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Building a People and Planet Economy

How social innovation can lead us to stronger societies, resilient economies and a healthy planet



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Executive Summary

Around the world, conflict, debt pressure, ecological breakdown, declining aid and political fragmentation are reinforcing one another. For many governments, this is no longer a question of managing one crisis at a time. It is a question of whether public institutions, financial systems and development models are still fit for purpose. The evidence points to a hard truth: they are not. Armed conflict has reached its highest level in decades, public debt burdens are constraining essential spending, human development has stalled, and official development assistance is falling even as needs continue to rise.

We argue that the right response is not to introduce another new programme, label or initiative. Many of these exist already and are making a tangible difference (a wellbeing economy, a circular economy, a regenerative economy, etc.). What we do need is **a different organising logic** for economic and social transformation – an overarching idea that captures the common aspirations of all these concepts. We call this **the People and Planet Economy**: an economy designed to secure a good quality of life for all, strengthen social stability, protect the living world on which all prosperity depends, and rebuild institutions so they serve people and planet, rather than asking people and planet to serve systems of extraction.

Many of us agree on this as a destination. There is less clarity, and less agreement, on how we get there. We show that **social innovation is the process, or vehicle, that makes the People and Planet Economy real**. Social innovation – co-creating people-centred solutions to major social and environmental challenges – matters because it does more than create a better product or service. At its best, it changes how problems are defined, who gets to shape solutions, how institutions behave, how sectors work together, and what governments, markets and communities learn over time. That is why it is essential for systems change and lasting impact.

For policymakers, this means moving beyond isolated reforms and **towards a practical architecture of transformation**. This involves six connected areas:

- Effective governance and implementation
- Social progress and human development
- Productivity and decent work
- Planet-positive finance
- Resilient, green infrastructure
- Access and participation

Progress across these areas should be tracked through a country index, not to rank countries, but to make change visible, comparable and accountable over time.

The implication for decision-makers is straightforward. Governments need a whole-of-government approach. Donors and development banks need to shift from fragmented, project-based support to coordinated country transformation. And **an anchor institution can help organisations of all kinds to translate vision into policy, finance, implementation**, learning and measurement. This is the role the Government Council for Social Innovation, or GCSI – created with the support of the One Family Foundation in 2025 – is beginning to play: not as a controlling body, but as a platform that helps countries to move towards a different economic destination.

Introduction

This paper is for people who have the power and will to shift the direction of their organisation: policymakers, donors, bankers, industry leaders, journalists and other public figures who understand that the world has entered a period where incrementalism is no longer enough. Too many current systems still reward short-term extraction, fragmented action and institutional self-protection at the very moment when societies need long-term resilience, public trust and coordinated transformation. The result is a pattern many countries now recognise: economic strategies that do not protect everyday life, development finance that is too splintered to change systems, and climate and social agendas that are still too often treated as separate from the supposed 'core business' of the economy.

We argue that an economy centred around People and Planet is the destination, and social innovation is the vehicle to get us there. In practical terms, this requires national-level action across six connected areas. Governments, donors, banks and multilaterals need to align and coordinate their work. And an enabling platform such as the Government Council for Social Innovation, or GCSI, can help countries move from aspiration to action by supporting policy development, finance, capability, learning and measurement.

What is social innovation?

Social innovation refers to **dynamic, collaborative and participatory processes** that bring together actors across sectors to **co-create people-centred and locally grounded solutions** to the challenges facing people and planet. For more, see section 4 below

What is the Government Council for Social Innovation?

The GCSI emerged from a small, informal group of governments who began meeting in 2023 to share ideas and support each other in developing national strategies for social innovation. The council was formally created in 2025, and is hosted by the One Family Foundation. It is currently made up of government leaders from more than 50 countries who are **embedding social innovation into the heart of public policy, finance and service delivery**. The ultimate goal is a thriving people and planet economy, which places local communities at the centre of decision-making. For more, see section 7 below.

Below we set out why a different economic destination is vital, why social innovation is the only vehicle that can take us there, and how a more coherent model of transformation can be built and supported.

I. The world is in crisis



The world is in crisis

1.1. A convergence of crises

The starting point must be honesty. The world is facing a convergence of crises that are economic, social, political and ecological at the same time. Armed conflict reached a historic high in 2024, with 61 state-based conflicts recorded globally — the highest number since modern records began in 1946. The broader picture is deteriorating as geopolitical fragmentation rises and more countries are drawn into conflicts beyond their borders (Uppsala University, 2025; Institute for Economics and Peace, 2025, Global Peace Index Briefing).

At the same time, the ecological foundations of economic life are being pushed beyond safe limits. The latest planetary assessments show that humanity has already breached multiple planetary boundaries, meaning the biophysical systems that stabilise life and prosperity are under increasing stress. This is not only an environmental issue. It affects food systems, water security, energy planning, health, migration, insurance, infrastructure and the viability of the future itself (Stockholm Resilience Centre, 2025, Planetary boundaries; Stockholm Resilience Centre, 2025, Planetary Health Check).

