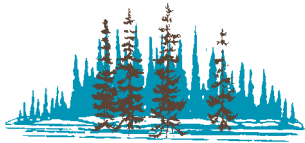


Intersections and Innovations

Change for Canada's Voluntary and Nonprofit Sector



The Muttart Foundation



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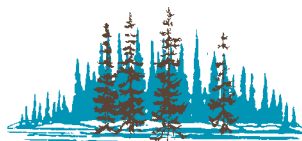
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Acknowledgements

For far too long, Canada has lacked a comprehensive resource examining Canada's charitable sector. That has now ended.

The Muttart Foundation has spent many years focusing on building the capacity of charities in this country. The publication of this collection is another contribution to that effort. By understanding more about itself, the sector can continue to develop and find new ways to serve Canadians and those in need outside our nation.

The authors of these essays bring different perspectives on the role and inner workings of Canada's charities. Collectively, they bring an unprecedented insight into the work of organizations whose diversity is exceeded only by their desire to serve.

It is difficult to express adequate appreciation to Dr. Susan Phillips of Carleton University for her leadership of this project. She has been a source of encouragement, persuasion, cajoling and improving authors from across the country. Her efforts now bear fruit as we make this material available to students, academics, practitioners and others interested in the history and future of Canada's charities.

Amanda Mayer of the Lawson Foundation volunteered at the outset to be the administrative overlord of the project, keeping the editors and authors up to date and keeping track of various versions of articles. We are so grateful for her skills, her patience and her friendship.

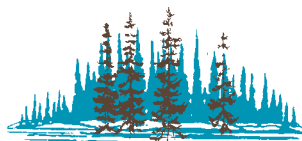
None of this would have been possible, of course, without the work of authors, themselves academics and/or practitioners. They took time from their schedules to contribute to a resource we hope many will find valuable.

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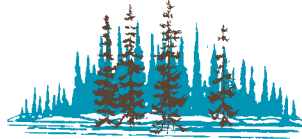
The work of all of these individuals has come together in this resource which we dedicate to all of those in, or interested in, Canada's charitable sector.

Malcolm Burrows, President

Bob Wyatt, Executive Director



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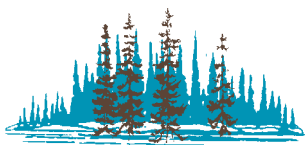


Part III Innovation and Intersections

Community and Corporate Intersections

Intersections with Governments:
Services and Policy Engagement

Measuring Impact and
Communicating Success



The Muttart Foundation

Part III Innovation and Intersections

Community and Corporate Intersections

Chapter 21 Social Innovation and the Nonprofit and Voluntary Sector in Canada



Micheal L. Shier
University of Toronto

Social innovation has become a core concept in contemporary discourse and a global phenomenon that is shaping the behaviour of nonprofits, governments, and for-profits. Through social innovation, citizens – whether as individuals or organized in groups – can create new opportunities that respond to societal needs. As a result of its popularity, the concept of social innovation has become somewhat vague due to differing interpretations, and the high expectations of funders and the public about what nonprofits can accomplish through social innovation are sometimes overinflated.

This chapter seeks to give more rigour to the meaning of the concept and analysis of the potential, and limitations, of social innovation in practice, with a focus on the Canadian context. The first section provides an overview of definitions of social innovation, drawing from academic literature and highlighting some examples of what a social innovation might be. The second section discusses the political-economic context that has contributed to the increasing engagement in social innovation by nonprofits, along with the growing institutionalization of social innovation as a process for social welfare development. The third section introduces key conditions that support the development and implementation of socially innovative efforts by nonprofits, along with some of the challenges they might experience in undertaking socially innovative efforts. Concluding remarks highlight the important role of leadership in the nonprofit sector to identify areas of social improvement and to carry out new efforts to improve the social well-being of Canadians.



Social Innovation – What Is It?

