American patriotism and practical "let's fix things" political spirit; and provide access to the American Dream through life-changing benefits offered in reciprocity to those who served.

The hearing helped move H.R. 2500 out of subcommittee to the full committee on Education and Labor, where it died, never finding its way to the House floor. The "Reagan Revolution" had begun, bringing with it a wholesale reassessment of the role of the federal government

and placing many existing government programs on the defensive. It was not an environment conducive to the launch of new federal programs, or even studying their feasibility. For Alan and me, however, the experience was life changing, igniting in us, at the age of 21, what has become a life-long passion to move the concept of voluntary national service forward.

After college, Alan and I continued to pursue advancements in the national service concept through political, programmatic and, in law school, academic channels. Alan joined Senator Gary Hart's 1984 presidential campaign, largely because of the Senator's strong position in favor of voluntary national service, and I worked for the City Volunteer Corps (CVC), a national service demonstration project launched by New York Mayor Ed Koch. A great success in many respects, CVC, which attracted almost exclusively young people from lower socio-economic backgrounds in need of a high school equivalency degree, did not succeed in its goal of uniting New York youth from a cross section of household incomes and racial backgrounds. Funded entirely by the city, it was not able to attract significant private sector support.

In law school, we learned about a promising democratic governing theory called "civic republicanism," which held democracy could and should be based not on the brokering of competing self interests, but instead on fostering deliberations on the common good and civic virtue among citizens. Our passion for national service only grew: a national service system could generate a *populist* civic republican democracy in which *every citizen* could become an expert in the needs of society, become dedicated to pursuing the common good, and gain access to higher education benefits through service. We began to consider launching a service program after law school to demonstrate the aspects of national service we were most excited about modeling: uniting diverse youth, the civic engagement of the private sector and the public at large, and the idea of national service as an essential tool for building a stronger democracy.

A policy in search of an enduring rationale

This journey through governmental, political, programmatic and academic national service experiences was our personal context just prior to launching City Year.

The policy context for national service, however, *was a context of dissonance*: national service seemed to be stuck—an inspiring idea whose time was always almost coming, but which never seemed to actually arrive.

On the one hand, the appeal of national service, we realized, was almost innate in the American psyche: the concept of diverse young citizens uniting for a year of service was, in the spirit of Dr. King's vision, "deeply rooted in the American Dream." People of all backgrounds, political affiliations and experiences were drawn to the idea of national service. To be sure, liberals liked its progressive values and social mission, and conservatives liked its patriotism and discipline. It even held the support of both Senator Ted Kennedy on the left and conservative thought leader William Buckley on the right, whose book, *Gratitude* (1990), called for a comprehensive system of national service.

On the other hand, despite a growing number of service programs at the state and local level, and an emerging national service issues network in the nation's capital, support for national service was, as the saying goes, a mile wide and an inch deep.

One reason for this dissonance, we surmised, was that the nation's previous experiments in national service had largely, from a policy perspective, been rooted in historically situated missions that had, for either economic, political, military or ideological reasons, lost or diminished their rationale over time. The CCC of the Great Depression—which put 500,000 "boys in the woods" in just three months following Franklin Roosevelt's inauguration—was a tremendous investment in American citizenship, at least for men (women were barred from service); however, it lost its rationale and quickly disbanded after the great enlistment for World War II and the ensuing economic boom after the war. This loss of rationale for national service as a job program perhaps explains why fifty years later, in 1984, President Reagan successfully vetoed the American Conservation Corps (ACC), a $225 million program modeled on the Civilian Conservation Corps of the 1930s.

The rationale for VISTA (Volunteers in Service to America) was to end poverty, a goal with broad consensus in the 1960s. But larger ideological shifts and the Vietnam War all took their toll on Great Society initiatives; VISTA never reached even a fraction of Sargent Shriver's vision of a million volunteers in service. Even the Peace Corps, born of the idealism of the 1960s and the Cold War's battle for the hearts and minds of the developing world, and today a beloved American institution, reached a high point of not more than 16,000 members, and not the 100,000 "citizen ambassadors" that President Kennedy envisioned. As the Cold War waned, the Peace Corps was re-justified on a more purely economic development basis at below peak levels, even as it remained an enduring, positive symbol of American idealism.

Military service is, of course, also a system of national service, which began in America in Revolutionary times with an army of citizen soldiers taking up arms against the world's leading military force of its day. The greatest national service mobilization in the nation's history, however, the military draft of the World War II generation, which was wildly popular, lost its rationale (in part through victory as "The Greatest Generation" defeated fascism) resulting in military demobilization. Then, the nation lost its way in Vietnam, with many political and cultural ramifications, not the least of which was the development of the All Volunteer Force and the re-positioning of military service as a profession one chooses rather than as an obligation of citizenship.

By the 1980s, the dissonance surrounding the national service concept was rooted in the fact that perhaps the strongest rationale for national service was neither jobs creation, poverty reduction or military manpower needs—but rather the need to make a structural investment in American democracy and citizenship: national service as a comprehensive youth policy for developing an ethos of citizenship, meeting 'the needs of the day' by releasing civic energy, and providing a structured pathway to economic mobility through service tied to benefits for higher education. As such, national service was a "common good" issue, admired by nearly all, but with no natural political constituency or broad-based interest group that would make national service a voting issue in congressional or presidential elections.

Another reason for the dissonance surrounding national service from a policy perspective was the vagueness of the concept itself. There were too many questions that still lingered about national service: How would it work? Would young people of all backgrounds join? Could

they do meaningful work? Would the private sector support it? How would it be organized? What would it cost? Often times, the subject of national service became quickly bogged down in a theoretical and ideological "mandatory" versus "voluntary" debate, which interestingly cut across left/right lines. We found the idea of requiring Americans to serve to be both highly problematic—Americans detest being forced to do anything—and highly premature: even if there were the political will to require a year of service from young Americans, the country lacked the infrastructure to implement such a plan. The "mandatory/voluntary" debate tended to suck the air out of the debate that was most needed: *What* should national service look like? *How* could we start to build a national service infrastructure, *and why?*

We realized from our own experience across different channels that national service could be helped along by an organization that combined programmatic, policy, and media strategies with grassroots mobilization—all under one roof. It needed an "action tank." With our now-crystallized belief that national service was the "missing link" needed to make American democracy more robust, responsive and just—we decided to start City Year—as a vehicle for advancing national service and for helping to get it unstuck. We realized, then and now, that we were a small part of a larger national service movement, with many people and organizations each doing their part.

On a personal basis, inspired by the power of the concept but frustrated by its slow development, we felt compelled to do everything in our power to move the national service ball down the field, towards that day when the most commonly asked question of an 18 year-old would be, "Where will you do your service year?" It was "national service or bust."

III. Action Tanking as a Theory for Leveraging Societal Change

Our experience developing City Year, along with our observations and admiration for the work by other social entrepreneurs in different fields, has inspired us to think about the concept of "action tanking" on a more theoretical level, as a series of concepts and stages that social entrepreneurs and social enterprise organizations can undertake to leverage large-scale change, beyond the programmatic boundaries of the direct service activities of their organizations.

Social Enterprise and Social Entrepreneurship

In the popular imagination, entrepreneurs are most often identified as "risk takers," but this is not what makes entrepreneurs catalysts for innovation. French economist Jean-Baptiste Say, a free-market enthusiast who translated Adam Smith's "Wealth of Nations," defined the entrepreneur as someone "who shifts economic resources out of an area of lower and into an area of higher productivity and greater yield." This definition is not only applicable to private entrepreneurs—social entrepreneurs also shift resources from lower use into higher utility.

Social entrepreneurs, as defined by J. Gregory Dees, a scholar who has played a leading role in defining and developing the 'social enterprise' field over the last twenty years, "play the role of change agents in the social sector by adopting a mission to create and sustain social

value (not just private value), recognizing and relentlessly pursuing new opportunities to serve that mission, engaging in a process of continuous innovation, adaptation, and learning, acting boldly without being limited by resources currently in hand, and exhibiting a heightened sense of accountability to the constituencies served and for the outcomes created."

Action tanking is one tool of social enterprise available to social entrepreneurs. That is, while all action tanking is social enterprise, not all social enterprise is action tanking, which is as it should be: social enterprise and social entrepreneurship are the broader concepts, with the latter representing the leveraging of societal assets to achieve a higher social utility, and the former encompassing the full array of activities designed to meet a social objective.

