A Co-Creation Story: Reflections on Social Innovation’s Coming-of-Age Moment

By Stephen Huddart and Laura Schnurr

Three events over the course of one week in November 2017 shone a light on the past, present, and future of social innovation in Canada.

At the Social Innovation Generation (SiG) Sunset event, 500 people gathered at MaRS in Toronto to celebrate the end of SiG. Originating in Tim Brodhead’s realization that philanthropy’s toolkit was inadequate to addressing the complex challenges of our era, the 10-year SiG partnership was instrumental in introducing social innovation to Canada.[1]

SiG had a difficult birth and, like all beginnings, contained seeds of what was to follow. It had a hard time explaining just what social innovation is and is not. In particular, making it clear that while social enterprise is an important field in its own right, and a complement to shifting the economic centre of gravity towards greater inclusion and sustainability, it does not constitute the entirety of social innovation. At its inception, SiG attracted criticism from some who felt that it wasn’t paying adequate regard to the social change work that they had been carrying out in the trenches for decades. Initially, SiG partners had a hard time finding direction and momentum. In a twist on the title of the seminal social innovation text, Getting to Maybe,[2] SiG insiders joked that they could write a follow-up volume entitled Getting to Maybe Not. It was the addition of a fifth element, a national office led by Tim Draimin, founder and former head of Tides Canada Foundation, that proved catalytic.

One takeaway from that 2017 evening at MaRS: SiG succeeded in getting social innovation “into the water supply,” as Al Etmanski used to put it. Another was a book titled Social Innovation Generation: Fostering a Canadian Ecosystem for Systems Change.[3]

Meanwhile, across town at the Regent Park Community Centre, the Canadian Social Innovation Exchange (now known as Social Innovation Canada) hosted Spark, a lively three-day gathering of 250 social innovators, community activists, philanthropists, and movement leaders. The feeling in plenaries and workshops was of social innovation in the making – meeting new people, surfacing bold ideas, exploring possibility, and occasionally being pointedly reminded not to come across as smug or elitist. As one young Indigenous activist put it, social innovation should not be “colonialism with a smile.”
The third event was The Future of Good. At this invitation-only event co-designed by three co-founders of Hub Ottawa, the focus was on social innovation’s frontiers – the UN Sustainable Development Goals (SDGs), social R&D, the relationship with public sector innovation, behavioural economics, outcomes finance, and social narratives for cultural transformation.

If that week mapped some of social innovation’s trajectory, an announcement in June 2017 signalled that the social innovation ecosystem was about to get a lot larger. Following the Prime Minister’s mandate letter, Minister of Families, Children and Social Development Jean-Yves Duclos appointed 17 members to a diverse steering group mandated to co-create recommendations for a Canadian social innovation and social finance strategy.[4]

Before expanding on this, let’s look back at some of the ideas that this series, launched in January 2017 as a partnership between The Philanthropist and the McConnell Foundation, has examined. These range from efforts to clarify what social innovation really is to ways that foundations are engaging with these approaches. And from the need for more social R&D to the opportunity to bridge competing narratives in a new synthesis for social transformation.

Charting a path forward

John Lorinc introduced the series by exploring Canadian and international examples of social innovation, whether engaging with non-traditional allies, tapping innovative funding sources, or utilizing new tools. He looked at how achieving clarity around what counts as social innovation will be essential going forward, with the potential to reshape the relationship between civil society, government, and the private sector.

In the second piece, Stephen Huddart reflected on his 2010 article on social innovation, noting changes in context and emergent challenges. He proposed that Canada increase its capacity for social R&D, establish a social finance fund (which he called a social infrastructure bank), create centres for useful evidence, bridge sectors through learning platforms, conduct public challenges, and support solutions journalism as a means of engaging the public in building a more equitable and sustainable society.

Nabeel Ahmed and Stephen Couchman similarly reflected on the evolution of social innovation, looking back over the past 25 years. Over two articles, they assessed the challenges of introducing and scaling innovative approaches and the emerging levers for systems change. They outlined several ways to create the conditions for social innovation to flourish, including nimble organizational structures and better access to data and networks.

Kristen Pue and Dan Breznitz studied 18 Canadian philanthropic foundations over the course of a year to understand the diversity of social innovation strategies that they use. They identified 14 approaches, including funding social entrepreneurs, holding social innovation challenges, and convening multi-stakeholder discussions on social problems. They pointed out that such methods draw on a unique set of philanthropic assets, namely financial capital, staff capacity, and social legitimacy. They also observed that some foundations promote social innovation despite being conflicted about the term and confused by its meaning.

Vinod Rajasekaran made the case for Canada’s investments in R&D to include the social sector. Currently, social sector organizations are locked out of funding opportunities that pour capital into
commercial and STEM-oriented research. We invest very little in innovating ways to design and deliver better social services. Rajasekaran’s policy recommendations included that non-profits and charities be eligible for federal R&D programs and that government explicitly market these opportunities to the social sector.

Marilyn Struthers explored the tension between the social innovation and social justice movements, a theme that was evident at the Spark conference. She examined how these two practices differ and complement one another across dimensions such as age and stage, calls to action, results orientation, relations to power, and who is at the table. She recast the conflicting narratives as an opportunity for growth and learning.

Together, the articles surfaced some of the defining issues facing social innovation in Canada today. The overarching messages are that this is a movement taking critical account of itself, while issuing an invitation to others to apply these tools to their work.

With the federal government stepping up its involvement, the series was opportune and will hopefully lead to continued critical reflection on the field.

