

Healing Welfare

— *some thoughts on philanthropy and social enterprise*

by vivian Hutchinson

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1.

When I was asked to speak to this meeting, Trevor Gray (the Manager of the Tindall Foundation) said he wanted to encourage participants to be “full and frank”. Trevor recognises that this is the first time that a group of Funding Managers for the Tindall Foundation have got together, and he sees it as an important opportunity for us all to explore our relationship with the Foundation.

I am reminded of the great American corporate leader, Robert Greenleaf, who spent nearly 60 years at AT&T. He’s been an influence on a whole generation of business leaders through his essays on “servant leadership” and his wonderfully frank advice for people who seek to take up the role of trustees.

Greenleaf was also a representative for a philanthropic foundation, and he tells a story about his first tour around a dozen major American universities on behalf of a new grant programme. When he got back from this journey around the universities, his wife met him at the airport and asked him how it all went.

Greenleaf replied that he had absolutely no idea. His wife was a bit mystified ... and asked him to explain.

He told her that he had never experienced anything like it before in his life. For most of his working years at AT&T he had to do battle for his ideas ... every step of the way. Nothing he tried was ever a pushover.

But on this trip as a foundation representative, everything was suddenly different. When he talked to the leaders of these prestigious universities, he found that every word he said was received as “a pearl of wisdom”!

Greenleaf described this as a very corrupting experience. In one of his essays published after his death, Greenleaf describes this *corruption of the almoner* as nearly absolute ... as are most corruptions of power. And he remarks that he wouldn’t be so sure of it, if it wasn’t so clearly part of his own experience.

The *corruption of the almoner* is a challenge of character that is posed to any philanthropist and their representatives. If people don’t give you “full and frank” feedback about your intentions and your charitable operations ... then you can very easily kid yourself about your purposes and start to believe your own PR!

This obviously relates to the challenge of a meeting like this today. Having a “full and frank” dialogue between friends might be easier said, than done.

There are clear power differences when the person asking for feedback is also the person from whom you may be asking for critical financial support on behalf of your sector or your projects.

This is the first opportunity we've had to meet one another, and we've obviously got plenty of good news to share about what the support of the Tindall Foundation is enabling us all to do.

And, like Trevor, I also hope that we won't shy away from taking this opportunity to also talk about the deeper layers of our relationship ... and our hopes for how we would like to continue working together in the future.

A bit about myself: I have been involved with the work of the Tindall Foundation since 1999, after being introduced by its first Manager, Warren Snow, who has been an colleague in community economic development work for many years.

The Foundation has since supported me as a social entrepreneur in the employment field ... which has enabled me to continue my work with The Jobs Research Trust and to help establish the Mayors Taskforce for Jobs.

I have also worked with former Manager Tim McMains in his campaign for promoting generosity in New Zealand, and I spoke at the "Generosity" workshop held by the Foundation in Tauranga last year.

A couple of years ago, The Jobs Research Trust entered into a philanthropic partnership with the Tindall Foundation and set up The Employment Catalyst Fund ... becoming one of the many Funding Managers that are in this room. This fund is largely run on a voluntary basis by the Jobs Research Trustees, and also by Jan Francis from the Mayors Taskforce for Jobs.

More recently I have been working closer with Trevor Gray and, Evelyn Gauntlett (Tindall Foundation Administrator), on how the Foundation can be wiser and more effective in fostering social enterprise.

2.

Philanthropy is one of the healing arts.

Philanthropy is an important way we work together to build the communities we wish to live in. It is about how we organise our intentions and our resources to work for a common good.

It is important to realise that philanthropy is an *intention* before it is a *resource*.

We can miss this point when we concentrate on calling ourselves "Funding Managers" ... or set up organisations that primarily define themselves as being in the business of "grant-making".

Philanthropy is an *intention*, first.

The derivation of the word "philanthropy" doesn't even refer to money or to how it should be given away. It actually refers to "the love of people".

So if this meeting was solely about the management of money, then I would have expected there to be many more lawyers and accountants in this room. But there are not.

As I look around this room, and hear you introduce yourselves, I notice that there are many other labels: I see trustees. I see people who are stewards of a public purpose.

I see leaders of faith, and leaders of environmental, community and social service organisations. And I see people who are themselves involved in philanthropic work.

This relates back to the invitation of this meeting.

The title of this workshop is “*From Fund Managers to Partners in Philanthropy*”. For myself, this isn’t just a re-labeling of a job description. I hope that it is a recognition of our shared intentions and purposes. I see it as a call, and an opportunity, for us all to deepen our relationships ... in the “fullness and frankness” of what we mean by “partnership”.

3.

