

**tepsi\_e\_growing social innovation**

**European Social Innovation Research  
Research Conference and Colloquium  
Heidelberg**

**Centre for Social Investment, University of Heidelberg  
October 1-2 , 2013**

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

**Josef Hochgerner  
Zentrum für Soziale Innovation**



# Society generates innovation

## Innovations expand the range of human action ...

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**

*... and thus create spectacular achievements:*

*Earth rise from moon orbit,  
December 24, 1968*



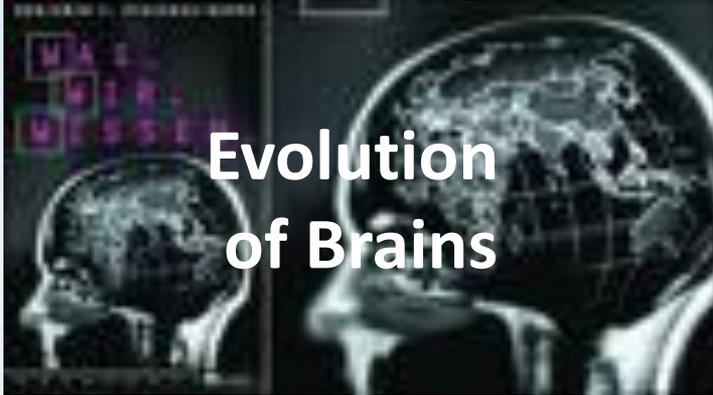
*A walk in the sunshine,  
July 21, 1969*

„Sputnik shock“ in the U.S. → and the vision thereafter

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

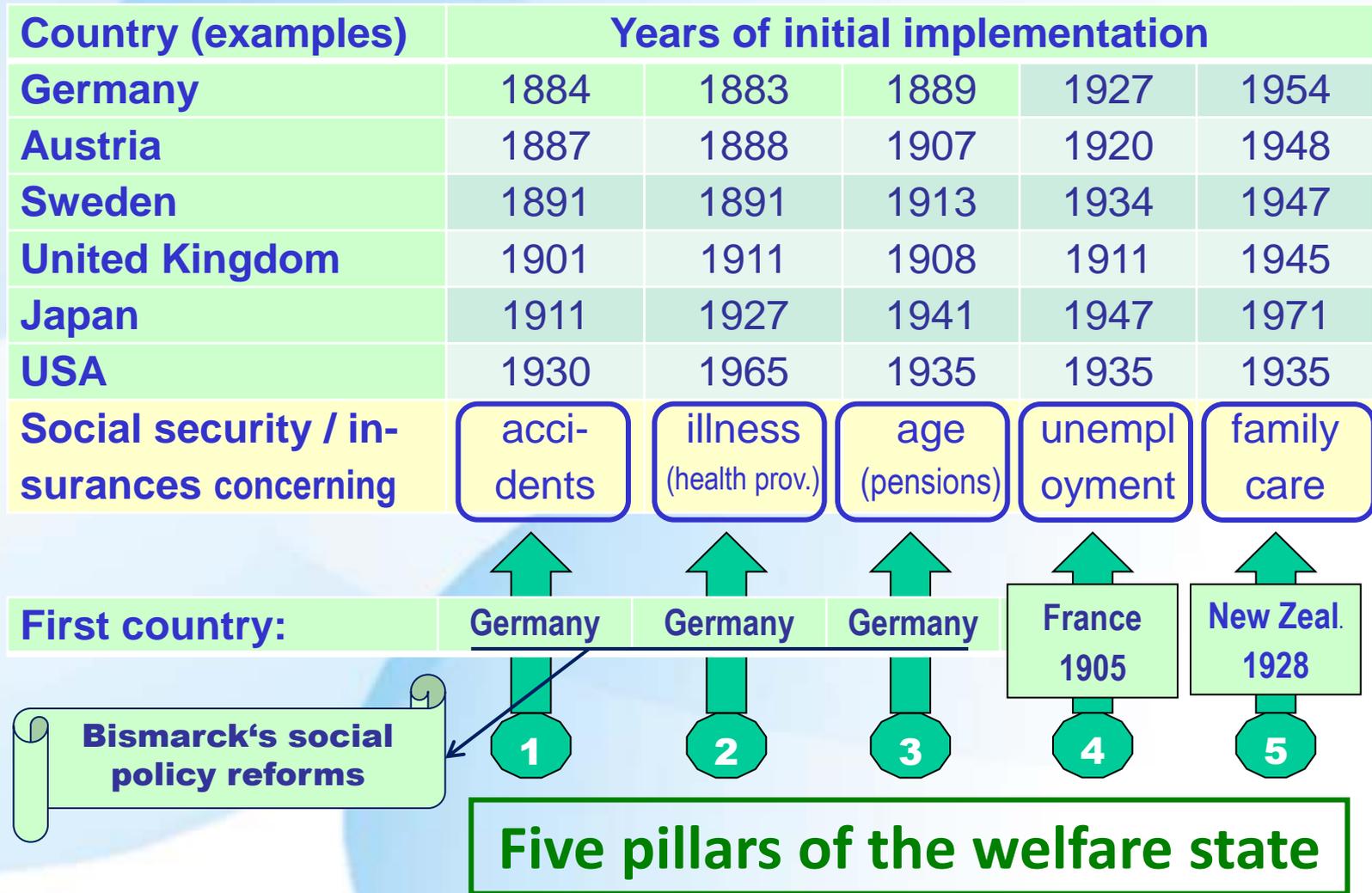


Collaborative intelligence & intelligent collaboration >> ***Cultural Evolution***



# The emergence of the 'welfare state'

Source of data: Schmid, Josef, 2002: Wohlfahrtsstaaten im Vergleich. Opladen: Leske+Budrich.