1.2. Development aid and social welfare spending is declining, while needs are growing

The financial backdrop is just as stark. Official development assistance fell in 2024 for the first time in six years, and the OECD expects further reductions in 2025. That means less grant-based support is available precisely when poorer countries are facing greater debt stress, higher climate adaptation costs, rising humanitarian needs and weaker fiscal buffers. In other words, the old assumption that external aid can keep compensating for structural weakness is becoming less plausible by the year (OECD, 2025, Official development assistance 2024 figures; OECD, 2025, Cuts in Official Development Assistance). Meanwhile, spending on social welfare has declined in many wealthier countries.

1.3. Why the old model is no longer delivering

Many countries are already boxed in by debt. Global public debt reached a record US$102 trillion in 2024, and developing countries are paying much higher interest costs than advanced economies. Billions of people now live in countries that spend more on debt service than on health or education. The problem is not debt in itself; debt can be a powerful tool for development. The problem is a global financing structure in which many countries borrow dearly, invest under pressure, and then lose fiscal room just when long-term investment is most needed (UNCTAD, 2025, A World of Debt; World Bank, 2024, International Debt Report).

At the same time, too much development practice still remains fragmented and project-based. Money is often organised around single sectors, donor reporting cycles, and short time horizons, while the real challenges countries face are cross-sectoral and structural. The result is familiar: health projects that ignore nutrition, infrastructure that fails to consider affordability, climate projects without social legitimacy, jobs strategies without care systems, and pilots that never become policy. Local organisations are still too often treated as implementers rather than co-authors of change, and management, finance and accountability systems continue to tilt power up towards those who hold wealth, rather than out towards all citizens (OECD, 2024, Pathways Towards Effective Locally Led Development Co-operation).

1.4. Why the old model is no longer delivering

The danger is not only economic inefficiency. It is far-reaching social and political destabilisation. Human development progress has slowed to its weakest pace in decades, and inequalities between richer and poorer countries are widening again. Within countries, many households face rising costs and stagnant social security, and citizens report growing distrust in public institutions. When the everyday economy stops feeling fair or workable, support for long-term reform weakens and polarisation grows (UNDP, 2025, Human Development progress slows; UNDP, 2024, Human Development Report 2023-24; OECD, 2019, Under Pressure: The Squeezed Middle Class).

So the crisis is not only that the world is unstable. It is that the models meant to produce stability, development and trust are losing legitimacy. That is why this moment cannot be answered with more of the same, only better managed. It requires a deeper rethink of what the economy is for, how public value is created, and how countries actually transform.

2. Crisis can be a turning point



Crisis can be a turning point

2.1. Crisis forces reflection

Crises do not automatically produce better systems. They can just as easily entrench fear, ethnic nationalism and institutional retreat. But crises do force a reckoning. They expose what was already brittle, reveal the real cost of fragmentation, and make visible the gap between formal commitments and reality. They also clarify that the central question is not whether governments can afford to change, but whether they can afford *not to*.

2.2. Scarcity makes better design more urgent

When money is scarce, better design becomes more urgent, not less. In a world of tighter aid, higher borrowing costs and growing climate loss, every decision is harder to justify. Budgets have to meet short-term needs while ensuring long-term resilience. Infrastructure has to generate multiple benefits. Social policy has to connect with policies seeking productivity. And public institutions have to learn faster, collaborate better and fail less often.

2.3. New economic paradigms are gaining attention

This is one reason why new economic paradigms are gaining attention across the world. Policymakers, city governments, scholars and citizens are increasingly searching for frameworks that move beyond narrow GDP logic and reconnect economic performance with wellbeing, ecological integrity and public legitimacy. The concepts that have emerged take different names in different places, but they are responding to the same underlying problem: current systems are not reliably producing a good life for broad populations within planetary limits.

