

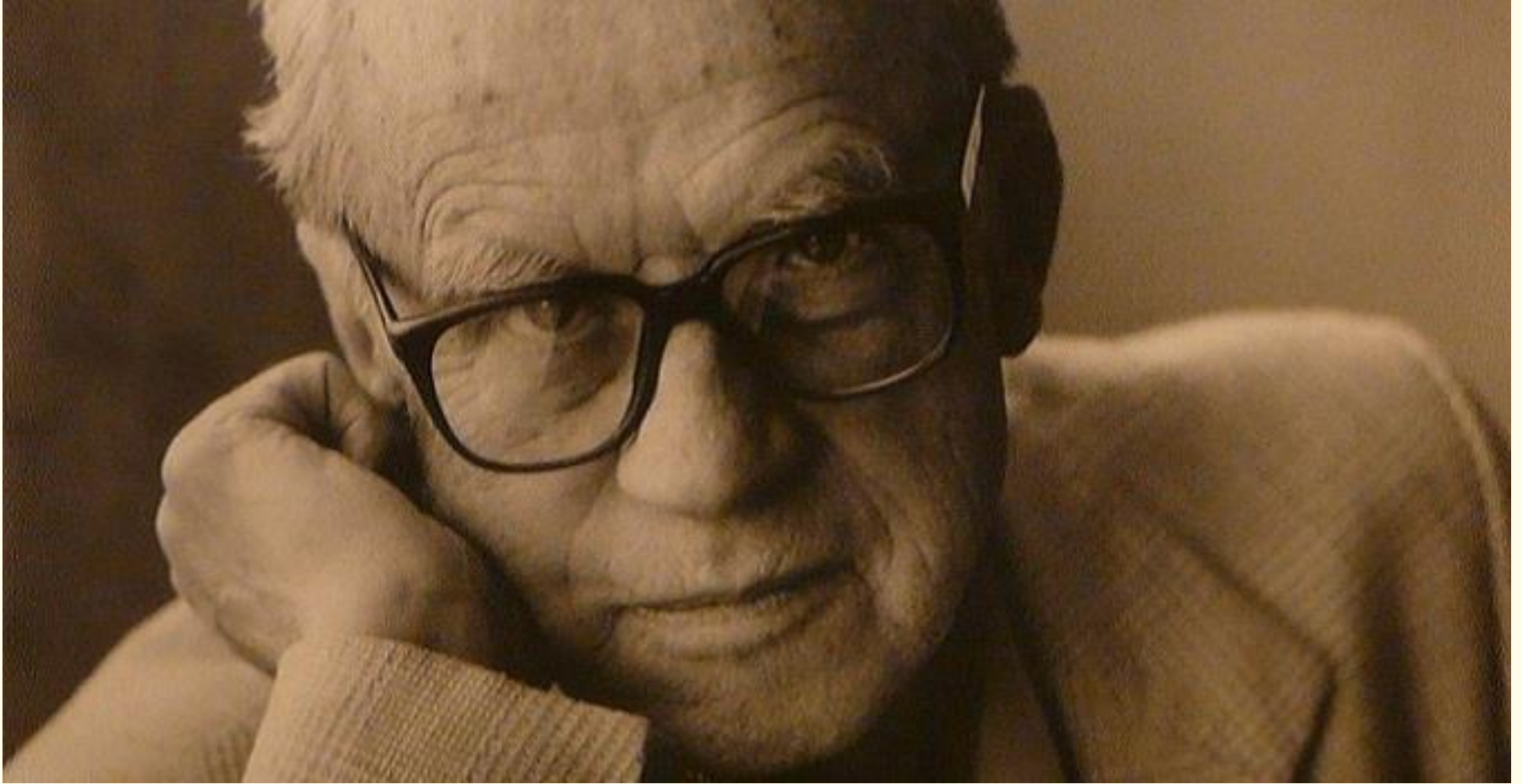
# SOCIAL INNOVATION WORKSHOP

**Introduction to Social Innovation Concept**

Bratislava 11 December 2014

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# MICHAEL YOUNG (1915 - 2002)