Social innovation as an applied concept is relatively new but has old roots. Indeed, for centuries, our contemporary understanding of the concept has been a common theme among academic writers and philosophers, including Karl Marx and Émile Durkheim, who theorized about wider social change. Social innovation is fundamentally about social change in a positive direction that sees the improvement of human social well-being. Likewise, from a practice perspective, historically we have witnessed citizens taking an active role in improving the social conditions of various social groups through social welfare efforts and community economic development. Before turning to some examples, I explore in more depth what social innovation means conceptually.

A Basic Definition

The definition and conceptualization of social innovation have become clearer and more consistent in recent years. While the specific language of the various definitions may differ, there are several common characteristics across them. First, socially innovative efforts provide *new* solutions to social problems (Phillis, Deiglmeier, & Miller, 2008). Second, in addition to simply being a new idea or approach, social innovation is designed to *improve people’s “macro quality of life”* – the broad range of social impacts or outcomes that nonprofits aim to achieve (Pol & Ville, 2009); it creates a social value for society, in contrast to a benefit for individuals (Murray, Caulier-Grice, & Mulgan, 2010). It may meet the social needs within a population by increasing the available set of valuable options to people (Pol & Ville, 2009) or by creating opportunities for partnerships and other social relationships (Murray, Caulier-Grice, & Mulgan, 2010). A third element is that social innovation efforts are *purposive* and are understood as drivers of institutional change based on new ideas (Hamalainen & Heiscale, 2007). On a conceptual level, then, there is consensus that social innovation refers to a new social intervention (whether new in a specific place or new altogether) that seeks to improve the social conditions within society. The term “social intervention” should be understood in the most general of ways so that it is inclusive of the range of different intervention efforts that might be possible within different institutions (nonprofit, government, and for-profit alike). Below I discuss the degree of impact that a new socially innovative intervention might have, which could vary depending on where the social innovation is implemented and the stage of development and diffusion within the social system.

To make this more concrete, Shier and Handy (2015) have illustrated how these conceptualizations might be applied to the work of human service nonprofits. As an example, consider people experiencing housing loss. When thinking about the social situation of housing loss, the goal of nonprofits’ efforts generally is to reduce the number of days of homelessness experienced by people. We know that housing loss is experienced in two general ways: either episodically or chronically. Those who are episodically homeless will experience housing loss that lasts for a period of time, but under 12 months. We can calculate the average number of days of housing loss experienced by those who are episodically homeless in any shelter in Canada. These averages could then be summed across all shelters and averaged to get an assessment of the average number of days of loss before being rehoused among people who



experience housing loss in all of Canada. The overarching social goal to support individuals who experience housing loss in Canada would be to create a situation where the average number of days of homelessness was zero, or alternatively, a single day, or to get as close to this as possible. That is, when someone experiences a disruption in housing, they are immediately rehoused. However, in Canada, we are not close to that intended goal, and as a result, people experience episodic homelessness for weeks and even months at a time.

Social innovations could be developed that help to reduce the number of days between loss of housing and permanent rehousing. These social innovations might be informed by an understanding of the range of pathways that lead to housing loss. For instance, I have encountered homeless shelter organizations that have addressed barriers to employment by engaging directly with employers to support labour-market attachment. Others have created integrated service networks that support access to necessary health and concurrent disorder programs that address some underlying barriers and challenges for people experiencing housing loss, with the intended goal of supporting quicker rehousing.

For the other group of people experiencing housing loss for more than 12 months, perhaps years – the chronically homeless – we have seen nonprofits adopt the Housing First model throughout Canada (in Calgary, Winnipeg, and Ottawa, among other cities), now aided by the federal government’s national homelessness program – Reaching Home: Canada’s Homelessness Strategy – as a social innovation that seeks to provide long-term housing, rather than temporary shelters. Housing First models work on the premise that people experiencing chronic homelessness (or those at an increased risk to become chronically homeless due to mental and physical illness), long-term difficulties with labour-market attachment, or substance misuse behaviours require housing at the outset of intervention with access to a range of intersecting supports that contribute positively to their ongoing experience.

