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# Addressing Lifecourse Risks through Social Innovation: Opportunities and Challenges for the Community Sector

## Workshop Report

Policy Research Initiative

Summary of Roundtable Discussions  
(December 8, 2009)

March 2010

PRI Project  
Social Management of Risk

Canada



## **Table of Contents**

1. Introduction.....	1
2. General Observations.....	3
3. Detailed Observations.....	7
3.1 Community Sector Organizations: Strengths, Weaknesses, Challenges and Opportunities .....	7
3.2 Drivers of Change and their Impact on the Community Sector .....	9
Population Aging .....	9
Growing Social Diversity and Social Differentiation.....	10
Growing Importance of Social Media .....	11
Funding.....	11
Accountability.....	12
Blurring Boundaries.....	12
Other Trends .....	13
3.3 Social Innovation.....	13
3.4 Policy and Research Gaps.....	14
Mapping Social Innovation.....	14
Monitoring the Evolution of the Role of the Community Sector .....	15
Mapping the Impacts of Change Drivers .....	16
4. Moving Forward .....	16
Focus of Research Efforts.....	16
Follow-up Events (face-to-face) .....	17
Follow-up on Online Collaboration.....	18
Annex - Evaluation feedback from the Roundtable held on December 8, 2009.....	19

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## **1. Introduction**

The Policy Research Initiative (PRI) is developing a project on the social management of risk which examines the challenges individuals could face over the coming decade as well as the strengths and weaknesses of the various social actors (families, communities – including formal organizations and informal networks – the market sector, as well as governments) in helping individuals prevent, mitigate, and cope with these risks. On December 8, 2009, the PRI hosted a multi-sector roundtable discussion on the emerging opportunities and challenges facing the community sector as it helps meet the needs of Canadians, as well as its role in social innovation.

The first in a series of activities planned in the context of the PRI's project on the social management of risk, the purpose of this event was to identify: 1) the drivers of change that could impact the community sector in responding to various life course risks that Canadians face, 2) current innovative approaches to respond to these social challenges and mechanisms to foster social innovation, and 3) data and policy research gaps that could enhance our understanding of the drivers of change, their impacts, and social innovation. This event also marked the opening of an online 'knowledge commons' where all participants and their colleagues are invited to discuss, debate, and share ideas and practices on the social management of risk and social innovation.

Nearly 100 participants attended the event, including representatives from community sector organizations, governments, and academic researchers. Karen Jackson, Associate Deputy Minister at Human Resources and Skills Development Canada delivered the opening keynote address that set the context for the discussions throughout the day.

### ***Policy Research Initiative***

Created in 1996, the **Policy Research Initiative** (PRI) is a policy research organization within Canada's federal government that specializes in early stage work on issues involving multiple federal departments. The PRI seeks to bridge the divide that often separates the policy research community inside and outside of government from the policy development community within government on issues likely to become public policy priorities for the federal government over the coming three to five years. Its core mandate is to advance research on emerging issues, and to ensure both effective communication to researchers of the policy research priorities of federal policy-makers and effective use of research findings in the development of policies by federal departments.

The PRI activities are overseen by a Steering Committee of Deputy Ministers which provides advice and guidance of the PRI's research agenda. Since 2006, the PRI has been asked to provide increased research support to a number of federal Deputy Minister policy committees on the medium- and longer-term aspects of those committees' agendas. As well, an increased emphasis has been placed on the forward scanning aspects of the PRI's work and on linking its research agenda more tightly to committee work plans.

For more information, please visit the PRI's web site: [www.pri-prp.gc.ca](http://www.pri-prp.gc.ca)

### ***The "Social Management of Risk"***

The events leading up to (and since) the financial crisis in late 2008 have underscored the importance of coming to grips with the ever-changing nature and pattern of risks affecting the lives of citizens, as well as the shifting patterns of self-reliance and support for (and from) others in their wake. Though its genesis preceded that crisis, the PRI's project on the Social Management of Risk is designed to explore ongoing trends that, over the medium- to long-term, may be altering the comparative strengths and weaknesses of individual Canadians themselves, their families and networks of friends and acquaintances, the community sector, the market sector and governments in "managing" the evolving pattern of risks that surround them, i.e., variously helping them prevent, mitigate, or cope with adverse risks or take advantage of positive risk opportunities.

The project will place particular emphasis on describing the evolving "ecology" of the management of such risks by a multiplicity of autonomous social actors, acting either alone or in partnership with others (hence the "social" management of risks) – and on identifying potential shifts in the content and mix of public policy instruments that either:

- directly support Canadians in their management of risks; or
- facilitate the efforts of individuals themselves, their families and the community and market sectors to help them manage such risks when they are best placed to do so.

The project will focus on a few key life course risks (notably those that can be expected to become more salient as public policy concerns in the coming years) – with distinct streams of research on early and late life course risks and on the comparative strengths and weaknesses of families, the community sector, the market sector, and governments.

### ***"Life Course Risks"***

Life course risks refer to events occurring over the course of a person's life that can significantly impact their subsequent life chances.

As individuals pass through different transitions over the course of their lives, they invariably face events that can positively or adversely impact their life circumstances – including transitions from school to work or work to retirement, changes in employment, family or health status, and migration.

How well individuals succeed in taking advantage of "positive" risk opportunities or in preventing "adverse" risks from occurring (or, failing that, mitigating their impact and coping with any remaining fall-out) depends on the resources they have at their disposal including their own personal resilience and support derived from their family, their informal networks, the formal community organizations, the market sector as well as governments.

The community sector stream of research under the overall Social Management of Risk project is intended to explore the extent to which the evolving nature of such risks – and their interaction with the evolving pattern of strengths and weaknesses of the community sector, writ large – can be expected to translate into:

- changes in the role of the sector (either acting alone or in partnership with other social actors) in building up the resilience of Canadians, helping them prevent or mitigate risks of adversity or take advantage of positive risk opportunities and generally providing support to those in need; and
- possible changes in the content and mix of public policies to enable the community sector to more effectively play the roles it may be best placed to play in this regard.