When Warren Snow first introduced me to the work of this Foundation, he took me through his presentation about the intentions of this new organisation.

He said that the Tindall family wanted to support self-help projects in the areas of “families”, “the environment” and “employment”.

Later on, the Foundation has added a couple more key points to its mission in saying it wants to help “build the capacity of the third sector” and “promote generosity” ... but I think those first three objectives at the start pretty much sum up the thrust of what the Foundation has tried to focus on over the last seven years.

No-one wants to see families struggling in what is really a rich country like New Zealand. Yet sadly, too many of our families are indeed struggling ... and this can be recognised when we see that one in four children and one in six working-age adults are dependent on a welfare benefit.

No-one wants an environment that is falling apart because of the way so many human beings are living on this small planet. And doing something effective about our environmental challenges will continue to be “the big asks” of this generation.

And no-one wants our young people to inherit lives in which they can’t support themselves. Yet this is the predicament facing one in six young people in this country. And doing something about creating learning and employment opportunities is also an imperative for our communities today.

So these are the Foundation’s primary intentions ... and there’s plenty of work to do.

But I also want to speak here about another layer to the intentions of this organisation.

There is an intention that is not *as* explicit on your brochures and your website presentations ... yet I have heard it expressed here this morning, and I hear it expressed at almost every event I have been to that has been sponsored by the Tindall Foundation.

I refer here to the intention of working towards *a sustainable New Zealand*.

It is clear to all of us that the ethic of *sustainability* is woven behind each and all of the goals of this Foundation. This has also been clearly championed by Stephen Tindall not only in this Foundation, but also in his work with the Zero Waste Trust, and in his work with other organisations like the New Zealand Business Council for Sustainable Development.

As a country, we pretty well understand the principle of *sustainability* in terms of the environment and resource management issues. We are even getting a better understanding of what sustainability means in terms of how we operate businesses ...

especially with many leading companies now beginning to adopt “triple bottom line reporting” on their business activities.

But the principle of sustainability is not so well understood in terms of *social* issues.

We have yet to have a very tangible national understanding of what it means to create a sustainable *social* environment for our families to grow within ... and we don't yet fully understand how to create the sustainable livelihoods which all our families need.

4.

There is a problem here that everybody seems to know ... but we do not seem to directly acknowledge or address it:

The welfare state – as we currently run it – is *unsustainable*.

When you get everyone in your town who is in the business of “welfare” into one room, you quickly realise that no-one is really “in-charge” of anything. It's a very expensive system ... and yet no matter how much money we throw at it, we don't necessarily seem to be getting any better results.

The problems with welfare are becoming so complex ... the front-line people have got to learn so many details about everything, and they end up surviving by just focusing on their narrow patch of the problem, or whatever their contract “outcomes” are requiring them to do.

Don't get me wrong ... we all acknowledge that a great deal of important and effective work is being done out there in social services. I get to speak with many managers of government departments, local authorities and leaders of community based agencies ... and they are proud of their front-line work, and their many daily successes — and they should be.

But I also get “mixed messages” from these people – the sort of messages that are a pretty clear signal to me that the overall system in which these people are doing their heroic work is not really working, and cannot be sustained.

While front-line welfare providers share with me their strategic plans, their mission statements and their performance objectives and outcomes ... they also tell me that they know our overall economy is simply not creating enough jobs for people, particularly young people. They plainly acknowledge that significant numbers of fellow New Zealanders are continuing to slip into poverty, homelessness, ill-health, troubles with the justice system, bitterness, and despair.

I don't pretend to have any magic answers on how we can create a more sustainable welfare system that delivers completely different outcomes. But I do suspect that one of the problems is that we are treating the unsustainability of welfare as a question of political or bureaucratic management.

I do think we are not exploring deep enough questions here — questions of what it will take for us to better care for one another ... and questions of what it will take for communities to better work for wellness, and for a common good.

And these are not so much questions of management ... but of cultural vision.

5.

In the meantime ... we just can't keep patching it all up.

One of the things I have seen happening with philanthropic foundations over the last decade is that more and more of the problems of an unsustainable welfare state are ending up at your door – hoping that you will provide the resources to keep patching things up.

Sooner or later, you are going to have to re-think what it is you are all up to here.

Sooner or later, you are going to have to consider whether you are simply participating in an unsustainable problem.

Part of the reason that the present welfare system is ill-suited to address our modern-day social problems is because it was created at a different time in our social history – a post-war time of full employment (for men, anyway) and much more stable families.

That time, just after the second world war, was a time of “bedding in” many of the social innovations that were started by the first Labour government in the 1930s.

Today, as a country, we need to go back to re-visioning what we are up to with welfare. Our social services need to become more affordable, and more effective. And they need to have outcomes that make sense.