# Second thoughts about ‚grand challenges‘

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



# Social innovation – petty innovations for grand challenges?

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 perspectiv 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.**

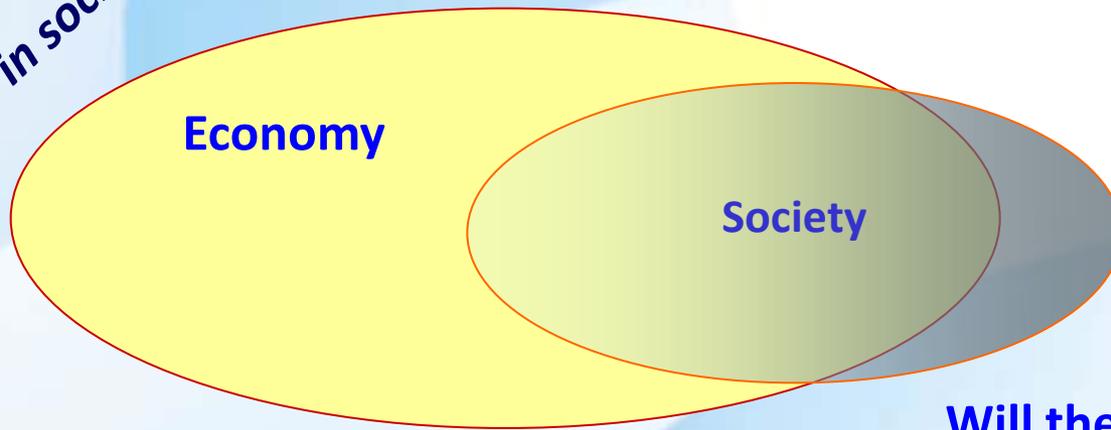


# "THE GREAT TRANSFORMATION"

Stress in social systems

**Karl Polanyi, 1944:**

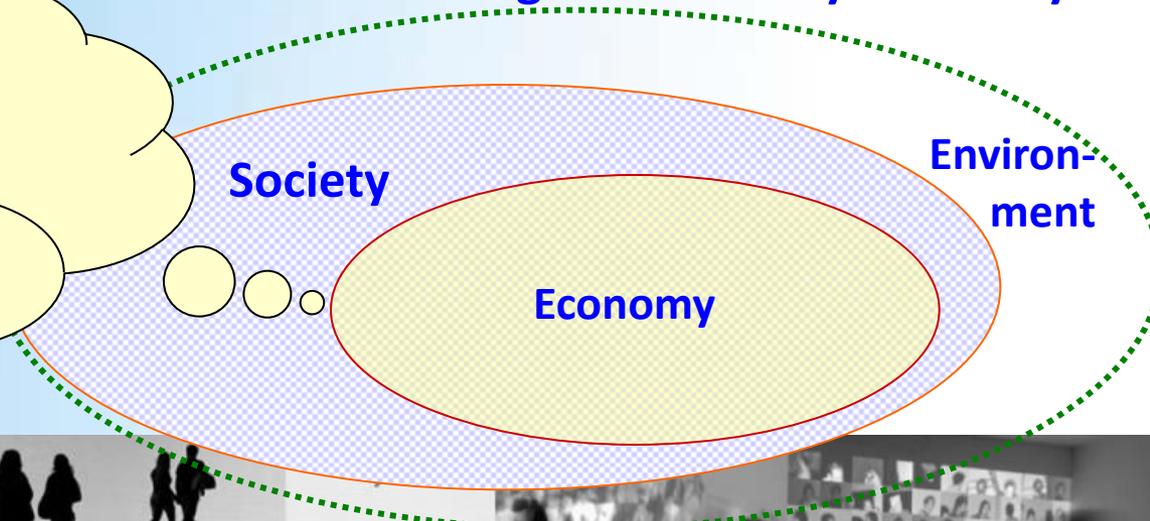
Economic processes separate from society, dominate social relations instead of being regulated to benefit societal needs