An overview of the PRI's project on the Social Management of Risk was then presented, along with a description of the PRI's proposed stream of work on the role of the community sector as agents of risk management and social innovators. In her lunchtime keynote address, Michele Jolin, Senior Advisor for Social Innovation, Domestic Policy Council at the White House, presented an overview of social innovation initiatives launched recently by President Obama's Administration in the United States, and especially the objectives of the new Social Innovation Fund that has been created in that country. The purpose of the Fund is to identify new ideas in addressing complex social problems and explore ways to scale up these innovations. At the time of the event, the White House was in the process of designing an effective structure for the Social Innovation Fund in order to encourage as much innovation and impact as possible.

A majority of the time at the event was devoted to three breakout roundtable sessions. In order to help facilitate dialogue in these sessions, a draft concept framework wiki was made accessible to participants in advance.<sup>1</sup> The discussions were in part based upon key issues raised in that document, including:

- The strengths and weaknesses of the (broadly defined) community sector in responding to social challenges.
- Some of the drivers of change affecting the sector (including various demographic, social, economic, environmental, and technological shifts).
- Implications of these drivers for the community sector.
- Factors that foster or impede the ability of the sector to engage in social innovation geared to addressing unmet or emerging needs of Canadians over their life course.
- Policy research and data gaps that may need to be addressed to foster a better understanding of current and emerging trends and how alternative policies might facilitate social innovation and other activities of the community sector.

This report summarizes the discussions of the event and sketches out possible follow-up activities for the PRI and "knowledge commons" to pursue in the context of the community sector stream of the social management of risk project.

## **2. General Observations**

Given that the roundtable in effect dealt with two distinct – but related – issues (“social innovation” and the “social management of risk”: see side-bars) and that numerous participants had not had the opportunity to review the draft conceptual framework wiki, on the latter subject in particular, there was a certain degree of discomfort and confusion relating to the objectives to be pursued and how the two concepts related to each other. A number of participants found the joining of the two concepts to be problematic, arguing that the risk framework did not fit well with much of the thinking going on in relation to social innovation, with initiatives by community sector organizations currently underway across Canada, or the means by which community sector organizations would like to address emerging challenges. There was also a particular sense among many representatives of community sector organizations that it would be

preferable to focus less on the “social management of risk” (viewing “risk” as having connotations that were too negative, too focused on the weaknesses and “deficits” of Canadians rather than on their strengths, and the “management” of risk as sounding overly passive and/or reactive) and more on positive agendas of “social innovation”, “resilience” and “investments in the community sector”.

### **"Social Innovation"**

As a concept that has only acquired widespread usage in the last decade or so, “social innovation” has been used to refer to a variety of different phenomena, as a single conventional definition has yet to emerge. Though there is a clear sense that “social” innovations are changes that generate benefits accruing primarily to society as a whole – unlike other (“economic” or “business”) innovations whose benefits may be said to accrue primarily to private individuals – there is much less consensus over the mechanisms by which such innovations arise or the extent or magnitude of impacts such innovations must have to be considered proper “social innovations”.

Some authors and promoters of social innovation view it as primarily an activity of the community sector, while others emphasize the need for involvement of multiple social actors – including from the community sector, the business sector and governments – while others still argue that social innovations can come from any source. For some, the motivation for the change must be primarily social or community-oriented, whereas for others, it suffices that the outcomes be socially beneficial. Some authors limit the concept only to discontinuous or “disruptive” changes – particularly those whose impacts are widespread or “systemic” – while others accept that even incremental changes whose impacts accumulate over time or those that have a significant impact only in particular locations or among particular sub-communities have a legitimate claim to be considered social innovations.

For a brief overview of recent literature defining “social innovation”, see *Social Innovation: What is it? Who does it?*

Given that it has carved out an increasingly prominent place in policy discourse in Canada and internationally, “social innovation” was not seen as a particularly new concept (or a new practice) by many participants. Some pointed to numerous innovative approaches to address social challenges with a long history in Canada – including cooperatives, social enterprises, social economy organizations, as well as increasing numbers of collaborative partnerships involving the private sector, community sector organizations and governments. That said, some participants argued that Canada's existing regulatory and legislative frameworks 'have not kept pace with' (i.e., was now constraining the development of) social innovation in the country. There were calls for innovative efforts to be more systematically documented and analyzed in order to develop a better Canadian roadmap for social innovation. Further, participants felt Canada could also learn from practices internationally such as the initiatives in the UK as well as the US. Not all participants shared a common understanding of what constituted “social innovation” (let alone the less familiar term “social management of risk”), suggesting it may be worth pursuing further work as part of the PRI's research project toward clarification of what is meant by the two terms, the relationship between the two, and the role of the community sector in both.

Further, the scope of the “community sector” proposed for study as part of the PRI's research project raised a range of comments, being seen as too broad for some while too narrow for others. Some participants argued the current definition of the ‘non-profit



sector' already encompassed an appropriate universe of community organizations and that the proposed definition, which includes for example, the addition of informal networks of support, may render the project unmanageable. On the other hand, some participants pointed out that even to refer to the community as a "sector" was too narrow, overlooking the diversity and scope of community-based organizations as well as the relationships that these organizations have developed. According to the latter view, the "community" consists of a web of relationships (i.e., between individuals, families, non-profit organizations, governments and businesses) rather than simply a sector.

Many of the same participants also expressed concerns over the idea of looking at the community sector as "autonomous" actors, given the implicit suggestion this seemed to give that the sector may need to "go at it alone" to a greater extent than has been the case in the recent past and rely less on what they saw as an essential partnership with governments that would ideally involve predictable levels of both "core" and "project" funding for the sector. Concerns were also raised that the social risk management framework seemed to position governments as playing only a "peripheral" or "supporting" role in meeting the needs of Canadians. The difficult fiscal situation at the present time – at both the federal and provincial levels of government – was seen to raise concerns even further. Though the keynote address by Karen Jackson had noted that the core community sector as a whole relied relatively little on government funding, some participants stressed that (as had been acknowledged in the keynote address), the extent of government funding varied a great deal across the community sector and was particularly significant for community sector organizations involved in the provision of support to populations that were also important clients of government programs. In a similar vein, a number of participants urged the PRI and federal departments to take care in not reinventing the wheel and to build on earlier research done as part of the Voluntary Sector Initiative from 2000 to 2005.