2.4. From crisis to a new economic pathway



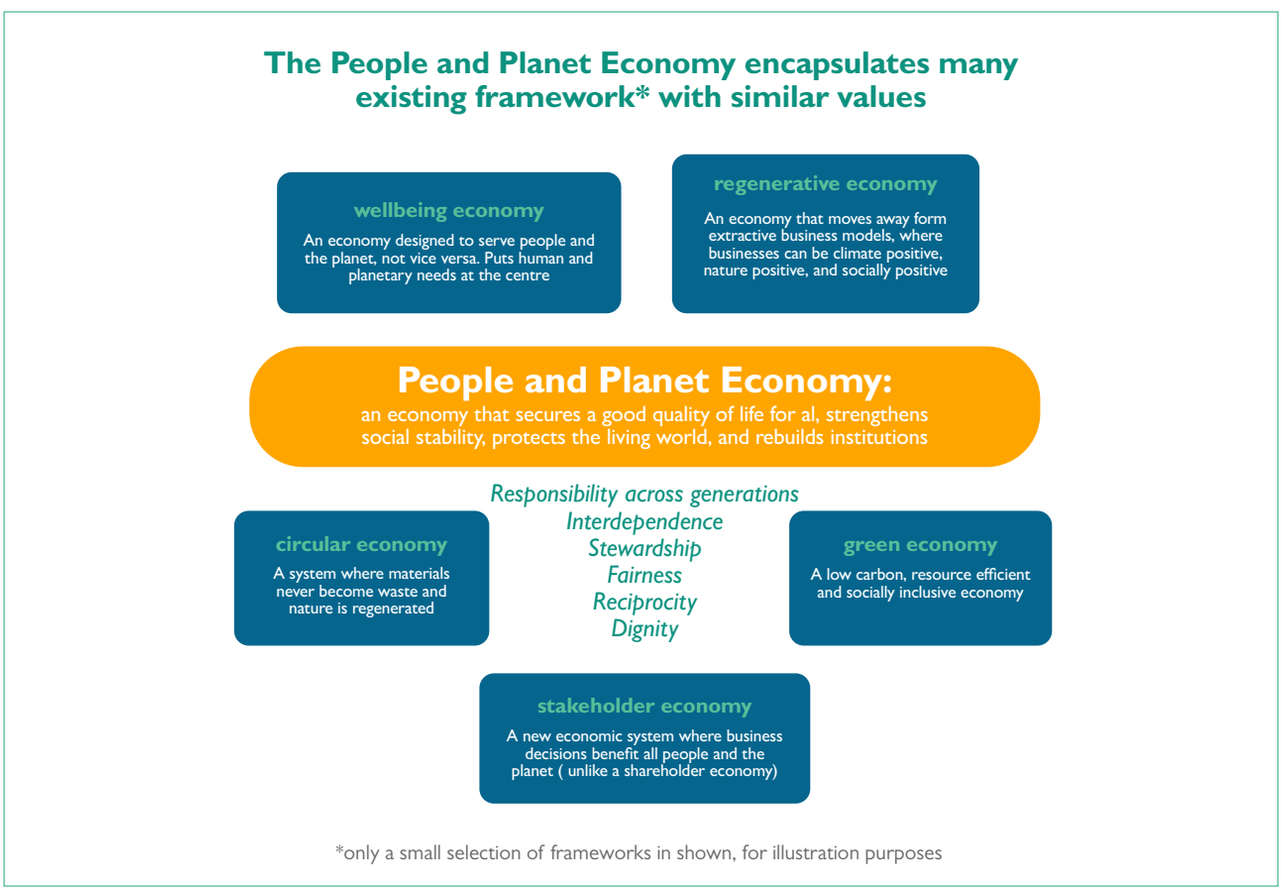
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3. The People and Planet Economy



The People and Planet Economy

There is already a wide landscape of related ideas: doughnut economics, the wellbeing economy, the regenerative economy, the circular economy, the green economy, the blue economy, the stakeholder economy, the social and solidarity economy, as well as other more human-centred approaches to development. These have all helped to shift attitudes and resources. But the point is not to declare one winner in a contest of labels. The point is to recognise that many of these approaches are responding to the same core challenge: how to secure a good quality of life for all within ecological limits, through systems that are fairer, more resilient and more accountable. The term People and Planet Economy is used here as an umbrella concept because it is clear, inclusive and grounded in the essentials of the challenge itself (One Family Foundation / Government Council for Social Innovation, n.d.).



3.1. What is the People and Planet Economy?

At its core, the People and Planet Economy is a values-driven pathway for organising economic life around human dignity, community wellbeing, long-term resilience and ecological stewardship. It does not reject growth in every form. It rejects an idea of growth that is detached from social outcomes, distribution, institutional quality and planetary reality. It asks a more basic question: what should the economy deliver, for whom, and at what cost to the future?

3.2. People and planet at the centre of economic decision-making

Putting people and planet at the centre changes the purpose of policy. Success can no longer be measured only by output, asset values or fiscal ratios. It has to be judged by whether people are healthier, safer, better educated, more secure, more able to participate, and less exposed to avoidable ecological harm. It also means recognising that the economy is not separate from society and nature. It is nested within them. A damaged biosphere and a fragmented society are not externalities; they are threats to economic viability itself (World Bank, 2025, Reboot Development; Stockholm Resilience Centre, 2025, Planetary boundaries).

3.3. Values as the ethical foundation

The ethical foundation of this pathway matters. The People and Planet Economy is not just a technical adjustment to public management. **It is grounded in values: dignity, fairness, stewardship, reciprocity, interdependence, and responsibility across generations**. It also draws strength from local beliefs, ancient traditions and community worldviews that have long understood what many modern systems forget — that wellbeing is relational, that wealth without balance is unstable, and that an economy without moral direction eventually turns against the society it is meant to serve.

This is why values are not decorative language. They shape what questions governments ask, what trade-offs they accept, what they choose to measure, and whose voices count when priorities are set. Without that ethical grounding, the language of transition can easily become another technocratic layer laid over the same extractive logic.

3.4. Community at the centre

Community is central for the same reason. Policies are more legitimate, more adaptive and more durable when people are not treated as passive recipients of design from above. Communities hold knowledge about constraints, needs, informal systems, trust networks and practical routes to change. When institutions ignore that knowledge, they often misdiagnose the problem. When they work with it, they gain legitimacy, improve implementation and reduce the risk of failure.

