



ONTARIO NONPROFIT NETWORK

ENVISIONING SOCIAL INNOVATION IN ONTARIO

Prepared by the
Centre for Social Innovation

On behalf of the **Ontario Nonprofit Network**

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Introduction

Interest in social innovation is growing across all sectors. Profit, not-for-profit (NFP), and government are all increasingly recognising that they need to pursue new and creative methods to achieve their goals—methods that are flexible, build capacity, and are responsive to our rapidly changing world. As a society we are facing extraordinary challenges: increasing inequality, rising poverty rates, unstable economies, climate change and a raft of other issues. At the same time, technologies are transforming the world in which we live, markets are undergoing massive upheavals, and philanthropists are changing their practices. The speed of change is faster than ever, and the social and environmental needs, which we are all tackling, are vast.

These challenges are daunting, yes, but they also offer the right set of circumstances to look at old problems in new ways. These challenges create precisely the right opportunity for social innovation to emerge.

At the most fundamental level, social innovation can simply be understood as an ‘idea that works for the public good’. Digging deeper, we can explicate this (following the definition offered in "Creative Cities Series: Breakthrough Cities" by Kahn et al.) as: "new ideas, institutions, or ways of working that meet social needs more effectively." Crucially, Kahn points out:

[S]ocial innovation involves not just new ideas, but the remaking and reuse of existing ideas: the reapplication of an old idea. Social innovations can take the form of a new service, initiative or organisation, or, alternatively, a radically new approach to the organisation and delivery of service.

The Centre for Social Innovation has defined social innovation as:

New ideas that resolve existing social, cultural, economic and environmental challenges for the benefit of people and planet. A true social innovation is systems-changing – it permanently alters the perceptions, behaviours and structures that previously gave rise to these challenges.

Social innovations happen everywhere. Often they are driven by government, business or citizens, but the nonprofit sector is most often the impetus for social innovation – identifying needs and working with tenacity to resolve the problem. We see this over and over again with innovations as wide-ranging as the increasing prevalence of organic food, disability savings plans, green energy, and hospice care.

The nonprofit sector has the values and the goals that drive social innovation, but is often constrained in its efforts by a lack of capacity, resources, or expertise. For social innovation to flourish in this province, it needs to be embedded in our governments and our communities. Regrettably, over the last twenty years social innovation has been discouraged and in some instances actively prevented. Government has not been encouraged to innovate and a “no risk” culture has prevented the pursuit of

new solutions to old problems. The nonprofit sector, while having more freedom to innovate, has been frustrated in getting its innovations recognized and supported. The effect of this is that innovations have not been able to mature, and the larger systems and programs have been unable to adopt and incorporate innovative change.

The recommendations set out in this document seek to build an ecosystem of social innovation supports in Ontario. It is our intention to create an environment in which social innovation will thrive, positioning Ontario as a leader in generating creative solutions for a better world, and leveraging the considerable assets that we have to make this happen. This paper recommends:

1. The creation of **an innovation unit inside the Ontario Public Service** that would have the power to transcend ministries and would have a reporting relationship to an ADM or Deputy within the Ministry of Research and Innovation (MRI).
2. The creation of **a social innovation lab or network of labs**, supported by government but embedded within the nonprofit sector, with a focus on leveraging and building prototypes for new innovations and the goal of scaling for greatest social impact.
3. The creation of **a joint government-sector table on social innovation**: a place to convene and explore social innovation as an ecosystem with leaders in the nonprofit / social innovation sectors and leadership from government. The goal is to build an enduring partnership that can create the conditions for social innovation emergence across Ontario.

Social innovation and all its benefits will thrive when we – government, public benefit organizations, citizens and business – begin to work together to build the critical conditions required within Ontario communities.

There is an intrinsic character to innovation that resists the linearity imposed by many traditional frameworks. And, while it is important to pursue these more structured methods, it is equally important to pursue approaches that embrace the adaptive, collaborative, dynamic qualities of innovation. As we all strive to meet the many and complex needs of Ontario's residents, both government and the not-for-profit sector can benefit tremendously from the unique and invaluable benefits that social innovation provides.

Simply put, social innovation affords us the opportunity – one we cannot pass up – for us to rethink how we meet the needs in our society.