There was also some evident discomfort with the proposed approach of looking not just at the role played by formal community sector organizations but also at the role of informal community networks. Some participants noted that much of the preliminary wiki focused on issues that were primarily relevant to formal organizations and argued that there were likely to be few policy levers that could be directed toward informal networks. Others noted with approval, however, that the informal networks spawned by Web 2.0 technologies and the new NGOs that today's young people seemed to favour (reflecting growth in attachment to causes rather than to existing organizations) were an important new part of the community sector. Others noted that the relative importance of the formal and informal community sectors varied among different sub-populations (e.g. with Aboriginals and recent immigrants often being more reliant on informal networks than on formal community sector organizations), suggesting it may be important to look into the strengths and weaknesses of each and explore ways of facilitating more effective forms of community sector interventions through both formal and informal mechanisms.

Overall, participants felt the demographic, social, economic, environmental, and technological shifts mentioned in the conceptual framework were indeed the relevant ones (though many noted these have been in evidence for at least the last two decades).

It was noted that responding to the impacts of these shifts requires the concerted efforts of all social actors – including families, informal networks of support, community sector organizations, the market sector and governments. In particular, there was seen to be a need to better articulate the interface between governments and community sector organizations as well as the market sector, in meeting the needs of Canadians.

Participants emphasized that the community sector – while innovative and resilient – is only a part (albeit an integral one) of a broader “ecology” of social support to which individuals can and do turn both as a source of help in meeting their immediate needs and as an instrument for exerting greater control over their lives.

There was an overall consensus that the risks that individual Canadians experience (and that both the community sector and governments help manage) are multi-faceted and inter-related. All sectors of society play unique yet interconnected roles in assisting individuals to maximize their opportunities and to prevent mitigate or cope with these risks. Solutions to these risks lie in the ability of social actors to work in a cross-sectoral or horizontal manner (which was seen by many as representing the gist of what "social innovation" was about). Community sector organizations are well-placed to be leaders of social innovation given their connectedness to the issues at hand. According to participants, governments needed to play a more active role in fostering social innovation through policy frameworks and knowledge transfer, as well as accelerating existing successful initiatives.

On a more sombre note, others cautioned that formal community organizations, in particular, are not immune to the impacts of the shifts in the socio-economic and demographic landscape – including the impacts of expected declines in the number of volunteers, an eventual return to tighter labour markets, the increasingly diverse needs of those they serve, a growing need to partner with a multitude of social actors from different sectors, increasing demands for services, increasingly burdensome accountability requirements being demanded by funders, and the ever-expanding networked world. According to a number of participants, community sector organizations were in fact coming under such stress due to these combined pressures that, left unattended, the situation would only get worse and could even lead to a situation where the sector as a whole might collapse and that the sector's strong corps of “doers” would suddenly disappear.

A number of participants pointed to research and policy dialogues and scenario-building exercises currently underway across the country (including under the auspices of Imagine Canada and as part of the preparations for the 2010 National Summit on a People-Centred Economy) on various aspects of social innovation and on the potential impacts of change drivers on the community sector. As a result, there is a need for the PRI and its proposed “knowledge commons” to engage with these conversations in order to build upon existing research and work. While the PRI drafted its concept paper as a conversation starter for participants to co-create a final paper following the roundtable, some would have preferred a more active role in shaping the PRI's conceptual frameworks as well as its research agenda on the topic at a much earlier stage in its development.

The Annex to this report summarizes the overall reaction of participants to the event, as gauged by the evaluation forms filled out by participants, and includes a break-down by class of participant (government policy researcher, representative of the community sector, academics, etc.).

### **3. Detailed Observations**

#### **3.1 Community Sector Organizations: Strengths, Weaknesses, Challenges and Opportunities**

Participants were unanimous in the view that the community sector is not and should not be the sole actor in responding to the challenges individuals face over the course of their lives. Nevertheless, it plays a key role in helping Canadians maximize their potential and overcome obstacles. Participants highlighted a number of strengths of community sector organizations. First, the strength of the community sector lies in its dedicated workforce, both paid personnel and volunteers, whose sense of belonging and very identities are often tied into their community work. Second, Canadians exhibit a particular trust towards the sector. Third, the sector is particularly attuned to local realities and is able to identify and address social needs on the ground. Fourth, it is generally resilient and adaptive to change. Fifth, it is entrepreneurial and adept at inter-sector collaborations. Sixth, many elements of the sector possessed a corporate memory that was often longer than those of governments. It was also observed that the sector was a particularly rich source of social innovations that sought to fill the policy and program gaps it was able to identify in respect of both existing and emerging needs.

The ability of community sector organizations to deliver services cost-effectively - often at below-market costs – was seen by many as both a strength and a weakness of the sector. It was considered a weakness in that the sector's deeply engrained sense of responsibility has left it vulnerable to unreasonable expectations on the part of funders with respect to what it could accomplish, as well as to a high risk of burnout among staff and volunteers who struggle to accomplish more "with ever diminishing funds" and who are "working too hard with too little money". Some criticized what they called an unsustainable "culture of poverty" that prevails within much of the sector.

Participants recognized that community sector organizations also faced a number of other challenges that could prevent them from building on their strengths. Some observed that, compared to countries such as the UK – where individuals often move between government and community sector organizations – the community sector in Canada seemed to have less status, notwithstanding the trust Canadians have in the sector. As a result, community sector organizations often have difficulty recruiting and retaining employees with key skills. Some also noted recruitment challenges with respect to board members due to increasing overburden, as well as the risk-averse tendencies and lack of representativeness of the boards in some community sector organizations. Moreover, while governments expect the sector to carry on its activity in a business-like manner, the sector is not treated as such, either by governments or by the sector's potential partners in the business sector.

The lack of a skilled workforce (especially a “management-ready pool” of successors), declining levels of predictable funding, and rising staff turnover were said not to allow for effective strategic and succession planning. These, in turn, were creating gaps in "knowledge retention" and undermining the ability to build and maintain trust and relationships that are the keys to effectiveness in many community sector organizations. Some noted the increasing focus on services was also resulting in a loss of the sector's “advocacy voice”.

While the sector was seen as effective in initiating and mobilizing change, it often lacks the capacity to scale up its innovative approaches. There has been an increasing division within the sector between the professionalization of skills within larger organizations (especially among organizations that span the country as a whole) and the challenges faced by local or grassroots organizations that have particular difficulty attracting workers with needed skills. Others pointed to the challenges posed by a mixed collaboration-competition dynamic that is frequently at play in the sector. In particular, organizations with similar mandates were seen as often competing with each other to deliver the same services from similar funding sources. As a result, there are challenges in building collaboration among like-minded organizations. Some noted that this was at least partially to blame for the lack of adequate public funding for the sector, as different organizations desperate for funding of any sort short-changed themselves by failing to ensure that agreements entered into with governments built in proper margins to cover the inevitable administrative costs entailed by the need to, inter alia, ensure accountability.

