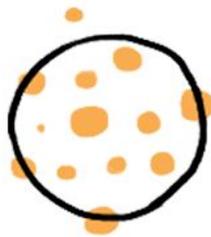


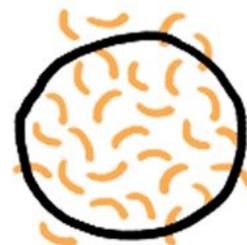


UNLOCKING

Canadian Social Innovation

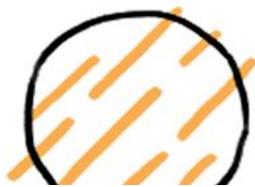


CULTURE



MARKETS

POLICY



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Unlocking Canadian Social Innovation

January 2018



Our perspective

The Centre for Social Innovation is a non-profit social enterprise that opened its doors in 2004. We started with 14 organizations and a mission to catalyze social innovation. Today we support over a 1000 social mission organizations, with thousands more having graduated through our networks and spaces over the years. From an initial surplus of \$572, we've reached nearly \$9M in annual revenues, with assets over \$40M. We've grown at about 40%/year, facing and tackling every stage of organizational growth.

We are proud of the role that we've played in co-creating and building the field of social innovation in Canada. We straddle the space between social enterprise and social innovation, with a special skill for cultivating social innovation ecosystems. We are gritty, practical, and determined.



Understanding The Moment: Key Points

1. Social innovation is about getting better at putting people and planet first.
2. At their best, social innovations address the root causes of problems that have resisted traditional methods and institutions.
3. Social innovation encompasses practitioners using policy (i.e.: laws and institutions), markets (i.e.: business and trade) and culture (i.e.: values and education) to create change. These tactical options offer much creative strength.
4. Social enterprise and social finance are part of this broader field of social innovation. Each tend to be involved in market-based strategies, and benefit from collaboration with people working on policy and cultural change.
5. All social innovations move through four key developmental stages: Ideation, Invention, Adoption and Impact.
6. Like technological and business innovation, social innovations thrive in environments where a rich ecosystem of entrepreneurs and specialized supports drive innovations through each of the four developmental stages.
7. Measuring the impact of social innovations may require multiple generations and stronger collaboration, whereas we can measure the processes and indicators that move us closer to our goals now. The latter set of measurements can help us to grow rich social innovation ecosystems (see CSI's Impact Dashboard¹ for more).
8. After almost two decades of bottom-up development, Canada is poised to become a global leader in social innovation.
9. The social innovation sector has rooted and spread across Canada. It influences a non-profit and social mission sector that employs millions of people working in a growing range of organizational forms. CSI is leading the charge, organized and encompassed by the National Social Innovation Network Feasibility Project.
10. The federal government can help, by seizing this moment and unleashing the whole sector from outdated constraints. Doing so would embed a culture of innovation within its own operations, and could thereby invest strategically as it would in any other key sector to promote growth. For this process to thrive, we need to think and act holistically, within an ecosystem made up of human-centred designers.

¹ "Impact Dashboard," Impact Dashboard, accessed January 31, 2018, <https://impactdashboard.org>.



Introduction

We hear a lot about the problems of today. Like so many countries, Canada is struggling to solve intractable social and environmental problems like poverty, inequality, and climate change. We're facing a host of new challenges as the pressure from technology and globalization bear down on people and planet in lopsided and unpredictable ways. We see the same patterns again and again: few institutions are designed to address the root causes of problems; our sectors are fragmented and work is divided by cross-purposes; and new initiatives often falter in the face of backlash.

Social innovation makes a promise: *we can not only handle but solve the problems faced in society today*. And we can do this together. Bringing social innovation practices into institutional thinking revives and reinvigorates how problems are approached using fresh and modern tactics. Canadian society can continue to thrive in the 21st century if we first acknowledge existing problems, and then level the playing field by funding and incentivizing innovative people-and-planet first solutions. Here's five things that social innovation does better than other approaches: a) aspires to solve the root causes of issues, to avoid endless spending by problem solving at an ecosystem level; b) experiments with new approaches to breakthrough institutional inertia; c) acts inclusively by working directly with communities and people with lived experience; d) leverages markets for scaled impact; and e) collaborates and shares resources to ensure that we all flourish.

A key example of social innovation success is Housing First, an evidence-driven program for ending street homelessness. Traditionally, homeless people receive some support to help them with housing, but they still continue to face the pressure and trauma of homelessness. Housing First flipped this model on its head by designing around the needs of homeless people, seeking to address more root causes behind the struggle to find, and keep, housing. As the name suggests, people using the program are first provided with housing, and then support services are built around them to help them stay housed and recover as needed. While the initial cost is considerable, the program more than pays for itself by decreasing the toll on other social supports, like police and hospitals.²

Building a solid foundation, Housing First is now broadening its reach to include all parties along the way, including affected community members and government. The work is

² Shelly Steffler, "Housing First in Canada: A New Approach to Homelessness and Best Practices for Municipal Implementation," *MPA Major Research Papers*, July 1, 2016, <https://ir.lib.uwo.ca/lgp-mrps/151>.

supported by the Collaborative Observatory on Homelessness, launched after Canada's first research conference on the topic in 2005 brought together researchers, non-profit service providers, government decision-makers, and people with lived experience.³ Since then, this approach has spread across the country. In 2017, this cross-spectrum collaboration launched the Making the Shift Youth Homelessness Social Innovation lab to extend the work on adult homelessness to the different challenges faced by youth.⁴

The example of Housing First illustrates the many reasons that it's an exciting time for social innovation in Canada. The field has built itself from the bottom-up, all across the country. Now, after a little more than two decades of development in this country, we have reached a moment where the growing depth and experience of the field is being met by a shift in perspective within a growing number of institutions.

Within the nonprofit sector, keen resourcefulness has paired with a hunger for greater impact to create a growing capacity for social innovation across the country. Within the public sector, politicians and staff are looking for new approaches as they try to resolve competing pressures to control costs and meet the public's expectations to solve seemingly intractable problems. Within the private sector, there's a recognition of the opportunity to grow in this hybrid space, coupled by an increasing public expectation for new ways of doing business that put people and planet first. Outside of institutions, citizens are bringing renewed creativity to their communities, often empowered by new technologies that enable sharing and organizing like never before.

