Social innovation – the last and next decade

A short overview by Geoff Mulgan, February 2017

Background

Social innovation is not a new concept or practice, but in the last decade it has taken off. There are now hundreds of social innovation centres, funds, courses and incubators of all kinds, most of which didn't exist 10 years ago. In this short, and far from comprehensive, note, I attempt an overview of what was achieved over the last decade, what's missing, and what might be priorities for the decade ahead, in what is likely to be a much less favourable political climate in many countries.

2007-2017 – what happened?

Ten years ago (in 2006), an event was held in Beijing which led to the creation of SIX, the Social Innovation Exchange. The event brought together foundations, innovators, social entrepreneurs, and corporates, along with senior figures from governments in China, the UK and elsewhere. It set out a rough roadmap towards making social innovation more mainstream (and led to the report 'Social Silicon Valleys') at a time when many were trying to build on what had been achieved in supporting social entrepreneurship and social enterprise and were attempting to move to a more systematic approach to social change.

Much of what that report advocated in 2006 has materialised. It recommended: 'new sources of finance focused specifically on innovation, including public and philanthropic investment in high risk R&D, targeted at the areas of greatest need and greatest potential; more open markets for social solutions, including public funding and services directed more to outcomes and opened up to social enterprises and user groups as well as private business; new kinds of incubator for promising models, and 'accelerators' to advance innovation in particular areas such as, for example, chronic disease or the cultivation of non-cognitive skills; new ways of empowering users to drive innovation themselves – with tools, incentives, recognition and access to funding for ideas that work; new institutions to help orchestrate more systemic change in fields like climate change or welfare – linking small scale social enterprises and projects to big institutions, laws and regulations; new institutions focused on adapting new technologies for their social potential – such as artificial intelligence - … 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. 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: Quebec, Adelaide, Amsterdam, Beijing, Delhi, Lisbon, Rio, Tillberg 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 CSI in Toronto).

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 UAE now commits 1 per cent of public spending to public innovation – a rare example of shifting towards more serious allocations.

There are dozens of **university research centres** (from Dortmund, Waterloo, Stanford, and Northampton, to Glasgow Caledonian, Vienna and 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 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, even if many are little more than cosmetic.

Social innovation skills are becoming much more widely accessible – for example, through the DIY Toolkit used by nearly one million people worldwide, and through content provided by organisations like IDEO.

Digital social innovation has taken off – around 1,200 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 GSEN, 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 Awaaz 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 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 – innovations that are social in their ends and their means – but there are also plenty of alternatives.

False starts?

Not everything has worked over the last decade. Obama's Office for Social Innovation in the White House did a lot of good work but will 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).
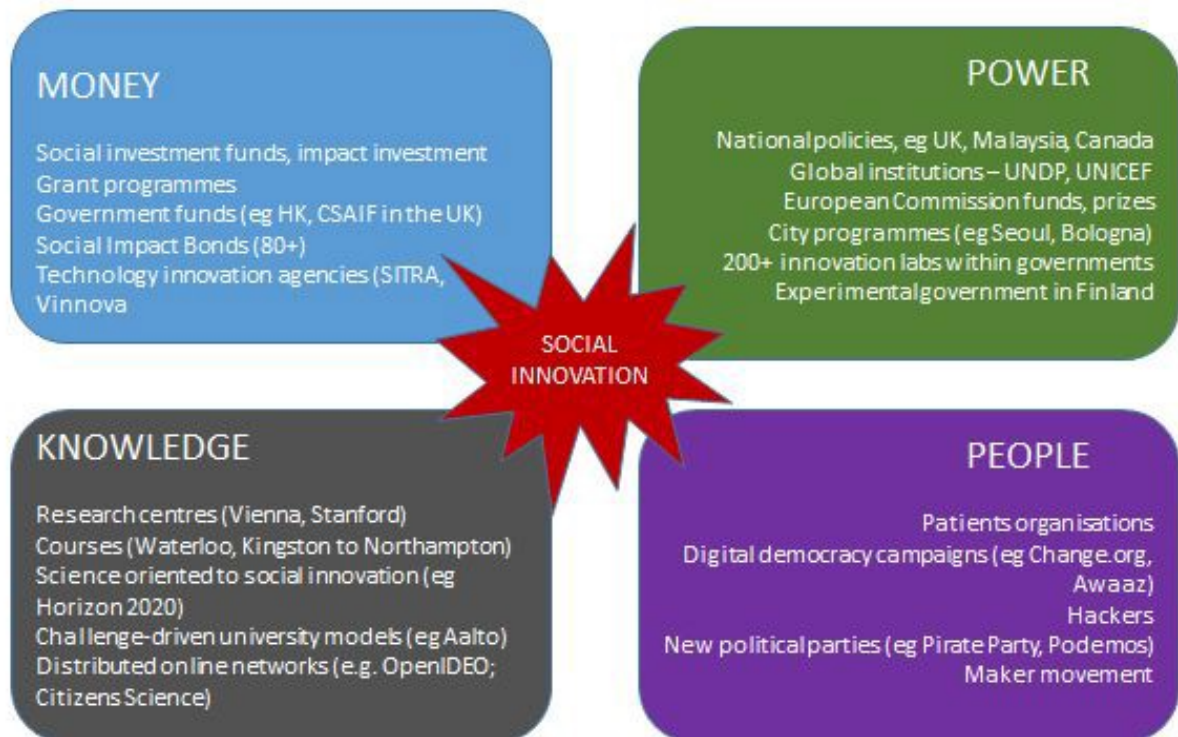
Organisations associated with the earlier wave of programmes devoted to social entrepreneurship have sometimes struggled to achieve a better balance between support for individuals and the broader needs of innovation (given that the model of a single individual developing an innovation, or venture, and then growing it, remains very rare).