A further challenge was that of ensuring a unified and clear voice for the sector as a whole in order to effectively deal with some of the issues they face (notably as a way of promoting a cooperative rather than a competitive way of interacting both within the sector and with governments and the business sector). According to some participants, while most community sector organizations are cognizant of what they do at the individual or local level, there appeared to be a need for a more systematic dialogue of what the sector represents as a group.

Relationships with governments were frequently cited as posing significant challenges – especially in relation to burdensome application and reporting requirements; unsustainable irregular and short-term funding cycles (of the sort that have the sector chasing funding from “flavour of the day” government programs); the still very “siloed” way governments (and government engagement with the sector) are organized; and a lack of a clear vision or models of partnership. While some called for governments to move away from their habit of acting as “taskers” toward the role of a more equal partner, a few participants took the view that "the role of governments should be to set up a framework and then get out of the way".

Some participants noted that many of these same challenges may also create opportunities for change in the community sector. In particular, they discussed how this may be an opportune time for the sector to self-organize and coordinate efforts between multiple organizations and create transformative partnerships within the sector and with other sectors. Some noted in particular a growing willingness among the business sector to partner with the community sector in pursuing innovative solutions (including those

reflecting “enterprising, market-based solutions” but that also embraced social responsibility) that could add to the dynamism of existing social economy, community development and cooperative enterprises. This was also seen to represent opportunities for broader “social financing” (“social venture capital”, “venture philanthropy”, etc.) of social innovations, provided suitable mechanisms, including alternative corporate structures, were put in place. They also noted that the aging workforce may have more time to dedicate to volunteer activities, thus contributing even more to the community sector. Some noted that population aging also entailed a larger population with significant assets acquired over a lifetime – assets that could potentially be available to support the community sector (as legacy donations of previous generations have done in the past). Others noted that a rising tide of interest in making a difference among youth was also a “latent force to be cultivated”.

### **3.2 Drivers of Change and their Impact on the Community Sector**

The preliminary conceptual framework wiki outlined six drivers of change that could impact community sector organizations in the coming decade, including demographic, social, and economic trends, the growing importance of technology, changes in funding sources, as well as the progressive blurring of the boundaries between sectors. In the breakout group discussions, participants discussed these, fleshing them out and/or highlighting a number of additional change drivers – with a particular focus placed on population aging, growing social diversity and social differentiation, the importance of social media, funding and accountability requirements, as well as the blurring of sector boundaries. These trends were seen to be already having a significant impact on the community sector and likely to continue having a major impact on organizations within the sector in terms of both their capacity to carry out their mandates and the level and pattern of needs they respond to.

#### **Population Aging**

Canadians on average are getting older, though some participants (notably from communities with large Aboriginal populations) noted that First Nations and Inuit populations were much younger and had significantly different (and rising) expectations for the future as a result. It was also noted that immigrants constituted a large and growing proportion of Canada's overall population and will in particular soon account for all the net growth in the Canadian labour force. As a result, as baby-boomers exit the labour market in the coming decade, the future workforce (including that of community sector organizations themselves) will be more diverse in composition as many more Aboriginals and ethnic minorities join the labour force.

**Implications:** One potential impact of population aging that was of particular concern was “the changing face of the volunteer” and the stagnation of the community sector's volunteer base. Currently, older volunteers contribute most of the volunteer hours. With an aging work force, there could be a shortage of skilled professionals to lead community sector organizations and a shortage of management-ready personnel to fill the positions vacated by baby-boomers. Participants expected such a shortage would be particularly strongly felt among small- and medium-sized organizations.

Attracting younger workers was seen to be a particular challenge given the lower wages offered in community sector organizations compared to the government and business sectors and the perception that younger workers have different approaches to work than their older counterparts. While passionate and engaged with issues that matter to them – and much more likely to belong to informal community networks, especially those made possible by new social networking technologies – younger workers were seen as less willing to make personal sacrifices to participate in traditional community sector activities than their predecessors, placing a greater value on work-life balance and on opportunities for personal and professional development, for example. Some observed that younger workers may in particular resist joining existing community sector organizations but prefer to start their own, both on-line and face-to-face. A better understanding of any such intergenerational differences may therefore be crucial to ensuring the continuity and vibrancy of many community sector organizations.

### ***Growing Social Diversity and Social Differentiation***

Some participants noted that rural areas and towns that rely on one single traditional industry suffer when jobs shift to lower cost countries and/or their inhabitants migrate to urban areas and raised concerns over the collapse of many rural communities. Elsewhere, larger urban cities are becoming more diverse culturally and socially, as most recent immigrants and visible minorities settle in large cities, some of which are also witnessing significant growth of Aboriginal populations.

In addition to growing differentiation between different geographic communities, a number of participants commented on the segmentation of society in regards to access to social and economic opportunities, with some groups (such as Aboriginals and ethnic minorities) remaining more vulnerable to social exclusion than others. Low-income has become concentrated in particular population groups. Related to persistent and even growing income gaps are inequalities in health and literacy. The changing nature of the family was also cited as an important driver of change. Some participants noted the rising proportion of women now firmly committed to paid work and to a female majority among those pursuing post-secondary education. Others raised concerns regarding the marginalization of youth from post-baby boom generations and their deteriorating expectations regarding the future of the labour market.

***Implications:*** Social challenges are becoming localized and the needs of different populations (often including those within particular geographic localities) are becoming increasingly diverse. Given this growing diversity, there is likely to be a heightened need for place-based information “on the ground” in order to effectively provide support to those in need – information to which the community sector is more likely to have access. To be most effective in gathering and acting on such information, however, community sector organizations would increasingly need to be able to work inter-culturally: in particular, workers in community sector organizations will need to better reflect the people they serve by, for example, recruiting members of Aboriginal, immigrant and ethno-cultural groups as volunteers, employees, managers and board members.