Society becomes an annex to the economy and „market forces“

**Will there be social innovations to integrate economy in society?**

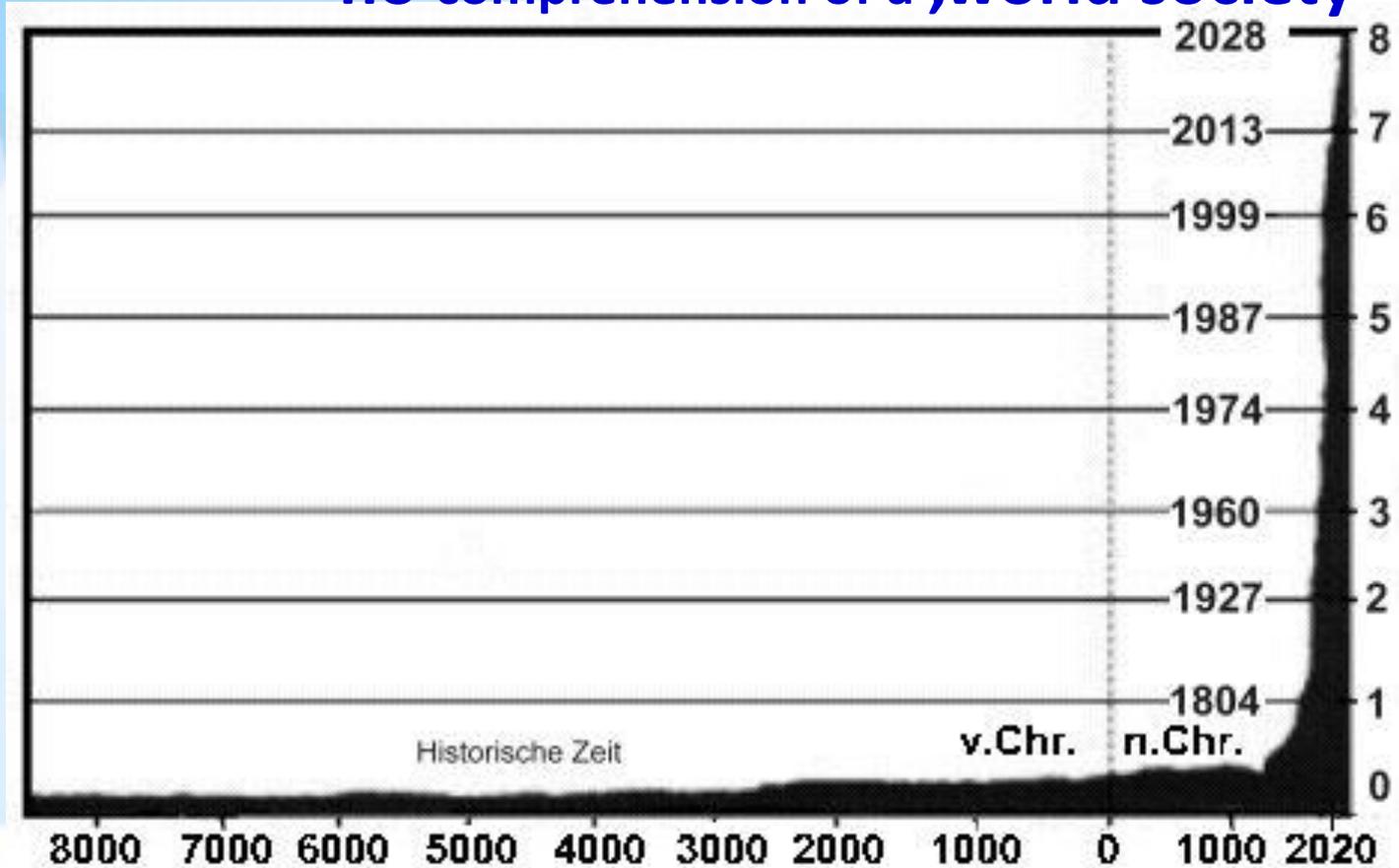
Humankind owns affluent knowledge & other resources. However, too little of existing capacities is used in current practises.



# We are living in a multiple unbalanced world ...

Fast growing world population:  
... there is global economy, yet  
**no** comprehension of a ‚world society‘

