

## **Canadian Non-Profit Organizations Play a Critical Role in Social Innovation and the Economy**

Canada has long had a vibrant non-profit sector that provides important services to help meet the needs of our citizens. Non-profit and charitable organizations work hard to make our communities a better place by providing quality research, policy advice and front line services on everything from health care to housing to education, the environment and the economy.

What is not as well known is that the non-profit sector also makes up a significant portion of our workforce in Canada – employing 11 times more people than the automotive industry and four times more than the agricultural sector – and contributes as much to the gross domestic product (GDP) as other major sectors of the economy. In other words, our country benefits doubly from non-profits: through both social and economic contributions that affect us all.

When economic times are turbulent and resources are thin, as they are today, the not-for-profit sector plays an even more critical role. There is an increased demand for the everyday services provided to Canadians, while at the same time this so-called “third sector” often experiences decreased funding, be it from charitable donations, government grants and projects or foundation contributions. Yet, more than ever, the non-profit sector is being called upon to help tackle those increasingly complex, intractable and interrelated social problems, such as climate change, sustainability, poverty and globalization, and come up with innovative solutions. They are rising to the challenge.

Canadian Policy Research Networks (CPRN) has recently published a report on this issue, ***Social Innovation in Canada: An Update***, which highlights the urgency of the social challenges before us and the need for new and innovative ways to address them. The report points out that the non-profit sector in particular is agile, creative and collaborative, and can work across sectoral, jurisdictional and disciplinary barriers to employ effective strategies that make transformative change possible.

Social innovation (SI) may be defined in many ways, but it encompasses ideas, concepts, strategies and solutions designed to address wicked social problems and advance the public good. SI often involves a horizontal, non-silo approach with partnerships across traditional private-public-non-profit boundaries. SI is not confined to the third sector; globally, businesses and governments have recently understood its value, and there is a growing recognition of the interconnectedness between healthy populations, a healthy planet and a healthy economy.

Traditional discussions of innovation often focus exclusively on new science and technology. While this is important, “social innovation” is a more encompassing term that includes new ways of working together, new forms of networking, new modes of organization, new ways of building capacity and infrastructure and even new ways of financing social initiatives.

Unfortunately, Canada is lagging behind other countries in putting in place the necessary supports to foster social innovation. Obama’s administration in the US has set up the “White House Office of Social Innovation” and the UK has its “Cabinet Office of the Third Sector.” Other governments around the globe, for example, in Scandinavia, Europe, Australia and New Zealand have also acknowledged the important contribution of SI to public policy and beyond, and have taken action to put in place systems and supports to facilitate and foster innovative approaches to social challenges. Canada, by comparison, has no office or mechanism to support or even measure the impact of social innovation in our country. There is also no funding plan or national strategy in place to enhance and maximize the benefits of SI. In fact, our study suggests, current government funding mechanisms in Canada may well inhibit SI.

Our report calls on Canadian governments to work together and develop a strategy involving all sectors – public, private, non-profit and academic – to advance SI. Our report also recommends that a national event should be organized to bring together leaders, experts, practitioners, researchers and other stakeholders to share effective practices and identify and discuss issues, possible sustainable models and approaches that could be put in place across Canada to help advance SI further.

Already non-profit organizations, along with social entrepreneurs, social enterprises and social economy organizations are a major source of social innovation in Canada, and they are increasingly called upon to fill gaps left by recent government devolution of responsibilities. At the same time, the non-profit sector has become more knowledgeable of business practices to further the pursuit of social objectives.

Our vibrant third sector has proven itself already, by being resilient and responsive in their service to Canadians – but they need help. Canadian governments can work with the non-profit sector to advance SI in Canada by helping these already agile organizations with new models and strategies for public funding, partnerships and support before it is too late. Social innovation is more than just about “feeling good” – it has lasting social and economic benefits that affect every one of us. Our non-profit organizations have been doing their part: now it’s time for our governments to step up to the plate.

**For more information, read:** [Social Innovation in Canada: An Update](#) by Mark Goldenberg, Wathira Kamoji, Larry Orton and Michael Williamson.