

# SOCIAL INNOVATION – THE LAST AND NEXT DECADE

Social innovation has become much more visible over the last few years. But how much has really been achieved? And how will it prosper in a potentially more hostile climate dominated by populist politics and social resentments? This chapter takes stock of what has and hasn't been achieved over the last decade and sets out a roadmap for the one ahead.

*Geoff Mulgan*

## THE LAST DECADE

In 2006 an event in Beijing led to the creation of SIX, the Social Innovation Exchange. It brought together foundations; innovators; social entrepreneurs; and corporates, along with senior figures from governments. It set out a rough roadmap to making social innovation more mainstream (and led to the report 'Social Silicon Valleys' [1]) at a time when many were trying to build on what had been achieved in supporting social entrepreneurship to promote more systematic approaches to social change. Looking back it's surprising how much of what that report advocated in 2006 has materialised, including new sources of finance, social R&D, opening up public commissioning, incubators and accelerators as well as more extensive, rigorous, imaginative and historically aware research on how social innovation happens and how it can be helped. The implementation of these ideas has often been messy and fragmented. There have been many pioneers and advocates. But the movement has come a long way forward.

National cultures remain very diverse – and what social innovation means in Bangladesh (home of some of the strongest institutions for social innovation like BRAC and Grameen) or Kenya (home of Ushahidi and some of the most dynamic digital innovation) is very different from what it means in a US city, or a European nation. But there are some common patterns.

One is the spread of *social innovation centres and labs* – physical spaces and organisations aiming to promote social

innovation in the round, with prominent examples in places as diverse as Adelaide, Rio, Bihar and the Basque Country and many others. Some are based on foundations (like the Lien Centre in Singapore or Bertha in Cape Town), others on buildings (such as the Centre for Social Innovation in Toronto). Some have found a home in universities (like ESADE in Barcelona) others on the edge of governments.

There's been a big expansion of *social investment funds*: although only a small minority focus on innovation, these

provide a new route to help innovations grow to scale, and of new funding tools that can support social innovation such as crowdfunding platforms. Many governments have created *social innovation funds* (from Hong Kong and Australia to France and the US) and fairly comprehensive *national policy programmes* have been introduced in a few countries, from Malaysia

to Canada. The European Commission has also incorporated social innovation into many of its programmes including the European Social Fund, and the Horizon 2020 science and research funding. The United Arab Emirates now commit 1% of public spending to public innovation – a rare example of shifting towards more serious allocations.

There are dozens of *university research centres* (from Dortmund and Waterloo to Barcelona) and courses for undergraduates and mature students.

*International NGOs* – such as Oxfam, Mercy Corps, and the Red Cross – are taking innovation much more seriously, as a way of responding to new technological opportunities and

There's been a big expansion of social investment funds: although only a small minority focus on innovation, these provide a new route to help innovations grow to scale, and of new funding tools that can support social innovation such as crowdfunding platforms.

challenges, as are many UN agencies, notably UNICEF and UNDP. Many big firms have announced initiatives using the social innovation label, including tech firms like Hitachi and Dell and consultancies like McKinsey and KPMG, though one of the disappointments of the last decade is that most are little more than cosmetic.

