Social Innovation – from hype to impact – building an evidence-base for Europe

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Society generates innovation

Innovations expand the range of human action ...

... and thus create spectacular achievements:

Neither one big innovation, nor a series of innovations only.

We observe manifestations of powerful socio-technical systems, enabled by a particular culture of innovation.

The culture of innovation favours changes according to originated „sediments“ of societal structures:

- Technology made „skin“ of society
- The power structures in society
- Modes of communication in society, between individuals, organisations, organisms and artifacts
- Frames of reference, framing manners, mores, myths & rites
- The balance or imbalance of emotions in society (security / insecurity, hope / fear, empathy / hatred ...)
Various factors affecting societal development

Evolution of Brains

Innovative Technologies

Collaborative intelligence & intelligent collaboration

Social change, development, crisis and 'Grand Challenges': Resources and solutions

Social Innovations

>> Cultural Evolution
# The emergence of the 'welfare state'

<table>
<thead>
<tr>
<th>Country</th>
<th>Social security / insurances concerning</th>
<th>Years of initial implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>accidents</td>
<td>1884, 1883, 1889, 1927, 1954</td>
</tr>
<tr>
<td>Austria</td>
<td>illness (health prov.)</td>
<td>1887, 1888, 1907, 1920, 1948</td>
</tr>
<tr>
<td>Sweden</td>
<td>age (pensions)</td>
<td>1891, 1913, 1934, 1947</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>unemployment</td>
<td>1901, 1908, 1911, 1945</td>
</tr>
<tr>
<td>Japan</td>
<td>family care</td>
<td>1911, 1941, 1947, 1971</td>
</tr>
</tbody>
</table>

**First country:** Germany

1. Bismarck’s social policy reforms
2. 1883
3. 1889

**Five pillars of the welfare state**

The „five pillars of the welfare state“ are the result of successfully implemented responses to the „grand challenges“ of the industrial society

Outcome during the ‘golden age of capitalism’ (Eric Hobsbawm):
An adequate part of productivity gains was used to
- avert most existential threats to social security, health and well-being from most of the population in highly developed industrial societies; enabling as well
- the emancipation of a previously suppressed ‘working class’ to become fully recognized citizens with justified hopes for better life for them and their children
Which are the grand challenges of the knowledge society, and which are appropriate responses to adapt and ameliorate the welfare system(s)?

**Ageing?** Not fundamentally new, only in quantitative terms > Reforms of pension systems, new forms financial basis. However, social innovation in social demand, societal challenges, and systemic change perspective required.

**Climate change?** Fundamentally new – no previous experience > Adaptation required, again: social innovations on all levels

... all challenges addressed by the Europe 2020 Strategy, yet more than that the „European Agenda“ (of institutions and civil society organisations) should include:

The *liberalized and deregulated economic system* (particularly the finance industry) itself has become the most immediate grand challenge: Besides destabilization of markets and state budgets, it is downgrading rising numbers of losers of globalisation, instigating fear, unrest and conflict over growing disparities.

Instead of hopes for better future of future generations, the mood is turning downwards towards expectations of less secure and more endangered futures, with *democracy, the welfare state, and human rights at risk*. 
Karl Polanyi, 1944:
Economic processes separate from society, dominate social relations instead of being regulated to benefit societal needs.

Will there be social innovations to integrate economy in society?

Humankind owns affluent knowledge & other resources. However, too little of existing capacities is used in current practises.

Society becomes an annex to the economy and „market forces“.
We are living in a multiple unbalanced world ... Fast growing world population: ... there is global economy, yet no comprehension of a 'world society'
The termination of the ‘golden age of capitalism’ (1)

Development of labour income share of national income, Austria 1960-2007

Stress in social systems

Share of national income accounted for by wages (unadjusted)

Share of national income accounted for by wages (adjusted)

Quelle: Statistik Austria; WIFO-Berechnungen.
1) Unbereinigt: Brutto-Entgelte dividiert durch nominales Nettonationaleinkommen zu Faktorkosten.
2) Bereinigt: Bruttolohnquote bereinigt gegenüber Veränderungen in der Erwerbstätigenstruktur (= Lohnquote dividiert durch Index der Quote der unselbständigen Beschäftigten an den Erwerbstätigen) auf Basis 1970.
The termination of the 'golden age of capitalism' (2)

