

Avoiding a social recession

We've been here before. An economic crisis marked 1984, forcing an incoming New Zealand Government to innovate transformative solutions to the problems the country faced. Much of the resulting programme is now generally accepted as having been necessary – but its implementation came at enormous social cost. Some communities are still recovering from the social upheaval of the '80s.

This time around, let's do it differently. Alongside economic innovation, we will need social innovation.

In actual fact, economic realities make the need for social innovation inescapable. Last week Deputy Prime Minister Bill English said that the public sector was entering a time of "permanent restraint – more services with the same or fewer people and the same or less funding." Recession is going to create more need and more demand for social services. If these are to be delivered for the same or less funding, we need to be innovative.

Mr. English added that we risked trying to "learn to fly in a storm" and that effective public-private partnerships would be required to address our economic and social realities.

New skills and approaches are necessary to generate such successful partnerships. Recently, The Centre for Social Innovation convened a Leadership Forum with 16 leading CEOs from some of New Zealand's most innovative organisations and corporations to address the situation.

Rather than one sector trying to develop all the answers, we need to pool our skills, knowledge, relationships and assets. The public, private and community sectors all have much to offer in developing collaborative innovative solutions to complex social needs. Innovators in all of these sectors often express frustration to me about the lack of collaboration, and the way a "silo mentality" inhibits the flow of ideas.

Often the public sector has tackled social issues on its own – in the process building up an enormous store of insight, analysis and experience. Business can contribute fresh eyes, an understanding of customer-focused delivery models, and hard-learned lessons about managing risk and innovation programmes. Sometimes the contribution comes from left field – as seen in the way Ferrari has drawn on its pit-crew experience to improve operating theatre handovers in the NHS. The community sector often deeply understands the issues underlying social need, and can help communicate the needs and creative solutions of those at the coal face to those in the suits. Community sector representatives must be at the top table, not kept outside in an approach to "partnership" reminiscent of the early 80's treatment of Maori.

All of the CEOs who attended the recent Leadership Forum on social innovation, including executives from Gen-i, Cisco, Air New Zealand and Counties Manukau District Health Board among others, were united in saying that innovation required a clear and shared idea of the desired outcome – whatever the issue we are trying to tackle. Noted Geoff Hunt of Kordia, “After that we simply need to bring together a fresh idea, the funding to test it out and the organisations to take it forward.”

Traditionally, generating innovation has been seen as a top-down process, the function of specialised R&D departments, but this is moving on. The future of innovation is open-source and the social innovation movement builds on this new approach. We need to work to support innovators working *with*, not *for*, users. We need to invest systematically in social creativity, whether in relation to climate change, aging, or the challenges of youth training.

This approach can be seen as underlying the success of local social innovation success stories like Kohanga Reo and Healthcare Aotearoa.

At its best, open innovation is both more effective and less expensive than the traditional model. But capital is still required, and dedicated funding for innovation in the social sphere is in short supply.

The Prime Minister, as leader of the Opposition, drew attention to this issue in a speech to Plunket in 2007. Recognising the role of the community sector in fostering innovation, but the lack of capital as a significant barrier, he noted that the Government happily supported various venture capital and seeding funds in an economic development context. Why not, he suggested, set up a social venture capital scheme for community innovation?

Why not indeed? And why not also extend that reasoning to businesses involved in social innovation? Why not, for example, a public-private seed fund for businesses and social enterprises developing new technology solutions to target pressing social issues such as independent living among the elderly or youth unemployment? Payback to the country will come not just through improved outcomes, but by exporting these solutions to countries facing similar problems.

We face some big challenges as a country, but if the size of these challenges forces us to break down some walls, start new conversations, and generate innovation, then some great things will come out of it.

We need to build on the constructive relationships that are being formed through initiatives like the Jobs Summit and the Leadership Forum. Let’s start by bringing the voices of the community sector to the top table. We need to break down the barriers to innovation in the social realm. Doing so is critical to our economic and social wellbeing.

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