This paper will do three things: 1) offer frameworks to understand social innovation; 2) explore the importance of social innovation ecosystems to the success of any individual initiative; and 3) offer specific ways to unleash social innovation's potential to help Canada meet its challenges head-on and continue to thrive.

This paper is the product of our combined decades of experience as social entrepreneurs, who together have created conditions for other social entrepreneurs to succeed. To make the best use of that field experience, we have included stories from all over, but also from our work at the Centre for Social Innovation when it is useful to explore a larger point.

³ "Canadian Observatory On Homelessness | The Homeless Hub," accessed January 14, 2018, <http://homelesshub.ca/COH>.

⁴ "Making the Shift Youth Homelessness Social Innovation Lab | The Homeless Hub," accessed January 14, 2018, <http://homelesshub.ca/content/making-shift-youth-homelessness-social-innovation-lab>.



What is Social Innovation and What Does It Need To Be?

Social innovation is an umbrella term that encompasses many stages, processes, strategies, and tactics. Much like practitioners and governments, academics are still ruminating and arguing about definitions, with each providing different pieces of insight. The simplest definition of social innovation might be: “*new ideas for a better world.*” This definition is simple, purposeful, and speaks to the sheer breadth of social innovation.

The problem is that “*new ideas for a better world*” is also vague, unmeasurable, and too open ended. Back in 2005, the Stanford Center for Social Innovation, a pioneer of social innovation, defined it:

*A social innovation is a novel solution to a social problem that is more effective, efficient, sustainable, or just than current solutions. The value created accrues primarily to society rather than to private individuals.*⁵

This definition speaks to the idea of novelty, and of the possible resolutions to social problems—which is more specific than the simple aim of providing a “a better world.” Vitality, this definition speaks to the idea that the value of such innovation accrues to society at large. This idea is a core feature of a good and measurable definition, as the primacy of social benefit differentiates social innovation within a broader innovation agenda.

In Canada, Frances Westley, a leading Canadian academic in the field, offers this definition:

*Social innovation is any initiative, product process, programme, project or platform that challenges and over time contributes to changing the defining routines, resources and authority flows or beliefs of the broader social system in which it is introduced; successful social innovations have durability, scale and transformative impact.*⁶

⁵ James Phills, Kriss Keiglmeier, and Dale Miller, “Rediscovering Social Innovation,” *Stanford Social Innovation Review*, Fall 2008, http://www.academia.edu/5870131/Rediscovering_Social_Innovation.

⁶ Frances Westley and Sam Laban, “Social Innovation Lab Guide” (University of Waterloo, Ontario: Waterloo Institute for Social Innovation and Resilience, 2015),

Westley asserted that a social innovation must be “systems changing.” This idea of a systems change is important because, in contrast to the “better world” definition, it focuses attention on the need to address the underlying patterns that hold us fixed in place. The focus on systems change calls on us to discover the more fundamental modifications required to address the root causes of social problems, which may have resisted traditional or previous treatments. This approach emphasizes that persistent social problems are complex, emergent, and even messy. The key implication of this recognition: *it is unlikely that any one organization, actor, or sector can effectively address problems alone.* So with a focus on addressing root causes, social innovation emphasizes the fostering of collaboration.

With that said, pursuing systems change is inaccessible to many. It often takes time, evidence, resources, and power, which may simply be unavailable to the people who are trying to solve a problem.

For this reason, a definition that focuses on “systems change” risks establishing a high barrier to entry that would exclude people who can, and should, be part of the solution. An exclusive definition of social innovation is especially dangerous because it undermines both the possibilities of new collaborations to better understand and solve problems, and also limits the broad support needed for those solutions to endure. A fear is that years of systems change work can be erased with the swipe of a pen. We need to build bridges and shift cultures to make systems change durable, and that means we need to include as many people as we can who are traditionally beyond who might normally be consulted.

In 2012, the Centre for Social Innovation sought to build a more explicitly values-based and inclusive definition:

Social innovation refers to the creation, development, adoption and integration of new and renewed concepts, systems, and practices that put people and planet first.

This definition offers several important components:

1. The focus on “people and planet” articulates what this field stands for and differentiates social innovation from other kinds of innovation, like technological or economic. We describe processes of **inclusive and holistic ingenuity** here.

2. The word “first” prioritizes **the needs of people and planet above the needs of any existing economic, cultural, or government institution**. Our societies can and should create our economies, cultures, and governments to serve people and planet, and not the other way around. This echoes and aligns with Canada’s existing and continually accumulating Indigenous knowledge, which, at its most basic, necessarily means putting all people and planet before other kinds of gain.⁷
3. As with the Stanford Center for Social Innovation definition, this definition includes the idea of **novelty**. It then goes further by asserting that both new and remixed ideas might be a part of the solution, providing us with ways to draw on our history and to bring this depth of knowledge into our future in new ways.
4. The definition emphasises that people develop social innovations through **stages**. Social innovations do not leap from the mind fully formed before instantaneously achieving widespread adoption and world-changing results. Ideas for positive and long-term change take time.
5. Finally, this definition creates a **low-barrier of access to participate** in social innovation, which is intended to foster more inclusive approaches. It attempts to put the wind in the sails of solutions for a better world. This is vital. Social innovation is not to be kept in libraries or academia; it is a part of a cultural transformation that enables everyone to be a part of the solution. Ultimately, social innovation is about hope and possibility.

There are moral and practical reasons to prefer an inclusive approach to social innovation. The moral reason is the belief that people should be able to shape their futures together, to help make them feel like they are a welcomed part of society. The practical case is that we need a broad and inclusive movement if we are going to leverage all sectors in our society to address root causes in a durable way. A more inclusive approach allows us to benefit from the different perspectives we need to understand both system and surface solutions. By putting the beneficiary at the centre, engaging deeply with the people who are impacted, and collaborating with marginalized stakeholders, we can set ourselves up to see beyond dated approaches. This is what “inclusive innovation” looks like. There is growing evidence that more collaborative approaches and institutions are better at improving a variety of outcomes.⁸ Just as important, by engaging more people we can help generate the long-term commitment needed for resilient solutions to the highly complex,

⁷ Giorgia Magni, “Indigenous Knowledge and Implications for the Sustainable Development Agenda: Education for People and Planet” (United Nations Educational, Scientific and Cultural Organization (UNESCO), 2016), <http://unesdoc.unesco.org/images/0024/002456/245623E.pdf>.

