

WHO'S DOING FINE IN THE LUCKY COUNTRY?

The Lucky Country is not so lucky for many Australians. Many do not get what we consider our base national guarantee: a 'FAIR GO'.

*It's time for a different approach,
writes Michael Traill, CEO Social Ventures Australia*

'The most powerful force in the world is a new idea that can change society – if it is in the hands of a true entrepreneur.'

BILL DRAYTON

THE FRUITS of an unprecedented two decades of Australian economic growth have not created a happier society. Something is wrong. What we have been doing is not working. We need to change our approach.

Lurking below the surface of the shiny mainstream economy is 'the other economy', which reveals growing wage inequality, an accelerating concentration of social and economic disadvantage clustered in particular geographic regions and evidence that suggests we have conspicuously failed to address many of our nation's entrenched problems.

As you can see from the statistics opposite, the evidence of the existence of the 'other economy' is clear. If you live in that netherworld, it's tough to be happy. And, despite the long wave of economic growth, there are still many areas of entrenched disadvantage, with traditional welfare solutions failing.

Paradoxically, it seems that even those who live on the right side of that economic wave are not necessarily any happier. It's a theme elegantly caught by social commen-

tator Hugh Mackay. He talks about the 'affluent purpose seekers' who are juggling lives, kids, careers, money, 4WD's and upward mobility but are often struggling to find day-to-day purpose or meaning in their lives. We're growing but we're not growing happier.

At Social Ventures Australia we believe we can change things and change them for the better.

The American scholar and social visionary, Bill Drayton, has shown how a visionary can make a lasting difference. He founded his international not-for-profit organisation, Ashoka, in 1981 with the simple idea of identifying and supporting extraordinary people around the world who were committed to achieving social change in their communities. Drayton aptly labelled these innovative change makers as 'social entrepreneurs.'

Our work at Social Ventures Australia is guided by the light that Bill Drayton's practical vision has shone on the world. We

are motivated by the idea that we need to do things differently: we need to invest in innovations and innovators that challenge the status quo.

ASHOKA was named after a 3rd Century BC Indian emperor who renounced violence, adopted Buddhism, and dedicated his empire to tolerance, economic growth, and social projects. Since Bill Drayton started it, Ashoka's growth and reach has been truly astonishing. The network now comprises over 1,700 Ashoka Fellows in 60 countries and has changed millions of lives for the better.

The Ashoka Fellows include people like the remarkable Brazilian social entrepreneur Rodrigo Baggio. With grant money from Ashoka, Rodrigo has trained almost one million at-risk children in computer and internet skills through a network of more than 200 self-managed computer schools in the urban slums of 17

AUSTRALIA'S 'OTHER ECONOMY'

By the age of 18, **one in five** young Australians have experienced a major depressive episode or illness, **20% of deaths** in the 15-24 age group are **suicides** and more than 20% of those aged 15 – 19 are unemployed.

Indigenous Australians are two and a half times more likely to be unemployed, will live on average for 18 years less and are **12 times more likely** to be in **jail** than their non-indigenous counterparts.

Over **70% of people with a mental illness** do not have opportunities to undertake meaningful/life enhancing work. Many have strong employment skills if fostered in the right environment;

We have a rapidly ageing population with the proportion of the population aged over 65 set to grow from 12.4% in 2001 to **over 21%** by 2031.

Brazilian states. By helping students who might otherwise have turned to drug trafficking or violence, Rodrigo is bridging the digital divide while providing important job opportunities to young Brazilians.

I first met Bill Drayton in early 2002. A bookish, quietly-spoken figure whose resume includes stints at McKinsey & Co and shaping environment policy with the Environment Protection Agency in the Carter Administration, he is regarded as the global pioneer of social entrepreneurship and was recently recognized as one of America's Best Leaders. I was fortunate to spend some time talking with him about the need for social innovation and entrepreneurship and about the opportunity for it in Australia. This meeting was deeply helpful and influential in guiding our work at SVA.

Drayton's vision for social entrepreneurship centres on the idea that there is a rapidly developing 'third' sector, which Drayton calls the 'citizen sector'. In an environment where governments around the world can be inefficient and the private sector motivated by profit, the citizen sector is ripe to provide change. The catalyst for this is the social entrepreneur – the visionary individual – who with appropriate support has the capacity to leave a footprint of a changed and better community.

Hugh Mackay talks about the "affluent purpose seekers" who are juggling lives, kids, careers, money, 4WD's and upward mobility but are often struggling to find day-to-day purpose or meaning in their lives.'

At SVA we see a real opportunity to crack some of our country's entrenched social problems and create a better society by more effectively harnessing the skills and philanthropic funding of Hugh Mackay's 'affluent purpose seekers' and connecting them to creative thinkers and social entrepreneurs who have the potential to make change.

Using our performance-based model of philanthropy, we apply business and strategic disciplines to help social entrepreneurs and social investors to make a real difference to our communities. We know that we can nurture their growth by providing the money they need to develop, the business and mentoring support to guide their journeys and the tools they need to help them communicate the impact they are having.