We need to release, again, a tide of social innovation that will actively explore alternatives and create sustainable options for welfare support.

And it is clear to me that philanthropic groups like the Tindall Foundation can be important players in catalysing this whole new generation of social innovation.

6.

In the context of social sustainability, all funding bodies and grant-makers are today faced with the same major question.

We need to ask ourselves: Are we in the business of *organising* problems? Or are we in the business of *healing* them?

I'm not here to disparage the very good work done in social services today. But I do believe that many of our colleagues have their heads down so far into their contracts, and survival, and the management of all the details ... that we can all miss the point of what we are doing here.

We can be so focused on asking ourselves: Are we doing *things right*? (which is a “how-to” question) ... when perhaps we should be asking ourselves: Are we doing *the right things*? (which is a “what-for” question).

I believe that if we think we are in the business of *healing* our social problems, then we need to spend at least part of our work in exploring how things can be fundamentally changed.

7.

Philanthropy can be a major catalyst in working for fundamental change.

Last year I attended the national conference of Philanthropy New Zealand held in Wellington. And it had as the theme of its conference: “*philanthropy as a catalyst for change*”.

While Philanthropy NZ promoted this notion of being a catalyst for change ... I found it curious that only a few of the major speakers actually spoke directly to this message, or told us any stories of their personal experiences of how they were doing it.

This perhaps isn't very surprising at all. The fact is that philanthropic leaders, at the moment, don't really know how best to get on with such an intention. And the philanthropic community is generally a conservative lot, and they recognise that there are clear risks involved when you start going around talking about “change”.

But I did learn, or at least re-affirm, something at this conference.

Jenny Gill, one of the founders of Philanthropy NZ, made a very convincing case that *private* philanthropy is in a much better position to be a catalyst for change ... compared to government funding agencies, or to the grants handed out by big public charities such as the local banking or energy trusts.

Jenny Gill describes private philanthropy as being more able “... *to provide the venture capital for social change*”. This is an important insight that we need to explore further.

Part of the paradox here is that private philanthropy is actually *less* accountable. The government departments are directed by the cautious hands of public servants and their political masters who are not keen on answering curly questions hurled at them every afternoon on the parliamentary floor. Similarly the big public trusts, with their political appointments, are also risk-averse ... and have certainly not been seen as exploring the “leading edges” of social change.

But *private* philanthropists don't have to have these sorts of strings attached to their goodwill.

They can take the risks ... and they can also be foolish, and fail.

In the meantime, they have the distinct advantage of not having to put up with people shouting at them that they are squandering the public purse or increasing the burden on taxpayers.

Above all, they have the luxury to create a high-trust environment that can breed innovations.

And when it comes to breeding innovations that are about *healing*, rather than *organising*, our social problems one of the models for the private philanthropist is indeed the business model of venture capital ... *venture capital for social change*.

This is a different approach to philanthropy than usually exists within our normal understanding of grant-making.

It's about having a strategic overview of what you want to achieve. It's about being pro-active. It's about being much more intentional.

And, in the spirit of a venture capitalist approach ... it's about being more *venturesome*.

8.

The Jobs Research Trust and the Tindall Foundation recently set up a fund that has endeavoured to be venturesome in the field of employment, especially youth employment. It's been going for about 18 months now, and the Employment Catalyst Fund is also operating in partnership with the Mayors Taskforce for Jobs.

We have wanted this new fund to be flexible, innovative and creative. We wanted to explore “leading edge” projects that acknowledge the changing nature of work in our society and recognise the need to investigate new ways of addressing unemployment.

We also wanted to make a longer-term commitment to the projects we were funding ... as most of the groups we were working with had told us that they seldom got commitments from other funders lasting more than six months or a year.

And because we supported the Tindall Foundation mission of “promoting generosity”, we wanted the grants to be based on matching funds ... and we would match the project with more money if they could attract more *private* philanthropy.

The Employment Catalyst has supported fourteen projects so far, which has been more than we anticipated. All the stories of these projects are outlined on our website, and they are pretty exciting – from youth apprenticeship schemes, to putting young people into work experience with not-for-profit organisations, to developing employment skills while helping construct the Te Araroa long walkway, and much more.

We estimate that the fund has already catalysed a further \$2.5 million of matching funds into this youth employment field. And, as trustees, we've learned a great deal already about this business of philanthropy that hopes to spark innovation.

In the spirit of this workshop today, let's also be “full and frank”.

We have recently done a review of what we have learned from the first 18 months of the fund ... and there are several things to report on – things that we didn't fully anticipate from the start. These are probably things that you as fellow Funding Managers are very familiar with.