⁸ Johnathan Sharples, “Evidence for the Frontline” (Alliance for Useful Evidence, June 2013), <http://www.alliance4usefulevidence.org/assets/EVIDENCE-FOR-THE-FRONTLINE-FINAL-5-June-2013.pdf>.

multi-sectoral challenges that we are facing today. We will explore these ideas further when we discuss “invention” later on.

However, the risk of using a low-barrier, more inclusive definition is that the movement it defines could lack real impact. A low-barrier definition lets us call many things “social innovation,” which is what we want, and yet the wide net casted dilutes possible meanings. But, if we just apply that label while continuing to do the same things over and over, then we will never be able to solve the problems that have resisted traditional methods. So we do have to be somewhat specific. To that end, we could add:

Social innovation refers to the creation, development, adoption and integration of new and renewed concepts, systems and practices that put people and planet first. At their best, social innovations tackle the root causes of problems by changing the systems that are causing the problem.

The bottom line, social innovation aspires to tackle the root causes of problems by changing our systems—our economies, governments, cultures, and communities—so they can serve to create healthy, just, and resilient societies, especially ones where everyone can take meaningful action as co-creators of the world we all share. There’s only so much that a definition can do; we need to put it into practice, to test its relevance and possibilities. To more fully explore social innovation, its potential for Canada, and the best ways to realize that potential, we need to complement the definition with frameworks for understanding the whole process, so that we can guide each other toward more effective action and solutions.



Frameworks for Understanding Social Innovation

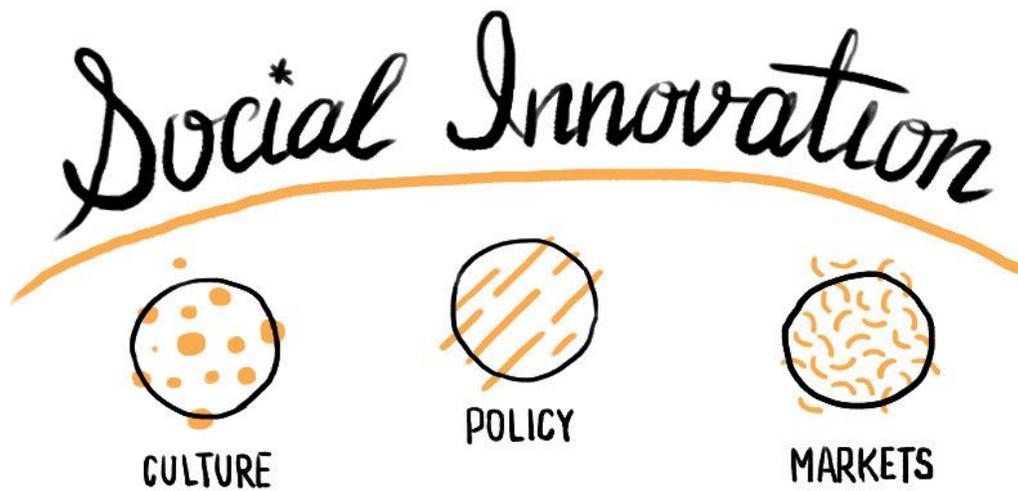
We are not academics. We are practitioners. We are focused on understanding enough about social innovation to help us make sense of the field and to move to action as soon as possible. As such, we have found and developed frameworks and tools that enable us to parse out stages, spheres, and tactics of social innovation. All of these provide us with ways of grappling with how we move forward, measure our work, and get closer to real impact. These frameworks also help to uncover the importance of shifting our perspective from individual social innovations and social entrepreneurs, to the broader social innovation ecosystem that enables their success.

The Tactics of Change

As practitioners, we are looking for the most effective and efficient ways to make the changes we want to see in the world. Think of change-makers as acupuncturists, who seek the greatest outcomes for the least intervention. There are rarely enough resources to do everything we think possible, and so we must be clever in our efforts.

There are three primary ways that change can be achieved in the world: policy, culture, and markets. These are defined here:

- **Policy** is the realm of laws, rules, public services, institutions, and government (i.e.: open government, child welfare and procurement policies).
- **Culture** is the realm of values, education, behaviour change, shifts in consciousness (i.e.: citizens solutions and social movements, social media).
- **Markets** are the realm of trade, business, finance, supply chains, and economic systems (i.e.: social enterprise and finance).



Before going into more detail and giving examples on each of these three, we must back up and think about the role of the changemaker. When a changemaker is seeking to address a social issue, they are almost immediately confronted with a question of “how” they will address this issue. The nature of the issue lends itself to the primary tactic that they might use. For example, let’s say you want to promote recycling, address childhood poverty, or implement GMO labeling. The first thing that you will do is to figure out the “levers of change.” Who controls this system? Who can shift the system? Recycling may lead you to think about the contributions of municipalities, and you might focus your energy on creating a market solution by creating recycling centres. Poverty is a tough one that inevitably leads you to think in terms of government policy, but you might also decide that you want to start a social enterprise that employs marginalized populations, those directly affected, to address poverty in a local community. GMO labeling might point you to educating the public, and ultimately in working to create a shift in culture that would put pressure on industry.

Policy is a powerful tool that can unlock social innovation in a scaled way. Take for example the Green Energy Act in Ontario, which created a wealth of green energy businesses and jump started the renewable energy sector in the province. Another example is our National Health Care system, which fundamentally established health care for all and positioned Canada as a global leader. Policy is a powerful systems changing tool in the fields where it has control or influence, but it often trails behind the culture setters and even the markets. Policy is particularly good when there is established evidence, a strong constituency of support and a simple, non-controversial solution to be implemented, but it cannot find solutions to every problem.