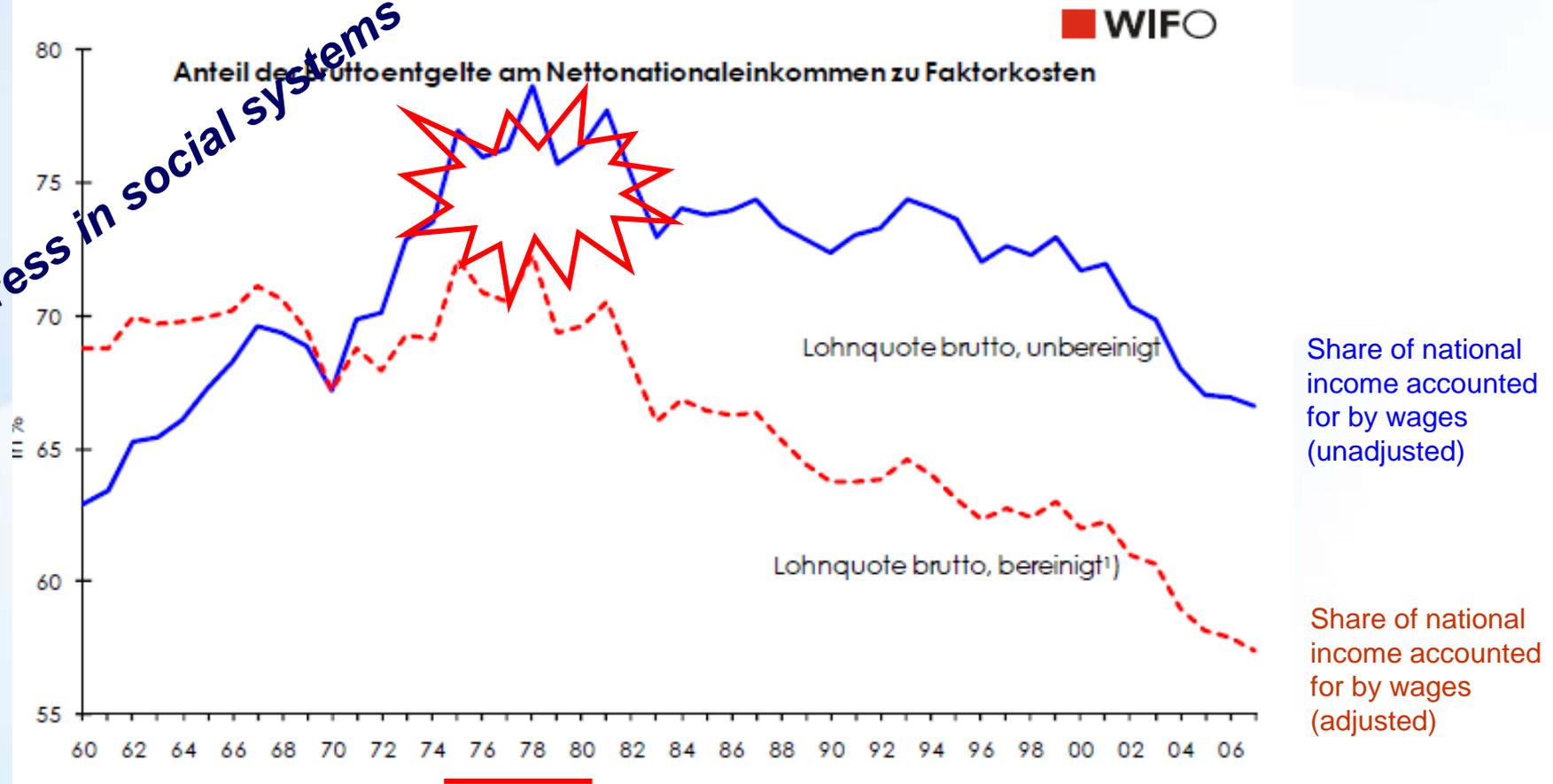
*Stress in social systems*



# The termination of the 'golden age of capitalism' (1)

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

Stress in social systems



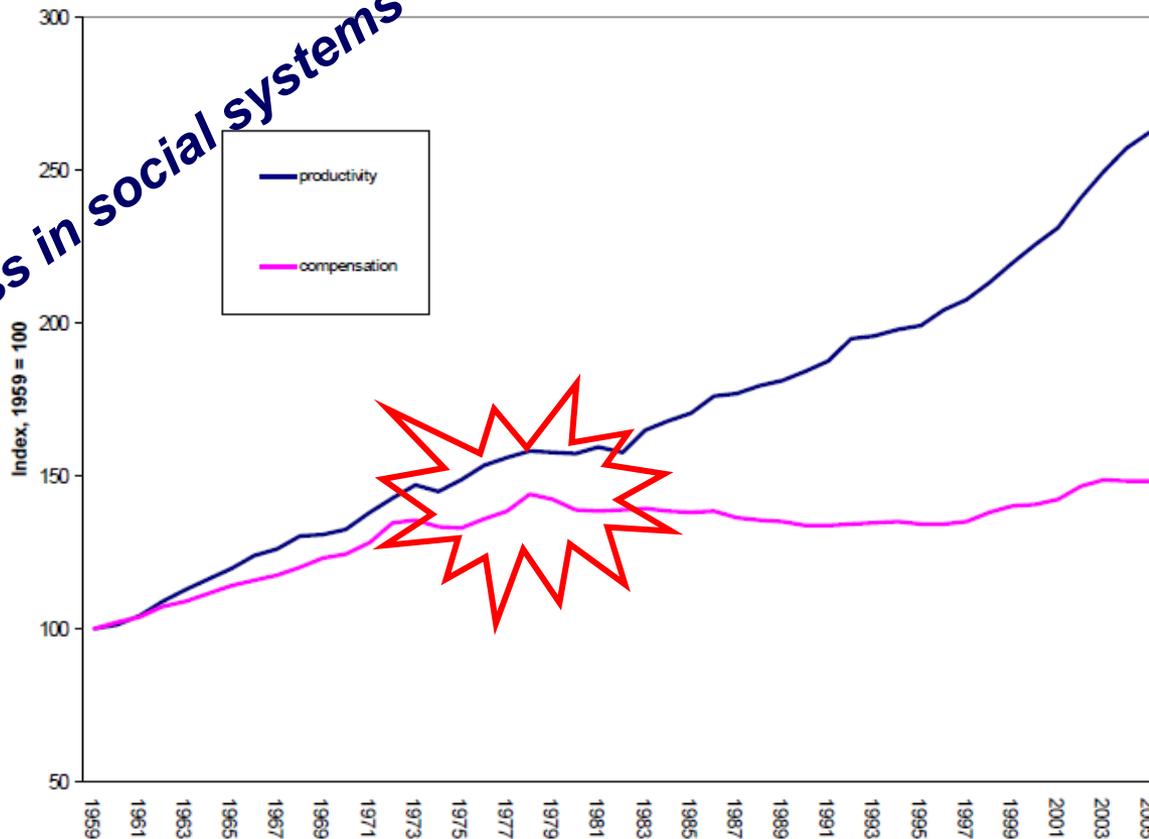
Quelle: Statistik Austria; WIFO-Berechnungen.-

- 1) **Unbereinigt:** Brutto-Entgelte dividiert durch nominelles 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

Figure 1. Index of productivity and hourly compensation of production and non-supervisory workers in the U.S., 1959-2005. Source: Economic Policy Institute.