The potential, and need, for social innovation arises in any social situation that requires some intervention to make things more equitable or to minimize experiences of vulnerability among particular groups. For example, young adult un- and under-employment has been a persistent social issue in Canada for decades. However, shifts in our labour market have resulted in increasing rates of precarious employment (i.e. part-time and temporary), leading to reductions in meaningful work opportunities for this age cohort and contributing to poor labour-market outcomes. A socially innovative effort to address this persistent social issue is the creation of new social welfare programming that helps young adults transition from lower-skill and lower-pay employment to higher-skill and higher-pay employment through opportunities that make direct connections with labour-market demands. Examples of this type of effort include nonprofits like Pathways to Education, which works to reduce high school drop-out rates, and Canada Learning Code, which supports the development of skills within Canada’s technology sector. These social innovations are distinct from previous or current efforts that have emphasized skills, such as resumé writing and performing in an interview, which have generally not reduced the rates of young adult un- and under-employment in Canada. These newer programs attempt to link human capital development with labour market demands, creating opportunities for young adults to transition to full-time and more meaningful work at an earlier age and subsequently enhancing their long-term labour market participation.

Like young adults, disabled people have also experienced social and economic barriers to meaningful work, including high rates of discrimination when seeking employment in the



private sector. A long-standing practice of social innovation in Canada (beginning before it was referred to as social innovation) has been the creation of “work integration social enterprises” (WISEs) that provide opportunities for disabled people to participate in meaningful ways in the labour market. The WISE approach is distinct from previous efforts, which have mainly relied on for-profit employers or day programs in the form of “sheltered workshops” where individuals are socially excluded from the labour market. Instead, a WISE model intentionally creates spaces of productive economic activity, being paid and working alongside experienced employees in enterprises operating in the market.

The number of social problems are endless, but so too are their possible solutions. It is within this process of identifying and implementing solutions to broader social problems that social innovation emerges.

Place and Risk in Social Innovation

The empirical and conceptual literature continues to evolve so as to provide greater specificity of what makes something a social innovation. For instance, some have highlighted local impacts in solving persistent or emerging social issues or problems; they stress the processes involved in implementation. One dimension, albeit somewhat controversial, is the extent to which social innovation is rooted in place or locale. For example, Alvord, Brown, and Letts (2004) differentiate social innovations by the extent to which they build *local* capacities to solve problems, support *local* movements, and provide “packages” of resources to specific marginalized populations. Another approach, advanced by Cnaan and Vinokur-Kaplan (2015), is to examine more closely the focus, beneficiaries, and agents of social innovation. They develop a model that considers the focus of the innovation, who benefits, who carries out the work, and the magnitude of the innovative effort involved. In their model, a social innovation might include supporting individuals who were previously excluded from an existing service or the application of an innovative intervention that has not been used before. Within this typology, another key aspect of social innovation emerges: it can be incremental in nature, although “incremental” is a matter of perception of scale or degree of impact. Some empirical literature might highlight substantial, comprehensive social-change efforts (such as micro-finance, which has been found to significantly reduce rates of poverty in economically underdeveloped nations and regions) as social innovation; however, the impact of these efforts is witnessed over many years and is rooted in more incremental, tangible efforts that have been localized. It is the sum of the efforts, each incremental in nature, over a substantial period that produces major, long-term social impacts.

Certainly, the goal of social innovation is to maximize social impact (or continue to strive toward this), which may involve differing degrees of “newness” and risk, ranging from the never-tried-before inventions to diffusion of existing innovations. Social entrepreneurs have come to be regarded as central to creating new initiatives that respond to social issues in new ways, although the notion of who is a social entrepreneur is often ill-defined. And such “out-of-the-box” entrepreneurial types may well be located in a charity or nonprofit, rather than leading a “social enterprise” or social purpose business. In some cases, these individuals and their organizations might need to be “trailblazing,” creating a good or service before its viability and profitability is evident (Bannick & Goldman, 2012: 9). In more developed markets, nonprofits may be able to scale existing innovations by diffusing models that have been de-risked, thereby



having a greater social impact, quicker (Phillips & Johnson, 2019). Although the initial effort was novel, its application might be incremental, but as it is adopted by others, this leads to other fruitful areas of social innovation that amplify the social impact or improvement in macro-quality of life of various social groups. This highlights the need for an ongoing process of social innovation within and across social and economic sectors.