— Firstly, because we wanted to attract innovation and creativity, we told people we didn't have an application form for them to fill in: “Just tell us what you want to do and give us a rough plan and budget on how you are going to get on with it.”

Actually, this completely dumbfounded many of the applicants, who gave us the impression they'd much rather have a form to fill in. And we were surprised about how many would send us screeds of information about the rationale for their project ... and yet still not tell us how they actually planned to get on with it.

— The second lesson was to find out that the quality of the application didn't necessarily indicate the quality of the management of the project itself. People might be just good application writers ... while getting on with the project requires a completely different skill set altogether.

And conversely, you might get an application that doesn't look very good at all ... only to find out (after a visit) that the project and the people involved are exactly the sort of thing you'd be keen to get in behind. So we've quickly confirmed what we'd suspected: that “trusteeship” can never be simply a matter of reading the applications.

— a third, and perhaps surprising, lesson for us was to find out that asking for matching funds often killed off the sense of risk and innovation that we were looking for. The projects did not attract substantial amounts of *private* philanthropy, and the main

matching funders have been local authorities or government departments who are usually “risk averse”, and tended to want to back the usual stable of “good works”.

— finally, we have found that when we visited the projects, we realised that there is another critical element to their success. It is clear that a project isn’t just going to be successful because of the presence of a “good idea”. It also needs the presence of a *passionate person* who is “married” to that idea.

... and I’ll talk more about this passionate person, in a moment.

9.

One of the big contributions of the natural health movement, over the last 30 years, has been to promote the importance of *holistic* and *systemic* approaches to health, and to battling disease. It is now much more commonplace to hear a health professional talking about “the whole person” and not just a particular disease symptom ... and to also look at the environment around a person and how that might be contributing to their well-being.

I believe it is the same in addressing our social problems.

What I have learned about social sustainability is this: when it comes to social *dis-ease*, the only *sustainable* solution ... is also a *systemic* solution.

The sustainable solutions are never “business-as-usual” – no matter how much you restructure, re-name, or otherwise disguise and distract from the fact that there is no real change taking place.

The *sustainable* solutions are about fundamental change.

10.

I’ve spent my adult life on employment issues, and largely on local self-help projects with the unemployed. Before we set up the Jobs Research Trust, I was involved in helping hundreds of unemployed people set up their own businesses and explore the skills of enterprise through business training programmes.

I used to use a very familiar Chinese proverb in my work: *If you give a man a fish, you feed him for a day. But if you teach him how to fish, you feed him forever.*

This is a proverb that is also often used in promoting self-help philanthropy, and is similar to the “*hand-up ... not a hand-out*” message promoted by the Tindall Foundation.

Anyway ... my own local self-help projects were very much about fostering personal enterprise, and teaching people “how to fish” for the goals they wanted to achieve in their personal lives and livelihood.

But it took me fifteen years to realise that no matter how many self-help projects I was organising ... I still wasn’t making much of a dent in the overall levels of unemployment in my community.

I remember walking up my local beach at dusk one evening – some of you might know Back Beach in New Plymouth – and I could see the lights of the foreign-owned squid boats and fishing trawlers out on the horizon.

This is a very regular sight from the Taranaki coastline, but it was particularly interesting to me that day because I had just been writing about the troubles New Zealand has had in growing a local fishing industry— with more jobs for our young people who are keen to work at sea.

It's especially an uphill battle when fishing quotas are sold to foreign fishing interests who send fleets down here from Asia ... with boats on our horizon that have working conditions that few New Zealanders would put up with for long.

It occurred to me at that moment that I had been making a conceptual mistake in my drive for self-help employment opportunities.

The fact is that I can “teach a man to fish” as much as I liked ... but there are trawlers coming into our harbour!

This story has become something of a personal allegory.

It reinforces to me the lesson that unless we can engage in *the systemic levels* surrounding our social problems ... then we are never really going to find *the sustainable solutions* we are looking for.

11.

Let me give you a couple more examples of what I mean by addressing the system around a particular problem.

Take a look at the Auckland City Mission, and the work of its director Diane Robertson, who was recently profiled in an article in the *New Zealand Herald*. Robertson says that when she arrived at the Auckland City Mission in 1994, there were no rules determining who got their food parcels. Basically, if you turned up, you got a parcel.

I think it takes guts to admit that, for some of the people it was trying to help, the Mission had become part of their budgeting process. Actually, for those people who had the resources to feed themselves but couldn't or wouldn't budget ... the Mission was participating in their problem.

Similarly, Robertson says she found a similar problem with the City Mission's drug and alcohol services. People could just turn up night after night without having to go through rehabilitation. Again, this is a situation where the helper is in danger of participating in the problem.