Stress in social systems

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

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

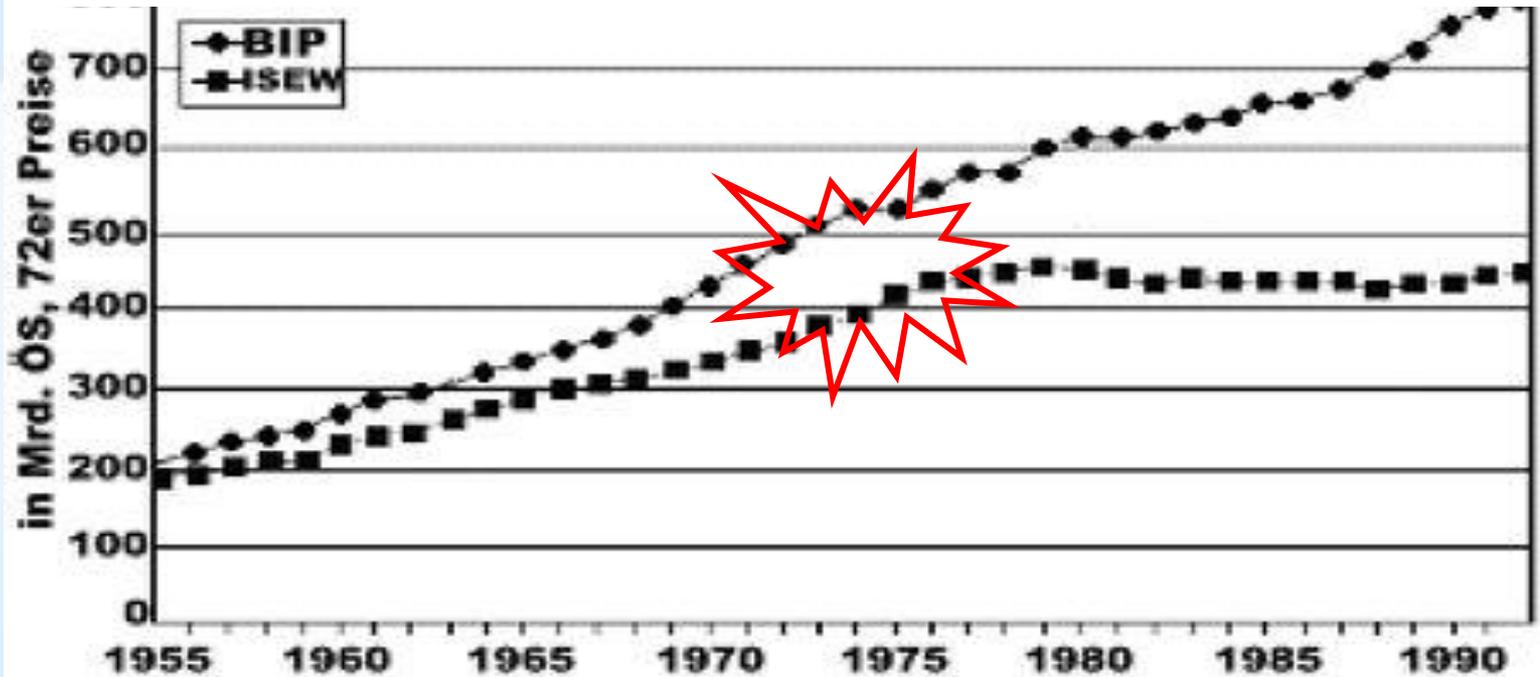
U.S. Data,  
Source:  
Economic Policy Institute

# The termination of the 'golden age of capitalism' (3)

## Wealthier society provides less additional welfare

Stress in social systems

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



Source: Stockhammer et al. 1995



# The problem behind the challenges\*)

\*) F.-J. Radermacher

*Stress in social systems*

**“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“

Krippner, Greta R., 2004: ‘What is Financialization?’; mimeo, UCLA Department of Sociology, p. 14.

Cf. T. I. Palley, 2007: Financialisation. What it is and why it matters. [www.levyinstitute.org/pubs/wp\\_525.pdf](http://www.levyinstitute.org/pubs/wp_525.pdf)