Defining the Action Tank Concept

An action tank is an organization dedicated to bringing about major changes in society, often targeted to advancing a specific public policy solution or agenda, in a manner that combines and leverages direct programmatic experience, policy generation, advocacy and civic mobilization across multiple sectors and the public at large. An action tank is a program, think tank and civic campaign, rolled into one organization, combining theory, practice and civic engagement to generate the ideas, will and resources to bring about a specific, major vector change in society. The ultimate change sought may be institutional, legal, behavioral and/or cultural and have political, economic, and social ramifications.

To achieve this major vector change, an action tank's strategies, goals and tactics at any given time may include any or all of the following: programmatic initiatives, legislative objectives, administrative law objectives, communication objectives, political objectives, public opinion objectives, research and evaluation objectives, media objectives, social learning objectives, societal attitudinal objectives and organizational development objectives—including the founding of new organizations, the triggering of new markets and sources of capital, and the creation of new for-profit, nonprofit and/or governmental "fields," industry categories, and coalitions.

An action tank process begins with a 'one day' vision—such as President Kennedy's vision that 'one day, a man will walk on the moon.' The next stage is to analyze what is holding back the achievement of that vision, and what strategies, tactics and objectives can be utilized to break through those barriers. Steps are then taken to execute on the identified strategies, tactics and objectives. Through both successes and failures, the action tank continues to ask, "What is holding back the vision from being achieved?" It then seeks to develop new strategies, tactics and objectives to make continued breakthroughs. *Perhaps the primary difference between an action tank and a program is that an action tank's programs and programmatic agenda are, to a certain degree, in service to the larger action tank agenda. That is, programmatic design and organizational initiatives and goals may change over time to assist in the larger action tanking objective of the organization.*

The most important characteristic of an action tank, however, is that it is always grounded in demonstrated, programmatic successes, in showing a "solution" in action. In fact, it is its programmatic experience that gives an action tank its legitimacy and power to generate consensus and societal will that cuts across lines of ideology and political partisanship to unite the public, nonprofit and private sectors to achieve a shared goal.

Action tanks—when combined with a robust visitors program and communication strategy—allow public, private and civic officials, opinion leaders, media and the public at large *to experience* what Robert Kennedy referred to as "a newer world," just as visitors to the set of Star Trek: The Next Generation were greeted by a sign that said, "Welcome to the 24th Century."

Action tanking's core theory is that public policy should be driven by "what works," and that, in turn, when people *experience* a working solution to a pressing public problem, they become believers, regardless of any prior negative preconceptions, be they ideological, political or rooted in personal skepticism, apathy or even cynicism. Action tanks' power is based on the old adage that "Seeing (or better yet, experiencing) is believing."

Still, the practical, experiential and programmatic side of action tanking is not enough, even when leveraged from a communications standpoint. The "think tank" and coalition-building elements of an action tank are also critical, for without them, action tanks would be "demonstration programs," which are important, but are not necessarily able to influence *if and how* entrepreneurial insights and programmatic breakthroughs developed by the action tanking organization will be distributed on a larger scale, how new industries and fields will develop, and what lessons, if any, public policy officials and leaders of other sectors will take from the organization's experience. At the same time, the policy, capitalization, philanthropic and field building ideas generated through the 'think tank' element of an action tank can have special legitimacy and power because they are rooted in the direct experience of the organization.

From our own experience and by observing that of others, we have identified distinct stages in action tanking, each building on the other. No staged process, however, is ever truly linear, and these process steps are no exception, as many of these steps may occur simultaneously or non-sequentially, while others may be repeated several times. With the further caveat that this analysis of the stages of action tanking is a work in progress, we have identified ten distinct steps:

1. Passion-struck: Identifying a need or injustice

Action tanking, like all journeys in social entrepreneurship, begins with being "passion-struck"—a life changing event or realization often found at the intersection of outrage and inspiration. Confronted by an injustice or pressing human need—or inspired by their own or another's compelling idea for improving the world—social entrepreneurs feel compelled to act on a vision for change.

2. Constructing a compelling 'one day' vision

Action tanking requires the strategic pursuit of the realization of a vision for how the world would be different if a specific need were met, an injustice corrected, or a compelling idea realized to its full potential. An action tank should construct a simple 'one day' vision statement that serves as a both a "north star" and a prism for decision-making.

3. Becoming an expert in the field

A critical next step is to become an expert in one's field, studying not only the current situation but also the history and policies and institutions that created it. This process, which can be both intellectual and intuitive, can include traditional library research, as well as oral history-taking and visits to those already working in the field, all of which can spark new ideas, variations on ideas or the need to adopt existing or even abandoned ideas. This process for gaining field expertise provides the knowledge and intellectual grounding needed to design a new solution, make one's case and answer critics. It also builds community and *esprit de corps* among people within your chosen field, laying the groundwork for launching an organization and building a larger movement.

4. Proposing an innovative solution based on an entrepreneurial insight

What the social entrepreneur seeks during this step—and always assumes is there to be found—is the "entrepreneurial insight," the innovative solution, a *"Eureka!"* moment that tells the social entrepreneur, initially *on a micro level*, what is the key ingredient to solving the pressing public problem, need or injustice. The innovative solution need not come from the field of inquiry alone. In fact, entrepreneurs, regardless of the sector in which they practice, become skilled at seeing patterns and making connections across seemingly unconnected realms, for example physics and spirituality. It is the discovery and implementation of an entrepreneurial insight and the proposing of an innovative solution that is at the heart of all entrepreneurship.

5. Establishing an Action Tanking organization—and recruiting people and resources to the 'one day' solution

The next step is to utilize one's passion, entrepreneurial insight and expertise to recruit the people and resources to launch an action tank organization. Passion is contagious, and well-reasoned solutions to pressing problems are compelling. The key at this stage is to recruit people, resources and champions to support the organization not only for its proposed programs but also for its larger action tanking methods and goal to achieve the 'one day' solution. Failure at this stage to be explicit about being an action tank will undoubtedly result in difficulties down the road, when the dynamics and opportunities of action tanking are misunderstood by internal and external stakeholders, or seen as being in conflict with programmatic growth or improvement goals or organizational development objectives.

6. Demonstrating, improving and promoting the solution—as part of a larger vision

The key to successful action tanking is programmatic success in demonstrating that the entrepreneurial solution works. The primary goal of the action tank in this stage needs to be dedicated to demonstrating, improving and promoting the innovative solution. For an organization to be a legitimate figure in a larger field and to influence policy it must achieve demonstrated success—and the ability to increase impact through constant redesign and

adjustment that gives operational programs an edge over purely policy-oriented think tanks. The innovative solution and the organization as a brand should also be promoted in this stage, but always in the context of working on a large vision and not merely as a program doing good work. Attracting policymakers, field builders, opinion leaders and media to the organization's operations should be a priority so they can experience the innovative solution and be inspired by the larger 'one day' vision the organization is dedicated to achieving.

7. Developing a comprehensive policy agenda for achieving the 'one day' vision

A comprehensive policy objective should be developed and shared widely with policymakers and the general public that lays out a full set of investments and actions that would have to take place to fully implement the entrepreneurial insight and programmatic solution to meet the 'one day' vision, including any legislative, legal, institutional and field-building objectives that would have to be met. A proactive approach of preparing a complete policy agenda, even if in just bullet formats, before an organization is asked for it by an interested policymaker or public official will always ensure that an action tank is ready to seize an opportunity for making rapid progress.

8. Leveraging the solution and the organization for institutional development, policy advances, and movement building

The organization must operate not with its own micro goals in mind, but rather with a focus on the macro goals of a movement. Once the organization has become actively involved in policy creation and development, it can then work with policymakers for a large-scale solution that can address the greater need. Other organizations and actors in the field must not be perceived as competitors by internal and external stakeholders, but rather as an alliance for achieving larger mutual aims. Coalitions should be built around common goals and objectives. Attention should be given to broadening into a large-scale movement that reaches citizens directly and crosses all sectors in terms of support. Elections at all levels of government, should be leveraged for action tanking purposes by bringing candidates and opinion leaders to the organization and coalition events, and by developing comprehensive policy initiatives.

