

# Stanford SOCIAL INNOVATION<sup>Review</sup>

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*Supplement*  
**East Asia's Role in Global Social Innovation**  
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# East Asia's Role in Global Social Innovation

China, Japan, and South Korea have been tremendously successful at growing their economies, which together account for roughly 20 percent of the world's GDP. Can these same East Asian countries now be as successful at devising innovative ways to improve their societies?

BY DONGSHU (JAFF) SHEN & FAN LI

*Misfortune can be a blessing in disguise. Good luck can dwell in misfortune, but misfortune can also arise from good luck.—LAO TZU<sup>1</sup>*

**T**he biggest news of 2016 would probably be the British vote to leave the European Union or Donald Trump's election as America's 45th president. Both events suggest that the spread of Western-style liberal democracy—alongside universal practices of free markets, free trade, and open immigration—over the past two decades has yet to become “the end point of mankind's ideological evolution,” as Francis Fukuyama anticipated in 1992.<sup>2</sup>

Plainly, many in the West are no longer comfortable with accepted ideologies and institutions. Yet, as Lao Tzu reminds us, moments of crisis like this are also opportunities. It is important to acknowledge that globalization has lifted hundreds of millions of people—whether in developing or developed countries—out of poverty. However, the side effect is that it has also delivered enormous benefits to the wealthy, thus generating rising inequality. In some places, the declining working class that has been left behind is turning to economic nationalism and protectionism for a quick fix.

Nevertheless, the world we are living in today is inextricably interconnected—it is impossible to go back to the past. Furthermore, issues such as climate change, energy shortages, and the aging society that people face today are increasingly complex and—political positions aside—demand new approaches to problem solving.

Social innovation—a concept that has captivated thinkers and policymakers around the world in the 21st century—offers a potential answer. As “a novel solution to a social problem that is more effective, efficient, sustainable, or just than present solutions,”<sup>3</sup> social innova-

tion goes beyond “teaching a man to fish,” and instead (to continue the analogy) aims to reform “the entire fishing industry” from its roots, in the context of the diverse cultural and ideological circumstances that we live in today. This is true around the world, and East Asia is no exception.

Three major economies in East Asia—China, Japan, and South Korea—account for roughly 20 percent of the world's population and 20 percent of the world's GDP. Generations of hard work and sacrifice have made this region's “economic miracle” a role model for many other nations. Yet China, Japan, and South Korea share many of the urgent social challenges that the rest of the world faces. These countries must deal with aging societies, urbanization, air pollution, and increasing income gaps between the wealthy and the rest of society.

But as we enter a new era of unpredictability, the question of social innovation's potential is becoming more urgent. Can East Asia become an engine of social innovation? Can this region use social innovation

to become a responsible stakeholder in a global order that promotes peace and prosperity?

There are positive signs that the answer is “Yes.” For example: Led by mayor and former human rights activist Park Won-soon, Seoul, a megacity of 10 million people, is positioning itself to be a model city in the “sharing economy”<sup>4</sup> by working in partnership with civil society organizations and private companies.

**TAKING SOCIAL INNOVATION IN EAST ASIA TO THE NEXT LEVEL WILL REQUIRE AN ACTIVE EXCHANGE OF IDEAS AND COLLECTIVE CROSS-SECTOR IMPACT THROUGHOUT THE REGION.**

Early results are promising.

In Japan, impact investing from the private sector emerged quickly—and effectively—to help those in need after the Great East Japan Earthquake in 2011, as a response to the government's failure to pursue prompt reconstruction in disaster-stricken areas.

And the China Social Innovation Award, launched in 2010 by Peking University and the Central Compilation & Translation Bureau (a Communist Party think tank), is now an established and increasingly well-known biannual event focused on identifying and encouraging community-based innovation led by nonprofit organizations.

Yet despite the growing amount of resources devoted to social innovation, the talent working in and drawn to the field, and the

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increased attention that the concept is receiving in East Asia, few studies have explored how this region as a whole is adopting and diffusing social innovation to solve problems. Here at Leping Social Entrepreneur Foundation, we believe that there is a need to expose East Asia's social innovation practices to the world and share successes (and failures), and that is why we have collaborated with the *Stanford Social Innovation Review (SSIR)* to publish this supplement.

