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### **Community sector integral to innovation discussion**

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Last week's federal speech from the throne, like others before it, made reference to the critical role of innovation in ensuring a healthy economic future for Canada. Unlike other speeches, however, this one went beyond the usual suspects in identifying likely sources of great new ideas. Encouragingly, the government explicitly cited "innovative charities" and the importance of supporting community solutions to social challenges.

These words now need to be translated into action. Canada's community sector has been taken for granted for too long. It is made up of organizations that address every aspect of individual and community well-being from home care and co-op housing to neighbourhood improvements and immigrant settlement.

Consider that charities (excluding universities, colleges and hospitals) employ 1.2 million Canadians and have more than \$120 billion in annual expenditures. This makes the sector a more significant economic driver than our retail, mining or oil and gas sectors.

And yet, for the better part of 10 years -- well in advance of the current economic crisis -- Canada's community sector has been absorbing significant funding cuts, and struggling to "do more with less." Nor did it benefit from any of the government stimulus money distributed last year in an effort to buffer the impact of the recession.

Canada needs the systemic supports of the community sector that have been introduced in the United Kingdom, the U.S., and other countries. In 1999, British leaders concluded that dealing with their economic and social challenges required a collaborative approach and large-scale investment in the capacity of what they call the "Third Sector."

A decade later, a series of investment funds is providing loans, equity, business advice and office and infrastructure support to charities and social enterprises. Meanwhile, in the U.S., one of President Barack Obama's first acts was to create the White House Office of Social Innovation and set up a \$50-million US Innovation Fund to encourage and support new approaches to solving social problems. In both countries, citizens and community organizations are increasingly treated as indispensable partners, alongside governments and business.

Senior public officials, business executives and community leaders have called on Canada to embrace innovation, a call that is echoed in several of the ideas contained in the throne speech. Specifically, Canada's community sector could be helped to live up to its potential by the following four measures:

1. Level the playing field by extending to social enterprises the same incentives and supports available to small and medium-sized businesses.

2. Modernize the rules governing charities both to unleash their creativity and entrepreneurial capability and allow them to address today's more complex needs.
3. Create a legal framework that encourages social enterprises, making it easier for them to generate earned income.
4. Enact policy measures that promote the contribution by Canadians of time and money to the public good.

As in Britain and the U.S., building the capacity of the sector should be viewed as an important means to strengthen citizen engagement and the vitality of our neighbourhoods.

Business has a role beyond acknowledging the marketing value of the "triple bottom line." Employees increasingly value socially engaged employers who take seriously their responsibilities to all stakeholders, facilitating time off for staff to volunteer, matching staff donations, and collaborating in community building. The encouragement that the private and government sectors routinely provide to business entrepreneurs should be extended as enthusiastically to social entrepreneurs.

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