9. Changing tactics, program design and goals as necessary to remove obstacles and leverage progress towards achieving the 'one day' vision

Operations should shift in constant pursuit of the larger action tanking objective, and questions regarding programmatic and organizational growth and development should be answered through the lens of an action tanking agenda. For example, the question of growth (or "scale") should be considered with respect to how scale impacts, or possibly detracts, from achieving the larger vision. Research, communications and public policy capabilities should be prioritized at this stage. Outreach to opinion leaders across all sectors should be continued and increased, with specific policy and field-building objectives as stated objectives.

There should be both a strategic approach to making larger strides in the action tank agenda, as well as openness to emergent opportunities. As suggested by the fact that the Chinese characters for 'danger' and 'opportunity' are the same, crises provides opportunities for leadership, vision and large-scale change implementations.

10. Seeking a fundamental shift in the public policy arena—a tipping point—through "level shifting" initiatives and bolder public policy proposals

Eventually, the final goal of the action tank is a broad-scale solution to the original problem through changing the public views of the issue as well as shifting the norms, behaviors, resources and institutions that relate to it. Consideration should be given to what strategies would most achieve, to quote Malcolm Gladwell's concept, "a tipping point," that could capture the imagination of policymakers, opinion leaders and the public at large, and help spread adoption of the entrepreneurial insight and programmatic solution. Consideration should also be given to "level shifting" initiatives—"Super Mario-like" jumps between neighborhood, municipal, regional, national and international levels for programmatic or policy engagement. For example, a neighborhood "saturation demonstration," in which a significant percentage of members of a target population have their lives positively affected, could provide the impetus for larger scale national public investment or total societal adoption. Similarly, a national adoption of a programmatic solution outside the United States could leverage change domestically. A larger, bolder policy framework should be developed in this period for achieving larger scale distribution of the organization's programmatic solution, and a greater percentage of the organization's resources and senior attention should be shifted to achieving larger systems changes and public policy goals.

As mentioned above, no staged process is ever truly linear, and these ten stages of action tanking are no exception. They have, however, provided us with a useful paradigm for considering organizational objectives, and for advising others who seek to use action tanking techniques in their fields of passion and vision. As discussed below, we have sought to use an action tanking paradigm and a series of action tanking strategies and tactics at City Year to advance the national service agenda.

IV. Action Tanking at City Year: Program Design, Policy Leverage, and Scale

As an action tank for national service, we have tended to concentrate on two compass points: achieving the 'one day' vision for national service as a civic rite of passage for all Americans, and the ever-present question, "What's holding it back?" It was the "action tanking" of answer(s) to this question that shaped almost every aspect of City Year's development and decision-making, especially with regards to program design, policy engagement and scale.

1. Program Design

Who should serve?

The number one question we wanted to answer – and demonstrate – through founding City Year as an action tank was the question, "Who should be asked to serve their community and country through national service?" The compelling answer, we and many others believed, was *everyone*.

There were and continue to be, however, competing ideas as to who should serve. William James proposed national service, in part, to "get the childishness knocked out of" America's more affluent youth of the Gilded Age, who would then "come back into society with healthier sympathies and soberer ideas." Conversely, in the 1980s, in the wake of the de-funding of CETA, the Comprehensive Employment and Training Act, and the decline of Job Corps, service corps were seen by many, and rightly so, as a promising vehicle for solving youth unemployment and economic disaffection among the country's lower classes.

For many of us coming of age during the 1960s and 1970s, however, national service was a strategy for helping to "complete" the Civil Rights Movement, at least that portion of the movement dedicated to integration and building what Dr. King had called "the beloved community." The theory was that by working side by side for a shared public purpose young people of different backgrounds would break through prejudice and move beyond mere tolerance to achieve deep civic trust, mutual interest and interracial and socioeconomic relationships and commitments.

The question of who should serve went quickly to one of compensation. While national service, we reasoned, is "voluntary" as opposed to mandatory, like the All Volunteer Force of the United States military, young people who served full-time needed to be provided with resources to support a full-time service commitment. A conservative argument against national service, however, posited that volunteer service should come from generosity of spirit, not in order to get a stipend, and that the country should not "pay volunteers." The natural extension of this argument would be that only the most affluent young people, with parents able to pay for their living expenses, would ever be able to participate in a full-time service program.

For living expenses, we sought to offer City Year corps members a weekly stipend that was large enough for young people of all backgrounds to be able to serve, but low enough for it to also be an experience of true sacrifice. We also felt strongly that national service should provide "life changing" access to higher education, and for this reason, similar to CVC and other programs, we offered a post-service scholarship of $5,000, an element designed for both programmatic and action tanking purposes.

For these reasons, we put the recruiting of a diverse corps above all else, including funding. Early in the organizing for our pilot program, we were approached by a federal grant maker operating under the Department of Education who said he could provide City Year with a grant of $100,000, but we would have to dedicate our corps entirely to young people from low income backgrounds. Although we had raised almost no money against a $200,000 pilot program budget, we had to turn down the offer.

Action tanking the issue of uniting a diverse national service cohort brought knowledge and insights for national service policymaking. Over time, we replaced the term "diversity," with its emphasis on difference, with the term "inclusivity," for its connotation of unity for a common purpose, and developed a set of cultural tools designed to instill a common set of values and ideals among the corps. We realized from this experience that national service could help America make its great diversity work as a strength, through a shared, practical civic culture and common set of civic values, both of which national service could help develop and disseminate. We learned that this commitment to uniting and maintaining a diverse corps makes national service more expensive, as significant resources are needed to invest in the recruitment and selection process and special program elements, including uniforms and overnight retreats, both of which break down social barriers and build unity and trust.

How should national service develop? Is there a role for the private sector?

City Year was launched entirely through private sector support in the form of engaged corporate sponsorships of City Year teams and a day of citizen service tied to fundraising—a twist on the walkathon concept that we called a "serve-a-thon." This strategy was necessitated in part by the fact that, at the time of the organization's founding, there was no city, state or federal funding for national service initiatives available to City Year. However, the engagement of the private sector was also rooted in seeking to action tank the question of how national service should develop.

The idea for a large-scale national service program appeared to be, like the CCC, VISTA and Peace Corps, not to mention military service, a call to create a large-scale federal program in which the federal government paid for 100% of the program's costs, operated the program, and made program participants essentially federal employees.

Many of us in the national service field came to believe over time, however, that an entirely governmental delivery means for national service could not achieve the desired results of generating an engaged citizenry. If national service were to ignite civic energy, then citizens, private organizations and companies needed to be engaged in its development and implementation, even as the government was being pursued aggressively to become a major investor in national service. Rather than the creation of a new, single, "silo-ed" government program, national service, we and others believed, should release civic energy and therefore be rooted in citizen, nonprofit and private sector initiative. National service could be much more than a government program; it could be a movement, and a completely new civic arena.

We also assumed that there was a great deal of pent up idealism in the corporate sector, as many Baby Boomers who had come of age in the Age of Aquarius had perhaps traded in their tie-dyed shirts for pinstripe suits, but not their passion to change the world. We also believed that it was not government's responsibility alone to meet the social and civic needs of the nation, that the efficient, powerful engine of the private sector needed to be channeled into doing good, and not just doing well, and that customers, voting with their dollars, and ultimately Wall Street, voting for shares, would reward those that did.

Rooting City Year in the private sector also provided the organization with the opportunity to pursue its programmatic action tanking objectives in a manner unrestricted by public funding constraints, such as the difficulties of seeking municipal funding for a program that crossed city/suburban lines or, as mentioned above, federal funding for a program that united young people from all economic backgrounds. The goal was to encourage governmental actors to accept "national service as national service," and not pieces of it, as a jobs program, a higher education access program, or a service delivery program, for example. Over time and through demonstration, the reasoning went, the case would be made, in large part by its private sector champions, for governmental investment in national service in a holistic way, in the civic sector.