3.5. Securing a good quality of life for all

A People and Planet Economy is therefore concerned with the basics of a good life: health, learning, care, housing, clean energy, mobility, decent work, safety, voice, digital inclusion and the confidence that progress is real rather than abstract. It is concerned with everyday systems, not just high-level targets. People do not experience the economy through macro indicators alone. They experience it in the price of rent, the quality of transport, the reliability of services, the safety of neighbourhoods, the air they breathe and whether their children see a future.

3.6. Strengthening social stability

This is also why strengthening social stability must be part of the economic design. A stable middle class is not a luxury. It is one of the foundations of democratic resilience, social trust and broad-based prosperity. When middle-income households are squeezed by unaffordable housing, weak wage dynamics, insecure work and rising costs, fragmentation deepens. This is already a danger: the OECD has shown how housing, job insecurity and stagnant living standards have placed growing pressure on the middle class in many economies (OECD, 2019, Under Pressure: The Squeezed Middle Class).

On the other hand, policies that expand affordable housing, secure decent work, improve public services and protect purchasing power are not only socially desirable, they are also politically stabilising. Vienna's long-standing social housing model is one example of what this can look like in practice: broad access, public investment, social mix and a price-dampening effect on the wider market, rather than a system that treats affordability as a temporary subsidy for the poorest alone (Socialhousing.wien, 2025, The Vienna model).



3.7. Living within planetary limits

The People and Planet Economy insists that ecological limits are real. They are not negotiable through rhetoric or postponed through misplaced optimism. The latest science is clear that several Earth systems are already under dangerous pressure. An economy that destroys land, water, biodiversity, climate stability and the resilience of natural systems is not building prosperity. It is liquidating its own future base (Stockholm Resilience Centre, 2025, Planetary boundaries; Stockholm Resilience Centre, 2025, Planetary Health Check).

3.8. Redesigning institutions and macroeconomic architecture

This is why **the People and Planet Economy cannot be reduced to values and local projects alone. It must also reshape institutions and macroeconomic architecture**. That means budget systems, planning systems, infrastructure choices, industrial strategy, procurement, revenue design, capital markets, financial regulation, statistical systems and the role of economic ministries themselves. If the core architecture still rewards short-term extraction, narrow sectoral delivery and weak accountability, then the rhetoric of people and planet will not survive contact with real incentives.

Some of the world's most highly regarded economists reinforce this point from different directions. The 2024 winners of the Nobel Prize for Economics showed how institutions shape prosperity, and why societies with weak rule of law and extractive institutions struggle to sustain broad-based development. The 2025 laureates showed that sustained growth depends on innovation, openness to change and the capacity of societies to channel creative destruction towards public benefit rather than concentrated gain (Nobel Prize Outreach, 2024, Press release; Nobel Prize Outreach, 2025, Press release).

3.9. The People and Planet Economy is an all-encompassing destination, not a brand



For that reason, the People and Planet Economy is best understood as a practical, umbrella term to describe the destination we need to reach. It gathers together the strands that too often remain separate: wellbeing, inclusion, resilience, productivity, ecological repair, public legitimacy and institutional capability. It provides a common policy language for a shared direction.

But, to move from direction to delivery, another element is needed: a process that can make this transition real.

4. Social innovation: the vehicle of transition



Social innovation: the vehicle of transition

The People and Planet Economy will not emerge through the same top-down methods that helped create many of today's failures. It requires a process that can change how institutions work, how sectors interact, how communities participate and how governments learn. That process is social innovation. Social innovation is essential because it is not only about finding and proving new ideas; it is about changing systems and behaviours in ways that produce lasting impact (Government Council for Social Innovation, 2025, Social Innovation; OECD, 2024, Starting, Scaling and Sustaining Social Innovation; Eurofound, n.d., Social innovation).

4.1. A working definition of social innovation

Social innovation can be understood as **the values-led participatory process of developing, adapting and embedding new ways of tackling challenges facing people and planet**. It focuses not only on the solution itself, but on how the problem is understood, who is involved in shaping the response, how institutions learn through implementation, and whether the resulting change becomes durable. It includes both process and outcome, and can be incremental or transformational. This is relevant for all institutions in society, from non-profits to government to business (Government Council for Social Innovation, 2025, Social Innovation).

4.2. The core characteristics of the social innovation process

Characteristic	What it means in practice
Cross-sectoral	Social innovation **occurs across government, business, civil society, finance and communitie**s, because complex problems rarely fit inside only one institution.
Participatory	Social innovation **starts from the lived reality of affected people** and involves them as co-authors of change, not just recipients of delivery.
Collaborative	It creates shared problem-solving architectures with defined roles, **trust-building and recurring interaction**, rather than one-off consultation.
Co-creative	It develops and adapts solutions through **iteration, feedback and learning**, instead of assuming that the first design is the right one.
People-centred	Social innovation judges success by **whether people's lives, rights, dignity and capabilities improve**, while also protecting the planet.

4.3. Top-down policy often fails

Traditional policy processes often fail not because public officials lack commitment, but because the design logic is wrong. Problems are defined far away from where people directly experience them. Ministries work in silos. Funding is separated from feedback. Communities are consulted late, if at all. Success is measured through activity rather than adaptive learning. And accountability is often stronger upwards — to funders, central agencies and reporting systems — than outwards, to the people whose lives are meant to improve (OECD, 2024, Pathways Towards Effective Locally Led Development Co-operation).