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“ !**



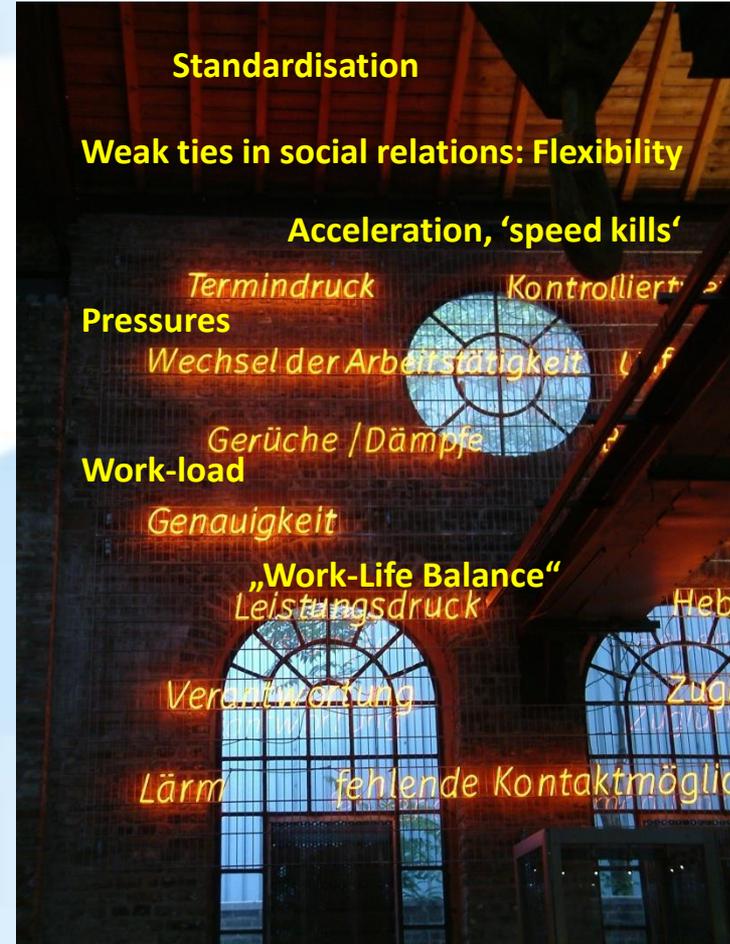
# ALL INNOVATIONS ARE SOCIAL LY RELEVANT

Innovations are embedded in social change

The most famous steam engine -  
**Optimised by James watt, 1776**



„Humans by Design“:  
**Optimisation in the 21<sup>st</sup> c.?**



„Brave New World“:  
**Optimisation of human behaviour in social systems – 20th century**



# THE CONCEPT OF SOCIAL INNOVATION

## An analytical definition of „Social Innovation“ \*)

Distinction between idea and implementation: an idea becomes an innovation *in the process of its factual realization* – it changes **social action** and practices

*„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)



\*) Zentrum für Soziale Innovation, 2012:  
„All innovations are socially relevant“  
ZSI-Discussion Paper 13, p. 2: [www.zsi.at/dp](http://www.zsi.at/dp)

... with reference to Schumpeter: They are  
»New combinations of social practices«





# AREAS AND OBJECTIVES OF SI

## 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.“

[http://ec.europa.eu/bepa/pdf/publications\\_pdf/social\\_innovation.pdf](http://ec.europa.eu/bepa/pdf/publications_pdf/social_innovation.pdf)

