

NORDREGIO

Social innovation: new Nordic approaches for tackling demographic and welfare challenges

Stockholm, 16 September 2014



What is social innovation and how can it address social need and societal challenges



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1. Health, demographic change and wellbeing
2. Food security, sustainable agriculture and forestry, marine and maritime and inland water research, and the Bioeconomy
3. Secure, clean and efficient energy
4. Smart, green and integrated transport
5. Climate action, environment, resource efficiency and raw materials
6. Europe in a changing world - inclusive, innovative and reflective societies
7. Secure societies - protecting freedom and security of Europe and its citizens

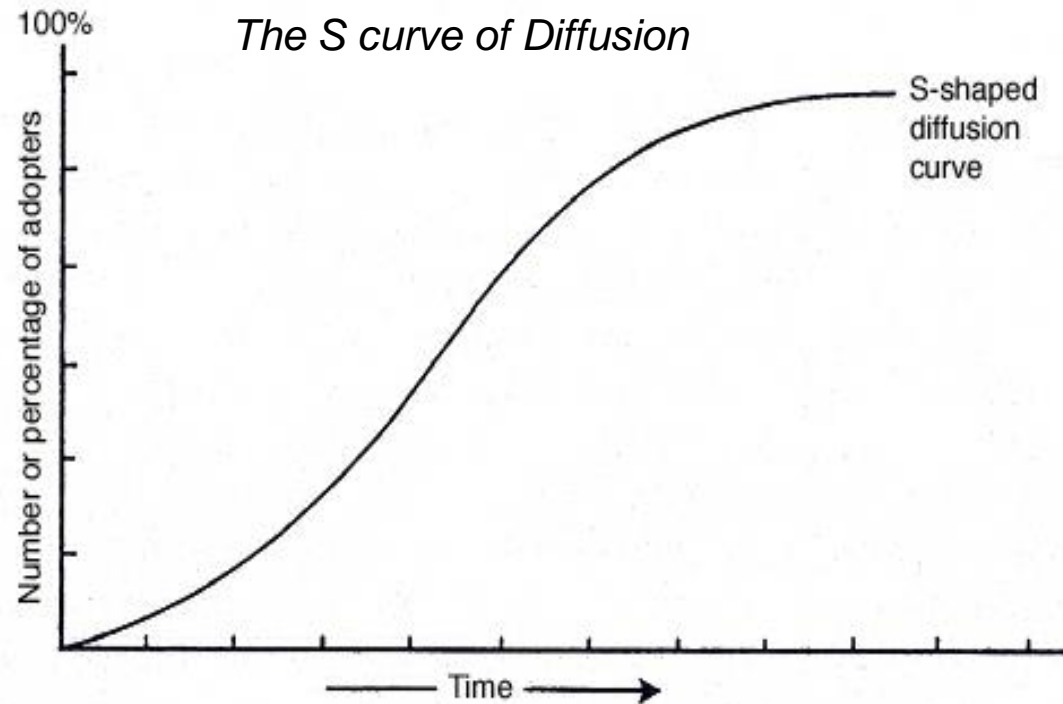


Seven (grand)
societal challenges



What is innovation (1)

- Schumpeter (1920s) – creative destruction: capitalism is not stable
- Rogers (1962) – diffusion of innovation: ‘S’ shaped curve
- SPRU at Sussex (1970s) – science policy and national systems of innovation (Freeman, Perez, et al)



- Von Hippel (1980s) – user and user-led innovation
- Porter at Harvard (1990s) – business strategy, geographical concentrations of firms, clusters

What is innovation (2)

- Christensen (2003) – innovator’s dilemma: even success fails in the end
- Chesbrough (2003, 2012) et al – **open innovation**: all can be involved, innovation communities, mass collaboration (also ICT context, Shirky, Leadbeater, Tapscott), across sectors:
 - Private sector: leadership, culture, teams, lead users, CoPs, new business models, mass customisation & experience economy
 - Public sector: NPM 1990s; PVM 2000s; open collaborative governance, govt as a platform 2010s, public policy experimentation
 - civil & community: bottom-up, do-it yourself, social entrepreneurs
- Recent approaches – the bottom of the pyramid / inclusive innovation / frugal innovation / reverse innovation, ‘hidden’ innovation, design thinking, sharing economy, collaborative economy, makers’ movement, network effects, digital social innovation



What is social innovation ? (Tepsie, December 2014)

Social innovations are new approaches to meeting social needs. They are social in their means and in their ends. They engage and mobilise the beneficiaries and help to transform social relations by improving beneficiaries' access to power and resources.

