

Social investment in New Zealand

Commentary from a community-led development perspective

There is much to applaud about taking a social investment approach – investing in critical areas and issues now to support better outcomes, and lead to less remedial spending in the long term. Government agencies are using this language to frame the current efforts to get better value for money both in the short and long term from the government's social sector spend.

Better use of integrated data sets has provided a new lever for social investment, identifying the relative importance of certain risk factors in leading to poor outcomes for individuals and correlation between factors. The data provide the evidence behind the story of multiple-disadvantage that some New Zealanders face. The data also highlight that the present interventions are not working for a significant number of these people. Using data, a social investment approach seeks to enable better outcomes by supporting these individuals on their personal journey, by investing in evidence-based interventions related to defined risk factors. But is that enough? And is that what social investment means?

We have heard a range of views and critiques of this approach as it is being implemented through recent round tables on social investment in NZ. In all the discussion, three additional points need to be heard:

- the narrow definition of 'evidence' being used may not be telling the full story of 'what works'
- social investment means investing in the society and communities – not just individuals
- the initiatives under the social investment umbrella do not have a social theory of change to guide them.

This commentary briefly discusses these three points from a community led-development and community change perspective.

Let's ask 'What else works?'

The traditional evidence – such as randomised control trials, systematic reviews of treatment approaches, or analysis of system level data – may not be telling the full story of 'what works'. Using this evidence as the basis for purchasing interventions for those with multiple-disadvantage may mean we miss some critical information.

Using these traditional evidence sources tell us that universal approaches do work for some people, some of the time. To get a more nuanced picture, the way we make sense of data needs to change. Rather than asking 'what works', the question shifts to 'what is going to work for this person (or group) now'. This shifts the focus to understanding how the system can be improved to ensure people receive the right service at the right time. To answer this question, we need to have input from the person or group seeking the change to define what success will look like and to assess what is working for them. In this way, the clients become the key drivers of the change process.

Including this type of qualitative and client-provided information broadens the focus to 'how' alongside 'what works'. It is already used in many approaches, for example, community-led development, solutions focused therapy, co-design thinking, narrative theory and Partners for Change Outcome Management System (PCOMS), to name a few.

While data and statistics are part of the story, they cannot be a substitute for listening to the actual experience of individuals and communities to determine whether the initiative was contributing to positive change. Asking how clients and communities view success is important, provides a much more nuanced story, and by asking, engages them in the process.

What is social investment, really?

The current discussions consistently state social investment is about changing outcomes for disadvantaged individuals. The discussions even acknowledge that any intervention for an individual takes place in a highly complex environment. This is even referred to as the 'eco-system' that individuals and their interactions with services occur.

Actually, this environment is *the community*. If we want social investment to make a difference, we need to appreciate the relationship between individuals and communities. And we need to invest in the environment not just certain individuals.

While investing in programmes or services that support the individual to achieve a better outcome will have a social return if that means saving later, this alone is not social investment. Social investment must include investing in the infrastructure and human capital that provides an enabling environment, as well as funding the interventions targeted at individuals. Infrastructure investment could include the community centres that provide hubs in local communities, or the Early Child Education facilities in areas underserved by the market. Human capital investment could include the mentoring, coaching and other support needed to grow and empower voluntary and community sector leadership.

What is the theory of change in a complex system?

Social investment is when you invest today so that your costs and spending in future are reduced while the wellbeing of the society increases. Some of the current spending must then be invested in building the empowering environment in the community, alongside individual treatment elements.

Most of the papers and discussions to date do not address this theory of change underpinning social investment. To contribute to the broader understanding of these change processes, Inspiring Communities has begun to dispel some of the mystery of 'what happens in the black box' that translates social investment into social return. That is, from a community-led development approach, how government investment in the capacity of the community strengthens social connections necessary for improving social wellbeing.

The *Inspiring Communities Theory of Change* begins with the belief that local capacity is a critical ingredient to positive change. Valuing and engaging the local community perspectives, and helping support and engage them in determining the change they are seeking are essential to accelerate effective change. The change process unfolds over time, beginning with strengthening loose social connections in many communities. Through sound application of community-led development principles local leadership is formed and local capacity is strengthened – building capacity to act, capacity to organise and capacity to collaborate. Effective community-wide change has the potential to impact on 'at risk' individuals, by reducing the risk of stigmatising certain people or families as they choose to reflect the emerging norms. It can transform a community and provide the environment where individual change is possible, wellbeing increases and positive social returns can be realised.

Concluding comment

While the social investment approach offers great potential, we are unlikely to realise the fiscal and social benefits we seek unless we broaden our view of evidence and support the wider community to be the main driver of change.