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ALEX HANNAT, CEO OF AKINA FOUNDATION, AT THE SPINOFF'S SOCIAL ENTERPRISE PANEL, 18 AUGUST 2017. (PHOTO: REBECCA ZEPHYR THOMAS)

## The rise of social enterprise in New Zealand

Simon Day | Partnerships Editor

**With the Social Enterprise World Forum in Christchurch from September 27 – 29, The Spinoff is examining the way the sector is changing our economy. Alex Hannant,**

## **CEO of the Ākina Foundation, spoke to Simon Day about the development of the socially conscious business in New Zealand.**

Should business be just about making money, or also improving the world? Can it do both at the same time? Corporates with an explicit commitment to a greater good are shaving off a growing portion of the marketplace, by offering the public a chance to consume their way to a better society.

A social enterprise exists for the primary purpose of achieving their social mission, over shareholder value. Although, these two objectives do not necessarily have to be mutually exclusive. Since the beginning of the 1990s the social economy has gradually come to be recognised as the 'third sector' outside of the private and public. Through the new millennium, social enterprise has become an increasingly important place for successful entrepreneurs to find greater fulfilment in their work, and consumers look for greater meaning in their purchases.

Globally TOMS shoes was one of the first companies to get mass breakthrough with their kinder approach to capitalism, where for every pair of shoes purchased by a consumer, a pair was donated to a "child in need". The company has progressively expanded the development work it contributes to, and now helps provide clean water for vulnerable communities, sight restoration, and maternal health care.

In New Zealand, social enterprise Eat My Lunch was inspired by TOMS and based its work on the same model – for every lunch purchased, a lunch is donated to a child who would be going without food at school. Founder Lisa King, formerly a successful corporate marketer, was looking for a way to help alleviate the effects of New Zealand's child poverty rates. Last month the company donated their 500,000th school lunch, and has brought huge publicity to the sector's growth.

The "buy, one give one" model is just one approach in a movement that has gained significant momentum as businesses and entrepreneurs use their position to influence change. Meanwhile, increasingly woke consumers are looking for companies that benefit society at the same time as providing the goods and services they need.

"The term 'social enterprise' can be used, interchangeably, to encompass traditional 'not-for-profits' or charitable organisations with trading arms, community-owned business and co-operatives, and also mission-led, or profit-with-purpose, businesses. These groups, even within themselves, can vary greatly in size, structure, culture, and strategy," says Hannant.



“However, when defining social enterprise it is, perhaps, more helpful not to try and homogenise the extent of diversity but to highlight the essential, non-negotiable, characteristics they have in common. That is, they a) have a business model, and b) that it is in service to social or environmental objectives.”

But as the presence of social enterprise in our economy expands, questions over their transparency and balance arise. There’s no guide to how much profit is acceptable when you’re selling your business as a social enterprise, and they need to be integrated as part of the greater solutions to issues like climate change and poverty.

The Ākina Foundation is tasked with growing social enterprise in New Zealand and helping build the infrastructural and legislative environment for them to flourish. The Spinoff spoke to CEO Alex Hannant about the why the sector is growing, how it can be nurtured and scaled.



ALEX HANNANT. (PHOTO: REBECCA ZEPHYR THOMAS)

### **How do you define a “social enterprise”?**

A social enterprise is a purpose-driven organisation that trades to deliver social and environmental impact.