- **New:** in the context it's applied (and better than existing solutions)
e.g. eLearning, local currency, car sharing, MPESA
- **Meets a social need:** need is contextual (different in Europe cf Africa.....??)
e.g. lack of food, income, education, transport, community, happiness....
- **Put into practice:** from idea to implementation
e.g. micro financing, fair trade, time banks, crowd-funding
- **Engage and mobilise beneficiaries:** enhances society's capacity to act
e.g. Southwark Circle, Schiphol Airport, Transit Towns
- **Transform social relations:** change access to power and resources
e.g. I paid a bribe, personal budgets, participatory budgeting

Stages of social innovation

Three main steps and six stages

1. Experiment & multiply options: "publish"

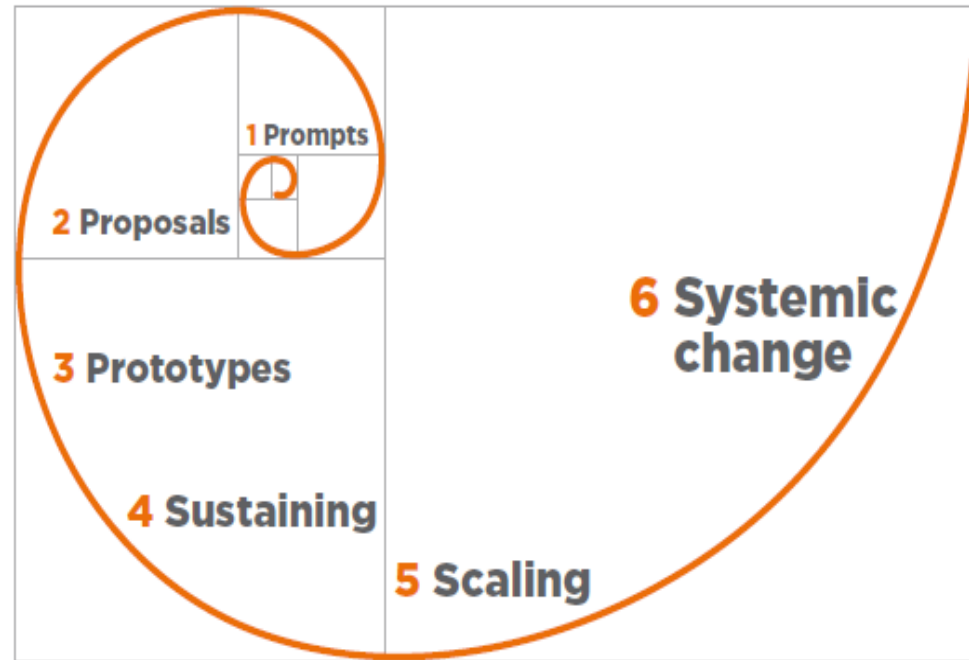
- a) Prompts which highlight the need for social innovation
- b) Proposals where ideas are developed

2. Select the 'best, what works: "filter"

- c) Prototypes where ideas are tested in practice
- d) Sustaining where ideas becomes everyday practice