### ***Growing Importance of Social Media***

It was widely acknowledged that information technology has become ubiquitous and that the Internet, especially Web 2.0, has “democratized” the process of information dissemination and enabled individuals and organizations to access information and networks (and to contribute to such information and create such networks) in a way that was not possible in the past. At the same time, many noted the increasing difficulty in assessing the quality or accuracy of available information. Particularly among young people, social media offer alternative platforms for civic and social engagement at a time when trust in traditional institutions is in decline. It also facilitates the emergence and spread of informal networks, at least among those who have access to the technologies.

***Implications:*** Some participants pointed to both the advantages and challenges of living in an increasingly networked world. Maximizing the benefits of information and communications technologies requires human and financial resources, which some participants considered to be a significant impediment to “keeping up”. Consequently, it can lead to a digital divide between organizations that are able to keep up with technological trends and the typically small- to medium-sized organizations that often lack staff with specialized skills. Although there is more information available, the quality of information is difficult to assess. Further, there was seen to exist a significant digital divide among the populations served by community sector organizations, with those most suffering from exclusion typically having the least access to the information offered by such technologies.

### ***Funding***

Many participants noted – with concern – the well-documented shift over the past decade in the dominant government funding mechanism for community sector organizations (i.e. from “core” to “project-based” funding), a pattern that also prevails among institutional and other large private donors. Given a corresponding rise in the burden of applying for project-based funding, numerous participants noted that joint applications by consortia of community sector organizations are increasingly becoming the norm as community sector organizations find ways of maximizing the likelihood of securing funding after making significant investments in time and effort to apply for such funds as are available.

There were also concerns expressed over the availability of funding over at least the short- to medium-term. In particular, some thought the impacts of the recent recession on private funders may have yet to be felt and that fiscal constraints may significantly reduce governments' ability to fund community sector organizations and the support they give to Canadians in need.

***Implications:*** Numerous participants noted that a continued lack of core funding undermines community sector organizations' ability to carry out their mandate since they are constantly in search of funding opportunities. While joint applications were seen as beneficial in many ways – notably by fostering partnerships – the need to identify potential co-applicants and to agree upon their respective roles and responsibilities itself put pressure on community organizations to devote significant time and effort to the application process, leaving them less time to actually provide support, let alone reflect

on what they do or how they do so or to innovate and otherwise develop their capacities to better serve their clients.

### **Accountability**

In addition to the increasing application burden, numerous participants noted with concern that reporting and evaluation requirements for funding have become more complex, as funders (including both governments and private donors) increasingly demand tangible (and visible) returns on their investments. As a result, the community sector was here too seen as becoming more bureaucratized in an effort to meet reporting and accountability requirements, also diverting time and effort away from their intended social purpose.

**Implications:** Some participants noted how the increasing accountability requirements were making the recruitment of board members more difficult. Some also reported an increasing tendency toward risk-aversion among those who serve on the boards of community sector organizations. More generally, community sector organizations were said to be increasingly preoccupied with documenting return on investment at the expense of innovating and improving their approaches.

### **Blurring Boundaries**

Among participants, it was generally acknowledged – though not without reservations – that the past two decades have witnessed a significant blurring of sector boundaries in relation to the role of the community and business sectors (and social actors more generally) in responding to social issues, including through the development and implementation of public policies. Civil society, both individual citizens and the myriad of community organizations they belong to, are taking an increasingly active role in meeting the unmet and emerging needs of Canadians, while the role of federal and provincial governments has atrophied. As a result, some noted that municipalities were taking a stronger role in addressing social needs (particularly as social challenges become more localized) and that both community organizations and municipalities were increasingly filling the policy and service space vacated by the “senior” levels of government. Profit-driven organizations were adopting the motto of “doing well by doing good” through corporate social responsibility initiatives. In the meantime, socially-minded organizations (community economic development, social economy and social enterprises) were recognizing the importance of “doing good by doing well”, taking market-based solutions to carry out their social mandate. Some felt that we are at a major crossroads in our understanding of the roles of each sector as well as how they relate to each other and among themselves. Some participants welcomed the growing role of the business sector as an “influencer of community change”, while others expressed concern over what they viewed as an “ideological shift” toward a rethinking of the role of governments, markets and the society in general. Others still welcomed the growing social responsibility of many in the business community while expressing reservations over that sector's role as drivers of conditions that generate risks.

**Implications:** The blurring of boundaries could make cross-sector work challenging, given that existing governance structures lag behind the emerging need for horizontal coordination and collaboration. Some indicated that it is especially when boundaries are blurred that there is a particular need to ensure joined-up and coordinated approaches to



securing financing and meeting reporting and accountability requirements. But while there have been increasing demands for cross-sector collaboration, governments are still working in their respective jurisdictional and departmental silos – resulting in consultation overburden and burnout issues among all sectors.

### **Other Trends**

Other trends noted by participants included ecological developments that may generate new unmet needs and shift the focus of the community sector as a whole toward climate change and related issues (and possibly away from other traditional preoccupations of the sector).

### **3.3 Social Innovation**

There was a significant interest among participants at the event in questions surrounding social innovation and a clear appetite for further work in this area. There was a clear sense that more information was required on what exactly “social innovation” entailed, how it arose, who it involved and how it can be fostered. More concretely, some participants called for research on how to adapt and scale up successful innovations and on models to support increased community and business sector participation in public/private partnerships. There was also a clear sense that “getting better and coming together” (i.e., creating partnerships spanning many different players from different backgrounds and sectors) was at the heart of social innovation. A few suggested that it might be overly narrow to look only at “social” innovation and that it might be more fruitful to look at economic and social innovation together, as the two often “went hand-in-hand”.

Many participants noted that current and emerging social challenges are multi-faceted and inter-connected. Yet existing support from the community sector (and, *a fortiori*, government policies and programs) often seemed only to address the symptoms of a problem reactively. The use of food banks was cited as an example: while responding to immediate needs in relation to hunger, it was seen as essential to tackle the deeper social and economic causes of food insecurity among users of foodbanks, including precarious employment, mental health and homelessness issues. Social innovation – viewed as changes designed to tackle root causes rather than just responding to immediate needs – was seen as gaining importance because it offers hope of new or alternative ways to address intractable problems such as poverty and exclusion.

Participants noted that there have been numerous innovative approaches to addressing such social challenges (often involving cross-sector collaboration) in Canada over the years and that the phenomenon pre-dates the label “social innovation”. Community sector organizations were seen to be at the forefront of many key social innovations, especially under the umbrella of “community economic development”, “social enterprise” and “social economy” networks. But governments too (typically in cooperation with partners from the community sector) were also seen as prompting and partnering in innovative approaches, as witnessed by examples such as the Metropolis Project and the Community-University Research Alliance, that have brought together different players to engage in collaborative research.

