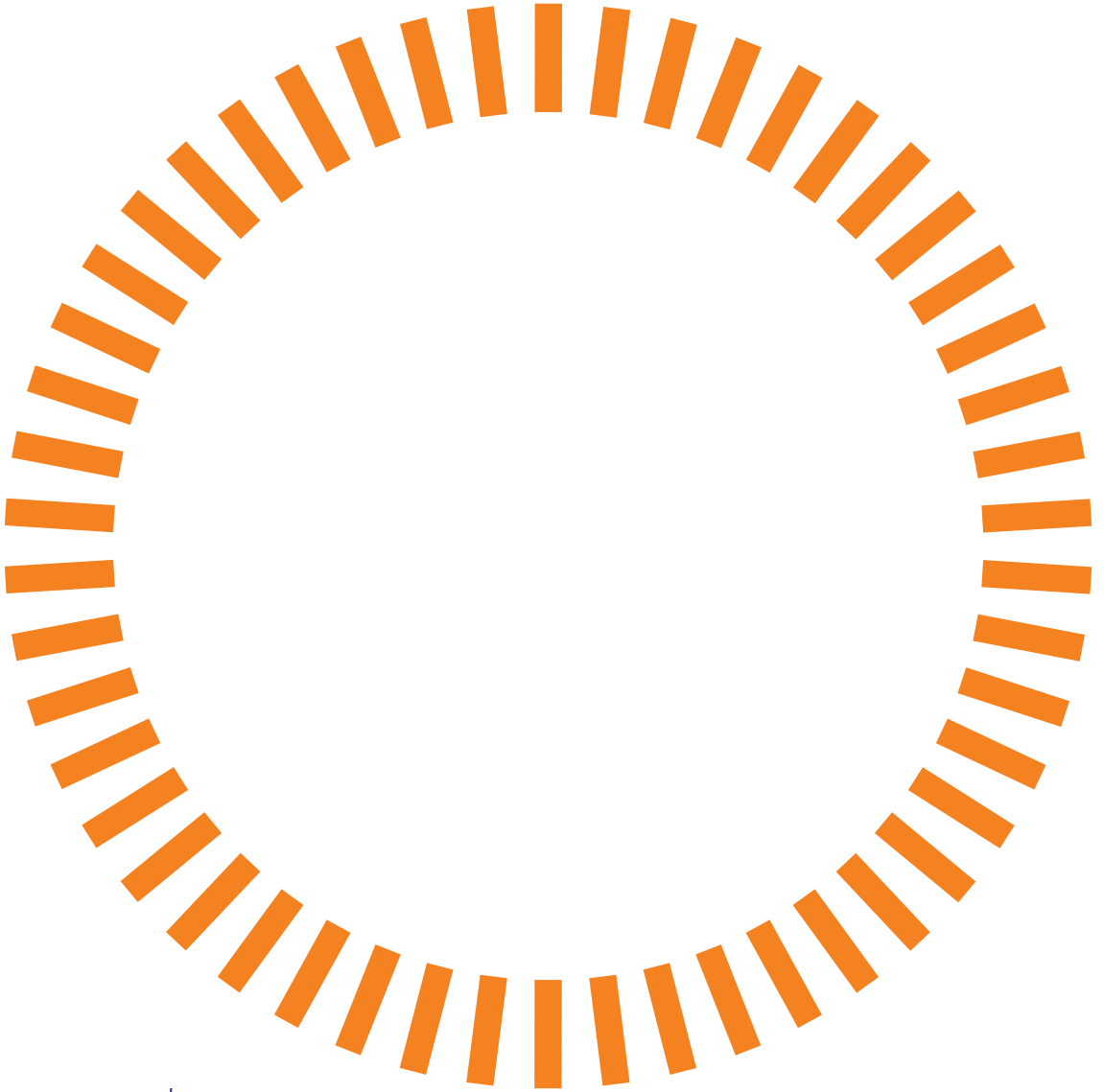


# The Phoenix Economy

50 Pioneers in the Business  
of Social Innovation



The Business of Social Innovation

As government leaders are required to save ailing parts of the economy at ever-increasing cost, entrepreneurs who are helping the Phoenix Economy take flight want to see much expanded support for enterprises that create new forms of value, new forms of employment and, ultimately, new landscapes of market opportunity. Among other things, they want to see governments:

### Collaborate

More governments—and different levels of government—need to establish units and departments to provide effective interfaces between entrepreneurs and the government system, a process that has begun in the UK with the **National Endowment for Science, Technology & the Arts (NESTA)** and the **Office of the Third Sector**. As an example of what can be done, **NESTA**'s first Public Services Innovation Summit in 2009 explored how social enterprise can help government meet a growing range of public sector challenges. Similarly, **MaRS** in Canada is a private-public partnership designed to incubate and foster cross-sector collaboration for the development of new technologies in areas such as healthcare.

