

**NZ COMMUNITY ECONOMIC DEVELOPMENT CONFERENCE 2010**  
**9 TUESDAY 2010**

**THE ROLE OF SOCIAL ENTERPRISE IN COMMUNITY ECONOMIC DEVELOPMENT**

Opening address by Amokura Panoho

Tena koutou te hau kainga Ngati Whatua me Te Kawerau a Maki me te hunga Maori o Waitakere, ki a ratou hoki e aro ana ki te kaupapa nei. Koutou e nga matua, nga whaea, nga kuia me nga koroua, nga kaitiaki o nga taonga o ratou ma. Kua homai koutou nga whakaaro hei whakakii i tenei kete matauranga. E hoki ana nga mahara ki nga wa o mua. Ko oku wawata kia tau o koutou whakaaro ki tenei kaupapa nui ka pa ki te whanaketanga taha ohanga a te Maori, he pai nga mo tatou.

No reira, tena koutou, tena koutou, tena koutou katoa.

**Ko wai Au? And why I'm here and you're there.**

Ko Amokura Panoho toku ingoa.

Ko Te Atiawa, Taranaki, Ngati Kahungungu ki Wairarapa, me Ngai Tahu toku iwi.

No reira he mihi ano.

Firstly I must thank the conference organisers for the opportunity to be the opening speaker for this Hui as the fill-in for the illustrious Dr Pita Sharples. Unfortunately you will not be hearing the latest Maori Party and government policy or interpretation of this kaupapa. I'd like to think that my background as a community economic development practitioner and something I am quite proud of being, namely an inaugural graduate of the AUT Graduate Diploma of Economic Development, gave me the credentials to speak to you this evening.

But I must admit that after being an inhabitant of Tamaki Makaurau and a 'westie' for nearly 25 odd years then having returned to my Papakainga in Taranaki for the last four years it is somewhat surreal to be back here in front of this audience.

It goes to show you that when a new door opens the old one doesn't necessarily close behind you.

And life for me has been a series of doors opening either by way of opportunity or crisis.

Along this journey I have worked in the Trade Union movement with the Clerical Workers Union and then the Public Service Association learning the art of organisation, negotiation and conflict resolution. It was an environment of great change with the State Sector reorganisation of the 1980's as I witnessed the great upheaval that happened especially in rural communities with the loss of so many jobs and services through the sale of Crown owned assets.

Then I moved on to be the Co-ordinator in Auckland of the Community Organisation Grants Scheme for four local distribution committees where I worked at the coalface of the community sector watching, learning and developing the community's response to taking on the jobs that had essentially been the government's responsibility. It was the age of the 90's Devolution – and that did not necessarily correlate with the concept of 'empowerment' despite the propaganda that accompanied that government policy.

It was a time where communities actually started to compete with each other to deliver services not only competing amongst themselves but with the well established national service providers such as Barnados and the Presbyterian Support Services. It was a time where communities morphed themselves into legal structures and entities to provide the appropriate accountabilities needed for managing tax payers' monies. It was a time where committee members became employers, responsible for the health & safety and employment contracts of people who had previously been doing the job most times voluntarily.

It was a time when the notion that community organisations and businesses might have more things in common than previously thought or believed or expected, began to emerge. It was also the time when the practice of community development as a mechanism for constructive change started to

translate itself into local and central government policy and form part of academic analysis and international studies.

By 1996 I had moved from COGs to CEGs (Community Employment Group) and it was a much harder transition than just changing the vowel on my job description. COGs had been an environment where the community development practitioners were predominantly women (a large proportion Maori women) reflecting who the movers and shakers were within the community. CEG was an environment predominantly of men (large proportion Maori men) and again this reflected who the movers and shakers were in communities in relation to job creation or enterprise activities.

Maybe a PhD student might like to reflect on the interesting aspects around the obvious gender issues but the most glaring recognition for me that this job had more weight or credibility in the public service was that I had a significant pay increase.

Nevertheless it was in that environment overseen at that time by the Hon Parekura Horomia as the General Manager of CEG who led a government agency full of people that did not think of themselves as public servants but rather as brokers whose responsibility was to grow an enterprise culture within their communities of interest. It was a challenging environment that quickly filtered out the pretenders from the rest. Most important it was an environment where taking risks was seen as normal practice if that risk was being led by a community leader that was passionate innovative and had the capacity to attract likeminded people to their project. We were to later coin these people as social entrepreneurs.

And it was in this environment that the pro-worker, anti-capitalist, and socialist minded person I thought I was started to grapple with the fundamentals of economics, the principles of the market, the complexities of supply and demand, not just of goods and services but also in relation to labour and skills, in order to try to work out how the hell I was going to educate my communities of interest the importance of knowing this stuff as well.