It was also important to the action tank agenda that City Year start privately, and only then seek governmental support. We had seen a number of private/public partnerships begin in the 1970s and 1980s as governmental initiatives which then sought private sector partnerships. For many of these initiatives, the ownership level of the private sector partners was never as high as the governmental initiator, and the vagaries of elections and shifts in public priorities tended to wind down these partnerships over time. We felt that by reversing the order of this engagement, the private sector could and would have a stronger ownership stake. In 1990, when the first federal funds became available for national service on a demonstration basis under the administration of President George H.W. Bush, City Year made a policy decision to ensure that it raised more than one dollar privately for every federal grant dollar it received, a decision that essentially gave the private sector at least a 51% "ownership" stake in the organization.

By the early 1990s, there were many state and local service corps in operation, City Year being just one. AmeriCorps is designed to promote the development of national service as a broader civic movement in that it invests in literally hundreds of local, state and nonprofit programs as its distribution mechanism, offering funding for stipends, program support and post-service benefits, while also requiring a degree of matching investments from private sources or municipalities. In fact, the billion-dollar private support of AmeriCorps organizations has shown that hundreds of companies were and are eager to use a national service platform to express their civic values and commitment to customers, employees and other stakeholders, and to become deeply involved in the organization's mission, programs, policymaking goals and organizational development, rather than simply writing a check.

2. Policy Leverage

City Year's policy objective, working with other national service leaders and organizations around the country, was to leverage City Year in Boston to promote the launching of a federal national service program that united young Americans for full-time service, leadership development and civic engagement. In this regard, the organization was always seeking to operate on two planes at once: a programmatic plane and an advocacy, communications and policy plane. We sought, as much as possible, to leverage each programmatic and policy element to reinforce each other.

For example, the City Year corps wore uniforms and performed synchronized exercises each morning in front of City Hall plaza which created an *esprit de corps*, but also generated significant visibility for the service corps concept. Similarly, roundtable discussions between corps

members and visitors expanded the horizons and sharpened critical thinking skills among corps members while developing new champions for the larger policy goals. The launch of an annual national convention was conceived to show City Year corps members that they were part of a much larger national movement and as a vehicle to engage the private sector, the media, the philanthropic community, and leading governmental officials from both sides of the aisle.

We also looked to media as a means to seek policy leverage. The press release for City Year's first opening day in 1988 referred to the program as a demonstration of the idea of voluntary national service. According to Nick Littlefield, who at the time served as Staff Director and Chief Counsel for Senator Kennedy on the U.S. Senate Health, Education, Labor and Pensions Committee, Senator Kennedy used copies of the *New York Times* article on City Year to encourage leaders in the House and the Senate to support his legislation on national service.

A visitors program—involving a sit-down roundtable discussion with corps members—has been a key element of City Year's action tanking strategy with regards to influencing national policy. The organization has a mantra that "all big breakthroughs" can be linked back to a visit. We were honored, when, early in his tenure, Gregg Petersmeyer, who served as the director of the first White House Office of National Service under President George H.W. Bush, agreed to visit City Year and spent an entire day with us. Gregg, working directly for President Bush, was instrumental in founding the Points of Light Foundation and the passage of the National and Community Service Act of 1990 authored by Senator Kennedy, the first federal investment in national service in more than a generation.

By far the most significant visit to City Year occurred in December 1991 when presidential candidate and Arkansas Governor Bill Clinton visited City Year. National service advocates had long believed that it would take strong presidential leadership and political capital to establish national service as a vital new American institution, mainly because the concept, while holding broad general support, enjoys the support of no powerful special interest group. As presidential campaigns are quadrennial opportunities to shape the American agenda, we and other national service advocates looked to the 1992 presidential campaign, in a completely nonpartisan manner, as an opportunity to spotlight national service and formally invited all of the presidential candidates to visit, and Governor Clinton was among two to accept.

As head of the Democratic Leadership Council, Arkansas Governor Bill Clinton had strongly supported the concept of voluntary national service as a means of meeting the needs of the nation, connecting access to higher education to service, uniting people of all backgrounds, and promoting the concept that there should be reciprocity between the benefits and obligations of citizenship. President Clinton would later say that his visit to City Year helped to inspire his creation of AmeriCorps by providing him with a concrete example to which he could point to show others that his vision for national service could work. President Clinton's visit to City Year, however, was just a very small part of the immense work done by many, not only in the field, but by the White House under Presidents Bush (41) and Clinton, by Congressional leaders including Senators Kennedy, Mikulski, Wofford and Nunn, and by other government leaders as well that led to the launch of AmeriCorps in 1994.

In the summer of 2003, AmeriCorps faced its greatest crisis, as a near "perfect storm" of administrative issues led to the announcement of an 80% funding cut in the coming fiscal year, a prospect which would devastate the field of 800 AmeriCorps programs that had been built carefully over a decade. Faced with such dramatic cuts, many organizations including City Year went into "Action Tank" mode and formed a coalition to "Save AmeriCorps." The coalition brought the AmeriCorps crisis to elected officials in the form of organizing 100 consecutive hours of citizen testimony on national service on Capitol Hill, key opinion leaders in the public and private sectors through full-page advertisements in leading opinion publications, and directly to the American people through the generation of more than one hundred editorials and op-ed pieces. The one-year cut in AmeriCorps was reduced to about 40% and in the following year, AmeriCorps was given all of its funding back, and its largest increase to date, growing the number of annual participants from 50,000 to 70,000 members. The Save AmeriCorps Coalition is now an ongoing organization, Voices for National Service.

Because of the work done by many people and organizations, today, more than 800 nonprofit organizations, including City Year, receive federal support from AmeriCorps to deploy corps members into service. To date, AmeriCorps has enlisted over 400,000 Americans (including 8,000 City Year alumni) who have dedicated nearly three quarters of a billion hours to meet critical national needs in education, public safety, health, and the environment. There are, however, more than 25 million Americans between the ages of 17 and 25. From the perspective of the 'one day' national service vision, there is still much to be done. City Year, working with others, is seeking to generate and support new strategies for increasing the annual AmeriCorps cohort to 250,000, and eventually one million, in part by seeking to promote the concept of a "new GI Bill for the 21st Century" that would unite military and civilian service opportunities and benefits under one comprehensive system of voluntary national service.

3. Replication and Scale

Action tanking principles and goals have also shaped our decision-making with regards to replication and scale, and have provided a lens through which we have had to make hard decisions about where to utilize our limited resources.

City Year began as a corps of 50 participants in Boston in 1988, and today has more than 1,100 corps members serving annually in 16 U.S. metropolitan areas, and Johannesburg, South Africa. When we founded City Year, however, we did not know if the organization could be sustained in one community over a period of a few months or years, much less replicated to other communities. We also needed to concentrate intensively on ensuring the model worked programmatically.

From an action tank perspective, as well as a programmatic perspective, we did think that demonstrating greater scale than 50 Boston corps members was important, as more types of service could be demonstrated, and the organization could have a larger civic impact on the Greater Boston community. Accordingly, we concentrated in our first five years on growing the size of the corps by approximately 50% annually, through increased private sector fund-

raising activities.

During this period, we received a number of requests to work with local leaders to start a City Year program in other communities across the country, and even outside of the U.S., each of which we declined, in part for operational reasons; we simply did not have the organizational sustainability or capacity to support a replication initiative. From an action tank perspective, there was no reason to launch new City Year programs in the organization's early years, even if the financial support and organizational stability had been in place, as the Boston program could be leveraged by inviting national policymakers, opinion leaders and media outlets to visit.

The signing of the National and Community Service Act of 1990 by President Bush and its creation of the Commission on National and Community Service changed the replication calculation from an action tanking perspective. The Act called for federal investment in national demonstration programs; we felt that it was important that City Year's model be included among those demonstrations. In addition, the Act provided for the first federal investment in national service in a generation, an investment for which City Year had advocated. We felt that City Year should do everything in its power to help that nascent federal investment succeed, even though we realized that the taking of federal funds, and its strict usage requirements, could potentially restrict some of the organization's approaches and programmatic elements, such as our placing of corps members in month-long for-profit internships during their corps year.

We used these early federal resources to grow the City Year corps in Boston to 300 members, so as to demonstrate scale in one community and to have pre-trained corps and staff ready to launch future City Year programs, as it became clearer that national service in the 1990s and beyond would not roll out as a single federal entity but rather as a grants program to organizations operating national service programs.