### Redesign bailout packages

There is an opportunity—indeed an urgent need—to build social and environmental entrepreneurship into the growing number of bailout plans and New Deal packages. Here we welcome the work that the **United Nations Environment Programme (UNEP)** has been doing towards a 'Global Green New Deal' and the efforts of organizations like the **Cleantech Group** and **Green for All** to influence the often panicked politics around the bailouts.

### Get the targets right

To ensure effectiveness and accountability, governments must set, publish, monitor and report on progress towards ambitious targets on key priority areas, such as climate change. They also need to establish the right policy frameworks—a key reason why the **Obama Presidency** made the 2009 Phoenix 50 so resoundingly.

Partnerships, once again, will be crucial to help governments to understand which targets to set. The **Global Footprint Network** is now working with governments around the world to build dashboards of metrics and management systems; and the governments of Ireland and the UK are working with **AMEE**, which calculates carbon footprints, enabling aggregated statistics to be reported.

### Simplify regulatory requirements

Entrepreneurs protested the complexity of registering new organizations in several countries. In the US for example, there were calls for government to “federalize regulatory requirements relating to the social sector, as they have, in large part, for the private sector. For non-profits in the US there are separate filing requirements in each state and we have experienced similar complexities in Canada and beyond. All of the states are focused on the same information and issues—but each state has a slightly different set of requirements, including, separate filing fees and schedules of submissions. No-one objects to providing the information, but a simplified, unified set of requirements at the federal level would dramatically reduce the costs and strain of these duplicative systems. It would also increase transparency because the public could access information about social sector organizations in one location, rather than state by state.”

### Redirect procurement

All levels of government can help to drive the transition by adapting their policies in areas like public purchasing, an approach that has been trialled by initiatives like **C40**. Buying green—or more broadly in ways that are 'future-friendly'—on a larger scale by aggregating purchasing inexorably drives market transformations. A growing number of examples exist, from police departments requesting the purchase of electric vehicles, to building standards being upgraded, and new green directives being integrated into public purchasing guidelines. Among organizations we are working with on this front is Paris-based **EcoVadis**, which is building a range of safety, health, environmental and human rights standards into supplier management software packages.

### Refine market governance

Markets are social constructions. Sometimes they just happen, sometimes they are created by design. Public sector efforts are likely to be most effective where they learn from innovators creating a new generation of market governance rules and processes. Such players include the **Extractive Industry Transparency Initiative**; the **Forest Stewardship Council**; **Health Care Without Harm**; the **Roundtable on Sustainable Palm Oil** and the **Roundtable on Sustainable Biofuels**; and the **Marine Stewardship Council**.

### Infrastructure design

Governments, at all levels, need to think beyond curative solutions and leverage the intelligence of entrepreneurs in the design of policies and interventions, from public health spending to city blueprints. This trend is illustrated by such examples as **Better Place** and the **World Resource Institute's EMBARQ**, both working closely with governments around the world on the design of sustainable transport policies and infrastructures. Elsewhere among the Phoenix 50, we spotlight new forms of urban design, particularly work under way on eco-cities at companies like **Arup**. But don't forget the sprawling slums where many more people live, an agenda informed by the extraordinary work of pioneers like Himanshu Parik.

### Grow clusters

Governments have a critical role to play in creating the necessary clusters of social enterprise and support services. This is an area that several of our Phoenix 50 are pioneering, among them **MaRS** in Canada. It is also something that the **Singapore Economic Development Board (EDB)**, a funding partner of Volans, is working towards in the city-state. Interestingly, **EDB** has wider, regional ambitions—something that other government agencies could well emulate.

### Culture change

It's never easy to achieve cultural change, but the world will inevitably undergo a series of cultural transformations in the wake of massive, discontinuous economic upheaval. Here the work of **Participant Media** (most notable for Al Gore's film *An Inconvenient Truth*) has been inspirational in its use of mainstream media and entertainment to raise awareness of critical societal concerns and encourage a positive paradigm shift in behaviours.

The success of **Celador Productions'** film, *Slumdog Millionaire*, with a growing number of public references to 'slumdog entrepreneurs', also suggests ways in which difficult social and environmental issues can be brought to a global audience—on a relative (to Hollywood) shoestring budget. Then there is Franny Armstrong's film *The Age of Stupid*, which demonstrates the emerging power of 'crowd-funding'.<sup>33</sup> Go **Team Stupid!** More government support needs to be directed towards such media enterprises and the wider media world, guided by the aspirational goal of **Ashoka**: to help make 'Everyone a changemaker'.

With a more specific remit, the work of the **Oxford Health Alliance** on building cultures of preventive health to slow the accelerating global wave of chronic disease has not yet attracted enough support from governments, but nonetheless signals a possible way forward—as do the approaches of such Phoenix 50 organizations as the **Global Footprint Network** and **Virgance**—which exploits the power of social networks to drive change.