3. Scale and impact: "grow"

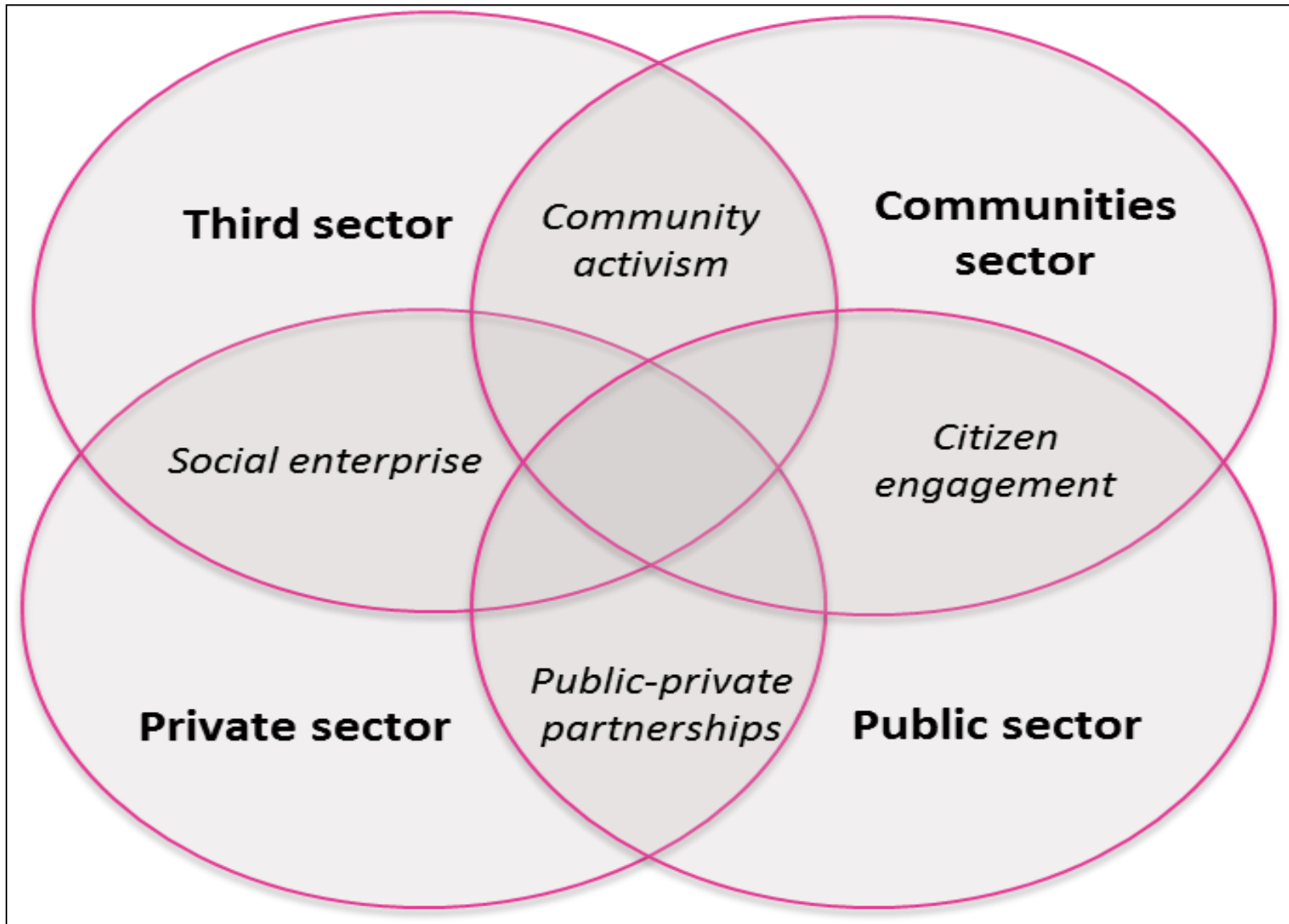
- e) Scaling growing and spreading social innovations
- f) Systemic change redesigning and creating entire systems