Cultural change is about how we change our minds and behaviour, and education is one of the most important functions of social movements. Social movements create pamphlets, produce documentaries, use social media, and grab headlines to educate people about issues. Over time, cultural change builds an awareness that makes it possible for a whole society to shift its baseline views and expectations. This process can create profound changes, but it takes time. It took decades of organizing, for instance, for women to secure the right to vote in Canada, and the struggle for pay equity continues. The #metoo campaign is a shining example of social innovation through the tactic of culture change.

Markets provide an amazing strategy for the adoption of a social invention, while providing the opportunity for many people to participate in the widespread integration of the solution. Markets encompass both social enterprise and social finance. Many social innovations use the market to move their product, service, or solution forward. Corporations, enterprises, businesses, financiers, and even activists who influence how consumers make purchases, all utilize market forces. Too often social enterprise is confused with social innovation. These are distinct, with social enterprise rarely employing all the tactics utilized by social innovation.

A social entrepreneur will often combine tactics across areas to create a social innovation that achieves the desired outcomes. The work of the Canadian Partnership for Children's Health and the Environment (CPCHE) provides an example of how multiple tactics can fit together. In 2000, a group of 11 health, environment, and children's groups came together in response to the many toxins that were found in children's products. The partnership

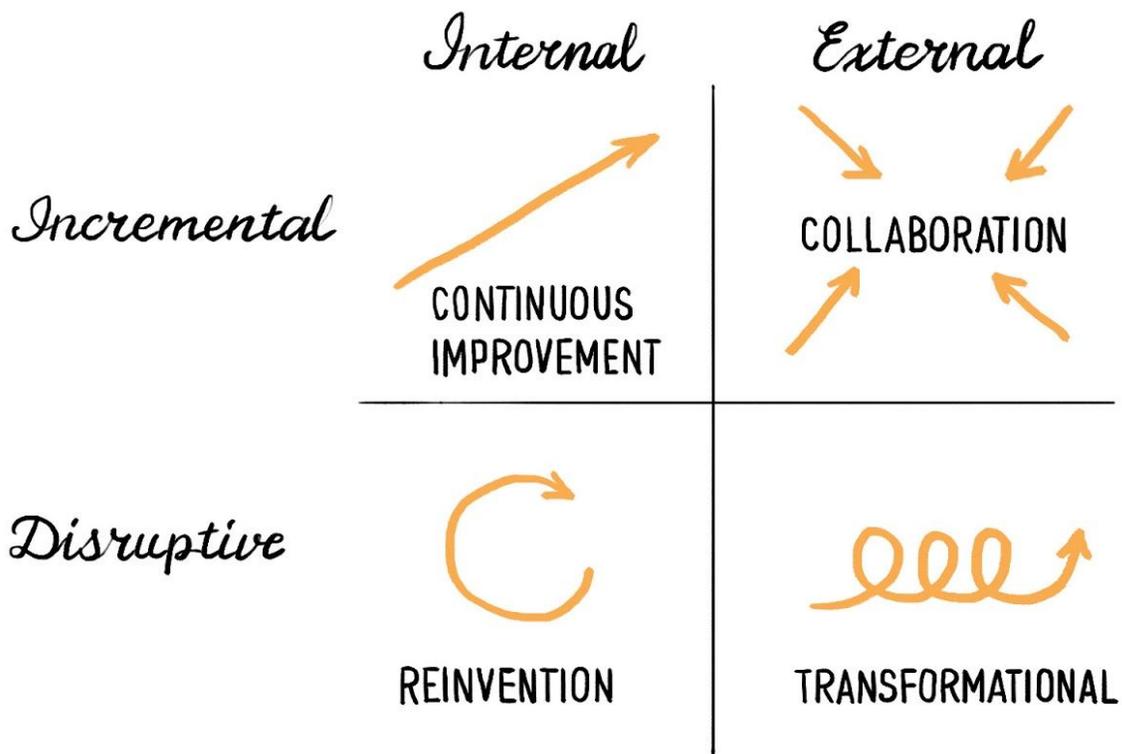
was multi-sectoral, and used a Constellation Governance Model to work together in a complex and competitive environment.⁹ CPCHE focused its efforts to shift the culture around toxins in baby products by educating health providers directly, instead of trying to educate the public as a whole. CPCHE's work included a national multi-stakeholder consultation process in 2007, which led, in part, to a legislative framework to manage chemicals and the ban of BPA in baby bottles in 2008. This policy decision led to a global market transformation around plastics, which included more engaged and educated health practitioners and consolidated widespread public understanding of the posed threat. CPCHE leveraged policy and culture tactics to achieve its goals, with massive ramifications in markets.

The figure on Page 13 is useful to think broadly about each of the three, culture, policy, and markets. There's a problem, though, in thinking that "social enterprise" and "social finance" are the only two market tools available. For innovative thought and growth, we need to open our minds to understand that more markets are possible. For example, what would systems venturing look like? How might we unlock other market tools?

The Tactics of Change provide us with some ways to understand the dizzying array of emerging social innovation work. Another framework, adapted from Charles Leadbeater's work, helps us to understand how change happens, either inside or outside a formal system, which ultimately suggests that change can be either "incremental" or "disruptive".¹⁰

⁹ "Constellation Governance Model," Centre for Social Innovation, accessed January 14, 2018, <http://socialinnovation.ca/constellationmodel>.

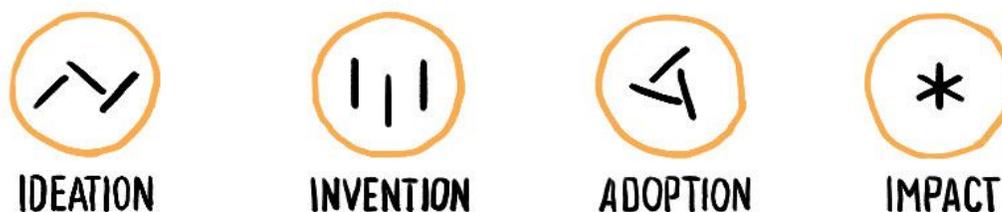
¹⁰ Charles Leadbeater, *The Era of Open Innovation* (TED.com, 2005), https://www.ted.com/talks/charles_leadbeater_on_innovation.