By 2000 after we had survived a short holiday in Work and Income we had returned to the Department of Labour and I had become the Regional Manager for CEG covering the Auckland and Northland region. I had moved on from trying to educate and organise to actually driving a community economic development agenda. By that time, myself and my team were getting very good at defining the practices processes and behaviours especially within a Maori context that generated the social enterprise successes we wanted to cultivate.

One of the last projects I undertook while still with CEG was the proactive investment in social entrepreneurs a few I see are part of the programme for this Conference. And I want to address the importance of investing in social entrepreneurs later in my korero.

### **Defining Community Economic Development**

What I find really pleasing about being the opening key note speaker for the first national Community Economic Development conference in 2010 is that there has finally been recognition of this practice.

Maybe it's because this practice is not fully understood or well articulated and at times even misrepresented.

As a newly defined developmental model it is simply the establishment and promotion of enterprises which are community owned, not for personal profit, and with objectives which are of social, economic, cultural and or environmental benefit.

For Maori, this approach aligns quite naturally with our cultural paradigm, or 'Maori world view'. However I caution people who loosely use the term Maori Economic Development within the same breath.

Many commentators refer to what I define as Maori Business Development. Collective ownership of resources that are commercially managed does not necessarily translate into community economic development outcomes.

#### Slide 4

Within Taranaki for example I manage the Grants Programme for Parinīnihi ki Waitōtara Trust the charitable arm of Parinīnihi ki Waitōtara Incorporation the largest dairy farm in Taranaki that one day could become the largest dairy business in Aotearoa. After years of agitation by disenfranchised Taranaki elders, PKW Inc was established in 1976 with just over 55,000 acres handed back to about 6,000 beneficiaries.

Finally through the 1997 Maori Reserved Lands Amendment Act the incorporation was able to move from being an absentee landlord with no control over its assets to a properly functioning land management business getting proper commercial value for the leases on their properties even though this is limited to a seven year period and paid out on unimproved value.

Since then PKW Inc has been able to grow its asset base from \$1.4m to over \$200m and become the largest milk supplier in the Taranaki region.

Leadership and innovation were key drivers behind this economic renaissance. However the fact remains that though they are a successful Maori business as a multi-owned Maori entity with a community now of over 8,000 people it remains a long way from achieving effective community economic development outcomes.

In other words the success of the Incorporation has not necessarily improved the economic, cultural and environmental wellbeing of its owners.

The challenge that they are about to approach is whether they can grow the capacity of the Trust to become more than just an education grant provider to becoming a catalyst for social enterprise.

#### Slide 5

I have attempted with this diagram to define the difference between community development and community economic development as a way of

identifying the social enterprise landscape. It shows the natural environment each practice operates within but it is also evident that community development and community economic development can be quite mutually exclusive.

Refer Slide 6

Rather than creating a natural order where one development process staircases into another, we find that the silo's within which government policy is delivered will mean this will continue for the foreseeable future.

And unfortunately for many Maori communities they will continue to remain marginalised whether they live within their tribal homelands or in an urban context because they still tend to be concentrated in fragmented communities.

Because of this I believe that Social enterprise should not be just an ambition it should be a reality, a necessity to remove us from a cycle of dependence.

### **How do we drive Social Enterprise?**

If we take a look at economic impacts on communities over the last couple of hundred years we can see very important emerging trends.

Slide 7

**Industrial Economy** – Huge community change, mass migrations, changes in technology that changed the way communities interacted, the way in which goods and services were produced and generated wars over access to the resources that drove those economies.

**Attention Economy** – the introduction of telecommunications, moving pictures, television that changed the ways in which communities were introduced to each other. The development of consumerism driven by media advertising influencing lifestyles choices and new technologies that generated more choice.

**Information Economy** – shifted power from media agencies and forced changes in advertising – consumers could now undertake own competitive analysis.

**Ideas Economy** – a brief period also coined as the ‘knowledge economy’ that had little traction because of the pace of change in technology. It was a period where there was a focus on what people did with all the information. Largely a notion amongst ‘innovative’ civic leaders, economists, capital funders and the creative sector that only in the end generated recognition of entrepreneurship as an important factor in social community and business development.

**Communication Economy** – Now we are in the communication economy. Web 2.0 has enabled an unprecedented convergence of ideas, information, output and attention. From mobile phones to ipods to email, twitter and facebook, technology is at the forefront of this transformation. The main shift is that decisions and actions are no longer the sole domain of civic and business leaders.

As we’re seeing in the media, power is shifting to the individual. Blogs have meant that stories don’t break at 6.00 on TV each night. They break live from the nearest cell phone or Twitter account.

What does this mean for social enterprise?

Well it’s no longer a top down model – anyone can create a movement. In the area of fundraising for example we’re seeing a growing movement of micro-funding. Instead of a few large corporate donations, many smaller individual contributions are making things happen. As a result projects and causes are building a phenomenal community of passionate stakeholders. The recent Haiti Earthquake is an astounding example of a global immediate response that has even seasoned internet commentators overwhelmed by its impact.