An example might help to clarify. From the previous discussion on efforts to reduce the average number of days of housing loss, a single shelter might implement a new employment-support program that increases the rate of employment among people who experience episodic homelessness because of loss of stable employment. Quicker re-employment would also lead to quicker permanent re-housing, subsequently reducing the average number of days of housing loss experienced by those individuals who access this one shelter. The incremental social impact of this effort might be quite small; for example, if only one shelter implements the new program, and they support only 25% of clients who experience episodic homelessness, the impact of the effort might be a reduction of only half a day on average. Then, when scaled up as the shelter increases in size, or the effort is diffused to other shelters across a province or even the entire country, the average reduction in days of housing loss becomes quite significant. Not to mention, there may be other new social interventions occurring at the same time within a city, a province, or in the country that reduce the average number of days of housing loss experienced. The totality of these various efforts has the potential to create meaningful impacts.

Types of Social Innovation

Building from this understanding of the incremental nature of social innovation, and the experiences of nonprofit organizations in Canada, Shier and Handy (2015) have operationalized these simultaneous or co-occurring efforts to identify three types of social innovation: a) socially transformative, b) product-based, and c) process-based. This operationalization of social innovation is aligned with that proposed by Pitt-Catsouphes and Berzin (2015) and further adapted by Berzin and Camarena (2018), which focus on efforts that a) shape mindsets about social issues (i.e. social transformations), b) lead to the creation of new programs (i.e. products), and (c) adapt to existing organizational structures (i.e. processes).

Socially transformative innovations are those efforts that nonprofits might undertake to directly change the political or cultural landscape, such as through political advocacy or public awareness initiatives. Recently in Canada, three predominant movements have aimed to address persistent and emergent social issues, and where we have seen this type of socially innovative effort. First, the broad, sweeping political advocacy and public awareness initiatives about mental illness aim to eliminate the stigma associated with mental health service use and disclosure. By challenging public perceptions about mental illness, these initiatives have allowed people to disclose to employers and seek treatment and other supports, subsequently contributing to broader social impacts associated with employment, housing, and family functioning. The second is the persistent social issue of gender-based violence. Through mass public awareness efforts focused on gender-based violence within employment and education sectors, along with social settings and families, these efforts challenge widely held assumptions about gender and mobilize actions at individual and systemic levels to change behaviours. Finally, in recent years, much of North America (including Canada) has witnessed increased deaths associated with the use of non-prescription opioids such as fentanyl. A significant barrier to providing socially



innovative, preventative approaches – such as harm-reduction programs, making naloxone kits readily available, or implementing safe injection sites – is the general public perception about recreational drug use and substance misuse. Developing socially transformative innovations, by way of shifting public perceptions, could have a positive impact on harm-reduction efforts and reduce deaths due to overdose.

The second type of innovation is *product-based*. A prevalent form of social innovation by nonprofits (Shier & Handy, 2015), it includes the development of new organizations, programs, and methods of support that aim to improve the social outcomes of vulnerable groups. There are many examples, such as the efforts to reduce barriers to labour markets for marginally employed or unemployed groups that I described previously.

Finally, process-based social innovations include adaptations to organizational procedures and processes that improve outcomes for general social groups when accessing services. Examples of these types of social innovation are also abundant. A long-standing criticism of service delivery organizations is their tendency to work in “silos,” which hinders their effectiveness and limits the impact of their efforts. Nonprofits working on intersecting social issues might form partnerships to provide more integrated and seamless service delivery for “clients.” Many organizations within and across sectors are partnering more because they’ve realized they can have a greater impact when working together to address the root social and economic causes of marginalization and vulnerability experienced by general social groups.

Why Social Innovation, and Why Nonprofits?