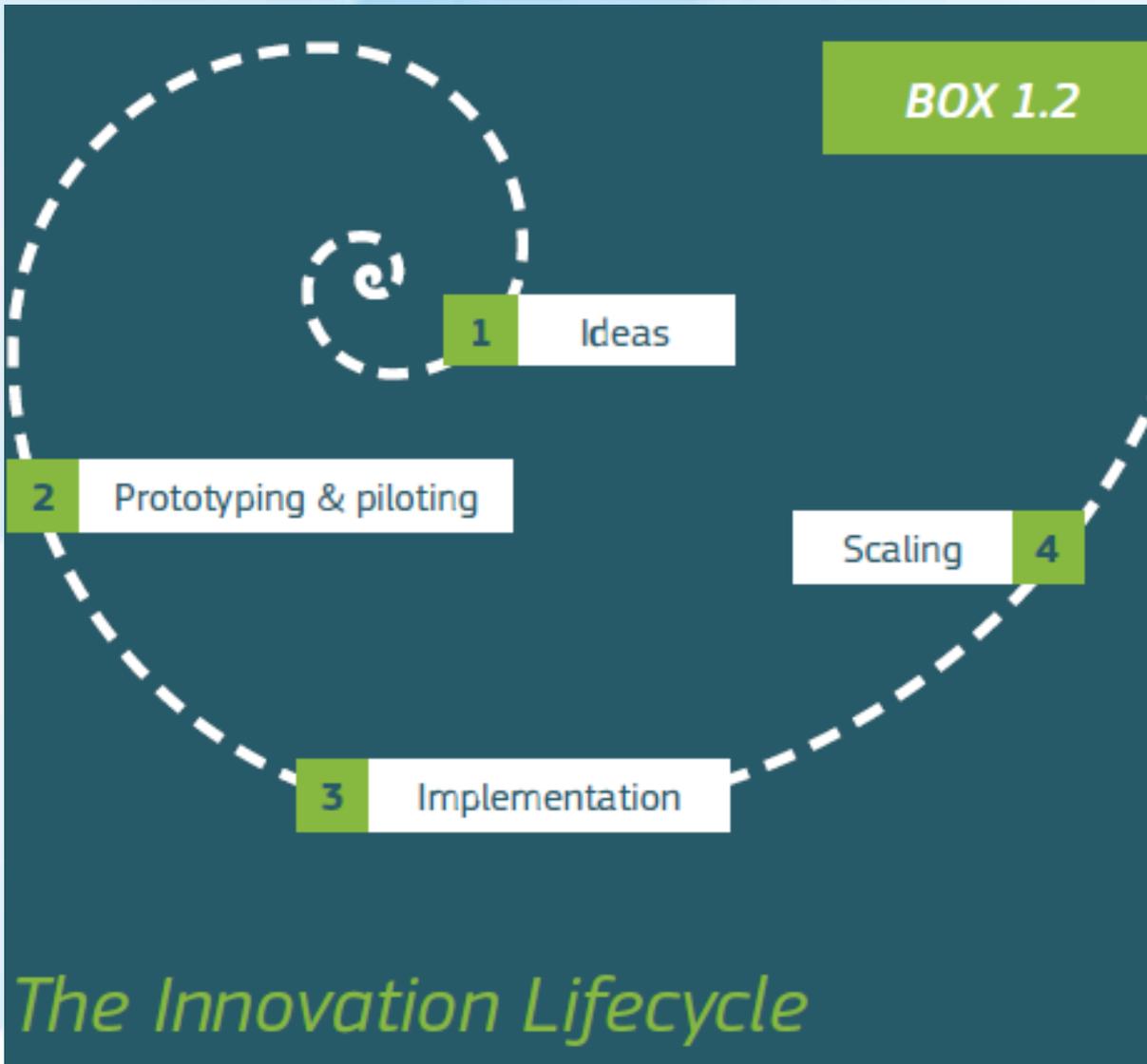
# THE PROCESS DEVELOPMENT OF SI

## 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

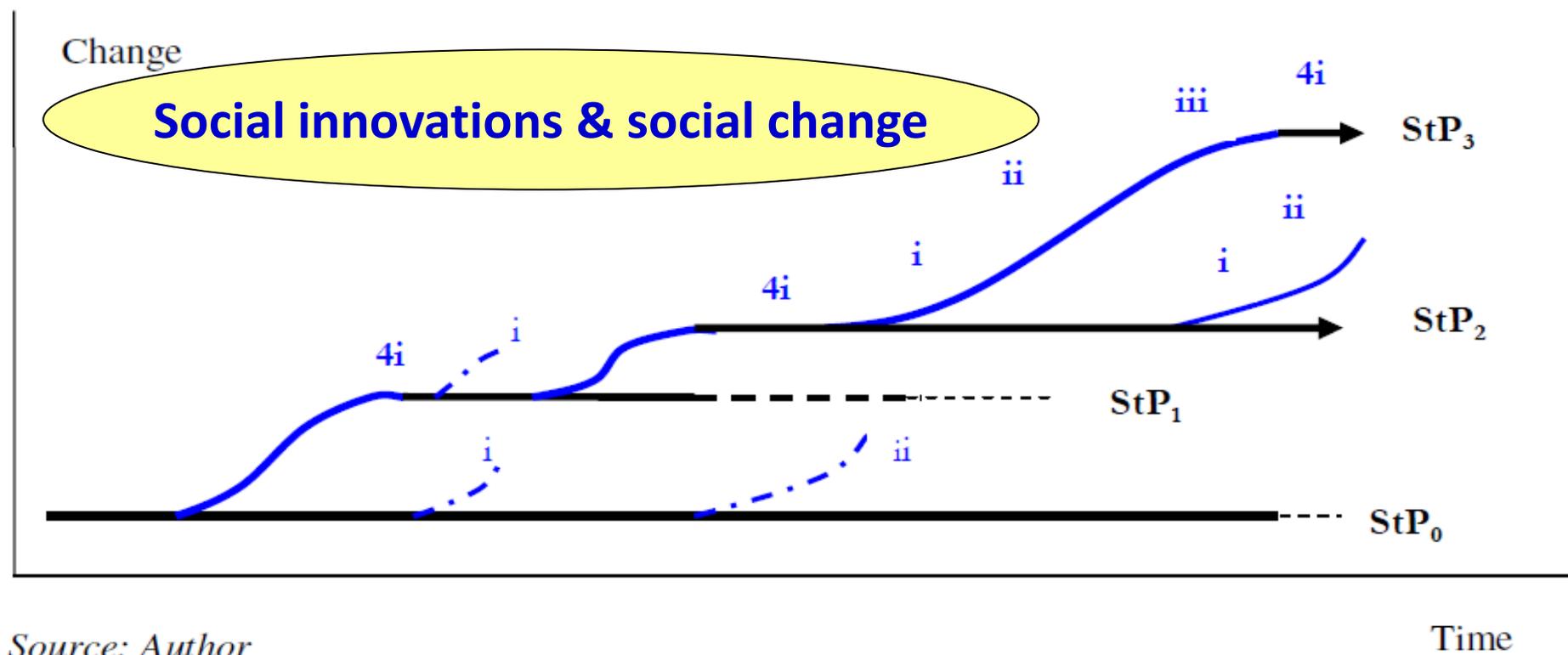


European Commission –  
DG Enterprise and Industry,  
2012:

Strengthening  
social innovation in Europe;  
p. 15

Deliverable of  
Social Innovation Europe:  
[www.socialinnovationeurope.eu](http://www.socialinnovationeurope.eu)  
[http://ec.europa.eu/enterprise/policies/innovation/files/social-innovation/strengthening-social-innovation\\_en.pdf](http://ec.europa.eu/enterprise/policies/innovation/files/social-innovation/strengthening-social-innovation_en.pdf)