This diagram helps to reveal how we might identify the strategy needed, given our inherent constraints. For example, a bright social entrepreneur would most likely need to draw on tools “external” to the system. This entrepreneur might choose to develop a markets-based solution that would disrupt an economy, whereas an intrapreneur might choose a policy change in order to achieve their greater goals.

These two frameworks for understanding different tactical approaches, to creating change, can help us to appreciate the breadth of available options, but they cannot help us to understand how social innovations develop over time. They also cannot tell us which kinds of interventions would be important in all the different stages. For that, we turn to the “stages of social innovation.”

Stages of Social Innovation



Perhaps the most helpful way to understand social innovation is to break it down into four distinct stages. Bare in mind that practitioners may very well be working on each of these at the same time, in organic, opportunistic, and in nonlinear ways. For simplicity, we are presenting these stages as a linear set:

1. Ideation
2. Invention
3. Adoption
4. Impact

1. The **Ideation** stage of social innovation begins when an innovator, social entrepreneur, or change agent begins an intentional process to solve a social issue. Various tools can be used to make headway, like user-led participatory design, design thinking, change labs, innovation ecosystems, multi-stakeholder collaborative processes, and open innovation. All of these approaches share common themes, of bringing multiple perspectives to understand systemic problems. In this stage, the goal is to explore the problem in order to reveal new ideas, which can ultimately lead to wholistic solutions. This stage provides us with the perspectives that illuminate opportunities, barriers and potential solutions.

For example, the MaRS Solutions Lab worked with the City of Toronto, who were facing the challenge of regulating Uber in the context of Toronto's existing taxi laws. The Lab did field research, taking rides in Uber cars and in taxis. They explored the nature of the existing rules, barriers, and opportunities. Then, they convened across sectors to surface potential solutions and eventually co-created a new regulatory framework that would be capable of serving taxis and the emerging ride sharing businesses. Their **Ideation** process means digging into potential solutions, then thinking through and testing these possible solutions on the fly until a framework stuck and met enough needs to proceed.

2. **Invention** comes in the form of a new or renewed product, process, program, or service, one that provides a breakthrough in achieving a goal or outcome. All too often this is referred to as “social innovation”, but it is more accurately captured as social *invention*. This is the land of prototyping, pricing, and piloting, which has the potential to alter expected outcomes, change impacts, and perhaps more fundamentally, even transform a flawed system.

For example, the Centre for Social Innovation was the first organization to implement the Community Bond,¹¹ to make it easier for supporters to invest in CSI’s social interests and enterprise. The Community Bond was a way to test this idea at the market level. Ultimately, the invention would only be adopted on a wider scale if it resonated with and worked for the people involved, and its impacts must be apparent and reproducible. This **Invention** was profitable, both economically and culturally, with \$6.3M of bonds sold to leverage \$25M in real estate assets, and the model was later used by other nonprofits such as PILLAR and SolarShare.

This is where social start-ups and social incubators are well suited to evolve new ideas into designs that can thrive in the adoption stage to come. These organizations are free from the pre-existing infrastructure, bureaucracy, and policies that so often constrain the agility and innovation potential that are essential for the **Invention** stage. This is the world of trial & error. It speaks to the process of piloting and prototyping, commercialization and good old fashioned entrepreneurship.

3. The **Adoption** stage is about putting the wind in the sails of this new invention. A “social invention” becomes a “social innovation” through its adoption. This is where the idea reaches more people as it’s replicated, scaled, integrated, and/or marketed. Large institutions, big business, government, media and other national and global infrastructure can play critical roles in the adoption of the new invention; renewable energy provides an example for how **Adoption** works. The solar panel or wind turbine are the inventions, but widespread use by thousands of corporations and businesses is what shifts energy systems into more favourable forms of renewable energy.

A Canadian organization called Pathways to Education¹² provides a clear example of the **Adoption** stage in the GTA region. The organization developed a program that improved the graduation rates of low-income kids by 85%. The program evolved to include a community health centre in Regent Park, that found practical ways to help low-income kids overcome barriers to going to school. The program **Invention** was so compelling that

¹¹ “CSI Community Bonds,” 2018, <https://communitybonds.ca/>.

¹² “Pathways to Education,” Pathways to Education, 2018, <https://www.pathwaystoeducation.ca/>.

the Ontario Ministry of Education integrated these ideas and scaled this model across the whole province. Taken together, these efforts created a social innovation that addressed the root cause of a large problem.

In the Pathways to Education and the Community Bond examples, we see two kinds of **Adoption**: scaling and replication. It is useful to differentiate the two because we tend to think about scaling more than replication, but there are many forms of social inventions that work precisely because they are small-scale and attuned to specific local contexts. For many social inventions, replication is the way to increase the adoption of the invention until it becomes an innovation, without compromising the functional integrity of the solution.

4. The **Impact** shows how the system is changed by the innovation. Ideally, the system is improved and made visible by some measurable change in the world. Heart disease rates drop because of healthy eating campaigns, carbon is reduced as a result of city bike lanes, and IQ rates increase as a result of removing lead from our gasoline, to name a few examples of **Impact**. The decision of the Ontario government to phase out coal fire plants, resulting in the final plant closing in 2014, has directly decreased the number of smog days that Ontario once had.^{13,14,15} The result of this stage is something measurable, and is the culmination of the above stages, shown by improved social, environmental, cultural, and economic outcomes.

We get a glimpse of what we are capable of as a society when we see these massive successes that result from hard decisions and follow-through. But we can miss the often subtle story of how these beneficial impacts are achieved. It took decades of work by activists, educators, policy makers, and industry to effectively phase out and transition from coal power. Many of these players at times worked with great uncertainty, limited resources, and no clear sense that it would work, and yet **Impact** was ultimately achieved.

The stages of social innovation go from **Ideation** to **Invention**, to **Adoption** and **Impact**. By evaluating the positive effects of social innovation, and considering the unique and common elements of the journey that produced them, we can learn how to hone our craft

¹³ Government of Ontario, "The End of Coal," Text, Ontario.ca, December 11, 2017, <https://www.ontario.ca/page/end-coal>.

