

Harnessing governments for social innovation in Asia

Stacey Choe (www.avpn.asia)

Governments are not typically the organisations that one thinks of when associating with innovation. When we think of social issues, it is hard not to relate solutions, treatments and responsibility back to governments, no matter the extent of social welfare undertaken by that particular government. Social problems exist at scale evidently because the existing help and assistance given do not work. In many situations, what is required is innovation to change the current way that things work. Unfortunately, expecting a behemoth organisation like government body to turn on its wheels to change and innovate internally is usually extremely difficult, if not, near impossible. Many factors like organisational culture, high prioritisation on accountability and hierarchical obstacles add to the mix.



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In Asia, as with many other regions, what has happened of late is the ‘outsourcing’ of innovation to those who do it best. Social enterprises have sprung up, along with young innovators and game-changers from the corporate sector. Some of these are supported by private foundations, others incubated by tech companies or commercial investors. In the middle of all these, the biggest player is at times ignored.

Governments aren’t sexy

Young start-ups like to shun the government, foundations fear the government interfering and stunting progress with bureaucracy, and commercial investors don’t even know where to start with them on social issues. And yet, what we all have to realise is that in order for any good idea or solution to go to scale and become a real game changer, the one who writes the rules and sets the framework has to be involved.

Who’s doing what in Asia?

So we see government agencies slowly dipping their toes in, starting with social innovation competitions and awards with small grants to seed the market and

to drum up excitement and enthusiasm. In Malaysia, the *Agency for Innovation (AIM)* has run such competitions for social enterprises, the *Malaysian Global Innovation & Creativity Centre (MaGIC)* set up a separate arm focussing on social entrepreneurship with boot camps and incubation programmes.

The stellar jewel to the crown was when *AIM* participated in a collective impact programme for education, with their pilot project commencing in Klang Valley. This was a first in many ways. Not only was this project led by corporate foundations working together, it was jointly funded by government and foundations in order to address a social issue that all of them were already working on separately before this started. They realised that working individually was disjointed and the impact was symptomatic at best for the community. Also, the project was not something commissioned by the government, to be merely executed by other parties; it was a joint effort recognised in part that something had broken down within their system. The foundations also realised that by involving a government body, should the project prove successful, the chances of this being brought back to the government as a case in point that should result in policy change and nation-wide overhaul in the system would be much higher.

In other countries, Hong Kong government's *Efficiency Unit* launched a *Social Innovation and Entrepreneurship Development Fund*, which supports intermediaries, rather than direct recipients. In doing so, they are building up the local market for more players in the social investing eco-system so that the market would be able to sustain itself without government intervention eventually. As a catalyst and supporter, they have co-funded four projects since late 2014.

Over in Singapore, the *Singapore Centre for Social Enterprise (raiSE)* invests in social enterprises with seeding grants, loans and even direct equity. This illustrates a willingness from the government side to take on more risk in supporting the development of the social enterprise sector and enterprises with good potential.

One of the most progressive governments where social innovation is taking place at accelerated speed is in Korea. The *Korea Social Investment* has already started a pilot of Social Impact Bonds on childcare for children with special needs. The government has also since 2007 introduced a social enterprise promotion Act that supports the social enterprises with professional consultation for management, technique, taxation, labour affairs, accounting and even provides subsidised rents and reduced taxes.

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Safe space for governments to be innovative!

There are many more examples which have not been mentioned that are happening all over Asia today. What is important now is to share these so we can all learn from each other – both in terms of best practices and also the lessons learnt. Where there is a community of policy makers, eco-system builders and civil servants talking to each other of their experiences, they do not feel like they are alone and will be more willing to take risks, as is required where innovation is concerned. Each might be breaking new frontiers in different sectors and in their own countries, but others are also doing the same near them. What *Asian Venture Philanthropy Network (AVPN)* has done while

reaching out to all these stakeholders is also to set up the platform for them to exchange their knowledge.

In November 2014, AVPN led a group of 18 government officials and affiliates from Asia on a European study trip that exposed them to the best-in-class models of multi-sector collaboration. The delegates from China, Hong Kong, India, Thailand, Malaysia, Japan and Indonesia attended the launch of the *Social Values Act* in London and met with the leaders of *Big Society Capital*, *Social Finance*, *Bridges Ventures* and *Social Enterprise UK*. The project, which was also supported by *BMW Foundation* and *British Council*, allowed the participants to have direct discourse with lawmakers in Germany, European Commission and the United Kingdom.

Building on this, the group reconvened at the 2015 *AVPN Conference* in Singapore (*see below*) and the organiser added more participants, including representatives from the Philippines, Singapore and development agencies from Australia and even Latin America. They shared their individual progress in the six months since they last met and the meeting was a rare insight into what Asia was doing in the sphere of social innovation and impact.





Social impact: it takes many across sectors to get it right

Riding on the enthusiastic response from the government participants, we are looking at building a regular platform for Asian policy makers and government players to come together for further knowledge exchange. This will be a direct channel for these government officials to tap into each other’s experience. Many of them have found it hard to find the right counterparts in other countries because the work in social innovation, impact and investment often straddles different agencies and in many countries, there isn’t one department that undertakes this responsibility. This platform will be the one channel for agencies and departments in charge of different sectors to come together to look at models of social innovation and collaboration with other sectors.

We are currently building this up and will be looking at more partnerships and engagement from interested Asian government bodies. This will culminate in a launch event at the *AVPN Conference 2016* in Hong Kong, which will be held from 23-25 May 2016. Look out for more information and remember – the social impact you create will only be as far as the reach of your partners.

Stacey Choe is the Director of Membership & Services at the Asian Venture Philanthropy Network (AVPN), which has member organisations in 28 countries. She oversees the team that is in charge of recruitment of members and rolling out bespoke services for the community like roundtable events, customised webinars and study tours on social investment. She has organised countless international events, bringing together leaders in the investment, corporate and government fields.

Prior to joining AVPN, she had eight years of experience in marketing communications, events management, market research and strategy. She spent three years in China as the marketing director of a boutique Italian consulting company. During that time, she established herself as a leading PR and communications consultant in the food and lifestyle industries in China.

In Singapore she was responsible for regional incentive and rewards programmes in Intel Corporation, and before that, Stacey worked in the government sector on nationwide campaigns relating to social cohesion and national identity.

Stacey holds an MA in Social Anthropology of Development from SOAS, University of London, and a BA in Political Science and English Literature from the National University of Singapore. She has varied interests in social, political and community development, and has also co-founded a Lean In chapter for professional women in Singapore, sits on several committees including the Asia Environment Innovation Forum, mentors social enterprises and speaks on venture philanthropy at regional events.