That is one reason so many reforms look coherent on paper yet underperform in practice. Policies fail when they are too abstract, too siloed, too linear and too distant from the institutions and behaviours they are meant to change.

4.4. Social innovation improves implementation

Social innovation improves implementation because it changes the route through which policy becomes action. **It brings problem definition closer to lived reality. It forces actors across sectors to work together. It creates space for experimentation and adaptation. And it builds ownership that makes reform more durable**.

In education, this logic is visible in approaches such as Teaching at the Right Level, an organisation that improved learning in sub-Saharan Africa by reorganising teaching around actual learning levels rather than administrative grade levels. In health, it is visible in Rwanda's community health model, which connected national policy with locally rooted delivery and trust. In energy, local energy communities show how citizen participation can lower bills and improve resilience (J-PAL, 2022, Teaching at the Right Level; UNICEF Rwanda, 2021, Community Health Program Investment Case; IEA, 2023, Local energy communities).

4.5. Social innovation changes systems and behaviours

This is the critical point. Social innovation creates lasting impact because it changes the behaviour of institutions, the relationships between sectors, and the way systems respond to people and planet over time. It changes systems by altering who participates in decisions, what evidence counts, how money is allocated, how success is measured, and what gets learned and repeated. It changes behaviour by shifting incentives, norms and routines: ministries start sharing responsibility, businesses start seeing public value as part of strategy, communities start expecting to actively contribute, not just to be part of a symbolic consultation, and public managers start treating adaptation as a strength rather than a weakness.

That is why social innovation should be described as the core to economic and institutional reform. It is **one of the few approaches that explicitly links values, behaviour and institutional redesign**. Without that link, reforms may produce short-term outputs but rarely alter the underlying system that keeps recreating the problem.

4.6. Mindset shift matters

No country transforms through policy instruments alone. Transformation also requires a shift in mindset. Government must move from command-and-control habits towards facilitation, learning and partnership. Business must move from a narrow compliance view towards a broader understanding of stakeholder value and long-term system health. Finance must move from seeing impact as peripheral to seeing it as part of risk, resilience and public legitimacy. And communities must be recognised not as delivery endpoints, but as co-shapers of public value.

4.7. From local co-creation to national transformation

Social innovation begins locally because real life happens locally. But it cannot remain local if the goal is national-level transformation. There is, however, a pathway from local co-creation to national reform. It involves using lived experience to shape policy questions, using participation to inform public systems, using procurement and budget rules to embed new practices, and using evidence not only to prove impact, but to redesign institutions.

In this sense, social innovation operates from the micro to the macro. It helps communities to articulate needs, helps institutions to test new models, and helps governments to decide which ways of working should become part of the system itself.

4.8. The people who carry change: social innovators across society

To make this happen, every country needs social innovators, in every part of society. They are not only founders of social enterprises. They are also civil servants who redesign public services, mayors who bring departments together, corporate leaders who align business models with public value, financiers who create patient capital and new financial instruments, researchers who create courses and curricula, community organisers who convene people and build trust, journalists who hold leaders accountable and share stories of what's working, and creatives who help societies imagine new possibilities.

These actors are the conduit for the mindset shift that we need. Often they can translate between sectors, challenge inherited assumptions, and convert values into institutional practice. A serious People and Planet Economy strategy therefore has to invest in social innovators as a public capability, not leave them to operate at the margins.

4.9. Why social innovation is essential to creating a People and Planet Economy

The conclusion is straightforward. The People and Planet Economy is not something that can be announced into existence. **It has to be built through a process that is cross-sectoral, participatory, collaborative, co-creative and people-centred; a process that changes systems and behaviours; and a process that can move from local insight to national architecture**. That is why social innovation is not a side issue. It is the vehicle of transformation.

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5. What national transformation requires



What national transformation requires

If the People and Planet Economy is the destination, and social innovation is the process, then countries need a practical architecture for transformation.

That architecture can be understood through six connected areas. These are not six separate *projects*. They are interdependent conditions that determine whether countries can turn values into lasting outcomes. They also form the basis of a measurement framework: a way to track whether something is actually changing.

This is important, because we consider a People and Planet Economy as succeeding not only in terms of what it delivers, but in how it is built. The processes behind the policies determine whether they are legitimate, inclusive and durable. For example, a nation that appears successful on aggregate indicators can still reproduce exclusion, weak accountability or short-termism if the underlying processes are not aligned with people and planet-centred values.