Over time, with the passage of the National and Community Service Trust Act of 1993 and the launch of the AmeriCorps program in 1994, it made sense to continue to replicate City Year, with the action tank rationale being that the organization needed to have a large enough presence in the AmeriCorps framework (1) to continue to have an influence on the nature of national service along the lines that City Year sought to promote, mainly with regards to corps member diversity, leadership development, and private sector engagement and (2) to build support for AmeriCorps by developing more private and public sector stakeholders committed to AmeriCorps success, sustainability and growth.

4. Changing Tactics for Action Tank Purposes

The prerogatives of action tanking, as we discovered, required periodic changes in program designs and organizational objectives, as well as the need to act on new opportunities.

Service Design

City Year initially pursued a service strategy to be the "yeast in the bread" of other nonprofit organizations. That is, rather than specializing in one or two service areas, City Year offered,

on an application basis, teams of supervised corps members to nonprofits as diverse as homeless shelters and senior centers to schools, after school programs and community gardening associations. On the one hand, we made this decision out of a very practical consideration, as well as a sense of humility: as a new organization, we were not experts in specific services and instead wanted to help nonprofits with focused service missions and expertise expand their capacity through access to teams of young people in service. The teams of corps members were not unlike a "grant" to the nonprofit organizations. From an action tank perspective, however, we especially wanted to demonstrate the breadth of national service, the fact that young people in full-time service could add value to the complete spectrum of community concern and initiative.

Over time, two developments necessitated change in this approach. First, City Year learned through experience and from the innovations of corps members and staff that it was especially strong at connecting with and meeting the needs of children for their educational, civic and social development during school and after school hours, and at mobilizing large groups of people for service projects and civic events. The organization has begun to focus on these areas of initiative. Secondly, from an action tank perspective, as AmeriCorps has developed and funded hundreds of nonprofit organizations, there is no longer an action tank objective to demonstrate breadth of service in one organization. Moving forward, national service could be advanced as a policy concept, and justify further public and private investment and expansion by demonstrating its effectiveness against specific needs, and by demonstrating that an intervention can have a dramatic impact on a more localized area, such as a neighborhood. Accordingly, City Year is reviewing a "saturation" service strategy as part of its strategic planning process.

National Service in Other Nations

Over its first fifteen years, City Year had hosted visitors from outside of the United States who had inquired about international replication. From an action tank perspective, City Year had long considered pursuing international work; there was no reason to limit the organization's policy objectives of promoting national service as a tool for democracy-building to a U.S. context. From a democratic theory perspective, all democracies are strengthened through national service, and emerging democracies coming out of years of internal racial and ethnic strife may in fact gain the greatest benefit from early adoption of an integrated national service program.

In 2001, President Nelson Mandela invited President Clinton to South Africa to speak about building a civil society in the nascent democracy. President Clinton invited City Year to join him to discuss the way that a program like AmeriCorps in South Africa could help the nation build its civil society more rapidly and intensively. This trip led to the launch of the Clinton Democracy Fellowship at City Year. Piloted in South Africa, the Fellowship was designed to engage emerging leaders outside of the United States in exploring citizen service strategies as nation-building techniques. The Fellowship in turn resulted in South Africans asking City Year to join with them in launching City Year South Africa.

There remained, however, many reasons not to pursue the launch of City Year South Africa,

including completion of the organization's domestic expansion and long planned investments in organizational capacities to improve the organization programmatically, managerially and financially, and many internal and external stakeholders of the organization strongly advised against it. Ultimately, action tanking priorities prevailed. In many ways, South Africa, with its obvious connection between the American Civil Rights movement and the struggle against apartheid and the promise of national service to help construct an integrated democratic culture in a new democracy, is an ideal context for advancing the concept of national service as a nation-building strategy. City Year South Africa was launched with 120 corps members in February 2005.

New Roles for National Service

More recently, City Year faced another expansion question that it had to pass through its action tanking lens, its operational constraints and priorities, and its moral compass. In the wake of Hurricane Katrina, several leading citizens and public officials of Louisiana requested that City Year set up not just a relief program to help with the immediate post-disaster needs, but launch City Year Louisiana on an expedited and long-term basis to meet the needs of displaced people and help address the social, economic and educational disparities so sharply exposed by the disaster and its immediate aftermath.

The request came during a year in which the organization had made an explicit decision to not open any new sites, and instead concentrate management's time and attention on programmatic and organizational development investments. The moral obligation to help in the greatest natural disaster in the nation's history was highly compelling, as was the fact that an original co-founder of City Year and longtime Louisiana resident, Jennifer Eplett Reilly, was leading the charge.

The decision to launch the site was made in part through an action tank rationale, as City Year felt compelled, like so many organizations, to respond to the great need in the Gulf Coast, but also to demonstrate that national service could be an important response tool in times of disaster, both in the immediate aftermath and as a longer term service provider. City Year is working with a coalition of national service organizations to propose that AmeriCorps be given a specific congressional mandate in the form of a new legislative title and funding to respond to future domestic disasters with a strong, immediate and lasting national service response.

V. The Social Entrepreneur's Trap

Although we have worked to maintain an "action tank" footing at City Year for nearly two decades, we recognize that at various times, we and our organization have been caught up in what could be termed, the "social entrepreneur's trap," a set of internal and external constraints that can hold back social entrepreneurs and social enterprise organizations from leveraging their passion, innovation and platform to achieve broader societal change in their mission arena.

At its most succinct, "the social entrepreneur's trap" is the situation that arises when a social enterprise seeks to improve or expand its own programs or organization at the expense of not leveraging the organization's expertise and other capabilities for field-building, policymaking

and broader societal change along the mission and vision lines of the organization.

To be clear, there are times in an organization's life cycle to concentrate almost exclusively on program development, managerial capacities and organizational development. Operating a strong, accountable organization that efficiently produces measurable direct programmatic outcomes is of critical importance, as is programmatic scaling. The question we must confront as social entrepreneurs is more nuanced: do we face dynamics, of our own making and the making of other actors, which concentrate our work on building our enterprises and pursuing direct programmatic outcomes at the expense of working on more leveraged breakthroughs that could yield higher return toward achieving the 'one day' solution we seek in our fields?

Most social entrepreneurs, to be fair, find themselves faced with "insurmountable opportunity." To a large degree, the 'trap,' is that social entrepreneurs may simply be too busy coping with organizational development, programmatic objectives and emergent crises and opportunities to be involved in more leveraged activities. But there are also more subtle elements of the 'trap' that are worth looking at closely and perhaps deconstructing, including lessons and limitations from private sector approaches and analogies, rationales for "scale," and attitudes towards political engagement and field building.

The tension, if you will, for social entrepreneurs arises around the degree to which we are responsible, accountable and passionate about building, improving and expanding our own organizations, programs and initiatives as our *raison d'etre* versus the degree to which our work is also or primarily in service to the pursuing a 'one day' action tank vision, whether or not our organizations are meeting those needs directly. These two vectors—maximizing direct programmatic outputs of the organization *and* maximizing leveraged, more indirect outputs towards succeeding in the 'one day' vision—may sometimes feel in sync, as both are inherently mission-driven, public-spirited, valuable and charitable, and may at other times diverge or at least appear to do so.

The constraints which make up the "social entrepreneur's trap" create distance between an organization's programmatic and policy objectives. As described below, each of these constraints should be examined, unpacked and reframed to better support action tanking entities and goals.

1. The Limitations of Applying Analogies, Concepts and Prerogatives from the Private Sector

The social entrepreneur's trap may result, to a certain degree, from considering social enterprises as too analogous to businesses, and social entrepreneurs as too analogous to private sector entrepreneurs. While there are a great many similarities, there are also important limits to the comparisons.

Social entrepreneurs admire and learn a great deal from private sector entrepreneurs and private sector enterprises and leaders, as we have done at City Year. There is a profound upside for the social enterprise movement to learn techniques and apply concepts, directly or by analogy, from the private sector.

To the great benefit of many social enterprise organizations, City Year included, they have not only adopted many private sector concepts but have also received great investment in management, finance, human resources and training, evaluation and technology application from private sector leaders and institutions, including leading business schools and stakeholders with extensive private sector expertise. This investment is profoundly appreciated and of enormous value to social enterprise organizations and the people they serve, as they have provided the social enterprise field with access to knowledge that has fueled tremendous advances in organizational productivity, efficiency, programmatic effectiveness and metrics, as well as scale-up and rollout capabilities.