Diane Robertson has challenged her organisation to focus on systemic solutions ... and in doing so is changing the face of a traditional agency such as the City Mission.

12.

In my own work in Taranaki, I am currently looking at all the local services that are trying to help young people with their transition from school and training into employment. You will be surprised at how many of them there are ... all working on contracts to a variety of government departments ... and not all of them talking to one another.

In the language of government departments, all these groups are contracted to provide short-term “interventions” in the lives of these young people ... whether it is in

the form of case management advice, educational and training programmes, health initiatives or whatever.

But the curious thing is that not one of these groups is charged with the responsibility of *staying in connection* with these young people until they have achieved a positive outcome for themselves ... either in the form of a good job or training opportunity, or even some form of meaningful activity in the community.

There has been a national debate on these matters recently. Youth Affairs Minister John Tamihere has been voicing his own version of how he sees the unsustainability of the our overall welfare system. He says that it makes no sense at all to have as many as fifteen separate government departments and community agencies all working to different agendas yet focusing on the needs of one family. It makes no sense especially if the end result is that family remains in poverty, alienation and dysfunction.

Tamihere argues that we do not necessarily need to throw more money at our welfare challenges ... we are already running a very expensive system. The challenge is to get those fifteen different agencies to work together better – or give their resources to someone who will.

Yes, this government has called upon its various departments to “raise their game” on working together. In government-speak, this has been described as the “whole of government” approach. It has been seen as the need to redesign our overall system so that the various welfare departments have to get out of their “silos” and talk to one another.

But government departments don’t have a monopoly on silos. A *systemic* approach challenges us to think much wider than just government departments on these issues.

After a decade of competitiveness enforced by the various contracting systems, we also need to get community groups better at speaking to one another. And while we’re at it ... lets get families, local businesses, church groups and marae, and even sporting clubs in on the conversation as well.

A *systemic* approach challenges us to think wider than just “whole of government”. We need the engagement of the “whole of our community”.

13.

What we are trying to do in Taranaki is make a *systemic* local commitment to all our young people.

All this is happening under the patronage of the three local Mayors who have signed up to the goal of the Mayors Taskforce for Jobs that *no young person under 25 years will be out of work or training in our communities*. In the case of the New Plymouth District Council, this goal has been written into the Council’s own strategic plan ... the first to do so in the country.

We are starting to draw up a holistic framework for supporting the transition of our young people to employment or vocational training ... and we want to explore a new concept of “community case management” which will mean *staying connected* to our young people until they have developed a positive pathway to their future.

This project, to be known as *Taranaki Connections*, will be based on a challenge to all local community agencies and government departments to get on board with such a definite local commitment to our young people.

It will be an important test case for us to see if they can indeed work better together in order to make these goals happen.

It's early days yet ... but this is another example of what it is going to take for us to explore *sustainable* solutions to our welfare challenges.

14.

While I have a background in teaching the skills of business enterprise, I have more recently taken a deeper interest in the skills of *social* enterprise.

Despite our problems with welfare, there is also a lot of encouragement to be found here. There are many stories around New Zealand of community groups and local and national public service agencies creating initiatives and “projects of hope” on our social challenges.

When digging deeper, at the heart of these initiatives you will usually find *a passionate person*.

It is often critical that these people are also operating with the support of a great team ... or in the context of trusteeship ... but it is usually *an individual* at the heart of these new innovations. It is this individual that provides a unique point of focus and synthesis for the creativity of that team or trustee group.

These people usually lead *by leaping*.

They might leap in terms of fundamental ideas, forcing us all to see things in a fresh way. They might leap by combining very diverse approaches to a widely-known problem ... into a whole new solution. They leap by creating new role models which quickly become a “pattern of change” for the rest of us.

We are learning to call these passionate people: *social entrepreneurs*.

I think it is a good term ... but I also recognise that unfortunately it is a term that has become a victim to political fashion and “branding”.

In a very short time, the term “social entrepreneur” has been used and abused and appropriated to mean almost anything from someone who runs a social service agency, or a not-for-profit business ... to someone working as a government community adviser.

But I think it's a label worth fighting for.

It remains a very good description of that unique blend of skills that needs to be better acknowledged and supported.

Like business entrepreneurs, social entrepreneurs combine creativity with pragmatic skills to bring new ideas and services into reality. Like community activists, they show the determination to pursue their vision relentlessly until it becomes a reality.

Social entrepreneurs are often people who thrive on complexity. They are usually adept at building social networks and relationships that generate goodwill.

But they can also be unpopular. They are in the business of “pushing the envelope” and challenging the “business-as-usual” climate.

They are definitely in the business of systemic change.