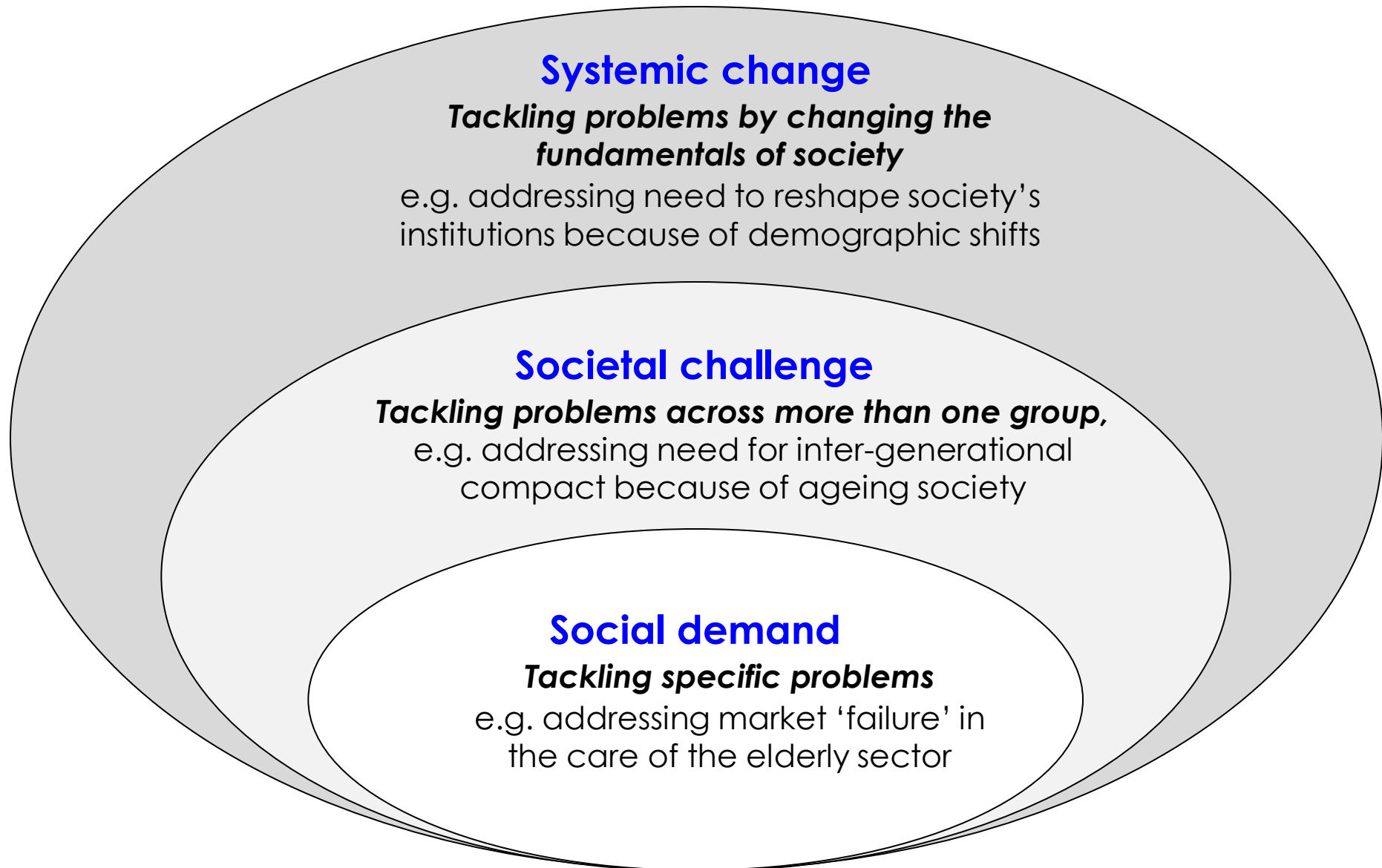
PUBLISH → FILTER → GROW

***"Failure" is good
– but fail small and early, rather
than big and late, then learn,
adapt and re-apply***

Where does social innovation take place?