Wages remain static whilst productivity increases, USA 1959-2005

Index of productivity
1959 until 2005 (USA)
(1959=100)

Index of hourly compensation
of production workers and non-supervisory workers

U.S. Data,
Source: Economic Policy Institute
Wealthier society provides less additional welfare

GDP (‘BIP‘) compared to ISEW (Index of Sustainable Economic Welfare) in Austria, 1955 – 1992

Source: Stockhammer et al. 1995
“Financialisation“: Making money without real value added
⇒ Depletion of productive economic resources

„Financialization“ is defined as a „pattern of accumulation in which profit making occurs increasingly through financial channels rather than through trade and commodity production“


The rise of social innovation in view of austerity measures and declining welfare: ‘Making more of less‘?

My personal favourite concerning the most needed social innovation of the 21st century: „Management of abundance“!
Innovations are embedded in social change.

„Brave New World“:

„Humans by Design“:
Optimisation in the 21st c.?

The most famous steam engine - Optimised by James Watt, 1776.
Social innovations are new practices for resolving societal challenges, which are adopted and utilized by the individuals, social groups and organizations concerned.

... deliberately different to: „Social innovations are innovations that are social both in their ends and their means.“
(cf. Geoff Mulgan, EC)

... with reference to Schumpeter: They are »New combinations of social practices«
Established social and cultural patterns

... maintained by – relatively stable – “frames of reference“
[disburdening the definition of what is „normal“]
Three perspectives to analyse objectives and impact:

- the „social demand“ perspective,
- the „societal challenges“ perspective, and
- the „systemic change“ perspective.

Agnès Hubert et al. (BEPA – Bureau of European Policy Advisors) „Empowering people – driving change. Social Innovation in the European Union.“
The „4-i process“:

- **Idea**   >> What’s the issue, what could be the solution?
- **Intervention**   >> Conceptualisation, find methods and allies
- **Implementation**   >> Overcoming resistance, stakeholders, *life cycle*!
- **Impact**   >> Not necessarily ‚good‘, nor for the whole of society
The development and 'scaling' of SI

1. Ideas
2. Prototyping & piloting
3. Implementation
4. Scaling
Figure 1: The life cycles of social innovations and their contribution to change over time

Source: Author

<table>
<thead>
<tr>
<th>StP₀</th>
<th>Standard practices concerning a specific area of the social system, existing at a certain period of time, possibly continuing next to social innovation(s), i.e. the implementation of new practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>StP₁</td>
<td>Newly established standard practice following the successful implementation of a social innovation in the area</td>
</tr>
<tr>
<td>StP₂</td>
<td>Newly established standard practice following the successful implementation of a social innovation in the area</td>
</tr>
</tbody>
</table>

- **4i** complete life cycle with impact, resulting from newly established standard practices
- **i** idea generated, process interrupted
- **ii** idea and intervention generated, process interrupted
- **ii** idea and intervention generated, process ongoing
- **-----** fading out of standard practices
TOPICAL AREAS OF SOCIAL INNOVATION RESEARCH

The potential of SI

Public sector

Civil Society

Private sector, business firms, social enterprises

Processes of co-operation

Workplace innovation/employment

Value creation ec/env/soc

Measuring, indicators

Education’s impact on quality of life

Competencies of SSH

LLL & socially active ageing

Social inclusion and integration

Participation in combating poverty

Social media & communication

Innovation in services

The “Solar System” of SI ...

Innovation in science and research moving towards trans-disciplinarity

The classic notion of science in the Industrial Society
„Science, Mode 1“ *) – Self-determined scientific creation of knowledge

- Ideas, theories, methods, norms, codified in disciplines
- Organised and regulated by standards within the disciplines
- „Powered by“ and under control of scientific communities
- Discoveries preceed development and implementation

Science in the knowledge based Information Society
„Science, Mode 2“ *) – Mission-oriented production of knowledge

- Problem driven research across disciplines and professions beyond science
- Decreasing control of scientific communities concerning RTDI-processes
- Increasing relevance of stakeholders and users (science-society inter-relation)
- Practitioners and other professional experts become involved (open innovation)

The Dynamics of Science and Research in Contemporary Societies; Sage, London
“System of Innovation”, introduced by B. A. Lundvall, 1985)

Specified by Chris Freeman, 1987: “National System of Innovation”:

“The network of institutions in the public and private sectors whose activities and interactions initiate, import, modify and diffuse new technologies.”