## **Ideas are still important**

So yes the world has changed significantly in the community economic development arena just in the last couple of years.

We are now no longer constrained by the umbilical cord that many community agencies tend to hold onto and that is public funding. We now have the opportunity more than ever before to explore new ways of doing things and introduce new audiences to the importance of our kaupapa.

And yes in economic speak find 'new markets'.

One of the last projects I was involved within Auckland was the Metro Auckland project and I was constantly amazed at how little I knew about what makes the Auckland economy tick despite having lived and worked in this industry for over 20 years – and even more amazed that civic, community, Iwi, Maori, and even business leaders had an even narrower view.

How many people who live within the Waitakere city here tonight understand what the main economic drivers are for your region?

Is it Tourism?

Is it manufacturing?

Is it the Creative Sector?

I don't know if much has changed in the last 5 years but I recall that over 60% of the workforce that resided within the Waitakere City commuted out of its boundaries for employment in other parts of the city. It's a dilemma that your civic and business leaders have no doubt been pondering over how to influence – but why should it just be their domain? Why can't community based initiatives respond to challenges like this? What does Public/Private partnerships mean in your community?

When I returned to Taranaki I picked up the challenge by approaching Tui Ora Limited the largest accredited Maori Development Organisation in Taranaki to

work with Venture Taranaki Trust with an idea that they form a partnership to drive a regional Maori community economic development agenda.

Slide 10

Tui Ora Ltd is a well respected Maori Development Organisation (MDO) operating as a “Lead Contractor” with a ‘for Maori by Maori’ focus, on the specific needs of Maori in Taranaki. It is an umbrella organisation for 16 Maori Health and Social Service Providers, providing support in contract negotiations with funders as well as supporting Maori workforce development.

Tui Ora Limited wanted to engage in Maori economic development because they wanted to improve the lower socio economic status of Maori in Taranaki but had no capacity or background outside of social service delivery.

Venture Taranaki is the development agency for regional economic and tourism development and did not have a very strong track record for engaging in Maori economic development.

Thankfully they saw the value in my ‘idea’ and by bringing the two entities together to lead a regional approach, we were able to;

- Undertake an economic analysis of Maori within the region – “Maori in Taranaki – an economic profile” the first of its kind that showcased the significant contribution Maori made to the regional economy
- Generate regional debate about who should be driving a Maori economic development agenda which has led to the formation of the Iwi leaders forum
- Most importantly have other regional strategies integrate Maori economic development as a cornerstone strategy with a focus on tertiary education, tourism and skills.

For me the most important aspect that has been achieved to date is that the wider Maori communities are now talking about economic development and understanding how they can influence and bring ideas to fruition. They realize that we don’t have to wait for a Treaty settlement to be engaged in economic activity. We can generate our own social enterprises.

Slide 11

## **Leadership is the Key**

Which brings me to the never ending dilemma of having the right leadership in place to drive an enterprise culture in communities.

I talked about CEG earlier which no longer exists as a government entity. We recognised not long after our re-amalgamation that the environment we were in was very different politically. Risk was no longer an acceptable political option and given that making risky investments in the community was a fundamental part of our business and success we recognised we probably would not have a long life span.

To invest in social entrepreneurs proved to be the final straw that broke the camel's back with the then Labour Government. But if those of us involved are honest it was an orchestrated attempt to transfer the influence of driving social enterprise back out into the community.

One of those people Elaine Gill has just been named as one of the five finalists for the prestigious 2010 Veuve Clicquot Business Woman Award which honours women in business who display determination, vision, corporate responsibility, financial success and creativity.

As chairwoman of TSB Bank, Taranaki Arts Festival Trust which manages WOMAD, the Taranaki Festival of the Arts, and the Taranaki Rhododendron and Garden Festival she could potentially join past winners such as Producer Julie Christie and Designer Annah Stretton.

Ten years ago these activities were considered fringe community initiatives but have now become major economic contributors to the Taranaki region.

Social entrepreneurs are not born or bred; they are created and can come from any background and they need to be invested in, to be validated and nurtured. Some will last the distance and some like true entrepreneurs will only be around to see things get off the ground.

I hope this conference is able to discuss how to bring social entrepreneurs in from the fringes into mainstream economic development strategies.

Slide 12

### **Tools for the Job**

Lastly and briefly I would like to end by encouraging you to open your eyes to the rapidly changing communication tools that are evolving as we speak.

Social media could be a good fit to modernise the community leadership theme because it has dramatically changed what we have traditionally called a community made geographic boundaries less relevant and fostered greater connectivity between people of common interest.

Community and social enterprises need to be at the leading edge of this new phase of human interaction and even contribute to the new language that will inevitably emerge.

After all what's to stop us creating our own markets and driving a social enterprise economy?

No reira nga mihi atu ki to manaakitanga

Mai i te kaupapa nui

Tena koutou

tena koutou

tena koutou katoa?