Co-creation: an invitation to shape the future together

When Minister Duclos announced that government was going to co-create the Social Innovation and Social Finance Strategy (SISFS) with leaders from the social innovation and social finance fields, some questioned whether this was going to be just another advisory process that would present a report to government only to see it languish in obscurity.

Au contraire.

At the first SISFS meeting, Duclos told us to be bold — not to hold back for fear of asking too much or of upsetting the status quo in government. We like to think that we gave him what he asked for.

Over the course of a year, the Steering Group held five multi-day meetings and innumerable conference calls, formed several subgroups on specific pillars of activity, and ran a large-scale engagement process consisting of two online engagement platforms and more than 50 in-person consultations across the country.

The final report, Inclusive Innovation: New Ideas and New Partnerships for Stronger Communities, makes 12 recommendations:

1. Create federal framework legislation to anchor commitment and long-term policy action supporting social innovation and social finance;
2. Establish a permanent multi-sector Social Innovation Council;
3. Create a permanent government Office for Social Innovation;
4. Improve social purpose organizations’ access to federal innovation, business development, and skills training programs;
5. Establish a cross-sector Social Innovation Ecosystem Program to address gaps in early-stage support, capacity building, and impact measurement;
6. Create a Social Finance Fund to accelerate the development of social finance ecosystems across Canada;
7. Ensure federal funding practices support and enable social innovation by focusing more on outcomes and less on process and outputs;
8. Incorporate social procurement guidelines, tools, and training into the Government’s focus on a cohesive sustainable procurement plan;
9. Address the legal and regulatory issues impeding charities and non-profits from engaging in social innovation, social finance, and social enterprise;
10. Initiate a series of controlled regulatory experiments, or “sandboxes,” to explore and experiment with new regulatory models;
11. Establish a Social Innovation Evidence Development and Knowledge Sharing Initiative; and
12. Conduct a national social innovation and social finance awareness campaign.

The report was released on August 31 and the government’s initial response appeared on November 21 in its Fall Economic Statement, when it announced an investment of $805 million over 10 years to develop the Canadian social finance market. This includes $755 million for a Social Finance Fund and a $50 million granting stream to boost investment readiness.

For philanthropic foundations – long accustomed to annually granting 3.5% of their endowments, and more recently challenged to get involved in impact investments that generate social and environmental benefits as well financial returns – the Social Finance Fund offers a powerful new tool for leveraging their donations and investments with capital from the public and private sectors. For community organizations that have struggled to cover core costs while competing for grants and government contributions, it opens opportunities to use repayable capital for establishing social enterprises. It also provides capital for community-driven social impact bonds such as the recently announced Indigenous doulas pilot – Manitoba’s first social impact bond – which is raising $3 million in private investment for a program aimed at reducing the number of children in care.

For universities and colleges, there is untapped capacity to leverage diverse assets – financial, physical, relational, research, and educational – to strengthen communities. For example, the University of Winnipeg’s Community Renewal Corporation is investing in local development through social purpose real estate and a food services social enterprise. The Social Finance Fund offers new investment capital to complement impact investing by university endowments, enabling these institutions to play a more active role in shaping better outcomes and opportunities for students and their communities.

There is much more — and much more to accomplish before the fund becomes operational, but it is a landmark achievement for social finance advocates and practitioners, and one that had been a long time coming (the first major call came in 2010 from the Canadian Task Force on Social Finance). It also positions Canada as a global leader, joining several countries that have established such funds or are in the process of doing so — including the UK, Portugal, Japan, South Korea, Australia, and the European Union.

The budget also included the establishment of a permanent Advisory Committee for the Charitable Sector, which the government will house at the Canada Revenue Agency. This was in response to the recommendations of the Consultation Panel on the Political Activities of Charities, as well as the Steering Group. The government has indicated that it is exploring the remaining recommendations and further announcements are expected in early 2019.

It took political will to deliver on this effort, beginning with the Prime Minister’s 2015 mandate letter to Minister Duclos. The process was time consuming and required patience, diplomacy, and confidence
that the government would act on its recommendations. While ultimately successful, there is work to do to make this kind of cross-sector collaboration easier. There should be little doubt about its importance to future policy innovation and social progress.

It is worth highlighting that a pair of personnel exchanges, only partially planned, helped to catalyze the work of the Steering Committee. Co-author Laura Schnurr, a policy analyst with the Employment and Social Development Canada (ESDC) social innovation division that would lead the co-creation process, joined the McConnell Foundation on a one-year secondment, just before work got underway. At the same time, Brittany Fritsch, manager of public policy at Imagine Canada, joined the ESDC innovation team. Separately and together, they helped to overcome the translational difficulties that can occur with such an initiative.

The result is a bold investment in our collective capacity to transform today’s challenges into opportunities for inclusive and sustainable growth, in line with the SDGs, and involving all sectors of society. It sets the stage for further work on developing and funding solutions, at the speed and scale required at this critical time.

This is the concluding article in a series on social innovation that originated in an invitation to revisit the article that Huddart wrote about social innovation in 2010. We would like to thank the team at The Philanthropist for their editorial vision, guidance and patience; the other authors who took the time to share their thoughts and critical perspectives; and our colleague Darcy Riddell, who helped with author selection. Our final thanks go to you, our readers — whether already working on social innovation’s many paths and bridges, or newly arrived at its trailhead — the future is yours to co-create.

[1] The SiG partners were the PLAN Institute, led by Al Etmanski and Vicki Cammack; The University of Waterloo, where Frances Westley held the McConnel Chair in Social Innovation (Now WISER); MaRS Discovery District, led by Ilse Treurnicht and Allyson Hewitt; and the McConnell Foundation.


[4] As a member of the committee, Stephen Huddart found the experience as demanding as it was rewarding.