The 3 levels/approaches to outcomes: overview



Example 1: The Living Furniture Project, London

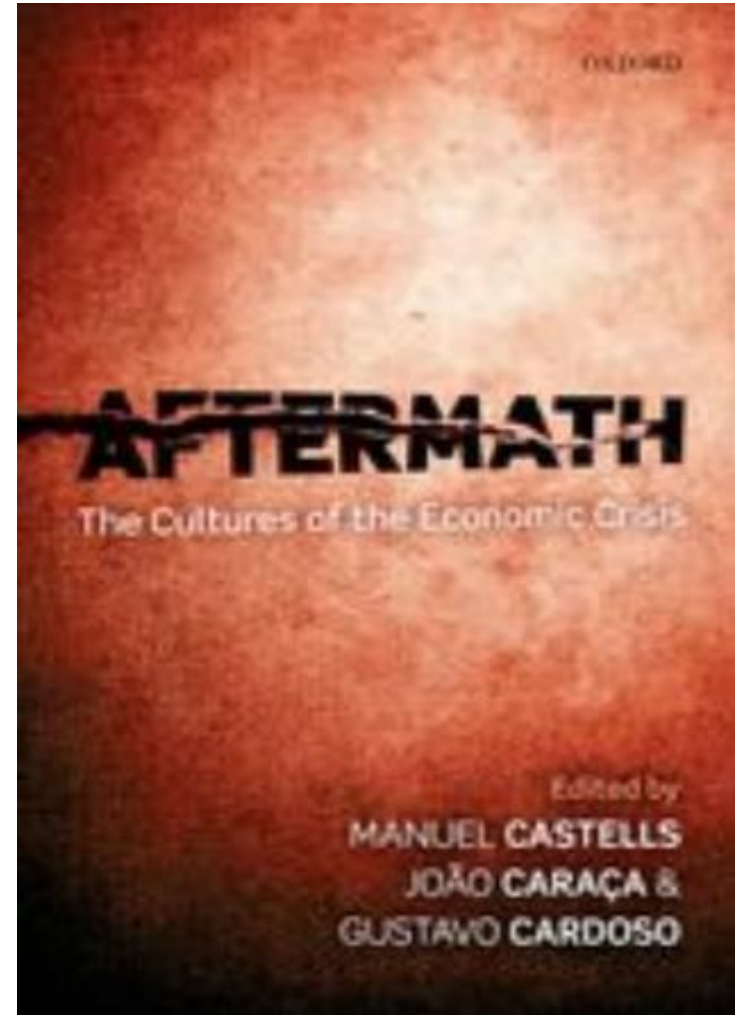
A social enterprise - an organisation that solves problems in society using a commercial approach

- Training homeless Londoners to make beautiful bespoke furniture and employing them at a living wage.
- Dedicated to sustainability - upcycling old unwanted furniture or working with waste materials reclaimed from the local area.
- Every piece is unique - designed to the customer's brief by a designer who then trains homeless apprentices to build the furniture in a fully equipped workshop.
- Apprentices also work alongside a mentor - a professional and experienced furniture maker who teaches them valuable skills, and ensures a beautiful, crafted final product.
- This unique way of working makes for a beautifully crafted and socially positive end-product -- & and homeless person gets a job, an income, self-esteem...



Example 2: “Aftermath” in Barelona

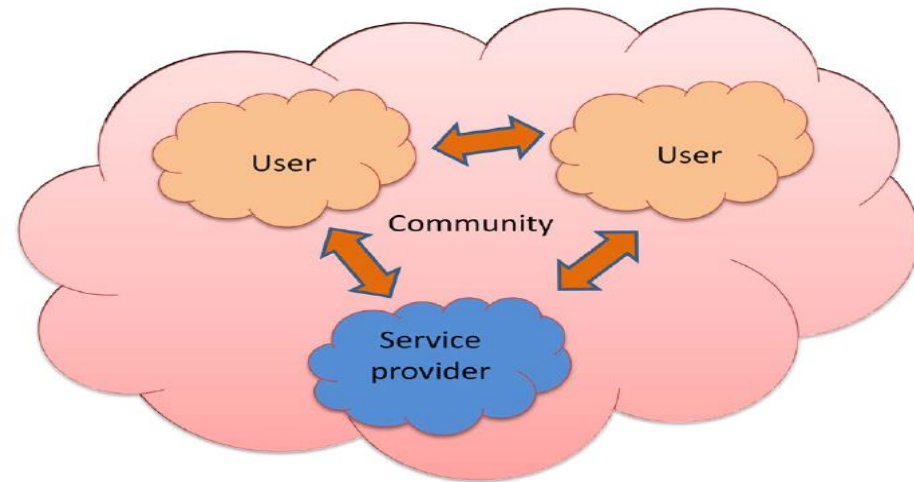
- **Manuel Castells’** 2012 book documents hard research showing that 97% of families surveyed in Barcelona have engaged in non-capitalist economic practices since 2008 simply to survive, a massive rise compared to the period before the crisis
- including growing food, consumer cooperatives, exchange and social currency networks, free universities, hacklabs, etc.
- the solutions being found are coming from ordinary people in their own localities responding creatively and innovatively to the pressing challenges they and their families and communities are experiencing every day.