In the five years since SVA was created, we have raised commitments of more than \$15 million from social investors who have backed our belief in the power of identifying and supporting outstanding Australian social entrepreneurs.

We work closely with 21 social entrepreneurs – drawn from more than 700 ventures programs we have reviewed since we started. The litmus test of our work is that we make a positive difference to the ability of these people to achieve their dreams, and those of their ventures.

Our practical experience has taught us what to look for in an outstanding social entrepreneur: the ability to see a different way of doing things that addresses the core of a social or environmental problem – sometimes through creative genius, often the more prosaic but equally effective connection of obvious little things that should be happening but are not; a passion for achieving social impact; and a preparedness and an ability to negotiate and enlist support, to inspire and motivate those around them and develop effective partnerships to support the cause. We know if we support these social entrepreneurs with a mixture of money, mentoring and tools, we can help them change the map.

Money may seem obvious, but we have come to feel very strongly about the way money is applied to innovative social ventures to achieve maximum social return. Most of our financial support is directed to fund the capacity of the organization to grow, not to fund programs. We believe

vidence is clear in the resilience and growth of their organisations and the performance of their programs.

As Scott Harris, CEO of the Beacon Foundation, explains: 'SVA's support has been critical in Beacon growing from a Tasmanian-based program to a national organization. That support has helped

improve the educational and career choices for over 20,000 young Australians.'

ANOTHER factor underpinning the success of our approach is the Australian tradition of egalitarianism - the sense that we share a common humanity and that, for our happiness to be fulfilled, we all need a combination of economic opportunity, social connections and the need to be valued and to contribute.

That is encapsulated in the concept of 'connecting our heads to our hearts'. We regularly see this happen when our mentors make deep connections with the social entrepreneurs they support: they learn, they contribute and they grow in the process.

An excellent example is our 2006 SVA Mentor of the Year, Jonathan Deane, Group Head of Strategy at AMP. In a 'Two of Us' story with a twist, Jonathan developed an extraordinary relationship with Margaret Flynn who runs Centacare in western NSW.



PHOTO: WWW.LORRIE.GRAHAM.COM



Children, young people and indigenous people and communities are often most vulnerable to falling victim to Australia's 'other economy'. During a breakfast meeting at Sydney Secondary College in Balmain, Year 9 student Michael Conklin (top left) and two other students presented their views on how Beacon's No Dole program has helped them. The presentation was given to local business representatives and teachers.



'If you live in that netherworld, it's tough to be happy.'

Margaret and Jonathan started poles apart. Margaret is responsible for a patch that covers 52% of the land of NSW and includes some of the really struggling regional and indigenous communities which have attracted such controversial recent press. She is not your conventional welfare worker. She sees possibilities and potential, not disadvantage: 'I have to find ways for these young indigenous children to see a view of the world that rises above the levee banks.'

Jonathan took the time and made the commitment to regularly visit Margaret on her turf – a long way from the harbour views that are his daily patch.

Their journey has been a deep two-way learning and engagement. Margaret speaks glowingly of how much she has valued Jonathan's perspective and personal commitment, how much it has meant to her not just to have his strategic guidance and input but to know there is someone from that other world who genuinely cares. Jonathan talks about how much he has valued the experi-

ence and the opportunity. And when he talks, what flows is a sense of the social connections he has developed to a very different community and what the sense of purpose – personal significance that reflects his wonderful contribution – really means.

Many of our 'affluent purpose seekers' are looking for ways of giving more money. But we have a long way to go. Australian giving levels for high-net-worth individuals (those with an annual income above \$200,000) are only about 40% of equivalent levels in the U.S.

Our experience is that by connecting this group to opportunities for engaged philanthropy - where they can see the impact of programs they fund – they provide financial support in generous and increasing amounts.

This has to be our call to arms. The truth is, we can all be doing better. For those who

'win', and finish on the right side of the economic divide, more is required – more money and giving but giving that is connected to intelligent, strategic, outcome-focused philanthropy.

We must also be practical and objective in identifying where traditional welfare service delivery is failing. Investing more in failing programs makes no sense.

At SVA, we know that when we combine the passion of the social entrepreneur with the support and discipline of outcome-focused philanthropy we get results.

Our challenge, and our opportunity, is to work across the tiers of business, government and the non-profit sector to galvanise change. We must encourage giving levels that are world-best practice, driven by social investors who know their generosity is having a real impact. We must create a climate where social innovators are nurtured and supported because we know they are needed in areas where traditional programs are failing. We must provide career paths and opportunity so all those Australians who have 'done well' can contribute meaningfully to their communities, national and local.

We must do this because we know that a sense of fulfilment and purpose will make them happier and will contribute to a happier Australia so that, in twenty years' time, we can look at the statistics and say, 'There is no "other economy" here any longer'. ○