One element of private sector thinking that social entrepreneurs *should* clearly adopt is a passion to create true, self-interest based markets. Markets based on self-interested transactions and actors will always be more efficient and robust than philanthropic "markets" dependent upon appealing to third party donors for resources. A major goal for social entrepreneurs should be, whenever possible, to 'trigger' or demonstrate the viability for a market approach to what had previously appeared to be an activity with too high a risk to attract the flow of for-profit capital and the entry of profit-motivated firms. The rationale for nonprofit and governmental enterprises, and the favorable tax status they enjoy, is largely based on the fact that there are 'market failures' and 'public goods' (goods which are important to society but which the private sector will not produce). If social entrepreneurs are able to close a market failure and transfer what had been thought of as a public good to a private sector production and distribution method, then this achievement should be considered a success, even if it means the nonprofit has essentially put itself out of business, or at least out of *that* business.

However, with regards to action tanking mission and goals, there are also important limitations, and maybe even dangers, to applying private sector principles too broadly, with important implication for social entrepreneurs and their stakeholders. The limits to using private sector analogies and concepts in the social enterprise field arise when we analyze the differences in the prerogatives and capitalization capabilities of private sector firms and most social enterprise organizations.

The prerogatives of private sector firms are *to maximize and internalize value to the firm*, and by extension to shareholders, by expanding sales, building market share, and increasing productivity. The value captured by the private sector firm is calculated in the form of stock price, the measurement of corporate value and performance, and all other corporate outcomes, both positive and negative, are considered 'externalities.' Highly efficient, self-interested, private capital markets help companies succeed in these prerogatives. The ability to "go public" with an initial public offering, and to continue to issue shares, as well as access in earlier stages to angel investors, mezzanine capital and debt, allows successful private firms to grow exponentially, and conversely, to fall in size and value just as efficiently.

The prerogatives, however, of nonprofits in general, and action tanks especially, are to maximize externalities: changed lives, needs met, and societies transformed through new industries, attitudes, norms, institutions, resource distribution, and policy arrangements. Although private philanthropy has and can make major capital investments in scaling and building the capacities of nonprofit organizations, there are no efficient capital markets for

growing nonprofit organizations, which tend to grow much more slowly than their private

sector counterparts through the use of annual revenue, rather than through major infusions of capital.

Comparison of the largest nonprofit entities (measured in terms of annual budgets) and the largest corporate entities (measured in terms of market capitalization) consistently show that the largest nonprofit firms are, for the most part, more than a century old, while the list of largest for profit firms is an ever churning list of new, medium-aged and older firms. Of the nonprofits launched in the last thirty years, only a handful of nonprofit firms have reached $30 million in annual budgets, a small fraction compared to for profit firms reaching the same level.

Action tanks specifically seek to maximize externalities by achieving societal, systematic and large-scale systems change. The prerogative of an action tank may be, for example, to trigger large-scale government investment (the equivalent of "going public" for a nonprofit entity), change governmental or even private sector policies and practices, inspire the development of a new field of nonprofit organizations that are, from a fiduciary perspective, unrelated to the action tank, or even trigger a private market distribution mechanism for the action tank's programmatic solution that can make the action tank entity eventually unnecessary.

In this regard, the emphasis on scaling and rollout, programmatic improvements and efficiencies, and the building of an organization's managerial and other capacities, while all important goals, should be recalibrated against larger action tanking objectives. Take for example, the question of scale, an activity that City Year has invested in greatly. The rationale for scale —and what to scale—may be different when put through an action tank lens than through a purely programmatic one.

From a purely programmatic perspective, assuming capacities are built to ensure continued or, ideally, improved quality, more is better: scaling nonprofit outputs brings more programmatic services and transformative outcomes to more communities and people in need of those services and outcomes. From an action tank perspective, however, the question of scale is more nuanced. *The question becomes, does scale, and if so what kind of scale, strategically remove barriers that are holding back achieving the 'one day' outcome? In this regards, scaling is a strategic exercise as much as or more than a programmatic or organizational development objective.*

In fact, given the time, energy and resources it requires to plan, perform the rollout and operate a subsequently larger organization, a major part of the social entrepreneur's trap may well be the decision to scale itself. While doubling, tripling and even growing an organization tenfold or more is a significant scaling achievement in relation to the pre-scaled organization, it may well represent, even after such great effort, a very small outcome when compared to the national or global *need* the organization seeks to address. To make more leveraged progress against a 'one day' vision, perhaps more emphasis should be placed on policy development, advocacy, field building and shaping public opinion.

Since most businesses operating in the same corporate space compete rather than collaborate,

one of the effects of a business-oriented mentality in social enterprise may be to resist field building, as nonprofits with similar 'one day' visions view themselves as competitors, rather than coalition partners, resulting in organizations who should be strong partners working for larger systems change developing instead as unconnected "silos," standing apart, albeit in the same field of passion and vision.

Apple Computer: Action Tanking in the Corporate World?

One intriguing example of what may have been action tanking (i.e., maximizing externalities) by a corporate leader is that of Steven Jobs and the early developments at Apple Computer[1]. At a time when many considered the idea of a 'personal computer' to be absurd, he saw expensive, large computers being used only by very technical people, and reasoned that it would be better to have many people using a smaller computer than a few using a large computer, because people are inherently creative.

Jobs then set about explicitly to change the 'vector' of computer use: making a physics analogy, he noted if you change a vector early in its trajectory, the implications for that vector over time are extremely large. Before Apple Computer, with few people using computers, the vector of computer use was not very steep and the 'area under the curve,' which represents the number of computer users over time, was not very large. The personal computer would, he reasoned, change the angle of the computer-user curve dramatically by bringing computing power into the hands of millions of people. Jobs accomplished this transformative goal in two stages, making an affordable personal computer (the Apple 2 and 2E) and then revolutionizing the computers' human interface (the Macintosh) through its backlit screen, pull-down menu, point-and-click mouse and intuitive operating system design.

Interestingly, neither Jobs nor Apple Computer captured the market value of this revolution; Apple maintained a proprietary hardware and operating system, while the PC industry was quickly making computer hardware a commodity, and Microsoft was making the PC operating system and software ubiquitous. Jobs was famously forced out of Apple, and Apple – which had changed the world – ending up settling at about 5% of the computer market share over time, even teetering on going out of business altogether several years back. The key sticking point at that time appears to have been Jobs' resistance to open up the architecture of the Apple operating system and turn Apple computers into more generic components, like the PC industry.

While one could argue that Apple and Jobs made strategic business mistakes that prevented the company and Jobs himself from reaping the economic benefit of their revolution (he did not become a billionaire until he built Pixar), another way of understanding Jobs and Apple is that they were action tanking: achieving Job's 'one day' vision through the robust nature of competitive, capital markets. What could be seen as a strategic mistake, costing the company

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[1] Gendron, George. "The Entrepreneur Of The Decade: An interview with Steven Jobs, Inc.'s Entrepreneur of the Decade." *Inc. Magazine*, April 1989.

Levy, Stephen. *Insanely Great: The Life and Times of Macintosh, the Computer That Changed Everything*. Penguin Books, Reissue edition, June 2000.

and Jobs billions, can also be seen as a decision that makes complete sense from an action tanking perspective: for Jobs, Apple computers were purveyors of concepts, constantly showing the present what the future would look like.

Maintaining complete control over the operating system and hardware, even at higher consumer prices and fewer software developers, was a higher priority to him than capturing economic value. Any other decision would have given up Apple's power to keep ratcheting up the vector of personal computing – although at such low market share, and with Jobs forced out, the power of Apple to influence that vector certainly waned for many years. Jobs' subsequent success at Pixar, triumphant return to Apple and his development of the iPod as not just a product or technology but a lifestyle movement tends to credit his earlier choices as understandable action tanking decision-making. He achieved his 'one day' vision in about a decade, albeit at great personal and corporate expense.

Part of the point of this analysis of Apple is that action tanking is certainly a powerful concept in purely private sector terms as well as in the social enterprise space, and part of the point is that entrepreneurs in both the private and social sectors can often be trapped by pursuing or, at the very least, being judged by the degree to which they have created "value to the firm." Jobs did not accede to this trap, but he was judged harshly by it for many years. The emphasis in recent years on strengthening social enterprises using private sector concepts and knowledge and approaches should be recalibrated to accommodate action tank thinking and approaches more explicitly.