The six connected areas of country transformation

Area	What good looks like
Effective governance and implementation	Public institutions that can set direction, coordinate, regulate, deliver services and learn from data
Social progress and human development	People have the health, nutrition, education, skills, services and protection they need to fully participate in society and the economy
Productivity and decent work	An economy with productive sectors, resilient firms, quality jobs and widespread opportunities into decent work
Planet-positive finance	Budgets, taxes, investment systems, capital markets and external finance are good for social inclusion and ecological resilience
Resilient, green infrastructure	Clean energy, affordable housing, sustainable transport, resilient food and water systems and climate-ready infrastructure, all contributing to lower ecological risks
Access and participation	Growth is shared across populations; safety, participation, trust and social cohesion are the norm

5.1. A working definition of social innovation

Transformation into a People and Planet Economy begins with state capability. Countries need institutions that can set direction, coordinate across ministries, regulate predictably, deliver services, and learn from evidence rather than repeat failure. This includes legal frameworks, implementation discipline, digital public infrastructure, statistical capacity and real feedback loops between policy and lived reality. Governance matters not as an abstract scorecard but because weak implementation destroys public trust and slows every other area of reform (World Bank, 2025, Worldwide Governance Indicators; World Bank, 2025, GTMI Update; UNDP, 2025, Digital Public Infrastructure).

5.2. Social progress and human development

No economy becomes more inclusive, productive or resilient by neglecting its human base. Health, nutrition, early childhood development, quality education, skills, digital access, basic services and social protection are not afterthoughts when turning to 'social issues'; they are the foundation of long-term economic capability. When these foundations are weak, countries carry higher fragility, lower productivity and greater political volatility (UNDP, 2025, Human Development progress slows).

5.3. Productivity and decent work

A People and Planet Economy is a productive, ambitious one; it is not a call for permanent dependency. It is a call for economies that create decent work, upgrade productive capability, support enterprise, and widen access to opportunity. That means industrial upgrading, local value creation, stronger SMEs, better logistics, digital readiness and labour markets that move people into more secure and productive work rather than leaving them trapped in precarity. It means leveraging artificial intelligence and robotics to reshape the job market to ensure decent, secure jobs for all

5.4. Planet-positive finance

Finance has to change as well. Countries need macroeconomic stability and fiscal space, but they also need budgets, procurement systems, domestic revenue strategies and capital markets that are designed for transformation rather than short-term survival. This includes stronger public investment management, better budget reliability, more inclusive household and SME finance, and capital markets that channel resources into housing, clean industry, adaptation, care systems and resilient infrastructure. It needs significant impact finance – in other words, the intentional use of financial capital to bring about a measurable and positive social and/or environmental change (Said Business School, n.d.).

There is already a growing language for this new world of finance. The Green Bond Principles and Social Bond Principles set out expectations for transparency, disclosure and integrity in sustainable bond markets; elsewhere, regulators warn that credible safeguards are needed to prevent greenwashing. But creating many different labels is only useful if these ensure that finance reaches productive and socially useful ends, and that impact claims are real (ICMA, 2025, Green Bond Principles; ICMA, 2025, Social Bond Principles; ESMA, 2024, Final Report on Greenwashing).

5.5. Resilient, green infrastructure

The fifth area is the material base of a liveable economy: climate-resilient energy, housing, transport, land, food, and water systems. These systems shape daily life and long-run viability at the same time. When they are designed well, they improve quality of life, cut long-term costs and reduce risk. When they are designed badly, they lock in inequality, carbon intensity and social backlash.

This is where the People and Planet Economy becomes concrete. Better housing policy can improve stability and affordability. Local energy communities can lower bills and build trust in the transition away from fossil fuels. A wellbeing-oriented budget can break departmental silos and align spending with long-term outcomes. These are not separate agendas. They are pieces of a coherent development pathway (Socialhousing.wien, 2025, The Vienna model; IEA, 2023, Local energy communities; New Zealand Treasury, 2019, Wellbeing Budget).

5.6. Access and participation



Countries need to reduce poverty and deprivation, close inclusion gaps, and expand voice – that is, ensuring people can have their say on and shape the issues that affect them. They need to ensure safety, and to strengthen social cohesion. Without fairness and participation, reform does not hold. Voice is not a luxury. It is one of the conditions under which difficult transitions remain legitimate and feasible.

5.7. Across all six: learning, mindset shift and behaviour change

Across all six areas, behaviour change and mindset shift are essential. Country transformation is not only structural. It is cultural. Ministries have to work differently. Procurement has to shape markets instead of merely processing transactions. Development finance has to reward coordination instead of fragmentation. Businesses have to see social and ecological resilience as part of competitiveness. And citizens need more meaningful routes into decision-making and accountability.

This is precisely why social innovation has to sit across the whole framework. It is the overlay that asks whether the problem was defined with affected groups, whether collaboration was real, whether learning and adaptation were built in, whether results are visible across groups and places, and whether people have routes for redress. Those questions are not peripheral. They are questions that every government needs to be asking, as they distinguish performative reform from real transition (Government Council for Social Innovation, internal working framework provided by user, 2026).

5.8. Measuring progress through an index



Progress across these six areas should be measured through an index. This is not about branding or about punishing poor performers; it is to make transformation governable. An index helps governments see where they are strong, where they are weak, where reform is blocked, and whether social innovation is improving the quality of implementation. It helps donors and banks to support countries through a common language rather than a scatter of disconnected indicators. And it helps the public to judge whether promises are changing systems.