¹⁴ "Creating Cleaner Air in Ontario," news.ontario.ca, April 15, 2014, <https://news.ontario.ca/mei/en/2014/04/creating-cleaner-air-in-ontario-1.html>.

¹⁵ "Fraser Institute Study on the Outcomes of Shutting down Ontario's Coal-Fired Power Plants," Ontario Lung Association, accessed January 14, 2018, <http://lungontario.ca/news/fraser-institute-study-outcomes-shutting-ontarios-coal-fired-power-plants/>.

for the next thing that comes our way. For example, knowing what we know now, it might have been possible to accelerate the shutdown of coal fire plants by a decade or two, or to make the network of actors even more capable of taking on other challenges after having worked in those plants.

The stages of social innovation call attention to some of the common gaps that can derail promising ideas. The social mission sector faces some systemic barriers to the transition from **Invention** to **Adoption**. The profit motive, and the business ecosystem that backs this motive, drives the movement from invention to adoption in the private sector. The social mission sector has traditionally lacked these mechanisms. An example can be found in an innovative cooperative daycare in Toronto, created by parents who badly needed the space in the late 90s. The invention was amazing for these families and had great potential to be adopted more widely. The parents shared their ideas, and they even wrote a guidebook. However, once the kids and families aged-out, they were without profit motive to drive any of the people who had been involved to replicate the model, and there were no clear supports to help find a way to get the ideas more broadly adopted. We need to ensure that effective models are not lost if those originally involved are no longer active.

It is difficult to quantify just how much social invention is being lost to the challenges of being recognized, adopted, or scaled without the right supportive environment. The answer could easily be that the overwhelming majority of social inventions are lost, or go dormant, without ever reaching the adoption stage. While it is sobering to consider these losses, it is also inspiring to think about the pent up potential for social innovation in all these unrealized concepts, and the people and organizations who developed them—especially from the more marginalized communities who most intensely bear the burden of the problems in our society.

Social Innovation Ecosystems

But what of the people who are driving this work—the social entrepreneurs, the change agents, the intrapreneurs? These are also the facilitators, the inventors, and investors, who each have come to a moment in time where they are willing to leverage their resources, talents, and insight, to move more intentionally towards achieving a positive impact in the world. In this section, we'll touch on three major groups: social entrepreneurs, intrapreneurs, and intermediaries. Together, they can form the social innovation ecosystems that, like their cousins in the technology and business sectors, are the most fertile drivers of change.

Social entrepreneurs are the darlings of the sector. They get a lot of attention for bringing the spirit of entrepreneurship—creativity, tenacity, resourcefulness, and ambition—to solving social problems. We tend to think of social entrepreneurs as being associated with social enterprises, and many of them are. However, they are also behind social movements, like Al Etmanski who advocated for disability rights with the creation of the Registered Disability Saving Program (RDSP).¹⁶ While RDSP didn't have a sustainable business model as a central focus to make social change, it did have the entrepreneurial quality of driving the reorganization of ideas and resources to benefit society. Social entrepreneurs share more common qualities, like a tendency to be driving change from outside the mainstream system. They are often disruptive innovators, and yes, sometimes, they are using products, services, and markets to achieve these changes.

Equally important, although often much less recognized, are those people inside the system, like the intrapreneurs, the key figures within an organization who encourage innovative product development and marketing. These individuals are busy liaising with networks that stretch out of and into their institutions, as they patiently educate the institutions—governments and corporations—to take action and shift systems to achieve impact. Sometimes these actions happen within corporations like IKEA, whose commitment to people and planet is embodied in their products and their process.¹⁷ Or these actions can take place within governments with varied mandates, as civil servant intrapreneurs act as convenors to unlock new policies that address hard social problems.

¹⁶ Al Etmanski, "Economic Citizenship: Setting the Post-RDSP Agenda," December 16, 2015, <http://aletmanski.com/impact/economic-citizenship-setting-the-post-rdsp-agenda>.

¹⁷ "People & Planet - IKEA," IKEA/US/EN, 2018, http://www.ikea.com/ms/en_US/this-is-ikea/people-and-planet/index.html.

Social entrepreneurs and intrapreneurs have complementary strengths and weaknesses. While their outsider status gives social entrepreneurs more freedom to create changes that upset existing structures, this status also tends to limit their access to the power and resources necessary to change systems. In contrast, while their insider status can constrain their freedom, it also grants social intrapreneurs more access to the power and resources social entrepreneurs often lack.¹⁸ This complementarity gives social entrepreneurs and intrapreneurs the potential to be effective allies working across institutional boundaries.

Intermediaries build connections, foster collaborations, provide research and information, and act as platforms for education and action. Funders, investors, clients and customers play crucial roles in growing and shaping emerging projects and organizations.¹⁹ While the spotlight often falls on the social entrepreneurs and intrapreneurs, the web of intermediaries does much to create the conditions in which their organizations or projects will succeed or fail, ultimately supporting people throughout the **Ideation, Invention, Adoption, and Impact** stages.

Collectively, social entrepreneurs, social intrapreneurs, intermediaries and supporters can build an innovation ecosystem capable of self-organizing to address one, a few, or many social problems. When we see that some regions are wildly more successful at creating economic innovations, with far more new technologies and start-ups than others, we are looking at outputs of an innovation ecosystem. The underlying networks of relationships that create this innovation are harder to recognize than individual innovators, like Steve Jobs, and they lend themselves to biological and ecological metaphors. For one example, Victor Hwang and Greg Horowitz describe the innovation ecosystem in Silicon Valley as a “rainforest” in their book of the same name.²⁰

The Centre for Social Innovation’s space and community is an innovation ecosystem: with an intentional culture of people who see social or environmental problems and want to fix them. This kind of culture sprouts and blossoms new ideas. Innovation ecosystems can weave within and between organizations, and they inspire new efforts to illuminate these relationships and identify key parts that will create a much greater whole.

¹⁸ Veronica Maier and Cristiana Pop Zenovia, “Entrepreneurship versus Intrapreneurship,” *Review of International Comparative Management* 12, no. 5 (2011): 971–76.