They don't just want “to teach a man how to fish” ... they want to change the whole fishing industry!

Bill Drayton, the founder of Ashoka Fellows, is credited with coining the term “social entrepreneur” and he runs a very good example of how a philanthropic foundation can best foster and support these people.

He says this ability to keep focusing on *systemic* change that perhaps best exemplifies the social entrepreneur ... and sets them apart from simply being a good social service manager or community worker. He recently wrote:

“The scholar comes to rest when he expresses an idea. The professional stops when she solves a client’s problem. The manager calls it quits when he has enabled his organisation to succeed. But social entrepreneurs go beyond the immediate problem to fundamentally change the system, spreading the solution and ultimately persuading entire societies to take new leaps...”

15.

Actually, you can’t buy these people. Neither can you stamp them out with some academic course or a “school for social entrepreneurs”.

Their job is *a calling*. It is an inward commissioning.

And their work and innovations are usually tied to a unique personal story related to the social challenge they are trying to address ... a story that drives these people to a place where a leap in thinking, or creativity, is inwardly and absolutely demanded from them.

And while we can’t buy or stamp out these people ... we can learn to notice them. We can learn to recognise them.

We can learn to foster and support them. We can learn to get in beside them with our friendship, our resources and our institutions and organisations.

And this is good work for Funding Managers to learn how to do.

16.

I was asked to chair our first national gathering of social entrepreneurs run by the Community Employment Group (CEG) which is part of the Department of Labour. It was held in the Wellington Town Hall in November 2001.

At that time, the Minister of Social Development, Steve Maharey had just announced a major new fund to support the work of social entrepreneurs, which was to be managed by CEG.

Last week, I was invited to the launch of the latest round of funding from this government programme. It was held at the Turnbull House in Wellington, just across the road from the Beehive.

Now there’s lots of great things happening at CEG, and they have some good people working there. CEG is also a major partner in many of our employment projects around the country.

The fifty social entrepreneurs announced at this latest funding launch are all doing great work ... and you would have to say that this is all money being well spent.

But we’re also speaking frankly here.

I have to admit that while I was standing at the launch having a drink and listening to the speeches ... I started to question just what we are all doing.

You could argue that this important money – \$750,000 distributed by CEG each year – is being given out in *the least* socially entrepreneurial way.

You all know the process ... because all of us here are involved in the same thing.

You put out a call for applications ... a call that hopefully has a clear criteria for what you want to fund, and a deadline for the applications.

You gather together a committee of good people to look at the applications. In CEG's case, they chose a group of people who are recognised as social entrepreneurs in their fields.

You go through the applications. In CEG's case, there were 200 of them and the committee members had to wade through two large boxes – each a foot thick.

Then your committee “makes a call” on the fifty most deserving causes ... and then you ring up the applicant's referees to check out that everything is okay.

Then you make an announcement, put out press releases, get someone to make a speech ... and have a few drinks at the Turnbull House.

Does this sound familiar?

17.

The next day after the launch of this funding, I was up in CEG's head office waiting for an appointment. I was a bit early ... and so they asked me to sit for a while next to a table in the middle of their open-plan offices.

After some time, I realised that on this table were the very boxes of applications that the social entrepreneur committee had been wading through – the ones that that we had been celebrating the evening beforehand.

I sat there and wondered ... How would I do this job differently?

How could you be more *pro-active* in fostering social entrepreneurship in this country?

How would you *search for* these passionate people, and their innovations that you want to support? How would you recognise them?

What if this fund didn't take *any* applications?

What if those boxes on the table *were empty*? What would you *put into them*?

... these questions indicate a different job – a job that is much more venturesome, and a hell of a lot more risky.

And I'm not criticising CEG here ... because I don't think any of us *yet* really know how to do this job differently.

Trevor Gray reports that he has about 3,000 applications to the Tindall Foundation each year, and he (and his trustees) can only select about 500 of these to support. That's a picture that most of you in this room are having to face as you make your own choices as a Funding Manager.

But isn't it interesting ... that under this mainstream model of grant-making, a majority of your energy and capacities are going into the process of saying "no" to people, rather than saying "yes".

And meanwhile, some of the highest-paid and talented people in the community sector and in civic organisations are spending up to a day a week filling in their funding applications or doing compliance reports relating to their funders expectations.

This is certainly a way of working – for all of us – that really needs a fresh look.

18.

So I'm here at this workshop to affirm our "partnership in philanthropy" with the Tindall Foundation.

I'm here to affirm the journey we are both on ... which is something of a quest for sustainable solutions ... especially for our social challenges.

I'd like to think we are in the business of healing problems rather than just organising them.

I don't have any magic solutions to put on the table ... but I am committed to turning up for dialogue and exploring real change.