For these reasons, the index should consider both outcomes and processes. On the latter, it would track areas such as whether policy and delivery systems are grounded in lived realities; if they can learn and adapt; if positive impact is distributed evenly, across richer and poorer communities; and if they provide meaningful mechanisms for accountability and redress.

In practice this would mean assessing:

- whether problems are defined with affected communities, rather than only by institutions;
- whether implementation brings together public, private, civil society and community actors;
- whether experimentation and iteration are built into delivery;
- whether there is transparent evidence on who benefits and who is excluded;
- and whether citizens can challenge failure or misuse of power.

This approach would mean that we don't reward static policy declarations or top-down delivery alone, but instead recognise systems that are participatory, adaptive and grounded in real-world conditions. It aligns measurement with the core premise of this paper: that values must be embedded in the everyday functioning of institutions.

6. From crisis to coordinated action



From crisis to coordinated action

6.1. Isolated projects cannot deliver transformation

If this diagnosis is right, then numerous isolated projects, each one working to solve one piece of the problem, cannot be the route to a People and Planet Economy. A single project or organisation may solve a local problem. It may solve a problem on a national level, or very occasionally on an international level. But it cannot on its own repair debt traps, change budget systems, stabilise a squeezed middle class, decarbonise housing and transport, or rebuild trust between citizens and the state. Complex crises demand joined-up responses. That means policy coherence, financial coherence and institutional coherence.

6.2. Governments, donors, banks, bilaterals and multilaterals must work differently

The next step is therefore coordinated action. National governments need to lead, but they cannot create transformation alone. Donors, development banks, government agencies and departments, philanthropic foundations and multilateral institutions can support them, not by working on parallel tracks, but by backing initiatives that are truly owned and driven by national governments.

In practice, this means breaking silos in national development plans, finance, and delivery and implementation of aid. Public officials should not have to manage one set of conversations with their counterparts abroad for climate, another for debt, another for health, another for jobs and yet another for governance, when the underlying transition is deeply interconnected. They should not be pushed towards delivering aid that aligns more with donor preferences than recipient needs. The same is true inside institutions. Development banks, bilateral agencies and philanthropic funders need to reward shared portfolios, pooled learning, longer time horizons and local co-ownership, rather than isolated projects that compete for visibility and that serve donors rather than recipients.

6.3. Supporting countries to build self-reliant, productive and resilient economies

A coordinating body should help countries become more self-reliant, productive and resilient. That means building domestic capacity, widening fiscal room, strengthening domestic capital markets, supporting productive sectors, reducing forced dependence on volatile external flows, and preventing debt service from crowding out human development and climate resilience. For countries caught in debt stress, mechanisms for faster and clearer coordination among creditors matter as well. The Global Sovereign Debt Roundtable is one example of the kind of institutional plumbing needed to make the broader system work better (IMF, 2025, Global Sovereign Debt Roundtable FAQ; World Bank, 2025, Global Sovereign Debt Roundtable).

6.4. Protecting social stability and reducing fragmentation



This is also about stability. Economic design has social consequences. If reform produces higher costs, weaker job security, exclusion from services or a sense that whole groups are being asked to absorb transition costs without protection, political fragmentation will intensify. If it produces affordable housing, better mobility, secure work, visible fairness and real public voice, then support for longer-term transformation becomes more likely. Protecting social stability is therefore not separate from economic strategy. It is one of its main tests.

The wider geopolitical implication is important. Better coordination across governments, donors, banks and multilateral institutions is not only good development practice. It is part of how the world can move from a decade of compounding crises towards greater stability. When countries are less trapped by debt, less dependent on fragmented aid, more capable of building productive sectors, and better able to deliver quality of life within planetary limits, global stability becomes more achievable too.

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7

Why GCSI is needed — and the role it can play

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7.1. Why an anchor and support platform is needed

A transition of this scale needs an anchor and support platform. Not a central controller, but an institution that helps countries to translate a broad vision into workable policy, finance, capability, learning and measurement. That is necessary because many governments are confronting the same barriers at once: fragmented policy frameworks, unclear legal language, insufficient funding and ill-suited financing tools for social innovation, limited peer learning, and too few practical mechanisms for turning local innovation into systemic reform (Government Council for Social Innovation, 2025, Strategic Objectives; Government Council for Social Innovation, 2025, Global, Regional and National Policy Development).

7.2. GCSI as a possible anchor: supportive rather than controlling

GCSI is emerging as that kind of platform. Its value lies in being supportive rather than controlling: it convenes governments, helps build shared language, supports national strategies, links practice to policy, and provides a structure for peer learning and collective problem-solving. Its aim is to embed social innovation into the heart of public policy, finance and service delivery, while keeping local communities at the centre of decision-making (Government Council for Social Innovation, 2025, Home; Government Council for Social Innovation, 2025, About GCSI).

7.3. How change happens

A platform like GCSI can support change in several ways

1. **Building capacity and shifting mindsets across government.** The transition to a People and Planet Economy requires new skills and mindsets — not only in social affairs ministries, but also in those covering finance, planning, industry, infrastructure, statistics, digital government and procurement. Public servants need training and practical tools for co-creation, policy incubation, cross-sector collaboration, adaptive implementation and outcome-oriented measurement. Without this, even the most compelling vision will not become part of the machinery of government.