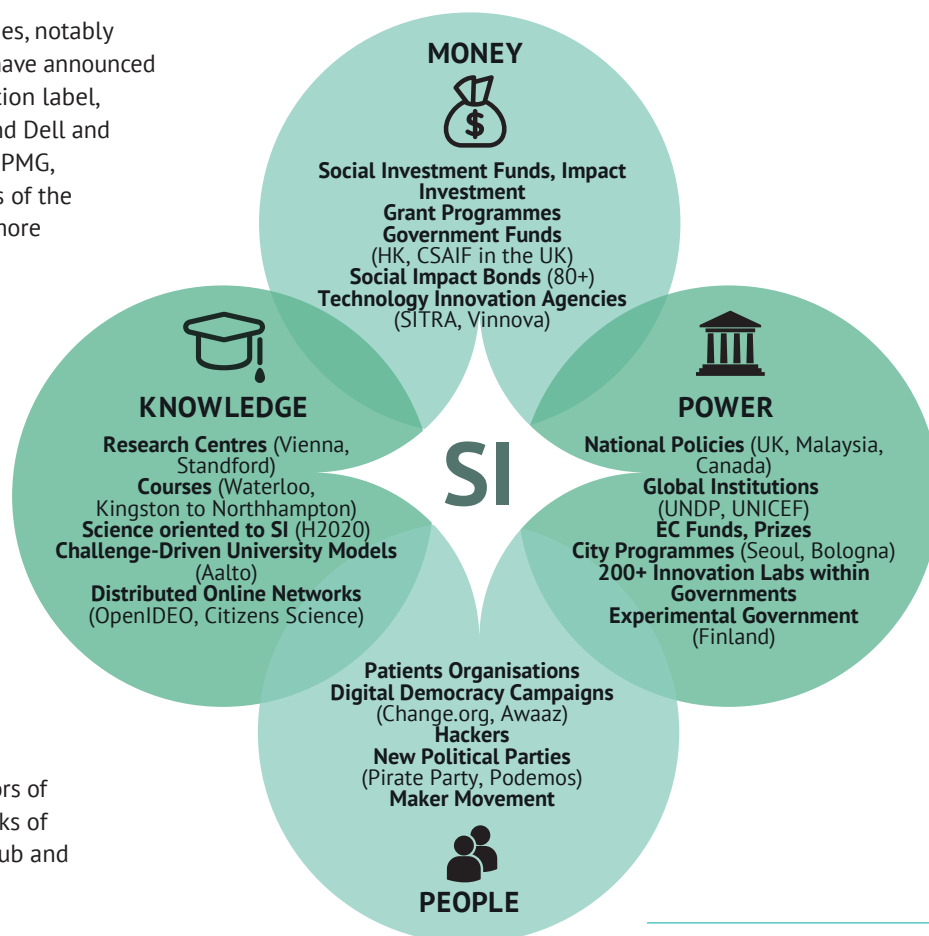
*Social innovation skills* are becoming much more widely accessible – e.g. through the ‘DIY Toolkit’ used by over one million people worldwide, and content provided by organisations like IDEO. *Digital social innovation* has taken off – around 2000 organisations were recently mapped by DSI Europe, and there are thousands of others around the world sometimes described with the ‘civic tech’ label. There are hundreds of *social innovation incubators* and accelerators of all kinds, and transnational networks of social incubators such as Impact Hub and SenseCube.

Quite a few *mayors* are now defined by their commitment to social innovation (such as Won Soon Park in Seoul or Virginio Merola in Bologna). There are *social innovation prizes* in the US, Europe, China and elsewhere), new tools such as *Social Impact bonds* (over 80 in the UK, US, Australia); and new legal forms – like Community Interest Companies and B-Corps.

There are new campaigning tools – like Avaaz and Change.org – and new kinds of *social movement* pioneering social innovation in fields like disability, refugee rights and the environment. There are *social innovation media* – such as the Stanford Social Innovation Review (which has partly shifted away from focus on US non-profits to a more international and cross-sector perspective), *Apolitical* or the Good Magazine. And there have been some significant *surveys* of the global social innovation landscape, including from the Economist Intelligence Unit, and regional surveys in Latin America, East Asia and Europe.

Finally, there has been at least some progress in clarifying boundaries and *definitions*. It’s better understood that social

**Social innovation is not the same as social entrepreneurship, or enterprise, or creativity, or investment, though these all overlap.**



#### Summary of achievements

innovation is not the same as social entrepreneurship, or enterprise, or creativity, or investment, though these all overlap. My own preference for definitions remains the simple one – social innovation refers to innovations that are social in their ends and their means. But there are also plenty of alternatives.

The diagram in this article summarises some of what has been achieved.

#### FALSE STARTS?

Not everything has worked. Obama’s Office for Social Innovation in the White House did a lot of good work but did not survive the change of President. The UK’s Big Society programme likewise didn’t survive a change of political leadership.

There have also been some uneasy transitions. Traditional innovation agencies have adopted some of the language of social innovation but with uneven results (although Sweden’s Vinnova, Finland’s SITRA, Canada’s MaRS and Malaysia’s AIM have all done well in complementing technology support with a new focus on social innovation, most have not).

Organisations associated with the earlier wave of programmes devoted to social entrepreneurship have struggled to achieve a better balance between support for individuals and the broader needs of innovation (given that the model of a single individual developing an innovation, a venture and then growing it remains very rare).

The field of social innovation also has shown its share of risks. One is fetishising innovation as an end in itself rather than a means to other ends. For most organisations most of the time innovation may be much less important than

The field of social innovation also has shown its share of risks. One is fetishising innovation as an end in itself rather than a means to other ends.

effective implementation of existing ideas or adoption of ideas from elsewhere (I used to advocate that governments should spend around 1% on their own innovation, but that the majority of time, money and effort should go into good implementation). Innovation can often seem exciting and sexy while implementation and adoption are dull. But innovation without a wider system for implementation and adoption risks being pointless.

The most important challenge is that the scale of activity is still small relative to the scale of needs. The projects and initiatives listed above are modest and most of the organisations mentioned above are fragile. In some fields (including, at times, impact investment) hype has greatly exceeded reality so far. Meanwhile vastly more innovation funding still goes to the military than to society, and the world's brainpower is still directed far more to the needs of the wealthy and warfare than it is to social priorities. More worrying is the shift in climate. Relatively centrist, pragmatic governments of both left and right were sympathetic to some of the arguments for social innovation. By contrast authoritarian leaders of the kind who are thriving now tend to be hostile, suspicious of civil society and activism of any kind, and much more favourable to innovation that's linked either to the military or big business.