Notwithstanding such examples – and the clear appetite for more “out of the box” solutions among both governments and the community sector – social innovation efforts were seen as being often impeded by governments' existing fiscal and policy frameworks. It was noted that there was no clear and coherent policy regime (at least at the federal level) on the role of social innovation – much less on the role of the community sector as key players in the social innovation process. Instead, participants noted that community sector organizations were too often seen as mere agents delivering pre-determined services on behalf of governments and that their innovative initiatives often went unrecognized and unsupported (and even resisted) by risk-averse government agencies intent more on accountability for outputs than for outcomes. In spite of previous attempts, such as the Voluntary Sector Initiative, some participants felt that governments have yet to find a way to engage the sector effectively.

Compared to other countries (the United Kingdom was often mentioned), a number of participants observed that social innovation has yet to gain prominence as a focus of public policy in Canada. Some participants called for “champions” of social innovation to emerge at the highest level of decision-making within governments. Further, there was seen to be a lack of focused research efforts on the topic (with a few exceptions being cited, notably the SSHRC-financed social economy research hub). It was also noted that there was no centre of excellence or a Canada Research Chair in social innovation.

### ***3.4 Policy and Research Gaps***

To better foster knowledge and a culture of social innovation in Canada, as well as to understand the role of community sector organizations in addressing social challenges through social innovation and the provision of support to those in need, there was a significant appetite among participants for further policy research efforts to, for example, “map the ecology of social innovation” both in Canada and in other countries, to monitor the evolution of the community sector in terms of its roles and impact, to analyze the drivers of change that may have an impact on the community sector as well as to explore alternative policies in support of a more dynamic and innovative community sector.

#### ***Mapping Social Innovation***

It was argued that the building blocks and enabling conditions for social innovation needed to be better identified (including the roles played by ideas; by individuals as initiators, perfectors or propagators; by the existence/absence of broader community networks; by access to “social capital”, “venture philanthropy” and reliable ongoing funding; as well as by mechanisms of governance, including accountability, reporting and coordination. A suggested starting point was the need for an inventory or “community library” of social innovation initiatives in terms of their scope, size, process and funding, as well as the role played by community sector organizations – notably to spark emulation by building evidence of social innovation and to allow a narrative to be built up surrounding observed successes, failures or simply unanticipated outcomes. Other frequent themes to participants' comments were the need to look at mechanisms for

“smart risk-taking” and for “demonstrating what works, what doesn't, and why”. Others called for focused research on innovative practices among Aboriginal communities (both on reserve and in urban areas) and among official language and other linguistic minority groups.

However, in commenting on the strengths and weaknesses of the approach of funding for scale-ups of successful innovations (notably, as sketched out in Michele Jolin's description of the objectives of the Social Innovation Fund in the US), some participants expressed reservations and caveats over the potential dangers of “favourite” or “pet” innovations (as implied by the concept of “best” practices) overriding or overshadowing other successful innovations and reducing the likelihood of the latter obtaining needed resources. Others added further reservations over the merits of a too-aggressive pursuit of “scaling up”, noting the greater likelihood of failure when innovations are transferred to different contexts, and arguing that such efforts may also violate core community development principles.

Given the blurring of boundaries between the community sector, the business sector and governments in relation to social innovation, a number of participants observed it would be useful (and, indeed, essential) to establish mutual accountability among all those involved. Many spoke of the need for “transformative partnerships” both within and between sectors. There were suggestions that Canada might do well to learn from policy frameworks and funding mechanisms in use in other countries, such as the US, the UK, Singapore and Australia as well as those of certain international organizations.

### ***Monitoring the Evolution of the Role of the Community Sector***

The community sector was seen as constantly evolving, as was the population it serves. However, data collection on community sector organizations and volunteering in Canada was seen as having been at best sporadic to date. Indeed, it was noted that major surveys on the topic (e.g., Canada Survey of Giving, Volunteering and Participating) have been discontinued. A few participants added that, even for data that is available, much information is available only at a Canada-wide level and with limited ability to look at activities at the sub-sector level within what is a very heterogeneous community sector, making it difficult to evaluate the role of the sector and the needs it is addressing at a local scale, where it often operates most effectively.

In addition to the need for better data, many participants focused on the need to address the lack of measurements and metrics to accurately demonstrate the impact of the work carried out by community sector organizations. It was noted that it was often the output rather than outcome of their projects that was measured (notably for accountability and reporting purposes).

Beyond improvements in data availability to help describe what the sector does, some participants argued for the need to fill a research gap in comparative studies of the efficiency of the community, business and government sectors in meeting different kinds of social needs. Others spoke to the need to explore and develop better measures of the “full-spectrum” cost-effectiveness of community sector interventions as part of measuring their overall “social return”.

### ***Mapping the Impacts of Change Drivers***

In addition to a better understanding of what is impacting the community sector at present, there was broad agreement that foresight analysis was needed to identify emerging drivers and their potential impact on the sector. It was noted that Imagine Canada was already engaged in such a process, that a broad coalition of groups were also involved in identifying and prioritizing key actions needed to strengthen innovative community responses to change drivers as part of the 2010 National Summit on a People-Centred Economy and that it would be important to ensure that any similar activities planned by the PRI under the auspices of the community sector stream of its research program build on – and not duplicate – those efforts.

## ***4. Moving Forward***

Roundtable participants made numerous comments and suggestions for how the PRI may want to move forward with its stream of research on social innovation and the role of the community sector in the social management of risk. While participants generally welcomed the opportunity to participate in an ongoing exchange of views, many had significant reservations as to the viability of an active online "knowledge commons" of the kind envisaged by the PRI – with many citing work pressures and responsibilities as leaving them with little time to actively participate. Some suggested that the PRI and other federal officials instead participate in other similar, Web-based online communities involving the community sector. Others still noted that it would be important for any such community to make clear “what's in it” for participants and that it was not yet clear what the possible or likely outcomes of their participation in the proposed online community would be – for example, in relation to research funding (for academics), direct influence on policy development within a meaningful time frame (for community sector organizations), etc. – beyond the intellectual stimulation such activities might entail.