¹⁹ Reinette Biggs, Frances Westley, and Stephen Carpenter, “Navigating the Back Loop: Fostering Social Innovation and Transformation in Ecosystem Management,” *Ecology and Society* 15, no. 2 (June 15, 2010), <https://doi.org/10.5751/ES-03411-150209>.

²⁰ Victor W. Hwang and Greg Horowitz, *The Rainforest: The Secret to Building the Next Silicon Valley* (Los Altos Hills, Calif: Regenwald, 2012).



Measurement and Social Innovation

Let's be clear: It is not possible to directly measure social innovation. It may, however, with the support from the frameworks above, be possible to measure the *interventions*, by looking at the stages and impacts of implemented changes. It is also possible to measure some of the *impacts* of social innovation. This section will focus on measuring the interventions because that can help to guide decisions about fostering social innovation ecosystems, and it will end with some notes of caution about how overly rigid approaches to measurement can stifle and distort those ecosystems.

One of the challenges in measuring social innovations come from the problems that social entrepreneurs face; these problems are complex because they can be difficult to define. As Jamie Gamble explains:

When innovating within a complex system, it is difficult to understand the ramifications of changes. The dynamics of a complex system have a high degree of connectivity and interdependence. There are diverse elements whose interactions create unpredictable, emergent results.²¹

So the connections and interdependence of these changes can cause problems when it is difficult to tease out the dimensions or differences that shape these challenges. When considering a whole system, it is important to be ready to see the varied, unforeseeable, and sometimes erratic information that comes from this process.

Another challenge, with a focus on a narrow set of impact measurements, is the kind that results from strict evaluation measures. Such strict measures can often lead organizations to optimize for those metrics, rather than doing what they believe is going to have the most positive impact overall.

Another way of looking at measurement and social innovation is to look at the way that the measurement of interventions could guide practitioners and policymakers to create process, organizations, and ecosystem—these increase the likeliness of success in creating impactful social innovations. The four stages of social innovation (process, invention, adoption, impact) and the three primary tactics (policy, culture, markets) create a framework for identifying metrics that may be helpful in measuring the results of our

²¹ Jamie A. A. Gamble, *A Developmental Evaluation Primer* (The McConnell Family Foundation, 2008).

various interventions. With these distinctions we also are able to better articulate which actors need to be involved at which stages so that, ultimately, we can become more intentional about how we work together.

The following table offers some sample measures by innovation stage and tactic, with the caveat that there are many potential measures which are not covered here, especially for different issues:

	Policy	Culture	Markets
Ideation	# of people participating in change lab for local anti-pollution measures	# of submissions to contest for education campaign	# of graduates from social enterprise program with actionable ideas
Invention	# of anti-pollution pilot projects in municipalities	Focus group reaction to winning education campaign	# of start-ups in local social enterprise incubator
Adoption	New anti-pollution measures adopted into law by municipalities	Total number of people participating in education campaign online	% increase in local market share for social enterprises
Impact	% reduction in asthma in communities where law was adopted	% change in popular opinion about gay marriage	# of marginalized people employed by local social enterprises

As the table indicates, **Impact** comes from the total effect of the **Ideation, Invention, and Adoption** phases. Measuring interventions at the first three stages can help practitioners and governments to tailor their process and support to make social innovations more likely at the organization, collaboration, or ecosystem level. For example, tracking the number of people who graduate from social enterprise programs with actionable ideas, tracking the number of those people who create startups, and tracking the number of those startups that succeed in capturing market share, especially if they have a social or environmental impact, could help policymakers tailor their supports for that whole ecosystem.

The **Impact** stage shows if the measures taken with the interventions were effective. Impact measurement can create evidence to guide better decisions, but a slavish approach to impact measurement can do more harm than good. On the one hand, a recent study of the “What Works” centres in the UK show that independent and non-partisan organizations can use evidence to guide government and social sector organizations to better practices.²² On the other hand, we need to consider the following challenges before we even begin to measure impact:

First, while the **Impact** might be measurable, the complexity of the different interventions that have contributed in some way to the impact, across the different stages and tactics, may make it difficult to attribute the relative contributions of those projects.

Second, the goals of social enterprise and innovation are much more complex than conventional economic innovation. In a regular start up, we might be working on developing a mobile app that delivers dinner right to our door. The measurements are fairly straightforward: the goal is to create a company, solve a problem for the customer, create some new technology, provide some employment, pay some taxes, and add to the GDP, overall ideally growing and being bought out in order to filter the profits into the next business (or to take them to the beach!).

In this model, what we count or quantify is fairly straightforward. As example, one company, 35 jobs, 3 new product offerings, and the customers love it, which follows with additional funding and the founders being able to cash out in 4 years. The technology was purchased by a bigger fish and this all contributed to the GDP. Great success!

So what “impact” did this company have in the world? It’s hard to see, but there. The social and environmental costs of the business are not included in market transactions, so these

²² Joanne Cave, Kent Aitken, and Lisa Lalande, “Bridging the Gap: Designing a Canadian What Works Centre” (The Mowat Centre, September 19, 2017), <https://mowatcentre.ca/bridging-the-gap/>.

might vanish from the future decision-making of the company, and also from its accounting. If a company puts a bunch of additional vehicles on the road, to deliver food that people could have made in their own kitchens or gone to pick up, then those environmental and social costs might go unnoticed. Because of this, many companies might negatively impact society, instead of contributing to a greater good; social and environmental impacts need to also be considered in market outcomes.

Third, in terms of measuring the social benefit of an organization, ideally, impact is measurable and the system is improved, and this improvement is measured by some noticeable change. Heart disease rates drop as a result of a healthy eating campaign, carbon is reduced as a result of city bike lanes, IQ rates increase as a result of removing lead from our gasoline, and crime rates drop as a result of high school dropout rates decreasing; these are all examples of the impact of social innovations.