So what could be achieved over the next ten years during what may be a less favourable climate? What could organisations with power and influence do to strengthen the most useful forces for change?

The most important challenge is to achieve, and demonstrate, big inroads on the major issues of our times.

## 10 POSSIBLE PRIORITIES FOR THE NEXT 10 YEARS:

1. **Tackle big challenges and at the right level of granularity:** the most important challenge is to achieve, and demonstrate, big inroads on the major issues of our times such as ageing; unemployment; stagnant democracy or climate change. This will require moving on from the units of analysis and action of the previous era. Much past activity focused on the individual (social entrepreneurs and innovators); the individual venture, or the individual innovation. At the other end of the spectrum have been very macro initiatives that try to change the behaviour of all businesses, or all charities, or a rather abstract discussion of systems change at a global level. Often the most impact will come from tackling issues at a middle level – specific sectors in specific places. For example: how to sharply improve the performance of the housing sector, or childcare, or training in a city or region. Here collaborations between foundations, municipal government and others have the potential to achieve significant and lasting impact.
2. **Grow funding at serious scale** – a significant proportion of R&D spend, both public and private, needs to be directed to innovations that are social in both their ends and their means. Funding needs to grow steadily – to ensure there is capacity to use money well. It also needs to be plural, including: grant funds, investment through loans and equity, convertible funding, matched crowd funding as well as public procurement, outcomes based funding and bonds, as well as participatory budgeting.
3. **Link action to evidence of impact** – every aspect of social innovation needs to be attuned to evidence and a willingness to find out what achieves most impact. This doesn't mean making a fetish of randomised control trials or costly evaluations. But it does require doing much more to embed analysis into the everyday work of organisations; where possible to test alternative models; adoption of common standards of evidence; and promoting a sophisticated understanding of how to discover what works, where, and when.
4. **Connect into movements, activism and democracy** – social innovation in many countries will need to become more, not less, political, willing to campaign on many fronts. That means going far beyond 'clicktivism', including direct action in countries where the political climate is hostile to social and civic action. It means linking individual social innovations to broader programmes for change, while also tapping into the emotions that so often drive social change. Politics, and being active in democracy, is vital for social innovations to thrive.

**5. Make the most of digital and**

**6. *shape the next generation Internet*** – there's been an extraordinary flowering of digital social innovation and civic tech, particularly around open data, open knowledge, the maker movement and citizen science. But these haven't yet made strong links to previous generations of civil society organisations and charities, and many have struggled to achieve large scale.

**7. *Broader and deeper social innovation skills*** – social innovation depends on capabilities: knowledge about how to generate ideas, develop them and scale them. Those skills are scarce and sometimes as much undermined as helped by fashions. We need much more widespread support for practical skills in design, prototyping, pilots, experiments, social investment, evaluation and iteration. These need to include online tools and Massive Online Open Courses, mobilising existing universities and colleges and creating more grassroots academies.

**8. *Better adoption*** – it's often assumed that social innovation is all about radical new ideas, and out of the box thinking. But most innovation in most fields is much more about adoption and incremental adaptation. The first question for any innovator should be – what can I borrow or adapt? And funders should give more weight to smart adoption rather than originality.

**9. *Mature policy debate*** – we're beginning to see serious national policies around social innovation. To help these evolve we'll need better comparative analysis of multiple national strategies, and ideally competition – as well as

reflection on how the goals of innovation policy and social innovation policy might be better aligned, so that policies around funding, new legal forms, tax incentives, procurement and commissioning are better aligned.

**10. *Continuously reaching out*** – the risk of any field such as social innovation is that it becomes inward looking or an echo chamber. Many in the field are urban, well-educated and young. But the most useful innovation comes from diversity; encounters of people from different backgrounds.

Too many of the discussions a decade ago around social entrepreneurship and innovation were celebratory and promotional. Not enough were informed by action, and the tough lessons of practice. That led to initiatives like SIX which aimed to be guided by practitioners, and oriented to learning as well as celebration, as well as being more global in spirit, recognising that no part of the world was leading.

**Practice continues to lead theory. As we face a potentially more hostile climate there'll be even more need for alliances between practitioners and interpreters who can help to take the kernels of new ideas and show their broader transformative potential.**

## REFERENCES

- [1] The Young Foundation (2006): *Social Silicon Valleys. A manifesto for social innovation. What it is, why it matters and how it can be accelerated.* Internet: <https://youngfoundation.org/wp-content/uploads/2013/04/Social-Silicon-Valleys-March-2006.pdf> [Last accessed 01.10.2017].