As noted previously, several participants also indicated they would have preferred an opportunity to feed into the conceptual framework at a much earlier stage in its development (a suggestion that will be pursued in relation to other streams of the PRI's research project that are at an early stage in their development) and that it would be important to ensure that future versions of the wiki reflect input from participants at the event in order for there to be any significant buy-in to the exercise.

With these inputs in mind, it is proposed that the PRI proceed with its research plan as follows:

### ***Focus of Research Efforts***

**Social innovation:** Given the considerable interest in this theme among academic, community sector and government participants, a significant early focus of research efforts should be on social innovation, with particular attention given to the following:

- Clarifying the variety of meanings given to the term.
- Describing and analyzing the process of social innovation (including its various stages and the roles of different players – including the frequently key role played

by community sector organizations, the development of partnerships between sectors, the increasing emergence of on-line informal networks, etc).

- Clarifying the relationship of social innovation to the social management of risk – e.g. as one (but not the only) mechanism by which community sector actors (often in collaboration with other actors as part of a broader "ecology") help Canadians manage risks (as well as meeting other key objectives).
- Mapping patterns of social innovation both in Canada and in other countries, notably with a view to shedding light on the issues identified above and to help identify potential gaps in public policy instruments or general framework policies to facilitate the generation and scaling-up of social innovation by/with the community sector, where appropriate.

**Change drivers:** Given the number and complexity of recognized change drivers affecting both the existing and emerging unmet needs of Canadians that the community sector responds to, and the sector's own strengths and weaknesses (including in relation to those of other actors), the PRI will consider ways of exploring a range of future interactions between these trends. This would include a possible series of scenario-building exercises that could be used to assess the robustness of the existing (and alternative) policy frameworks against a range of plausible future developments with significant impacts on the sector.

**Refinement of conceptual framework:** Based on the input received from participants at the event and further feedback that may be received from them or their colleagues in the wake of future drafts, it is proposed that PRI staff update the community sector wiki, in collaboration with willing members of the online community. In light of indications received by a number of participants at the roundtable that they do not expect to be able to actively monitor developments on the current site, the PRI will not rely exclusively on the online community's Web 2.0 collaboration, but will also continue to seek input from members on the conceptual framework via e-mail.

#### ***Follow-up Events (face-to-face)***

To further the process of mapping social innovation in Canada and abroad, the PRI will seek to partner with others to host an international round table event bringing together prominent individuals from a variety of countries (and from the community, business and government sectors) with expertise in social innovation and to publish a report of the findings from such an event.

Given that the exploration of change drivers affecting the community sector requires a relatively fine-grained understanding of the often very different ways they impact on different communities in different parts of the country, it will be important to canvas the views of community sector participants (as well as business and government sector representatives) in a range of local communities on how they see their strengths, weaknesses, challenges and opportunities evolving in the future. With this in mind, the PRI will undertake to build on work already underway – notably an initiative by Imagine Canada – to develop a better understanding of regional differences through a series of regional meetings.

These discussions would also be expected to feed into a further face-to-face event that would aim to develop a range of scenarios for eventual publication as a report.

#### ***Follow-up on Online Collaboration***

Given that other proposed elements of the community sector research plan are still at a relatively early stage of development, the PRI will actively seek the input of participants at the event (and their colleagues) in the refinement of a preliminary proposed "storyboard" for the issue, in proposing additional or alternative signed articles for publication, and in the co-creation of at least some collective (i.e. unsigned) articles in the form of wikis.

As per undertakings made at the event, the PRI will also continue to actively host, maintain and monitor online discussions on the community sector stream of its research. As part of efforts toward building a broader knowledge commons, the PRI will also explore ways of building bridges to similar on-line communities discussing community sector issues.

These strands of work will be carried out in collaboration with partners represented at the roundtable discussions and beyond. Results of the work will be gathered into a thematic issue of *Horizons* (volume to be released Winter 2010-2011), the PRI's flagship policy research journal whose readership includes decision-makers, senior managers in governments, as well as the broader policy research community.

<sup>1</sup> In addition to a preliminary conceptual framework wiki relating to the community sector stream, participants were also given access to (and invited to comment on) a conceptual framework wiki focused on the overall themes of the Social Management of Risk project, including the roles played by families and the market sector (in addition to the community sector) and on the particular policy and governance challenges posed by different risks and how they may be changing.

## ***Annex - Evaluation Feedback from the Roundtable held on December 8, 2009***

This annex summarizes feedback relating to the round table, based of evaluation sheets filled in by participants at the event itself.

### ***General Observations***

#### ***Positive feedback was given in relation to:***

- the topic for discussion, which many found thought-provoking (though with some degree of controversy);
- the opportunity given by the round table to engage in discussion on social innovation in particular;
- the opportunity given to share ideas with people from different sectors and from across the country;
- the frank and open exchange of perspectives at the event;
- the particular opportunity to express one's particular perspectives in breakout groups;
- the opportunity to identify research gaps;
- the potential for knowledge generation to follow.

#### ***Areas identified by participants as warranting changes or improvements included:***

- a desire for future events to allow more time for discussion;
- the need to provide access to background documents more in advance and also to provide participants with a synopsis at the event (e.g. it would have been preferable to better integrate the elements of the concept paper in the PRI presentation), since not all participants had (or could have) read the documents in advance;
- the desirability of recasting the PRI's risk framework;
- clarification (or a recasting) of its framework for describing and defining what it calls the "community sector";
- clarification of what the PRI meant in referring to the role of the sector as "autonomous agents" in its conceptual framework document;
- resistance to what was described as a policy assumption that the community sector or families could serve as instruments of government policies;
- the need for clarification of how the PRI's "lifecourse risks" framework meshes with calls for "smart risk-taking" in a social innovations context;
- greater clarity on what the objectives of the PRI research project are – and what is intended to become of the conceptual framework "wiki" made available prior to the

event (and of further collaborative/wiki products that may emerge from the online knowledge commons): in particular, some asked whether these documents were intended to be more than just publications;

- the need for future wikis posted to the knowledge commons site to be less polished, so as to allowing room for more input;
- a need to involve Aboriginals, immigrants and ethno-cultural groups in the conversation to a greater extent;
- a need to engage the private sector as well;
- the desirability of the PRI to join existing conversations rather than creating a space for a “new” conversation on issues already being discussed.

