SOCIAL ENTERPRISE IN AOTEAROA NEW ZEALAND - WHERE ARE WE NOW AND WHERE ARE WE GOING?
CVSR RESEARCH FORUM, JUNE 2016

ĀKINA – OUR PURPOSE

Vision  Mission  Practice
Sustainable, prosperous & inclusive world  More social enterprises succeeding  Provide / facilitate development supports SEs need
WHAT I’LL TALK ABOUT

1. Where are we now?
2. The prize and precedents
3. Where next: three horizons

01
SOCIAL ENTERPRISE: WHERE ARE WE?
SOCIAL ENTERPRISES

- Not homogeneous – community orgs, NFPs, businesses
- Market size still unknown – 2000-2500?
- Activity increasing, quality improving, pipeline maturing
- Increasing interest in investment (recent survey)
- Mixed motivations and prospects…
- Legal form always a question
- Underserved + unmeasured
GOVERNMENT

- Profile of SE opportunity and internal champions growing
- Linkages being made between SE and a number of initiatives
- A position but no policy
- DIA strategy group – influence pending
- Intentional approach in 2017, make-do in 2016…?
- Increasing activity at the local level
- Increased recognition of the value of specialist intermediaries

BUSINESS

- Corporates searching for more sophisticated / integrated approaches to community investment
- Multiple points of interest – employees, customers, communities, procurement, partnerships
- Mass movement & convergence in:
  1. Innovation / startup sector
  2. ‘Shared value’
  3. Materiality / B Corps
PHILANTHROPY

- Interest increasing
- Mixed understanding of role / questions around strategy
- Real and perceived barriers to providing support
- Operations vs. governance = constipation
- PNZ conference in 2017

INVESTORS

- Curiosity continues – individual cases vs. market building
- Lack of market / facilitative mechanisms
- Lack of precedents + know-how in professional services
- Technology game-changing
- International sources also an option
- Institutional investors a long way off – scale required
- Accelerated mobilisation if deal flow becomes explicit
Tackling disadvantage

Figure 4: Where social enterprises work: by level of deprivation compared to SMEs

<table>
<thead>
<tr>
<th>Band</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social enterprises</td>
<td>38%</td>
<td>26%</td>
<td>14%</td>
<td>9%</td>
<td>7%</td>
</tr>
<tr>
<td>SMEs</td>
<td>12%</td>
<td>19%</td>
<td>21%</td>
<td>26%</td>
<td>22%</td>
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Most deprived ← Least deprived
ECOSYSTEM APPROACH

- Social Enterprise
- Leadership Education & Development
- Social Investment and direct funding
- Business Support
- Support for social Entrepreneurs and local networks
- Social innovation & community empowerment
- International Development
- Positive Policy Opening Markets
The Business Growth Agenda lays out a coherent plan to build a more productive and competitive economy.

The opportunity

We have set a strong base

We are growing the economy, jobs and incomes

But we have work to do to support the increasing diversification of the economy, and raise incomes further

Now is the time to invest in ongoing growth – the kind of growth that all New Zealanders and regions will have the opportunity to benefit from

What we get

A market based economy that reflects Kiwi attributes – agile, resourceful, innovative and world-beating

Our businesses add greater value to their goods and services – attracting a premium from our natural resources, intellectual edge and industry know-how

We are more internationally connected to reduce the impacts of distance, and seen as a real hub of talent and ideas for the Asia-Pacific region

An economy where all regions and our people have the opportunity to grow and prosper

We are one of the most highly-skilled countries in the world, with ambitious business leaders who make the best of our diversity of talents and ideas
Inequality, change & discontent

GLOBAL TRENDS

- Impact investment growing quickly but slower than predicted
- Social procurement & value chain
- New legal forms
- International development approaches
- Regional economic development
- Asia – SE is welfare 3.0
- The mature ecosystems are still young
- The young are more intentional and will develop quicker
- Entrepreneurs vs. democracy…
03

WHERE NEXT: THREE HORIZONS

What comes first?
HORIZON ONE

- Sector data
- Legal form / registered status / accreditation
- Sector body > organisation + coherence
- Government: coherence, mandate, policy,

2017 IN CHRISTCHURCH
HORIZON TWO

- Innovation infrastructure: specialised + widespread support
- Knowledge infrastructure + network infrastructure
- Community ownership models + support platforms
- Social finance market
- ‘Smart’ procurement
- Māori – capital, assets, need, geography, values, opportunity
- Mainstream education – all levels
- ‘The social economy’

HORIZON THREE

- Knowledge base + research-led policy + practice
- Impact / outcomes markets – social + environmental
- Data platforms / integration of metrics
- Competition with the commercial sector? Or blending?
- Technology + wider macro trends...
The bigger idea