

UNDERSTANDING SOCIAL INNOVATION IN ITALY

The persistence of the economic and social crisis is putting Italy under pressure and eroding its capacity to react. The emergence of bottom up social innovations shows great potential, but a stronger institutional environment and a more systemic approach are needed to mobilise resources and achieve significant social impact.

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THE NEED FOR SOCIAL INNOVATION IN ITALY

Despite being the eighth richest economy in the world, Italy presents many challenges and contradictions that make it an important ground for the flourishing of social innovation. While its main challenges are similar to those of other European countries (ageing population, rise in chronic diseases, high unemployment, management of immigration flows, among others), Italy is finding it particularly difficult to react. With over one third of youth aged 20-34 that are neither in employment nor in education or training (NEET), over 4.5 million people in absolute poverty (+140% since 2005), a dramatic drop in social trust and political participation, Italy is struggling to find the energy to reverse its trend.

Within this scenario, there is a real need for innovative responses and solutions. The ground is set for social innovation to give an important contribution, to mobilise society's best resources and creativity, to build new partnerships and collaborations, and to propose new ways to tackle problems, making the best use of available resources, while combining these with the new opportunities coming from digital technologies.

A DYNAMIC CIVIC ENVIRONMENT IN A WEAK INSTITUTIONAL CONTEXT

In Italy, social innovation appeared in the national agendas only in 2012, when a dedicated task force was set up under the Ministry of Education, University and Research (MIUR), with the aim to produce a first document towards the Italian Social Innovation Agenda. In 2013, MIUR further issued two

calls for projects on smart cities and social innovation, and a third call for the creation of "social innovation clusters". The same year, the Ministry of Labour and Social Policies established a Task Force on Social Enterprise and Social Innovation. In 2015, a dedicated workshop promoted by MIUR in Rome discussed the state of the art and made some practical proposals to better incorporate social innovation in the government agenda.[1] Despite these efforts, however, in the past years concrete actions to

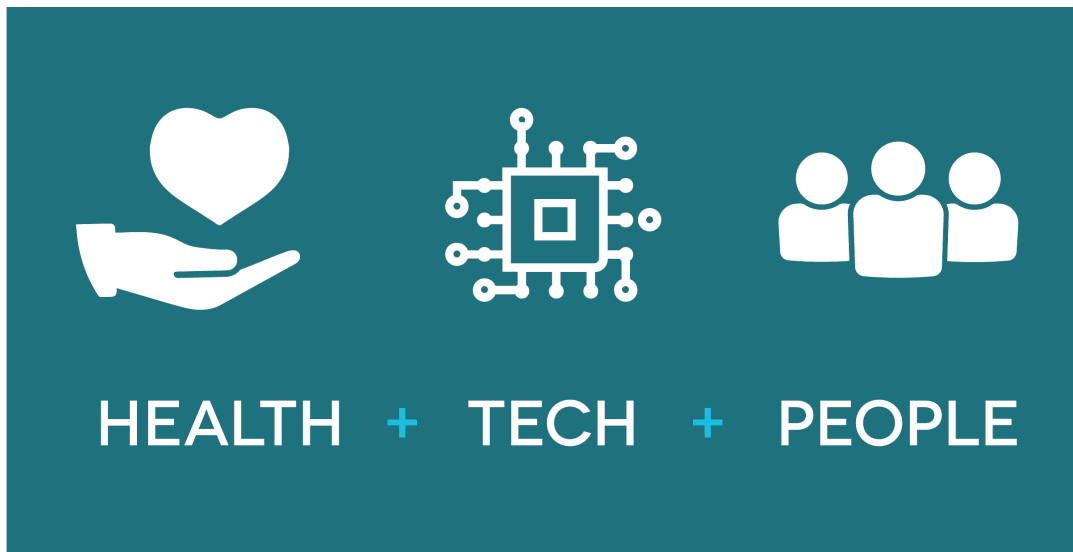
support social innovation remained fragmented, lacking a comprehensive and long term policy framework.

At the same time, in Italy social innovation is increasingly known at the local and micro level, and a number of

actors and networks have embraced the issue in the past years. A few dedicated incubators and accelerators emerged (9 of which affiliated to global Impact Hub Network), private foundations started supporting social innovation projects, other actors such as the Italia Camp group emerged on the scene, and the British foundation NESTA announced the launch of its Italian branch. Last but not least, a number of research centres and consultancies started working in this field.

WHERE SOCIAL INNOVATION CAN FLOURISH

Despite the lack of a strong national policy, social innovations are emerging here and there in Italy, from the initiative of public, private and non-profit actors.[2] Often times, they emerge where a favourable context or sectoral policy exists



that opens up a space for innovation in a specific sector, allowing for experimentation, recognition of what works well, and scalability of best practices. The research project SI DRIVE, by looking at selected policy areas, demonstrated the importance of public policy contexts to enable effective and sustainable social innovation. In the healthcare field, for example, it showed that social innovations are being successful in Italy when they promote new services that are consistent with the overall evolution of health policies (e.g. strengthening home care), and when they use technology (e.g. e- or m-health) in ways that reinforces the broader digitalisation efforts of the public health system. Grafting coherently within such policy contexts, social innovations can bring their specific added value, for example by addressing social aspects of the services (e.g. patient empowerment), building cross-sectoral collaborations (with housing, mobility, etc.), or addressing new needs and target groups that were previously neglected.