While the term “social innovation” – and its popularity – is relatively recent, nonprofits (or their equivalent form, depending on the era) have a long history of being socially innovative for the purpose of social welfare development (Abel, 1979; Emery & Emery, 1999; Graham, 1992, 1996; Graham, Shier, & Delaney, 2018; Matters, 1979; Splane, 1965). As an example, take supports for older adults. The history of social innovation for this social group has evolved over the last 300 years. During the 1700s and 1800s, publicly operated poorhouses were the standard place of residence offered for older adults who were unable to work or take care of their own needs (Tobin, 2003). Characteristic of these institutional settings were extreme poverty and squalor-type living conditions. As a corrective, in the 1800s religiously orientated charities began developing private boarding houses for older adults. Following this, the development of institutionalized nursing homes for older adults began with the efforts of local communities and developed into an expansive system of long-term care that is motivated by both profit and the goal of meeting this group’s social welfare needs (Cohen, 1974). In recent years, community-based nonprofits have been influential in creating new methods of long-term-care service delivery, addressing people’s growing desire to age in place (Austin, Descamp, Flux, McClelland, & Siepert, 2005; Lehning & Austin, 2011).

Take also the case for people experiencing serious mental illness or developmental delay. Throughout the first half of the 1900s, many people with serious mental illness and developmental delays resided in state-run psychiatric institutions, mostly because of public



stigmatization and the medicalization of disability, along with inadequate infrastructure and resources to provide supports in the community. But beginning in the 1940s through to the 1970s, a process of deinstitutionalization began, in part because of transformations in public perceptions about support and social inclusion for this social group. Supports for people with serious mental illness (i.e. product-based social innovations), such as the clubhouse model (Beard, Propst, & Malamud, 1982; Dincin, 1975), began to emerge within civil society in the 1940s. Beginning with these early self-advocate movements (aided and supported by professional helping groups, such as social workers), community-based mental health services developed into the dominant model of service delivery. Later, a different movement began of people who were developmentally delayed and were affected by deinstitutionalization. Starting in the late 1960s and into the early 1970s, people with developmental disabilities joined together with physically disabled people in the independent living movement, a movement sparked on university campuses and within the field of rehabilitation professionals (Williams, 1983). Through direct advocacy-based work (i.e. socially transformative innovations) and the creation of new community-based organizations (i.e. product-based social innovations), these nonprofits became the first places where issues of exclusion and lack of support for developmentally delayed adults were addressed.

A third example is the emergence of supports and community responses to the HIV/AIDS epidemic of the 1980s. Social support and health-related services for those impacted by HIV/AIDS were largely absent in our social welfare system. There are also several notable examples of HIV/AIDS service organizations emerging during this period that created a new service infrastructure (Poindexter, 2002; Sowell & Grier, 1995). The efforts of these grassroots organizations in addressing the negative stereotypes and the need for HIV/AIDS-related support services created an institutionalized set of services for people living with HIV/AIDS.

Each of these cases is an example, from different periods, of social innovation by nonprofits and other civil society actors that led to fundamental changes in the social welfare system. In fact, most new or reformed social welfare development has been created through similar methods: from housing loss, to supports for incarcerated people, to domestic violence shelters, to efforts to support sexual and gender diversity and those at risk of overdose-related death, among many others. Social innovation has been at the root of all these important areas of social welfare development through incremental efforts that have scaled or diffused and transformed public attitudes and social welfare policy regimes.

So if social innovation led by civil society organizations has always been the case in social welfare reforms, why has it emerged as such a predominant concept in recent years? And why the expectation that nonprofits will lead social innovation? This question needs to be addressed in the context of the important shifts that have occurred in the roles and responsibilities of the public, nonprofit, and private sectors for social welfare development over the past four decades (Balassiano & Chandler, 2010; Banting & Myles, 2013; Gonzales, 2007; Jenson & Phillips, 1996; Jordan, 2008; Mulvale, 2001). These transformations have been defined predominantly by the decentralization and privatization of social welfare benefits that characterized the traditional social welfare era of the 20th century. Beginning in the late 1980s under neo-liberal policies, contemporary social welfare evolved into a “shared” effort between government, the for-profit sector, and the nonprofit sector (as well as individuals and families), albeit in an intentionally competitive marketplace (Banting & Myles, 2013; Evans & Wellstead, 2014; Graham, Shier, & Delaney, 2018; Jenson & Saint-Martin, 2003; Jetté & Vaillancourt, 2011; Phillips, 2012;