The field of social innovation also has its share risks, some of which come from overreaching. One is the risk of fetishising innovation as an end in itself rather than a means to other ends. For most organisations for much of the time, innovation may be much less important than effective implementation of existing ideas or adoption of ideas from elsewhere (I used to advocate that governments should spend around 1per cent 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, and funders would often do better to prioritise adoption and adaptation of ideas rather than novelty.

A very different risk can be seen in the new tools for advocacy. Anger and expression are vital fuels for social change, but they can become addictive, especially when amplified by

social media; with expression becoming an alternative to the hard graft of achieving change.

In general social innovation has steered clear of these traps and successfully made the transition from being a marginal idea to one that is much more mainstream, and healthily focused on practice. This diagram attempts a very rough and incomplete picture of the current landscape, considered through the four main poles of money, power, knowledge and movements.

MONEY

Social investment funds, impact investment
Grant programmes
Government funds (eg HK, CSAIF in the UK)
Social Impact Bonds (80+)
Technology innovation agencies (SITRA, Vinnova

POWER

National policies, eg UK, Malaysia, Canada
Global institutions – UNDP, UNICEF
European Commission funds, prizes
City programmes (eg Seoul, Bologna)
200+ innovation labs within governments
Experimental government in Finland

SOCIAL INNOVATION

KNOWLEDGE

Research centres (Vienna, Stanford)
Courses (Waterloo, Kingston to Northampton)
Science oriented to social innovation (eg Horizon 2020)
Challenge-driven university models (eg Aalto)
Distributed online networks (e.g. OpenIDEO; Citizens Science)

PEOPLE

Patients organisations
Digital democracy campaigns (eg Change.org, Awaaz)
Hackers
New political parties (eg Pirate Party, Podemos)
Maker movement

Yet 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, hype has greatly exceeded reality so far (including, at times, impact investment). 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?

Social innovation: **10 possible priorities for the next 10 years**

Here I suggest ten challenges and priorities that could define whether social innovation becomes a recognised part of the mainstream, or remains more marginal.

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 previous eras. Much past activity focused on the individual (social entrepreneurs and innovators); the individual venture, or the individual innovation. While at the other end of the spectrum, macro initiatives have been trying to change the behaviour of all businesses, or all charities;holding rather abstract discussions of systems change at a global level.

   A hunch is that the most impact will come from tackling issues at a middle level – specific sectors in specific places. So, addressing the most complex challenges may be much more practical at the level of systems, or industries in particular 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, but require new vehicles and methods, and a willingness to learn from what has and hasn't worked over the last few decades.

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. That funding needs to grow steadily in order 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. We need deliberate experiment with new ways of using money - including ways of combining public, philanthropic and private money - and faster learning to find out what works at different stages of the innovation journey (much confusion has come from failing to distinguish the funding needs of early stage, high risk ideas, as opposed to scaling of proven ideas).

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, and 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 T**here'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. We need to take civic tech and digital social innovation to the next stage, with the right kinds of finance, incubation and links into procurement. Projects like CAST in the UK, the Data Academy in Seoul and Civic Hall in New York are useful pointers.   Civil society also needs to be active in making the most of maturing technologies – for example, the role of blockchain in creating new currencies, or applying machine learning to social challenges.

6. S**hape the next generation Internet**- The biggest challenge will be to design the next generation Internet on principles closer to those of social innovation, and indeed to the founding spirit of the Internet and World Wide Web, with open source, open data, net neutrality and citizen control. There are some promising projects underway - such Tim Berners Lee's SOLID and Ind.ie, and Nesta's new project on data commons across Europe. But this will be a major struggle requiring a lot of fresh thinking over the next few years.

7. **Broader and deeper social innovation skills** – social innovation depends on certain 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 MOOCs, mobilising existing universities and colleges and creating more grassroots academies. All serious innovation requires courage and leadership. That leadership can be concentrated right at the top – but the spirit of social innovation is to spread leadership throughout society at every level. That requires action to achieve strength in depth, and capacities to organise, create and manage, supported by philanthropy, public authorities, university networks online providers and peer to peer to support.

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. The many 'what works' centres can help with this – but there are practical skills involved in adopting and adapting innovations to work in contexts different from the ones they emerged in.

9. **Mature policy debate** – we're just 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. So the very tendencies that give the field some of its coherence can also become a trap. This becomes particularly obvious where social innovation is engaging with seriously divided societies. The ability to empathise, to understand symbols, and to heal scars turns out in some contexts to be far more important than overly economistic rationalistic analysis and action.

Achieving these 10 priorities doesn't require a top down plan, even if one was possible. But they do require rapid global awareness, fast learning, and willingness to cut through hype.

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