2. Programmatic Affinity of Internal and External Stakeholders

A second component of the social entrepreneur's trap results from another very positive aspect of nonprofit enterprise: the affinity that many and probably most of a nonprofit's internal and external stakeholders—philanthropic supporters, board members, staff and the social entrepreneurs themselves—have for the programmatic operations of the nonprofit, and to a lesser but important degree, the managerial and other capacities of the organization.

Programmatic nonprofits often attract their strongest champions and supporters through an emotional tie to the programs operated by the nonprofit. This emotional connection to program outcomes can serve as a great advantage for inspiring stakeholder loyalty and support. At the same time, however, if not framed in an action tanking context, the intensity of the programmatic experience, and the natural desire to expand and improve it, can quickly overshadow the importance other aspects of an organization's work, such as working to leverage the programmatic solution to achieve greater systems change through field building and public policy engagement. A similar dynamic can develop among internal stakeholders, especially employees, the majority of whom, by nature of what it takes to operate an effective program, will be engaged in direct programmatic delivery or support.

While laudable on so many fronts—as to be almost unthinkable to challenge in any way—the emphasis on improving effectiveness both managerially and programmatically, as well as on scaling social enterprises, can lead to a "stick to the knitting" mentality among internal and external stakeholders who tend to view social enterprises almost exclusively as vehicles for direct program-

matic outcomes, rather than as action tanks for achieving more leveraged, if indirect results.

This programmatic or organizational development emphasis, however, may tend to promote too sharp a separation among the perceived roles of nonprofits (meet needs directly), think tanks (generate new ideas), government (set policy, fund programs directly and through nonprofits), philanthropists and corporations (fund and partner with service providing nonprofits for direct outcomes and public awareness, fund think tank and pure advocacy organizations to achieve policy outcomes).

In fact, a nonprofit action tank may not only possess knowledge and expertise that is valuable for policy development, it may also be in the best position to mobilize across all sectors and shape the governmental, private sector, nonprofit and philanthropic fields towards larger objectives than the purely programmatic objectives usually associated with a nonprofit enterprise that operates programs. However, to play this mobilizing and strategic role, action tanking nonprofits require dedicated resources, and stakeholder encouragement and understanding of the organization's action tank mission.

Over the years, we have discovered at City Year that one aspect of seeking to be an action tank is that the concept and its implications can generate confusion among both internal and external stakeholders – especially since the pursuit of action tank strategies and opportunities, even if well planned and resourced, can appear when viewed out of context to lurch the organization in a direction that does not seem to connect to its perceived programmatic mission. We have sought to be sensitive to these views while continuing to develop the action tank concept as the key to our larger mission and 'one day' vision. However, the commitment to an action tanking mission does not mean that all action tanking opportunities should be automatically pursued, only that they should be considered and explored with the larger 'one day' mission in mind.

To respond to this tension between the organization's action tank mission and its more purely programmatic perception among some stakeholders, we began in recent years to make 'action tank' presentations across the country to our staff and corps members, as well as external stakeholders regarding action tanking concepts, techniques and goals at work at City Year. We highly recommend other action tanks explicitly discussing the implications of being an action tank with internal and external stakeholders.

3. Fear of Advocacy and Concern Over Governmental Engagement

Another set of elements of the social entrepreneur's trap is a fear of engaging in advocacy, an anti-government bias among social entrepreneurs themselves, and a concern over governmental processes and engagement.

For a variety of reasons, many nonprofits and nonprofit leaders have shied away from being involved in policy development, especially if it were to appear to involve advocacy or "political" activity. Some may wrongly assume that an organization's nonprofit status or acceptance of government funds prevents a nonprofit from being involved in policy development, advocacy, or even direct lobbying activities, when the first is always allowed, the second is always allowed

in the form of educating public officials and other opinion leaders, and even the third is allowed to a certain, specific degree, as a percent of total budget on a sliding scale up to $1 million.

Another concern regarding advocacy and policy engagement is the concern that private sector supporters will tend to dissociate with a nonprofit that makes an overtly political stand. Policy engagement, advocacy and even political activity, however, need not be divisive, partisan, acrimonious or involved with the winning and losing of election for public office, activities that would tend to disaffect many if not most of a nonprofit organization's private sector stakeholders. However, over time, so long as the issues involved are not considered overtly partisan, the leaders of many private sector institutions can and will adopt the passion and policy concerns of the organizations their company has been supporting, and would be willing to accompany nonprofit leaders on visits to city halls, state houses and Capitol Hill to tell elected officials of their strong support for funding and other policy objectives.

Social entrepreneurs, like many of their private sector counterparts, may hold deep "anti-government" attitudes or assumptions. Many private sector entrepreneurs buoyed by a supportive and efficient private sector market system and determined to succeed by their wit, guile and abilities, develop an attitude that is antithetical to government support or intervention. In many cases, government, with its purview of employee safety, anti-trust protection or direct industry regulatory oversight, is seen as an intrusive actor to the private sector entrepreneur, who often has access to a very efficient capital market at the start up, mezzanine and "going public" stages, none of which is dependent upon government financing. Private sector entrepreneurs may also discount the fact that the platform for their private success is sometimes the direct result of massive governmental investment, such as the early public funding of the development of the internet. Entrepreneurs, both social and private sector, often see government bureaucracy and accountability as hindrances to the innovative process—which they often are. Similarly, political processes lead to compromise and a lack of efficiency that can often frustrate entrepreneurs.

It would be a mistake, however, for social entrepreneurs to eschew governmental engagement, for it is within the purview and role of government that great change can take place. In addition, to paraphrase Willy Sutton's famous reason for robbing banks, government is "where the money is." The greatest change toward achieving the 'one day' vision of a social enterprise organization may best be pursued by seeking to generate new, or redirect existing, governmental resources or change laws and public policies that may require no or little public spending dollars at all. Even in a post-Big Government era, government is still very, very big, with about $450 billion (20% of the total budget) in non-entitlement, non-military spending at the federal level, and billions more at the state and local levels. Even federal entitlement and military budgets are capable of being shifted to more productive ends through policy engagement, especially if that policy engagement is rooted in practical, programmatic experience that has already been demonstrated to work.

The question, as has often been pointed out, may not be one of more or less government, but of better government—and social entrepreneurs are in a unique position to provide government with fresh, innovative and more productive uses of tax-based resources. Nor is

policy development limited to the public sector. Social entrepreneurs can use action tanking techniques to influence the norms and practices of private sector businesses and the multi-trillion U.S. and global economies. Timberland, for example, provides all employees with forty hours of paid leave time for community service, essentially a "community service benefit," which if replicated as a corporate norm across the entire private sector would generate a multi-billion dollar service resource.

Just as social entrepreneurs should be encouraged to reach out to governmental entities, so should governmental actors and entities be encouraged to reach out to social entrepreneurs. Government at all levels, but especially the federal government, which truly has the capacity to make large-scale change, often does not engage social entrepreneurs beyond the idea of citing programs as demonstration models. What is needed is a more engaged and dynamic relationship between action tanking social enterprises and governmental actor and agencies. Each sector can no longer afford to remain enclosed in its own world—rather each sector must become fluid in exchanging knowledge, expertise, talent and resources.

Moving Forward: Implications for Breaking the 'Trap'

If action tanking is to meet its potential as an effective tool for progressive, consensus-based, practical change in America, and beyond, there would need to be a more explicit alignment around the concept by key sectors involved in societal change efforts. Most importantly, what can be identified as the "Social Entrepreneur's Trap" must be addressed squarely by social entrepreneurs and those who support, work with, and are benefited by them if social entrepreneurship is to reach its highest potential for driving lasting, large-scale societal change.

While many social entrepreneurs may recognize these barriers to action tanking and may want to pursue action tanking methods, action tanking has yet to be legitimized among the full set of social enterprise stakeholders as an important mission-driving tool—the way, for example, scale, evaluation and media engagement have—for nonprofit organizations and social entrepreneurs.

Specifically, there are several important implications for promoting the success of action tanking techniques, and breaking the social entrepreneur's trap:

First, social entrepreneurs should be encouraged to operate in action tanking ways that leverage programmatic success and organizational development to influence larger public policies and field building objectives.