Powell, 2007; Vaillancourt & Tremblay, 2002). An important idea in the philosophy of “new public management” (NPM) that accompanied neo-liberalism was that governments should “steer, not row” – that is, they should set general direction but leave the specifics of how to deliver programs to the nonprofits or for-profits responsible, or potentially privatize service delivery entirely (Osborne & Gaebler, 1992). In addition, the federal government began to favour providing supports through the tax system, rather than subsidizing service provision, on the basis that this enabled greater consumer choice (Banting & Myles, 2013). Given that social services, health, and education are provincial responsibilities, and the provinces took differing approaches to the reform of these services, the delivery of human services in Canada became particularly fragmented and uncoordinated. If social innovation was to occur in this environment, the assumption was that it would be mainly product-based and needed to come from the service-delivery agents.

As the hold of NPM waned in the early 2000s, and the problems produced by the fragmented market-oriented delivery system mounted, the emphasis in public management turned to more explicit forms of cross-sector collaboration, often referred to as “new public governance” (Aucoin, Lewis, & Surrender, 2004). The degree of actual collaboration arguably never matched the rhetoric of the time, but experiments in greater coordination within and across governments – that is, various forms of process innovation – were undertaken.

As social and environmental problems grew and as they were increasingly seen as complex systems, the interest in more transformative innovation also grew. Nonprofits, particularly “enterprising” ones, were seen as less constrained than governments in taking risks and more attuned to and engaged with their constituencies, and thus held the potential to develop new thinking and new ways of doing things. Social innovation as an end in itself gained momentum, as it had in Europe and the US. MaRS, a nonprofit corporation intended to assist with commercialization of new products and incubate start-ups, was created in Toronto in 2000 and became a focal point for all kinds of innovation; the Tides Foundation, which supports social change initiatives, was launched in Canada in 2000; from 2000 to 2002, the Voluntary Sector Initiative, a collaboration between the federal government and the sector, sought to redefine the relationship between the two; various think tanks, such as the Canadian Policy Research Networks (CPRN) and the Caledon Institute (both now closed), led influential research on social policy reform and innovation that stressed the important role of nonprofits (Goldberg, 2004); the J. W. McConnell Family Foundation funded the University of Waterloo-based Social Innovation Generation (SIG) in 2007 that aimed to create new thinking and a new generation of leadership for social innovation; and new models of social finance emerged, particularly out of Quebec and financial institutions such as Vancity (Goldberg et al., 2009; see Chapter 14 by Harji & Hebb).

The language had been adopted of systems change and, with the impact of new technologies, of “disruption” to these systems, working across sectors to achieve “collective impact” and shared measurement (see Chapter 33 by Ruff). The next phase for social innovation on a national scale was initiated in 2019 with the Government of Canada’s creation of the Social Innovation and Finance Strategy, backed by \$805 million over 10 years (see Chapter 14 by Harji & Hebb). While the strategy is still unfolding, it signals the need to support social innovation with resources and to create capacity by nonprofits to use these new forms of financing. The strategy has also raised expectations for social innovation, perhaps unrealistically so. In addition, provincial and municipal governments have established frameworks that aim to support social enterprise development, which might be considered as efforts to institutionalize a blended for-profit and



nonprofit environment to enhance societal well-being and create more opportunities to initiate social innovations through market-based revenue generation.

Creating the Conditions for Social Innovation

Given the increasing institutionalization of social innovation as a model for social welfare development in Canada, as elsewhere, it is imperative for this environment to create opportunities for social innovation to flourish. What are these requisite conditions? Broadly speaking, the research points to the importance of engagement in partnerships among nonprofits and across sectors to better share resources and enable decision-making across sectors on matters of general public concern (Shier & Handy, 2016a, 2016b). Likewise, leadership within an organization and internal organizational dynamics (such as characteristics of the organizational culture or environment and engagement with stakeholders) are key factors. Most of the conditions can be created with the right focus on leadership training and education – by funding leadership initiatives within nonprofits, creating opportunities to work more collectively, reducing competition, and increasing incentives to engage in partnerships within and across sectors.