Example 3: Viedome Community Platform, NL

Tackling the ageing challenge at community level

- Mextal BV: commercial company with €7m turnover pa, 25 employees
- Partnership with LAs, informals, other companies and dealers (like Philips, Samsung, Ericsson)



Just easy Life and comfort



Prepared for tomorrow



At home with care

- Viedome Total Community Platform for older persons
- Embedding services and activities in everyday life and community
- Toolbox for personalising home care by user choice of technology and services across 8 pillars of support: care, comfort, security, information, advice, communication, entertainment, commerce

Example 4: Transition Towns, UK & global



- Started UK 2006, now in 50 countries
- Started with 'peak oil', then food, jobs, housing: all interlinked
- A bottom-up charity “whose role is to inspire, encourage, connect, support and train communities as they self-organise around the Transition model.”
- “Ultimately it’s about creating a healthy human culture, one that meets our needs for community, livelihoods and fun.”
- Events, conferences, training, blogs, webinars, newsletters, books, films, guides, tweets, and more...”



12 'transition model' ingredients:

1. Set up a steering group and design its demise/transformation from the outset
2. Start raising awareness
3. Lay the foundations
4. Organise a Great Unleashing
5. Form theme (or special interest) groups
6. Use Open Space
7. Develop visible practical manifestations of the project
8. Facilitate the Great Reskilling
9. Build a bridge to Local Government
10. Honour the elders
11. Let it go where it wants to go...
12. Create an Energy Descent Action Plan
13. ???

How can the policy maker support social innovation (1)

- Understanding, knowledge sharing, dissemination and capacity building

Knowledge & good practice databases, cooperative networks, learning networks, communities of practice

- Policy coordination

Joining up policy between levels and across different areas, Local Development and Employment Initiatives, Territorial Employment Pacts

- Conducive legal and regulatory environment

Legacy rules designed for the past, e.g. stop charging householders commercial taxes for joining AirBnB, allow local currencies, give tax breaks

- Work with other actors on equal footing

Communities, civil organisations, private sector

How can the policy maker support social innovation (2)

- **Support experiments**

e.g. fight against early school-leaving, Incubator Factories (Poland), MedLab LivingLab on inno-SME networks, rural development, coastal zone management, participatory strategic planning and tourism, urban regeneration strategies, etc.

- **Support social entrepreneurs and enterprises**

e.g. grant aid to small social enterprises, policy on public procurement, 'Erasmus for Young Entrepreneurs', 'Make Women Bankable'

- **Infrastructure and enabling factors (most social innovations do not happen by themselves)**

e.g. developing a conducive climate, ongoing mutual learning, changing minds and practices and taking risks seed and venture financing for social innovations, physical infrastructures like broadband and mobile for rural areas, cross-border regional projects, e.g. setting-up of young farmers' networks and support for the creation and development of micro-enterprises'

- **Public sector innovation**

e.g. space and budgets for risk taking, embed in long-term policy, develop learning culture

How can the policy maker support social innovation (3)

Finance

- Grant funding is valuable in the prototyping and start-up phases of social innovation but is not a reliable source of long-term funding.
- A transition away from grant dependence towards independent funding and/or commercial finance is crucial for the longer-term sustainability and growth of social enterprises and ventures.
- Need funding diversity: subscriptions, membership, regional / national appeals:
 - Public funds e.g. Futurebuilders in the UK, SITRA in Finland, EU's EQUAL fund (role of VINNOVA ??)
 - Commercial funds, e.g. the Mondragon Bank in Spain
 - Philanthropic and Foundation funding
 - Profit-seeking investment to generate social and environmental good
 - Uses of technology for fund-raising, e.g. Kickstarter for crowdfunding and Kiva for loans to alleviate poverty

Looking forward: likely H2020 SC6 themes

1. Understanding Europe. The changing role of European culture and society
2. **Promoting a collaborative, creative and sustainable economy**
3. **Building an open, engaging and innovative public sector**
4. Facing the turbulence of regional and global change
5. **Overcoming inequalities by developing Europe's human and social capacities**

Some cross-cutting themes (after European Council Meeting, June 2014):

- **Reversing inequalities and promoting fairness**
- **Multiple mechanisms of inclusive innovation**
- **Empowering co-creation**
- **Preconditions for citizens, businesses and the third sector to be able to engage in co-creation processes**
- Engaging together globally in turbulent times; maximise the EU's clout in global affairs