2. **Supporting stronger legal frameworks, policy coherence and implementation.** GCSI is designed to help governments to articulate a vision for social innovation and embed it in accountable frameworks. It can provide strategy templates, adaptable legal definitions and other practical support for early adopter countries. (For details see: GCSI, 2025: Global, Regional and National Policy Development; GCSI, 2025: Action Plan).

3. **Helping countries work across sectors and institutions.** Because GCSI is organised around cross-cutting strategic objectives, it is well placed to help countries break sectoral silos. Its Knowledge and Practice Hub and Solutions Bank can surface transferable models; its impact measurement work can link outcomes to learning and public value; and its ecosystem approach can help governments connect communities, researchers, entrepreneurs, businesses and financiers. (See GCSI, 2025: Knowledge and Practice Hub; GCSI, 2025: Social Impact Measurement.)

4. **Supporting finance, AI-enabled solutions and shared learning.** GCSI's role in finance and technology is especially relevant. It recognises that social innovation will not scale up on fragmented grants alone and points towards tools such as social bonds, digital levies, cooperative finance and blended capital. It places equal weight on inclusion, ethical AI, public value and community feedback, helping ensure that technology strengthens participation and service delivery rather than deepening exclusion. (See GCSI, 2025: Financing for Social Innovation; GCSI, 2025: Technology for Social Innovation; UNESCO, 2021: Recommendation on the Ethics of Artificial Intelligence.)

5. **Helping track transformation through a common framework and index.** By supporting a common framework and index, GCSI is giving national governments and their partners a shared way to track capability, human development, productive transformation, finance, resilience, equity and the quality of the social innovation process itself. What gets measured shapes what gets prioritised. A better

Conclusion: Think differently to emerge stronger



Conclusion: Think differently to emerge stronger

The world does not need another comforting narrative that says that the current system simply needs tweaking. This leaves the architecture of failure intact, when in reality much of this needs to be dismantled and rebuilt. It needs different thinking, different behaviour and different ways of working together. The crisis is real: conflict is rising, ecological limits are tightening, aid is declining, debt burdens are growing. **Above all, too many people are losing faith that current systems can still deliver stability and a good life.**

But crisis can also create clarity. It can show that the old development bargain – in which those with power agree that development and growth should be pursued (Devpolicy Blog, 2022) – is not enough. It can show that one-off projects will not produce structural change, and that economic strategy must once again be judged by whether it protects people, strengthens communities, rebuilds trust and preserves the living systems on which all prosperity depends.

That is the promise of the People and Planet Economy. It shows us a clear destination. Social innovation makes the journey there workable by providing the vehicle through which systems, institutions and behaviours can change, in ways that last. The six connected areas of country transformation provide a practical architecture. Coordinated action gives the model the scale it needs. And GCSI offers one route for anchoring and supporting the transition.

The choice now is not between idealism and realism. The realistic choice is to build differently. The visionary choice is to do so with purpose, coherence and courage. If this moment is used well, crisis can still be leveraged into opportunity — not by wishing instability away, but by building the systems that make stronger, fairer and more resilient societies possible.

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Appendix B. Illustrative source base for the six-pillar framework

The table below summarises the six connected areas used in this paper and shows the kinds of sources that can be used to build a practical country tracking index. It is derived from the internal GCSI Social Innovation Index master framework supplied by the user.

Six-pillar source architecture

Pillar	What it covers	Illustrative source families
Effective governance and implementation	Government effectiveness, digital state capability, legal frameworks, data systems and policy learning	World Bank WGI; GovTech Maturity Index; Statistical Performance Indicators; Women, Business and the Law
Social progress and human development	Health, nutrition, education, skills, digital readiness, basic services and social protection	WHO Global Health Observatory; World Development Indicators; UNESCO UIS; ILOSTAT; ITU ICT Development Index
Productivity and decent work	Industrial upgrading, firm capability, job quality, formality and market access	UNIDO Competitive Industrial Performance; Enterprise Surveys; ILOSTAT; Logistics Performance Index
Planet-positive finance	Macro stability, domestic revenue, budgets, procurement, financial inclusion, SME and sustainable finance, catalytic external finance	IMF WEO; Open Budget Survey; PEFA; PIMA and C-PIMA; Global Findex; IMF Financial Access Survey; World Bank Carbon Pricing Dashboard; OECD ODA data
Resilient, green infrastructure	Energy access, decarbonisation, pollution, land, water, food resilience and climate adaptation	World Development Indicators; ND-GAIN; related climate and infrastructure diagnostics
Access and participation	Poverty, inclusion gaps, gender and youth participation, voice, safety and social cohesion	World Development Indicators; Global Multidimensional Poverty Index; Women in Politics Map; WGI; UN E-Participation data

Social innovation is the process that sits across all six pillars. In practical terms, that means asking whether problems were defined with affected groups, whether delivery involved cross-sector collaboration, whether learning and adaptation were built in, whether results are visible across groups and places, and whether accountability or redress mechanisms exist in practice.