While these conditions in Canada have not been fully implemented, we have witnessed some efforts to support the fiscal needs of social innovation, such as the creation of social-financing strategies and opportunities (including the new Social Finance Fund), through government frameworks that support social enterprise development, the uptake among foundations to fund socially innovative efforts, and the emergence of networks and collectives around social innovation (including innovation hubs and incubators). However, many of these efforts remain underdeveloped or are sparsely distributed across Canada. In addition, traditional government contracting arrangements – which as standardized contracts put a strong emphasis on financial accountability and often pre-specify inputs, activities, and deliverables in quite rigid terms – place significant limitations on organizations to be innovative. More needs to be done. To achieve more, the following challenges need to be addressed:

- The public policy environment does not support shared decision-making by nonprofit leaders. Greater efforts could be made to support a stronger partnership between governments and nonprofits. Further research could investigate how this might come about.
- Financing is important. Without stable social-financing arrangements, nonprofits are limited in their ability to try new things. While there appears to be increasing interest in social finance in Canada (through social investment strategies or social impact bonds, or the creation of social enterprises), there have been minimal interventions from government to support these efforts. It is yet to be determined how impactful (or sustained) the proposed Social Finance Fund will be.
- Current education and leadership training programs inadequately prepare nonprofit leaders with an orientation toward social innovation. Human services and nonprofit management training remains predominantly focused on teaching people how to



run an organization to meet government-mandated programming needs, without an entrepreneurial orientation or an understanding of one's role as a social welfare leader. Education programs need to evolve to effectively train the next generation of nonprofit leaders. There have been advances, of course, but the scope is limited, with only a few programs spaced out throughout the country.

- Because of the emergence of venture philanthropy and corporate social responsibility (typically characterized as “one off” efforts that don't necessarily support the incremental nature of social innovation), limitations are placed on what efforts get focused on, and the ability for those meaningful efforts to be scaled up to have a larger social impact.
- A key aspect of social innovation is the ability to assess the social impact of the efforts. However, there remains limited assessment and evaluation capacity within the nonprofit sector to demonstrate their impact (see Chapter 33 by Ruff).
- Organizations are limited in their capacity to engage in effective cross-sector partnerships to increase the scale of impact of social innovation. Greater effort is needed to create conditions that support nonprofits to partner with each other and to partner with organizations in other sectors. This might require a rethinking of the way that leaders are funded within current contracting arrangements. However, none of this would be possible without deeper reflection about the role of government and the exercise of power between government and civil society actors.

These challenges highlight some areas for further development within Canada to support social innovation, and more generally the civil society function of nonprofits to create social ties and promote social responsibility in social welfare development through the vehicle of social innovation. The list is not exhaustive, but it highlights some key areas that might be considered and mechanisms put in place to support innovation and the diffusion and replication of localized, incremental efforts of individual nonprofits and their networks.



Conclusion

This chapter described the notion of social innovation and reasons for its emergence within contemporary practice in the nonprofit and voluntary sector as a vehicle or mechanism for social welfare development in Canada. Recently, evidence has highlighted that nonprofits in Canada are engaged in socially innovative efforts; they are fulfilling a long-standing civil society function by undertaking a leadership role in the development of new initiatives and organizations to respond to emerging and persistent social issues. A simple look into the nonprofit and voluntary sector uncovers a great deal of social innovation: from the development of a new shared-space counselling program that reduces barriers to accessing mental health services, to a shelter program that opens operations closer to employment opportunities to reduce the time before a person is permanently rehoused, to a sexual assault centre that creates a global public-awareness campaign on gender-based violence, thereby transforming public perceptions. All of which is improving our social condition. Social innovations are achieving these ends through adaptations to existing efforts and processes, and through creating new opportunities for vulnerable and marginalized people. This role is not new for civil society in Canada, but expectations that nonprofits and their boards and staff will take on this leadership role have become institutionalized as a dominant means to respond to the social welfare needs of the population. Greater efforts need to be made that recognize this important role played by many nonprofits, along with the creation of more favourable cross-sector partnerships and the financial conditions that will help them to create these social innovations.



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