Building Open Innovation

In order to nurture a culture of social innovation in Ontario, we need a plan for developing and implementing it strategically, across sectors and disciplines – we need to develop a more systematic approach to innovation.

Put another way: we need to actively cultivate social innovation rather than sitting back and waiting for it to unfold on its own. Other jurisdictions are starting to not just support social innovation, but study the conditions in which it best emerges. It is time Ontario leapfrogged ahead and leveraged what we already know about innovation emergence to delve more deeply into the intentional development of social innovation practices. Rather than follow the pack, Ontario can become an international leader in social innovation. This can happen if we put effort into understanding and establishing methodologies, frameworks, and processes that stimulate social innovation and aim to increase the chances of its success.

To get there, first we need to set the stage and create some infrastructure as a firm foundation for our innovation culture.

Social Innovation Within Government

Currently, when a non-profit organization seeks to scale a social innovation, it is almost inevitably met with someone in government working to avoid risk, rather than manage risk. There is a culture of accountability in government, but rarely is it paired with a culture of innovation. And yet, an innovative culture is exactly what the Ontario Public Service needs to be able to fundamentally work with communities to resolve our social challenges, which is a true test of accountability.

The government of Ontario contains, within itself, all the raw materials that are necessary for a truly eye-opening social innovation practice. With its wealth of knowledge, deep pool of experts, and many years of experience in service delivery, the Province has the opportunity and resources to create an unparalleled social innovation lab – inside government itself.

Currently, nowhere within the government of Ontario is there a unit responsible for cross-ministerial innovation and collaboration. The non-profit sector, inevitably and properly, often develops in accordance with government trends. Ontario's government therefore has a powerful opportunity not just to enhance its own internal work but to lead, to inspire, and to plant the seeds of social innovation across the non-profit sector, simply by creating its own social innovation team. It need not be large to be effective, especially with the Ministry of Research and Innovation to support it. The key is to have a small number of dedicated staff whose function is to work with all ministries, drawing on the expertise and best practices of each.

This social innovation unit's role would be to act as catalyst, convenor, analyst and educator, developing an innovative culture across ministries and working to remove barriers to innovation inside and outside of government.

It would also be an ambassador and broadcaster, taking in information and sending it out where it might be most useful, building relationships within government and with external social innovation networks, and laying the groundwork for a robust social innovation culture in Ontario.

Recommendation:

We recommend the creation of an innovation unit inside the Ontario Public Service that would have the power to transcend ministries and would have a reporting relationship to an ADM or Deputy within the Ministry of Research and Innovation (MRI). This ministry has prominence in the government and has been charged with driving innovation and supporting the creative economy, and works across all ministries.

Social Innovation in Communities

Parallel to the development of a social innovation practice within government – and equally as important – is the development of a social innovation practice within the nonprofit sector.

Innovative practice requires risk tolerance. It requires engaging in a process being confident that the outcome will be productive, without being entirely sure what that outcome will look like in advance. It requires the ability to develop and shift as new information and learning emerges. It requires adaptive systems and adaptive processes, which in turn requires flexible funders. Innovative practice requires tolerating failures as much as successes.

Communities and their nonprofit public benefit organizations have often found the effort to undertake innovation overwhelmingly difficult. Without supportive systems, a tolerance of risk, and permission to do things differently, the odds are stacked against success – or even against making the attempt in the first place. Nevertheless, in certain sectors and in specific situations, nonprofit organizations have managed to overcome all obstacles and develop innovations that endure.

The nonprofit sector is ideally suited to innovation. Organisations' commitment to a mission against all odds means that they persevere long beyond the point when others would have given up. It is the sector's greatest strength, but also its greatest weakness, for it means that the sector has become a master at "making do" and "working around," and spends an inordinately high percentage of its energy just circumventing obstacles. If the sector had a supportive infrastructure, and a framework within which it could operate more effectively, its innovative potential could be unleashed. To take just one example: 34% of nonprofit organizations providing public benefit are engaging in earning incomes, and new data suggests that over 40% of the sector is engaged in social

enterprise. In response to the inflexibility and rigidity of charitable registration criteria, and the inability to access government and other funding, these organizations have had to find an alternative – albeit not particularly stable – approach to their finances.