### ***Suggestions for Next Steps in the Project***

#### ***Several participants made explicit suggestions regarding future directions for the PRI project:***

- some (among both government and non-government participants) advocated dropping the notion of the sector as “autonomous agents”, given the perception that government may further download responsibilities onto an already over-reached not-for-profit sector;
- others suggested a greater focus on the “blurring of boundaries” and on multi-sector approaches in addressing social needs, as well as the role of governments as “enablers”, “facilitators” and “funders”;
- there were a number of calls for the project to focus on research and data gaps, including:
  - international comparisons of frameworks in support of the sector (and of social innovation) and their applicability/relevance to the Canadian context;
  - stock-taking of current initiatives in Canada and internationally; and
  - implications of the emergence of informal networks (both online and face-to-face), including with regard to its impact on formal community sector organizations;
- there were calls for the PRI to invite academics to write discussion starters/blogs for discussion on the knowledge commons site;
- some suggested regional roundtables as a way to learn about what’s happening on the ground (i.e. not just limited to the scenarios exercises mentioned by the PRI); and
- the need for continuing dialogue with federal government and other partners to fine tune the deliverables of the project.



## **Quotes**

### **What did you like most about this event?**

- “Networking”
- “Les discussions”
- “La franchise des échanges et la réflexion qui l’a précédée”
- “Opportunity to discuss social innovation and to discuss with peers”
- “Opportunity to have conversation with colleagues from across the country”
- “Opportunity to share experiences and ideas with people from so many different parts and sector”
- “Well-organized”

### **Suggestions for improvement:**

- “Better consultation prior to the event to understand reality on the ground on capacity to engage with community organizations”
- “Regular involvement/consultation with key thought leaders in the sector to keep research/policy work relevant”
- “The morning (10:00 a.m.) plenary did not make the best use of the colleagues’ time and potential contributions”
- “Drop the economic paradigm”
- “Build on existing initiatives—too much duplication”
- “The framework needs considerable rethinking to ensure its values to the sector and government”
- “The framing of the issue around risk was problematic (some prior communication might have improved the focus)”
- “More time”/ “1.5 or 2 days would be better”

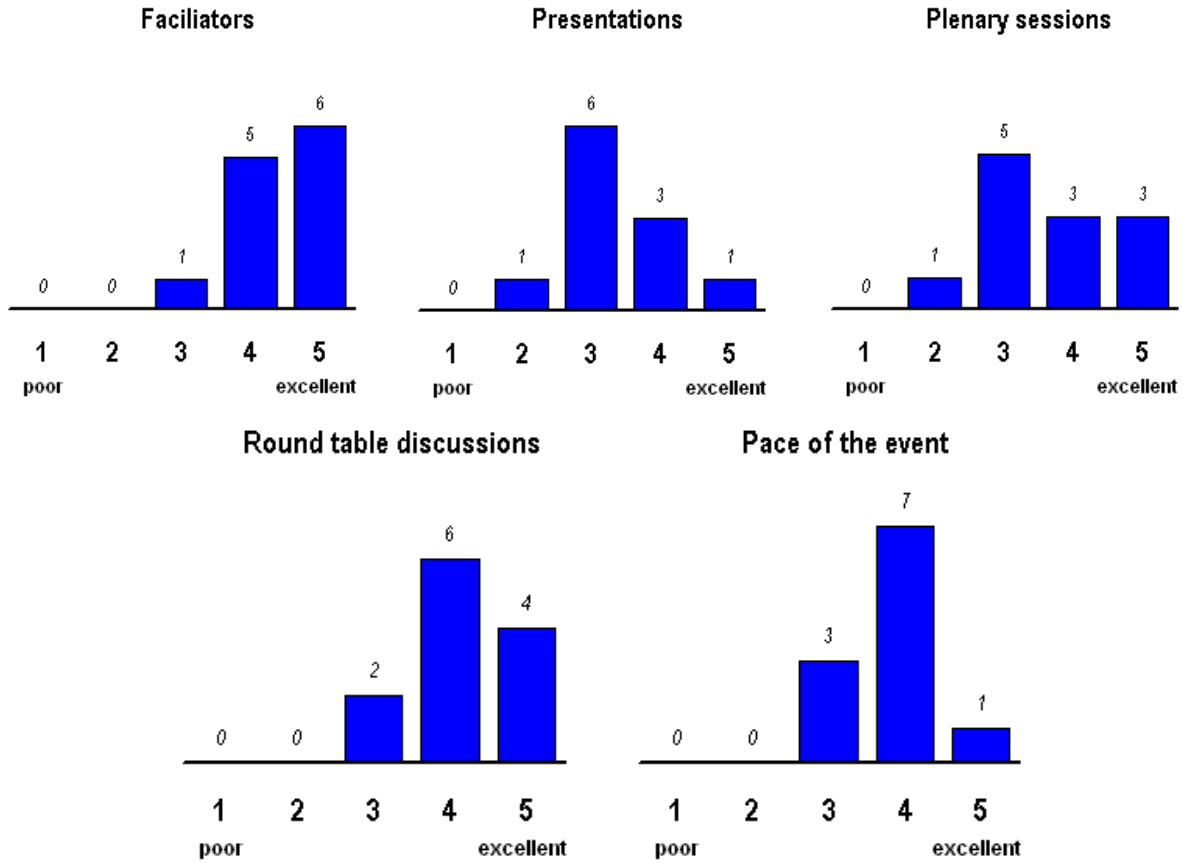
### **Other comments:**

- “Good luck with your ‘wiki’(bilingual wiki)”
- “Hard to have these productive discussions against the backdrop of cuts to the nonprofit sector”
- “When people are asked to do follow-up on wiki etc., please be clear on what year expectations are”
- “A good initiative! Much useful work remains to be done like the wiki experiment”
- “Bon travail en matière de bilinguisme. Si seulement les francophones utilisaient pleinement leur langue, on aurait peut-être eu un vrai événement bilingue”

## Quantitative Assessment

The following figures summarize the results of quantitative assessments checked off by participants:

### General evaluation (12 respondents)



**Group discussion feedback (74 responses over 3 sessions):**

To what extent has the roundtable aided to a better understanding of :

- forces affecting the community sector and social innovation?
- the strengths and limits of social innovation, and how it can be fostered and spread?
- existing policy research and data gaps and how they might be addressed?