I believe that the best solutions unfold and reveal themselves through dialogue ... and I know that the best dialogue takes place when it happens between partners.

I believe we need to release a whole new mosaic of social enterprise to explore innovative, creative, and systemic solutions to the current unsustainability of our welfare state.

Private philanthropy, such as that provided by this foundation – and also by each of us personally – will be an important catalyst in creating these social enterprises.

We need to develop an eye that can see those unique points of change – those passionate individuals now known as social entrepreneurs. We need to learn how to better foster and support them, and get in beside their initiatives and share the risks that they are taking.

I'm keen for a fresh look at the grant-making business.

I'm keen to explore empty boxes. And that means staying with the questions for a while longer ...

And this workshop seems like a good opportunity to do just that.

Vivian Hutchinson

vivian Hutchinson
July 2003

NOTES and LINKS

- This paper is based on a keynote speech given by Vivian Hutchinson to the inaugural Tindall Foundation Funding Manager Workshop “*From Fund Managers to Partners in Philanthropy*” held at the Lakeside Convention Centre, in Manukau City on the 30th June 2003. It is also available on the internet at www.jobslatter.org.nz/vivian/healw03.htm, or can be downloaded in PDF format at www.jobslatter.org.nz/pdf/healw03.pdf

- Vivian Hutchinson is an adviser to the Tindall Foundation, and a trustee of The Employment Catalyst Fund. He is also the editor of *The Jobs Letter* and Community Adviser to the Mayors Taskforce for Jobs.

Vivian has been an activist and social entrepreneur on employment and livelihood issues, and one of the pioneers in community-based action for jobs in New Zealand, especially in establishing programmes for the support and education of unemployed people.

He was a founder of the Taranaki Work Trust, and its associated projects in the Starting Point Employment Resource Centre, Skills of Enterprise Business Courses, and the Enterprise Centre. He has been involved in establishing many practical training programmes for unemployed people, and also local employment and trading networks such as Green Dollars.

As a consultant, Vivian has helped with the establishment of enterprise and economic development units at a local government level, the creation of the Labour Department’s Community Employment Group and Be Your Own Boss programmes, and has been an adviser to Local Employment Co-ordination (LEC) groups.

He co-founded The Jobs Research Trust in 1994, and helped establish the Mayors Taskforce for Jobs in 2000, and The Employment Catalyst Fund in 2001.

- *Robert Greenleaf* (1904-1990) was an important American essayist who developed the concept of “servant leadership” which has influenced an entire generation of management experts and institutional leaders, such as M. Scott Peck and Peter Senge. See “*Servant Leadership – a journey into the nature of legitimate power and greatness*” by Robert K. Greenleaf (pub 1977 by Paulist Press) ISBN 0809125277. More information on the Greenleaf’s work and vision can be found at www.greenleaf.org.

- *almoner*. An old word referring to “the official dispenser of gifts for the poor”. It dates from Mediaeval times, and originally it referred to a chaplain who served in the household of a prince.

- *The corruption of the almoner*. Greenleaf writes: “I am aware that some foundation representatives seem to rise above this corrupting influence; but I hold that the power of the almoner is near the absolute; and it is corrupting, as I am sure all power is. If it were not so clear in my own experience, I would not be so sure of it”. – from “*The Power of Servant Leadership: Essays*” by Robert K. Greenleaf (pub 1998 by Berrett-Koehler) ISBN 1576750353.

- *The Tindall Foundation* was established by Stephen and Margaret Tindall in 1995 with the main aim of “helping New Zealanders to reach their full potential”. The guiding philosophy behind the work of the Foundation is to “offer a hand-up, not a hand-out”. The Foundation currently donates about \$9 million annually to a wide variety of community organisations and groups that are advancing environmental, social and community development projects throughout the country. It is the largest private philanthropic foundation in Australasia.

- *Funding Managers*. The Tindall Foundation has adopted a unique funding model whereby geographic or sector “Funding Managers” have been appointed to manage and deliver a sizeable proportion of the Foundation’s annual budget, directly to the community. According to the Foundation’s annual report for 2002: “The strength of this approach lies in its ability to engage the voluntary sector, using this group’s considerable expertise, established networks and embedded understanding of communities and development issues, to distribute funds and ensure that the Foundation’s resources are delivered in a purposeful and directed manner...”

Current funding managers include various faith-based support networks (Adracare, Anglican Care, Catholic Care, Presbyterian Support and the Salvation Army), Community Self-Help (Northland), Compass Community Foundation (Tauranga), United Way, WWF-NZ, Pacific Foundation, Supergrans, Methodist Employment Generation Fund, Inventors Trust, The Jobs Research Trust, UNITEC, CPS Training and the Zero Waste NZ Trust.

