

RSOG Seminar

Advancing Public Sector Through Social Innovation

with

Ehon Chan

When : 4 June 2015
Where : Razak School of Government
Speakers : Ehon Chan

About The Seminar

Social challenges are hindrance to a sustainable economic growth, leading to inequalities and instability, affecting the overall wellbeing of the citizens. Globally, innovation in public service delivery and government policies to create a more equitable and sustainable economic development is a challenge. On the other hand, the need to innovate public service delivery for more cost effective, innovative and better services is increasing as we solve some of the most pressing social issues. Social innovation and entrepreneurship offers an alternative for traditional governing, encouraging the active participation of local communities to be involved in solving unmet needs. It involve the people in solving local issues, in collaboration with politicians, policy makers and local authorities. This talk will explore case studies from around the world as well as social innovation happening within Malaysia.

Summary

Social innovation and social enterprise are fairly new terms in our developing society. Social innovation gives rise to social enterprises, which are created to address social issues and bring about improvements in community wellbeing. It is a concept of fusion between business and social or environmental interests, which can create multi-party benefit to entrepreneurs, the society and the government. As Malaysia aspires to become a developed nation by 2020, social innovation can help advance economic development and community wellbeing.

Why is social innovation gaining popularity? The rigid industrial business model created a dichotomy between businesses and society. With growing societal issues and needs, the welfare system can only do so much. There is however increasing awareness on social issues and, with it, the motivation to make the world a better place. Hence the growth of social enterprise where groups of aspired and motivated individuals attempt to use businesses to serve the community while ensuring the survival and economic sustainability of their effort in the long-run. In the United Kingdom alone, social enterprises contributed up to 5 percent of UK's GDP, which demonstrates the potential of social enterprises to form a major part of the new economy and increase its influence within society. Social enterprises essentially fill some existing gaps within the capitalist economy.

A social enterprise, at its core, is a business model that functions similar to other businesses. However, unlike other businesses, the main goal of a social enterprise is to bring benefit to the society by either addressing societal issues or bringing about positive societal change. Among them are combating poverty; improving the education system; bridging the rural-urban divide; promoting sustainable development; providing employment; and reducing environmental degradation. These due to the state of society we are living currently where technological advancement and rapid economic growth over the last century gave rise to job uncertainty, climate change, population growth and aging population, as well as the digital divide between the digital natives and digital immigrants.

Some examples of innovative Malaysian social enterprises mentioned at the seminar included Biji-Biji, which is an organization that recycles waste products to manufacture various high quality merchandise; and Arus Academy which is on a mission to equip children with 21st century knowledge and skills such as computer programming, digital arts, and software engineering.

How should the Malaysian government react to social innovation? The government should, first and foremost, support the idea of social innovation because it brings numerous benefits including cost reduction on welfare programmes; increasing the livelihood of citizens; and promoting national growth. Moreover, the government can also act as a facilitator to social enterprise development by addressing the lack of legal structure; and providing the necessary human capital development policies, financial capital, publicity and information. There are many social enterprises in Malaysia existing out of the grid creating operational confusion of their nature of business. Currently, social enterprises in Malaysia either have to register as a company, whereby they are categorised as any other profit-oriented organisation; or as a not-for-profit, where they are perceived as relying on donations instead of investment.

Ehon argued that investment is very important for social innovation. He expressed hope that the government can play a bigger role by establishing a clear legal framework for social enterprises; promoting more research and development on social innovation; implementing social/green procurement and impact investment; and highlighting the success of social enterprises success for greater publicity of its impact. It is important

to note that social innovation in the public sector is an experimental approach that requires a distributed network and decentralization of operations. With the right tools, financial resources and highly motivated individuals, Malaysia can catch up with other countries in the region such as Thailand and Vietnam that already have a head start in social innovation, and hopefully play a bigger part in spearheading social innovation in the ASEAN region.

Issued raised

- Social enterprise's sustainability must have a business-financial model which comprises of market, ideas, and intrinsic motivation so to add value to the company and its programmes.
- Although many companies are involved in corporate-social responsibility programs, it is not considered a social enterprise since its main goal is for profit and for a short duration. Social enterprises, such as those addressing domestic violence on women, requires an ongoing program and commitment for it to achieve its goal.
- Ideas for social innovation are organic and can only be experienced when one is in a particular situation. Thus, engagement with the society is needed to truly understand their problems.
- Investors need to feel secure to invest in social enterprises. Thus, the government can help facilitate the growth of social enterprises by providing vital resources and information, as well as establishing a secure and sound legal framework for operations.

About the Speaker

Ehon Chan is presently the Executive Director of Social Entrepreneurship Malaysian Global Innovation & Creativity Centre (MaGiC). Ehon has passion for creating opportunities through connecting people, capital, and ideas. His work has focused on creating innovative, impact-focused projects and purpose driven businesses, tapping into the opportunities brought by digital media and technologies. Previously, Ehon was the cofounder of Hub Australia, a network of coworking communities driving innovation through collaboration, and Spur Project, a not-for-profit suicide-prevention organization. Although far from his mind, his effort and contribution to social change has won him numerous awards and accolades such as Suicide Prevention Australia's "LIFE Award" and The Age's "Top 100 Most influential People."

Contact

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