## Social innovation is institutional change:

- He left central government & party politics (experts' top-down solutions) to work within the community (Bethnal Green) engaging people directly (ethnography)
- He believed in the creativity and entrepreneurship of people and their communities to develop solutions for social progress (bottom-up & collective solutions)
- Established 80 new institutions such as the Open University (distant learning for 250'000 students), British Consumer Association, School of Social Entrepreneurs (1997) and NHS Direct

## Lessons:

- The success is to spin-off, become mainstream, and scale up by partnership
- Social innovation is not just making new product, services or methods, but **building the new institutions of market, democracy, and redefine the social contract**

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The bottom line is clear: Solutions to America's challenges are being developed every day at the grass roots – and government shouldn't be supplanting those efforts, it should be supporting those efforts.

– President Barack Obama, June 30, 2009



# WHAT THE EU HAS DONE

## Policy:

- Europe 2020 – Innovation Union Flagship Initiative (2010)
- Single Market - Social Entrepreneurship Initiative (2011)
- **Social Investments (2013)**
- **EUSEF: label for Social Impact Investment Funds (2013)**
- **Public procurement directive: social impact as an optional criteria (2013)**
- **CSR directive: mandatory (to be approved by the Council)**
- **Social impact measurement (in discussion)**

## Public engagement:

- Social Innovation Europe , digital platform for networking and knowledge sharing (2011)
- GECES - expert group on social entrepreneurship (2012)
- Conference in Strasbourg - 2000 participants, the largest ever organised (Jan 2014)
- Conference by DG EMPL on 19 – 20 June 2014



# WHAT THE EU HAS DONE

## Funding:

- Diogo Challenge: Social Innovation Prize Competition to tackle unemployment (2012)
- Social Impact Accelerator: €52m fund of funds for social entrepreneurship (2013)
- **Collective Awareness Platform for Sustainability & Social Innovation (2013)**
- Programme for Social Innovation & Employment: €900m (2014 – 20)
- Cohesion Policy: socent & socinn included as priorities (2014 – 20)
- Horizon 2020: new programme for R&D - socent & socinn included as dedicated call and horizontal priority (2014 – 20)

# WHAT THE EU GOT RIGHT

Important for the EU:

- Acknowledged social innovation and entrepreneurship to tackle the crisis
- Horizontal policy impacting every programme and DG
- A new generation of officials who are knowledgeable

Important today:

- Large amount of funding
- Progresses on CSR, public procurement, social impact investing
- Reputation amongst media and large public (although EU has got a pretty bad reputation)

Important for the future:

- **Prize challenges (funding results)**
- **Social Investments: a new framework for financing and delivering welfare services (the basis for a review of the European social model)**
- **Impact on member states (at least some of them)**

# WHERE & WHY EU HAS FAILED

## **Lack of political leadership (blame the financial crisis?!?) & internal reform:**

- Ancillary policy: neither visionary, nor systemic as changes in the rules of markets
- Policy hijacked by incumbents
- Funding rules and procedures lack room for experimentation and risk-taking
- Missed partnership with corporate sector (real cash and transformative potential)
- Policy limited to EU instead of expand to the rest of Europe
- Lack of synergy with G8 task force for social impact investing

## Independent causes:

- Cohesion policy not adopted by local authorities for lack expertise & vested interests
- **Social impact measurement stuck (fight between legal status vs realized impact)**



# BESIDES EU KEEP AN EYE ON...

## **G8 task force on social impact investments (results delivered on 19 – 20 June 2014)**

- All new forms of finance eg crowd-funding, microfinance, electronic coins
- Payment by results and government moving from funding products & services to funding results eg Social Impact Bond
- Corporate social innovation – multinational corporations moving beyond CSR
- Traditional nonprofit organizations jumping in the field eg Misericordia Lisboa & Social Innovation Bank
- Coops and mutuals investing in the sector eg Legacoop
- Emerging sharing economy eg car-sharing, open-hardware, all forms of electronic barter

**A rapidly changing market: robots replacing jobs... and jobs that can not be replaced by robots**



# THANKS!

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