- The Tindall Foundation website can be found at www.TindallFoundation.org. Contact details: P.O.Box 330181, Takapuna, Auckland phone 09-448-0170

- *one in four New Zealand children.* See “*The Social Report 2002 – te purongo oranga tangata*” published by the Ministry of Social Development December 2002, available at <http://socialreport.msd.govt.nz/2002/index.shtml>. This report shows that 29.1% of all New Zealand children are in families living under the unofficial poverty line. This also is the case for 66.3% of all children in sole-parent families, and 32% of all families with a Maori adult.
- *one in six young people under 25 years are not in work or training.* This figure comes from the 2001 Census when the unemployment level for this group was recorded as 17.6%, accounting for 41% of the total unemployment, and representing about 45,000 young New Zealanders.
- *triple bottom line reporting.* The NZ Business Council for Sustainable Development (NZBCSD) is the best known local advocate for these principles. Its 40 member companies are aiming for healthy *economic, environmental* and *social* outcomes from their business activities. Their view is that it is important for business to take an active leadership role on social and environmental issues, rather than to simply handing over these responsibilities to local or national government. For more information, see www.nzbcscd.org.nz.
- *The Mayors Taskforce for Jobs* was established in 2000 to provide a national focus of leadership on the jobs issue. It works to share “best practice” on what we can achieve on employment at the local level, and to create local and national forums which address the “big picture” of trends on the issues of income and work. It also has a special focus on linking with imaginative private sector initiatives that are addressing unemployment. The Taskforce’s primary aim is to work towards the “zero waste” of New Zealanders, and Mayors have signed up to the goal that “... *no young person under 25 years will be out of work or training in our communities*”. The Taskforce website is at www.jobsletter.org.nz/mtfjobs.htm
- *Philanthropy New Zealand conference.* This was their national conference held at the James Cook Hotel Grand Chancellor in Wellington on 21-22 October 2002. It’s theme was “*philanthropy as a catalyst for change*”. For more information on this organisation, see www.philanthropy.org.nz.
- The Employment Catalyst Fund is a project of The Jobs Research Trust in partnership with The Tindall Foundation. The Fund has also had support from the J.R. McKenzie Trust. The priority of the Fund is to support initiatives emerging from the Mayors Taskforce for Jobs, and to specifically contribute to the Mayors first goal that “*no young person under 25 years will be out of work or training in our communities.*” A full list of the projects being funded by the Employment Catalyst can be found at www.jobsletter.org.nz/catalyst.htm
- *Diane Robertson and the Auckland City Mission.* See “Fighting a Mission Impossible” by Julie Middleton in the New Zealand Herald 24 May 2003, available at www.nzherald.co.nz/storyprint.cfm?storyID=3503706
- *staying in connection with young people.* See vivian Hutchinson’s paper “*An Economy of Connection – some thoughts after a Knowledge Wave*” (2003), available at www.jobsletter.org.nz/vivian/econnect03.htm
- *social entrepreneurs.* See special issue of *The Jobs Letter* No.147 (27 June 2001) for an overview of social entrepreneurship, available at www.jobsletter.org.nz/jb114700.htm
- *Bill Drayton.* Ashoka: Innovators for the Public identifies and invests in social entrepreneurs in 41 countries worldwide. They can be reached through their website at www.ashoka.org. A good overview of Bill Drayton and his work can be read at “*Changing the World on a Shoestring*” by David Bornstein, *The Atlantic Monthly* (January 1998) at www.theatlantic.com/issues/98jan/ashoka.htm
- *Community Employment Group.* Details of their social entrepreneur programme can be found at <http://www.ceg.govt.nz/socialentrepreneur> or in their magazine *Employment Matters* Vol 14 No.6 (June 2003)
- *Social Entrepreneurship Conference 2001.* Organised by the Community Employment Group, in conjunction with COMMACT Aotearoa. This was held at the Wellington Town Hall 22-23 November 2001. Proceedings of this conference have been published by CEG (P.O.Box 3705, Wellington, phone 04-915-4270)
- *we don’t yet know how to do it differently.* It’s a problem as old as Aristotle (384-322 BC), who wrote: “To give away money is an easy matter and in any person’s power. But to decide to whom to give it, and how large and when, and for what purpose, and how, is neither in every person’s power nor an easy matter...”
- vivian Hutchinson has also published his speech given to the Tindall Foundation “Generosity” workshop held in Tauranga 18-20 March 2002. “*A Generous Nation – some thoughts on community philanthropy*” (2002) is available on the internet at www.jobsletter.org.nz/vivian/gen02.htm.