So, as we know impact measurement can be challenging for many reasons, including:

- a) If there is a lag and a disconnect between the social innovation effort and those that are able to track the statistical outcomes, if anyone is even tracking this in the first place. Often the social innovators have not had the benefit of statistical feedback given fast enough to be able to adjust their prototypes.
- b) The statistics don't necessarily show direct correlation and attribution. For example, the Canadian Partnership for Children's Health and the Environment helped to convince policymakers to ban BPA from baby bottles in Canada in 2008. This may or may not have played a role in the subsequent increase of other jurisdictions doing the same thing, and the increase in the number of new products describing themselves as BPA-free. Further, there is currently no evidence to suggest that there has been any direct change in hormone levels in humans since this decision; only a longitudinal study may reveal the results of this many, many years after the fact, well after the results have been peer reviewed and studied for another decade.
- c) The lack of direct correlation that is used to delay, avoid, or ignore the major issues of our time. The desire for evidence and measurement can be used as a standard argument to justify inaction. It is also a massive time sink for small organizations.

Sometimes we are luckier and the desired impact is a bit simpler. The goal of the Community Bond was to buy a building to create a long-term home for 200 social mission organizations. But again, does that mean that these 200 organizations are changing the world in ways that are all fully measurable? Or, must we make a “leap of faith” in assessing impact? Just because we create a new children’s recreation tax credit does not prove that young people will adopt more active lifestyles as they grow up, nor can we demonstrate that this reduces healthcare costs. But this doesn’t mean that we should not try. We cannot let perfection be the enemy of the good.

The upshot is that governments and other large institutions can play a key role in fostering and supporting social innovation, by providing data that aids the measurement of social and environmental costs and benefits. Government data, openly provided to current and potential social entrepreneurs, can act as a guide and an external validator. However, an inflexible focus on specific metrics can also lead social entrepreneurs to create innovations for the metrics, rather than what they believe will create the most impact. Instead, a focus on using measurements of interventions at all stages of social innovation could be helpful for targeting funding, and would also help to support and foster social innovation ecosystems overall.

The Centre for Social Innovation has recently built a tool that we think will help the sector to track its impact. CSI’s Impact Dashboard²³ is a first stab at enabling Canadian social enterprises to track their impact and tell their story more effectively.

²³ “Impact Dashboard,” Impact Dashboard, accessed January 31, 2018, <https://impactdashboard.org>.



A (Brief) Note on the State of the Sector

After two decades of bottom-up development, Canada is poised to become a global leader in social innovation. The seeds of local social innovation ecosystems were formed in the non-profit sector in response to the funding cuts and soul searching of the mid-to-late 1990s. Since then, social innovation has grown to be embedded in university programs, local initiatives, and provincial laws. Now practitioners are beginning to connect nationally as never before, and the field is going to enter a new phase of growth and development.

As social innovation grows and develops it is influencing the nonprofit sector in Canada. The nonprofit sector employs millions of people for social purpose. There are over 170,000 nonprofits and charities in Canada. The sector employs over two million people and provides a larger share of the economy than the manufacturing or automotive sectors.^{24,25} In fact, Canada's nonprofit sector is the second largest relative to population in the world, just behind the Netherlands.²⁶ This sector also leverages an incredible amount of volunteer activity. The sector is sometimes called the "voluntary sector," and it mobilizes twelve million Canadian volunteers who give almost two billion hours a year, the equivalent of one million full-time jobs.

But social innovation is not confined to the nonprofit sector. In the private sector, we are seeing a significant increase and growing diversity of business and investing practices that are trying to incorporate a social responsibility lens or embrace a social purpose. The private sector is discovering the "power of caring" to sell their products, like with Heineken Mexico launching an anti-family violence campaign.²⁷ On the finance side we have seen huge growth in impact investing, ethical investing, and the emergence of social

²⁴ Employment and Social Development Canada and Employment and Social Development Canada, "Voluntary Sector: Support for Not-For-Profit Organizations," policies, April 6, 2013, <https://www.canada.ca/en/employment-social-development/programs/communities/voluntary.html>.

²⁵ "Key Facts about Canada's Charities | Imagine Canada," accessed January 15, 2018, <http://www.imaginecanada.ca/resources-and-tools/research-and-facts/key-facts-about-canada%E2%80%99s-charities>.

²⁶ Michael Hall et al., "The Canadian Nonprofit and Voluntary Sector in Comparative Perspective" (Johns Hopkins University; Imagine Canada, 2005), http://sectorsource.ca/sites/default/files/resources/files/jhu_report_en.pdf.

²⁷ "Shaming Violence against Women in Mexico," 2016, <http://www.theheinekencompany.com/sustainability/case-studies/shaming-violence-against-women-in-mexico>.

finance. The investment firm BlackRock instructed business leaders to contribute to society, instead of simply focusing on making money: in January 2018, BlackRock declared that it will no longer invest in companies that fail to give back.²⁸

In government, the spread of policy labs and collaborative processes have marked the adoption of some key social innovation practices into the public sector. Recently, the federal government has just put an “experimentation directive” in place to shift resources across departments towards experimentation, learning, and to adopt better practices.

There is now a great deal of experimentation at the edges of the sectors as social entrepreneurs look for ways to spread ideas that put people and planet first. As they do so, they are running into barriers from out-of-date laws that constrain charities, exclude nonprofits, and prioritize for-profit innovation. Fortunately, the importance of Silicon Valley to technological innovation has taught governments that supporting innovation ecosystems is the key to seeing the sustained creation of successful innovations. That fundamental lesson can pave the way for Canada to support more social innovation ecosystems, that will ultimately invent and spread new and renewed ideas that equally use culture, markets, and policy to put people and planet first.

Social innovation is spreading around the country because its principles and practices offer fresh hope in a challenging world. If we act now to accelerate the trends that we are already seeing across sectors, then we can create jobs while solving some of the hardest problems facing our society. In doing so, we can draw on the values that are common in our people and our institutions: a desire to be part of the solution, a desire to work together, and a desire to create a caring society with a sustainable and inclusive focus on prosperity for all. Those are Canadian values, and they are the values of social innovation. These are also, perhaps, Canada’s most important global export!

²⁸ Andrew Ross Sorkin, “BlackRock’s Message: Contribute to Society, or Risk Losing Our Support,” January 15, 2018, <https://www.nytimes.com/2018/01/15/business/dealbook/blackrock-laurence-fink-letter.html>.



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