When a non-profit, or a network of non-profits, attempts to implement a social innovation, it is by definition pursuing its mission by new methods, and this means that outcomes can be hard to predict. The potential benefits are enormous, but the learning curve can be steep and take surprising turns. Thus, as a non-profit pursues an innovation it must be adaptive, able to absorb new insights rapidly and modify its tactics based on those early lessons. And this requires, in turn, that a non-profit be able to try out an innovation without putting its existence on the line, and that it have funders that are as flexible as the non-profit itself, who are willing to see where the innovation will lead without being attached to specific and immediate outcomes.

The non-profit sector needs the opportunity to pursue innovations in a safe environment, one in which risk-taking is encouraged because of the longer-term gains that innovation offers. A lab, or ideally a network of labs, supported by government but embedded within the non-profit community, is therefore essential to the development of a robust social innovation sector within Ontario. These labs will enable non-profits to experiment in a controlled, supported way, to refine their innovative practices and deepen their understanding of how to work most effectively.

In order for Social Innovation Labs to thrive, they will need to have deep roots and legitimacy within the nonprofit and citizen sector. They will need to be able to access some of the most creative and innovative thinkers and they will need to be able to access expertise around social enterprise practice, scaling for impact and government relations. The labs would work closely with nonprofits to identify innovators and innovations. They would work closely with these ideas to prototype, test and evolve these ideas, to assess their social impact, to explore strategies for scaling and to tell these stories, thereby sparking new innovations.

A social innovation lab will need to create time to experiment, resources to prototype, expertise to leverage, analysis to study real impact and the safety to be able to fail and not be punished. It will be an educator, convener, catalyst, analyst and networker.

Recommendation:

We recommend the creation of a social innovation lab or network of labs, supported by government but embedded within the nonprofit sector, with a focus on leveraging and building prototypes for new innovations, and the goal of scaling for impact. There are already a number of practitioners across Ontario that are exploring new methodologies and practices for social innovation, which can serve as the seeds of an expanded and stabilized social innovation practice in the province.

Putting the Puzzle Pieces Together

The efforts to develop social innovation practices within government and within not-for-profits, must culminate in a deep collaboration between those sectors, as well as with business, foundations, and private citizens. With this collaboration, Ontario will have the benefits of a full-fledged, robust culture of social innovation. This will enable the entire community of practitioners in Ontario, many of whose work overlaps in scope, subject, or population served, to not just learn from each other but to eventually develop and deliver programs together, from the ground up.

Change for all our communities is ultimately realized by citizen action at the local level. A partnership between the government and nonprofit sector can create the environment for engaged citizens to bring solutions for their own communities, and spread the best ones to communities across the province. This will require both the government and the nonprofit sector to have open and adaptive systems, able to incorporate new ways of doing things.

By convening discussions at which both public and non-profit social innovators are present, we'll be able to exchange ideas and learn from each other's experiences. And by combining our collected insights and disseminating them more broadly, we'll be able to grow the pool of social innovators in Ontario and expand the culture of innovation even further.

Recommendation:

We recommend the creation of a joint table on social innovation—a place to convene and explore social innovation as an ecosystem with leaders in the nonprofit / social innovation sectors, and leadership from government. The goal is to build an enduring partnership that can create the conditions for social innovation emergence in Ontario.

Conclusion

Institutions in all sectors are struggling to keep up with the ever-increasing pace of change in our society. Social innovation equips us to harness the phenomenon of change and turn it into beneficial progress. It is the only way to ensure our work and our structures remain relevant. We call this adaptation innovation. Innovation works on the premise that if change cannot be stopped, it can certainly be used. It can be used by encouraging it in particular directions, and selecting for positive change. Fostering emergence requires us to recognize that we are a part of change. As long as our current institutional structures do not harness change, they will be victims of it.

Working together, the public and nonprofit sectors are uniquely positioned to meet the changing demands of Ontario's population. As communities identify ways to overcome the economic downturn, strengthen their resources, and improve living standards, we have a rare opportunity to create the conditions for this social innovation to take root

and positively affect communities across the province. If we foster a culture of emergence in which innovation is recognized, citizen actors are supported, and social outcomes are rewarded, we will see Ontario's communities not only survive but flourish.

Prepared by the [Centre for Social Innovation](#) for the Ontario Nonprofit Network

The Centre for Social Innovation catalyzes and supports social innovation in Toronto and around the world. We create community workspaces, incubate emerging enterprises, and develop new models and methods with world-changing potential.
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