Second, philanthropists and other nonprofit stakeholders should encourage nonprofit organizations and their leaders to adopt action tanking techniques and strategies and embrace action tanking opportunities by providing the funding and other resources to support advocacy, civic engagement, field building, public communications and policy development.

Third, governmental actors should encourage and seek out action tanking solutions, and bring social entrepreneurs and their action tanking organizations close to governmental decision-making and policymaking in a dynamic and ongoing way, rather than simply pointing to a successful program as "a model" for legislation or administration rulemaking.

Fourth, business and public policy schools should combine forces to develop concepts and curricula that promote the development of action tanks as not only strong programmatic entities and well-managed organizations, but as leveraged policy leaders.

Fifth, the field of social entrepreneurship and the concept of action tanking should be invested in from an intellectual, civic engagement and field-building perspective through the development of a "meta" Action Tank for Social Entrepreneurship, dedicating to identifying and removing barriers to the vision that one day, action tanks will play a leading role in the development of public policy and the solving of pressing public problems.

Finally, social entrepreneurs should be appointed to public offices and be encouraged to run for elected office to help bring a positive, practical idealism to public life.

V. Action Tanking Towards a New Progressive Era

Peter Drucker, whose work and thought shaped management and organizational behavior thinking for generations, began the concluding chapter, "The Entrepreneurial Society," of his classic treatise, *Innovation and Entrepreneurship* with a quote from Thomas Jefferson: "Every generation needs a new revolution." Drucker was rightly concerned that innovation and entrepreneurship were needed as not only an engine of productivity in our private economy, but also a catalyst of change in the society at large, particularly in the growing governmental and nonprofit sectors, which lacked the dynamic innovation pressures of free market incentives.

As the author of the Declaration of Independence, Jefferson provided future generations with a remarkably clear approach to how America would go about solving its public problems: practicality and experimentation. One could even say that his most famous founding contribution was a "Declaration of Governmental and Civic Entrepreneurship" that stated, essentially, that "when in the course of human events" things don't work, it is time for people to get together to try something new.

In addition to the idealism and robust governmental institution building of the 1960's Great Society and War on Poverty, the 20th Century had two, earlier, rather distinct periods of rapid experimentation, innovation and entrepreneurship for the common good; the Progressive Era of the early part of the century and Franklin Roosevelt's New Deal initiatives of the 1930s and early 1940s.

Each of these periods had a different platform on which tremendous entrepreneurial energies were being unleashed. For the Progressive Era, the platform was the nonprofit organization. Robert Putnam's *Bowling Alone* documents the remarkable growth of Progressive Era nonprofit institutions that sprung up, or were adopted from overseas, in rapid succession in the first quarter of the 20th century to address the pressing civic, social and youth development needs of a growing American nation that was rapidly absorbing new immigrants and transforming from an agrarian economy to the industrial envy of the world. The foundation of the modern nonprofit landscape of the country was formed within a period of a decade and a half. Many of these institutions – Goodwill Industries, the Boys and Girls Clubs, The

Salvation Army, 4H and the Boy Scouts – are billion dollar social enterprises today.

For Franklin Roosevelt, the platform was government and the specialty was governmental entrepreneurship. By the mid 1930s and 1940s, President Roosevelt's response to the Great Depression and Word War II led to the complete transformation of the federal government, from a small, *laissez-faire* government that could not protect the economy from the wild stock market speculation of the 1920s or respond to a nation where suddenly one third of the population was "ill-clad, ill-housed, and ill-nourished," to a robust set of "alphabet soup" agencies with purview into almost every aspect of American life and economic management.

The Progressive Era—largely before the advent in 1916 of the federal income tax and the resulting federal investment in the civic sphere—specialized in the civic entrepreneurship feat of building stand-alone nonprofit entities to meet specific human and social needs. Roosevelt specialized in governmental entrepreneurship, creating new federal entities for each new federal role. Perhaps our times require a combination of both civic entrepreneurship, for the development of new and enhanced nonprofit organizations, and governmental entrepreneurship, for creative policymaking, robust field building and strategic agenda setting.

Breaking Political Stalemate and Moving Towards a Nonpartisan and Bipartisan New Progressive Era

Neither form of entrepreneurship, nonprofit or governmental, alone will meet the needs of a 21st-century America and world, or create the opportunity for Jefferson's revolution in each generation. In addition, private sector entrepreneurship continues to emerge as capable of playing a key role in meeting human needs that had previously been assumed could only be met through governmental programs or nonprofit enterprises. The social and economic needs of 21st century society are too large to be met through purely philanthropic or even market-driven development of nonprofit institutions. At the same time, there are great constraints placed on governmental entrepreneurship in a post-New Deal, post-Great Society, post-Reagan society.

In general, there is a loss of confidence among the public that large-scale governmental institutions, *on their own*, can find point solutions, deliver on those solutions, and solve pressing public problems. There is concern that the federal government is often too far removed to understand local problems and that entrenched bureaucracy and programs do not promote creativity, feedback or the constant adjustments necessary to develop effective new solutions.

An increasing partisanship has emerged in recent years, slowing the pace of consensus-based reforms, borne in part by long simmering ideological cleavages and in part by attempts to win election by de-legitimating one's political opponents.

Part of the current political stalemate can also be attributed to the rise of a "gotcha" media in a post-Watergate era and the emergence of new information technologies. It is harder to bring about effective change in the hyper-political environment created by the perfect fluidity of information resulting from 24-hour cable news and the internet. While a robust press is needed, for most governmental actors, managing the media environment takes precedent over the formulation of creative policy ideas and programs. Political foes use the media to attack ideas in order to score political points and win elections, and therefore make governmental actors less likely to take the risks necessary for true innovation. The polarity of political factions

is discouraging to citizens-at-large, who can feel like civic bystanders in a battle waged by on the extremes in the media spotlight—a process that prevents consensus for large-scale ideas from taking shape, much less a groundswell of political will for their implementation.

When President Bill Clinton announced, famously for a Democrat, that "the Era of Big Government is over," there was no immediate consensus as to what would replace it. In the first place, as noted above, the government, at all levels and especially the federal level, is still big and growing. But if the point is that government cannot be on the cutting edge of solving all problems through direct programmatic delivery of services in America and, by extension, governments in other developed nations around the world face similar constraints, then the point is well taken.

To move forward, America must regain its focus on its greatest asset—its cultural competitive advantage: entrepreneurship. Entrepreneurship has been the driving force behind all sectors in America—government, private and nonprofit—and has fostered the innovation and experimentation that made the United States the most successful country in the world for most of the 20th century.

Perhaps the successor of the Era of Big Government is a New Progressive Era—an era of rapid public policy solutions that cut across the platforms of the nonprofit, governmental and even private sectors—backed by action tanking social entrepreneurs, government, business, philanthropy, nonprofit initiatives and citizens-at-large.

By showcasing practical, field-tested ideas, and generating the policies and political will around their general adoption and dissemination, action tanking can play a leading role in moving the country past political stalemate on any number of civic, social, economic and even political problems. Nonpartisan and bipartisan governmental actors will be able to point to solutions developed outside of government, and promote their adoption within government.

By the time action tanking ideas and solutions reach the political sphere, they not only will be tested by experience but also have highly legitimated backers in the form of transformed clients, as well as leading philanthropists and CEOs. Partisan politicians can then be in the position of competing to be the leading proponents of these successful ideas and turning them into larger public policy solutions.

From a governmental philosophy perspective, action tanking can play an important role in generating a new kind of governing philosophy with exciting implications for how elected officials, journalists, policymakers, CEOs, academic institutions, and philanthropic persons and organizations, as well the public at large, approach public problem-solving.

Action tanking can help restore confidence in government by providing new ideas and methods for government investment, constantly challenging the status quo of entrenched governmental programs and initiatives, while at the same time generating the ideas and political will to establish new forms of creative government investment and leverage.

Most of all, action tanking has the largest implications for social entrepreneurs, who can use action tanking tools and concepts to leverage and connect other sectors, institutions and civic actors. By virtue of their freedom of movement, ability to connect to all sectors, and their focused civic passion, social entrepreneurs are in the position to utilize action tanking concepts to their greatest multi-platform effects.