As a foundation established in China in 2010 with the mission of empowering every underprivileged individual with equal growth opportunities, Leping is committed to making a greater impact in China as well as globally. Building upon 14 years of experience investing in and working with social entrepreneurs to help the most vulnerable groups of people in China, such as farmers and migrant children, Leping sees itself as a social innovation catalyst and market maker. We also strive to disseminate knowledge about social innovation in China and beyond because we believe that doing so will prove useful to others interested in the field, whether they are social entrepreneurs, philanthropists, governments, or other stakeholders. To that end, in these pages we have invited individuals working on the emerging frontiers of research and innovation in the field to share their perspectives on social innovation in their own countries.

This is by no means a complete overview of the social innovation landscape in China, South Korea, and Japan; instead, it is more of a collection of snapshots of ongoing efforts to increase social impact and improve lives in the region. However, we hope this initial effort will lead to more open dialogues, collaborative learning, and in-depth research on the topic.

### What Have We Learned from Putting Together This Supplement?

Articles in this supplement confirm that social innovation is an emerging field that takes many different forms, whether it's crowdfunding for grassroots organizations led by an IT giant in China or the first ISO standard for an elderly care management system in Japan. Social innovation is a patient battle to move boundaries, where success turns on the ability to integrate new efforts and approaches into an existing context. And although all social innovation efforts seek the same goal of better and happier lives, succeeding requires a deep understanding of and respect for the culture and value sets of each community and society in which the innovation will be deployed. It also requires an entrepreneurial mind-set that balances the need to "go slow"—to take time to build trust and long-term relationships with the people—with the equally pressing desire to "go fast" to solve problems and leverage opportunities.

The creativity and determination displayed by the social innovators featured in the case studies in this supplement are inspiring and encouraging—and speak to the need for complex solutions to solve today's complex social problems. Leping Foundation is proud to be recognized as one of the leading forces fighting poverty in China. Over the past 14 years, the foundation has nurtured five social enterprises, including microfinance and vocational schools that have served more

than 180,000 low-income people directly and have benefited more than 500,000 people. At the same time, we know that even powerful isolated efforts aren't enough. Instead, what's needed is a market for social innovation where cross-sector players meet, get inspired, and work together. Creating that market will require systematic approaches and a new type of leadership that goes beyond "government-social sector collaboration" or "nonprofit alliances" and is instead marked by the ability to establish an ecosystem with stakeholders from all sides in the pursuit of shared goals.

Social innovation in East Asia is not a simple process of replicating trends from the West. A number of success stories from other nations have fallen apart or yielded a very different result when brought to this region. In order to ensure the success of any effort, whether it is home-grown or has roots and a proven track record elsewhere, social entrepreneurs must embrace a learning process that recognizes and integrates local culture and practice.

The use of information and communications technologies (ICT) to enable social innovation has become mainstream across East Asia. Among the many benefits of incorporating

ICT during the innovation process, perhaps the most important in East Asia is the way in which ICT is engaging and empowering the millennial generation to become the leading force for positive change.

Innovations designed to meet emerging social challenges, such as the aging society, have been shared and reproduced in the region to an extent. However, this pattern of sharing and learning is still very rare. East Asia lacks a common base of concepts, research, and theories of positive social change that can fit its unique needs, culture, and environments.

To help create and foster such a base, Leping cofounded the East Asia Social Innovation Initiative (EASII) with partners in Japan and Korea in 2014. EASII aspires to serve as an accountable research body and network hub by working closely with leading cross-sector organizations active in social innovation to develop new concepts, benchmarks, and solutions to social investment and social innovation challenges.

We also look forward to a continued collaborative relationship with *SSIR*. Taking social innovation in East Asia to the next level will require an active exchange of ideas and collective cross-sector impact throughout the region, and we believe that EASII, *SSIR*, and other forward-thinking forums are critical contributors to this process. With their support, we are excited to see how social innovation in East Asia will evolve in the coming years. ■

#### NOTES

- 1 Lao Tzu was an ancient Chinese philosopher and writer.
- 2 Frances Fukuyama, *The End of History and the Last Man*, New York: Free Press, 1992.
- 3 James A. Phills, Kriss Deiglmeier, and Dale T. Miller, "Rediscovering Social Innovation," *Stanford Social Innovation Review*, Fall 2008.
- 4 The terms "sharing economy," "collaborative consumption," and "peer economy" are often used interchangeably. In 2015, "sharing economy" was introduced into the Oxford English Dictionary as "an economic system in which assets or services are shared between private individuals, either free or for a fee, typically by means of the Internet."

**TO ENSURE THE SUCCESS OF ANY EFFORT, SOCIAL ENTREPRENEURS MUST EMBRACE A LEARNING PROCESS THAT RECOGNIZES AND INTEGRATES LOCAL CULTURE AND PRACTICE.**