A modification, with more sociological touch, some 25 years later:

“A human social network that behaves like a sociobiological system, wherein people have developed patterns of behavior that minimize transaction costs caused by social barriers resulting from geography, lack of trust, differences in language and culture, and inefficient social networks.” Hwang & Horowitt, 2012

www.therainforestbook.com/

Changes required – innovating the innovation systems:

- Integrate social innovation in existing innovation systems
- Transcend the concept of ‘national’ systems of innovation
“The tracks of international research on innovation demonstrate that the technology-oriented paradigm – shaped by the industrial society – does not cover the broad range of innovations indispensable in the transition from an industrial to a knowledge and services-based society: Such fundamental societal changes require the inclusion of social innovations in a paradigm shift of the innovation system.”

From the “Vienna Declaration: The most relevant topics in social innovation research”, 2011

Information online: www.socialinnovation2011.eu
Elements of a social innovation system in Europe

- Funding institutions
- Research organizations
- Research projects
- Research programmes, instruments
- Innovation in science (research, education, services)
- Supporting measures for individual social innovators
- Indicators and measurement of social innovation
- (Academic) Education and (vocational/professional) training
- Public relations and communication
- Legal aspects: Between open source and IPR

... need anchors in national systems of innovation, yet much more and better an organisational platform on European level for further development.
European School of Social Innovation

A network of social innovation scholars and institutions (umbrella organisation):
Educators, promotors, researchers and practitioners of social innovation

Legal status: Association according to Austrian Law (established 2011)
Members: Individuals (physical persons) and institutions (legal bodies/juristic persons like universities)
Registered office: ZSI – Centre for Social Innovation, Vienna
Executive Board: J. Hochgerner, Vienna, H.W. Franz, Dortmund, A. Unceta-Satrustegui, San Sebastian

Activities:
- Education & Training (e.g. M.A. SI, Summer Schools ...), Provision of Online Learning / MOOC’s
- Conferences, media, p.r. and promotion of social innovation
- Research: Development of methodologies, indicators towards an ’Oslo Manual‘ for S.I.
- The role of ESSI in the project (IP) „SI DRIVE: Social innovation – Driving force of social change“
- Next milestones: Institutional membership of universities, Annual Assembly, Oct. 24, 2013, Vienna
  – Also Oct. 24th: „World café on SI-infrastructures“ – www.oe1.orf.at/openinnovation (in German)
  – INVITATION !
Master of Arts in Social Innovation

Danube University Krems, Austria
Department of Interactive Media and Technologies for Education
– Centre of Interactive Media

Launch of first course of study: 23. 4. 2013

Information: www.donau-uni.ac.at/masi
Master of Arts in Social Innovation

Modules providing competencies in science and practice

**Modules:***
- **Scientific foundations in social science**
  - Processes of societal transition
  - Economic dominance and change
- **Innovation theory and overview of innovation research**
  - Innovation systems
  - Measuring innovation
  - Theories & research concerning social innovation
- **Development and implementation of social innovations**
  - Generating ideas
  - Processing concepts
  - Realisation of social innovations

**Processes of societal transition:**
- Economic dominance and change
- Social transition

**Economic dominance and change:**
- Innovation theory and overview of innovation research
- Development and implementation of social innovations

**Forms, dissemination and impact of social innovations in policy areas of interest (choice of subjects by students):**
- Labour, employment and globalisation
- Communication, education and Technology Enhanced Learning
- Technology, environment, climate change, resources, sustainability
- Demographic change, living with migration and diversity
- Inequality, health care and other social services

**Research project, writing the M.A. Thesis, approval as certified Social Innovator:***
- Improving scientific skills
  - Distinct frames – equal levels
  - Research methodologies
  - Epistemology, science theory
  - Scientific writing & publishing
- Managing social innovation
  - in the public sector
  - in the private business sector
  - in the sector of civil society

**Core competencies acqu.:***
- To consult & monitor SI
- To develop & implement SI
- Fin. control & management
- Evaluation and impact assessment of SI

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