When it comes to innovating immigration services, to give a different example, one of the most interesting social innovations emerging in Italy is the development of new models to support refugees and connect them with local communities. Thanks to the professional support of specialised

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non-profit organizations, and in collaboration with local authorities and administrations, families can host refugees in their homes and help them integrate in the local community. This happens in full integration with the governmental immigration programme SPRAR, which covers their living

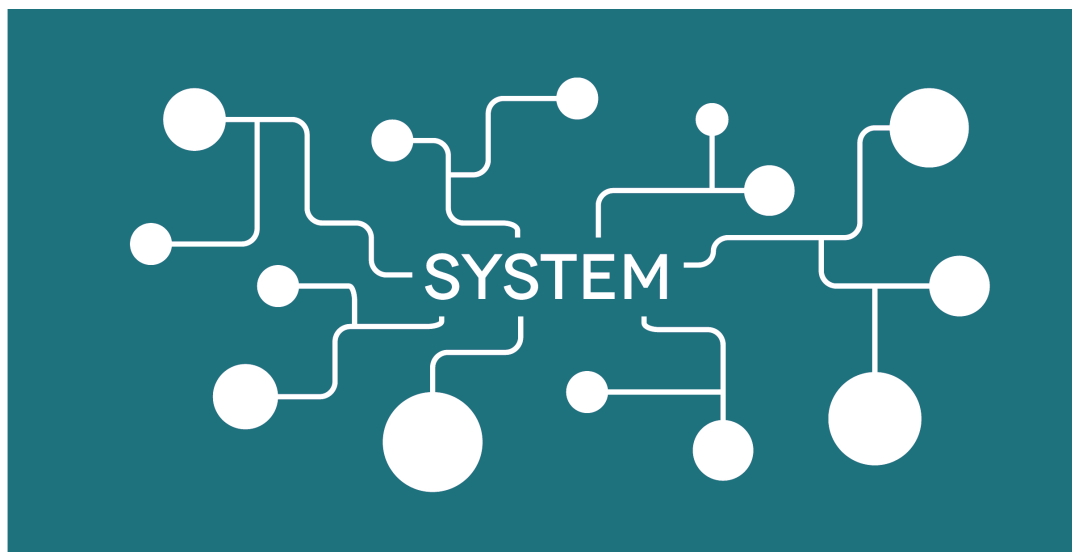
costs, and the much needed health, legal, and work integration services. In the energy sector, the existing policies to incentivise decentralised production from renewable sources have also enabled social innovation, by paving the way to the birth of local energy communities of prosumers.[3]

ACTING AS A SYSTEM, UNLOCKING THE RESOURCES

Italy has an incredibly rich third sector, a vibrant entrepreneurial fabric, and a great pool of knowledge and creativity which represent its potential for innovation. One of Italy's acknowledged weaknesses, however, lays in its fragmentation and difficulty to act as a "system", bringing together different actors around a common strategy to pursue shared goals. Attention to this challenges has been growing in the past years [4], and some best practices started to emerge, as demonstrated for example by the efforts of the city of Milan to foster the growth of a "social innovation ecosystem" at local level. [5]

Another challenge concerns the financial resources. The steady reduction of funding, especially in the public sector, can be a driver for social innovation, making new solutions more urgent and pushing the system to exploit existing assets in new creative ways; nonetheless, some form of funding is also needed to develop and scale up social innovations. At present many innovations, especially those in the

public and non-profit sphere, are either self-financed or funded by local, national, and European grants. A law for crowdfunding was adopted in 2013, while other funding models (such as impact investment funds) are slowly emerging but yet not mature in the country.



TOWARDS MORE MARKET-ORIENTED SOCIAL INNOVATIONS

Social innovations may also take the form of new products and services that combine social impact with a clear market orientation. The importance of having market-oriented social innovations has become increasingly evident, considered the difficulty that purely non-profit solutions encounter when it comes to ensuring sustainability. However, in the Italian context, where 98 % of companies are small and medium enterprises, the social innovation discourse is explicitly known by a relatively small minority. It is mainly the large companies that engage with this concept, usually in association with their CSR practices. At the same time, in the past years Italy has seen the birth of a relevant number of social start-ups, which tried to create brand new businesses around an original idea to solve a social problem. The start-up movement in Italy has been supported by a number of incubators, networks, and programmes or prizes; however, only a minority of the ideas has become actually sustainable on the market. In most cases, successful market ideas have a strong technological nature, as demonstrated by the e-health field, or the transportation sector.

CONCLUSIONS: UNDERSTANDING THE IMPACT AND FUTURE OF SOCIAL INNOVATION IN ITALY

The growing dynamism of social innovation in Italy is fostering awareness on the need to understand and evaluate the social impact produced by these new solutions. Social impact assessment has never been very widespread in the country, and this has been a weakness for all those organizations that, working for a social objective, are unable to demonstrate their impact. At the same time, the lack of evidence on impact makes it difficult to establish which innovations can really be considered “social”, and how effective they actually are in solving the addressed social challenges. The recent diffusion of impact assessment practices and the interest demonstrated by the public institutions (see for example the mandatory impact assessment required by the recent national grants to fight child educational poverty) can be seen as a positive development that may help the affirmation of social innovations in Italy, foster the adoption and replication of successful solutions, and help continuous learning and improvement.

Lastly, a key role in Italy is played by all those communities, networks, and spaces, such as coworking spaces, living labs, or incubators, that are an essential part of the overall ecosystem, and support social innovation by experimenting and fostering new forms of knowledge sharing, socialization, and cross-sector collaboration and contamination.

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