Introduction to Social Innovation Concept

Bratislava 11 December 2014

Filippo Addarii
MICHAEL YOUNG (1915 - 2002)

Social innovation is institutional change:

• He left central government & party politics (experts’ top-down solutions) to work within the community (Bethenal 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
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:
• 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 filed 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!

filippo.addariii@youngfoundation.org
Twitter: filippo.addarii @the_young_fdn