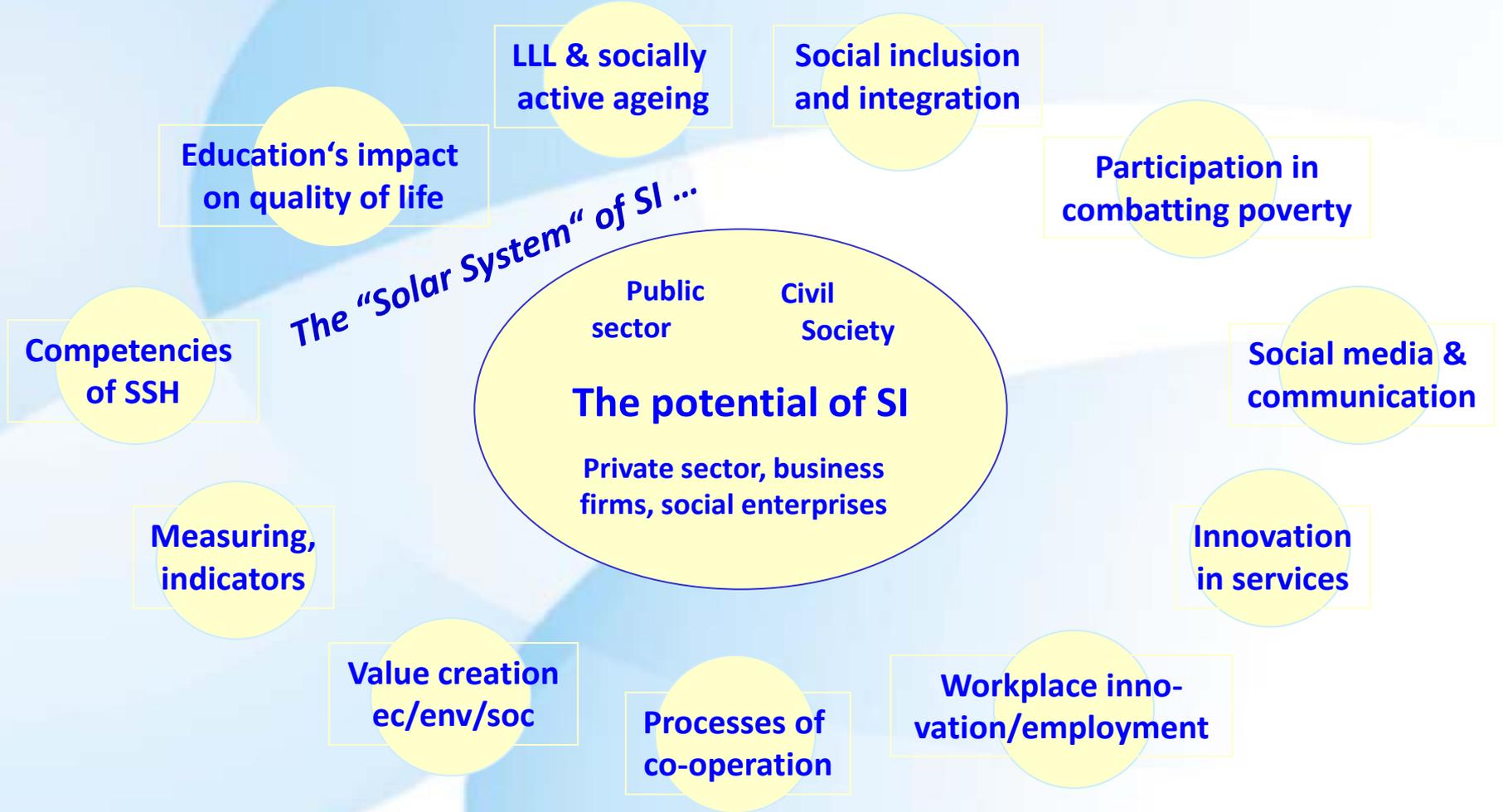
**Figure 1: The life cycles of social innovations and their contribution to change over time**



Source: Author

- StP<sub>0</sub> 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
- StP<sub>1</sub> Newly established standard practice following the successful implementation of a social innovation in the area
- StP<sub>2</sub> Newly established standard practice following the successful implementation of a social innovation in the area
- **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



Source: „**Vienna Declaration**“ of the conference „Challenge Social Innovation“, Vienna, Sept, 2011: [www.socialinnovation2011.eu](http://www.socialinnovation2011.eu) – Printed book: H.W. Franz, J. Hochgerner, J. Howaldt, eds., 2012: Challenge Social Innovation. Potentials for Business, Social Entrepreneurship, Welfare and Civil Society. Heidelberg: Springer. 17 other contributions have been published online for free download in the form of „ZSI Discussion Papers“: [www.zsi.at/dp](http://www.zsi.at/dp)



# 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 precede 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)

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\*) Michael Gibbons, Helga Nowotny et al., 1994: **The New Production of Knowledge.**  
The Dynamics of Science and Research in Contemporary Societies; Sage, London



# CHANGING (NATIONAL) SYSTEMS OF INNOVATION



“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 & Horowitz, 2012  
[www.therainforestbook.com/](http://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](http://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.

# Building an Infrastructure for Social Innovation



European School of  
Social Innovation

**A network of social innovation scholars and institutions (umbrella organisation):**

Educators, promoters, 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](http://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](http://www.donau-uni.ac.at/masi)

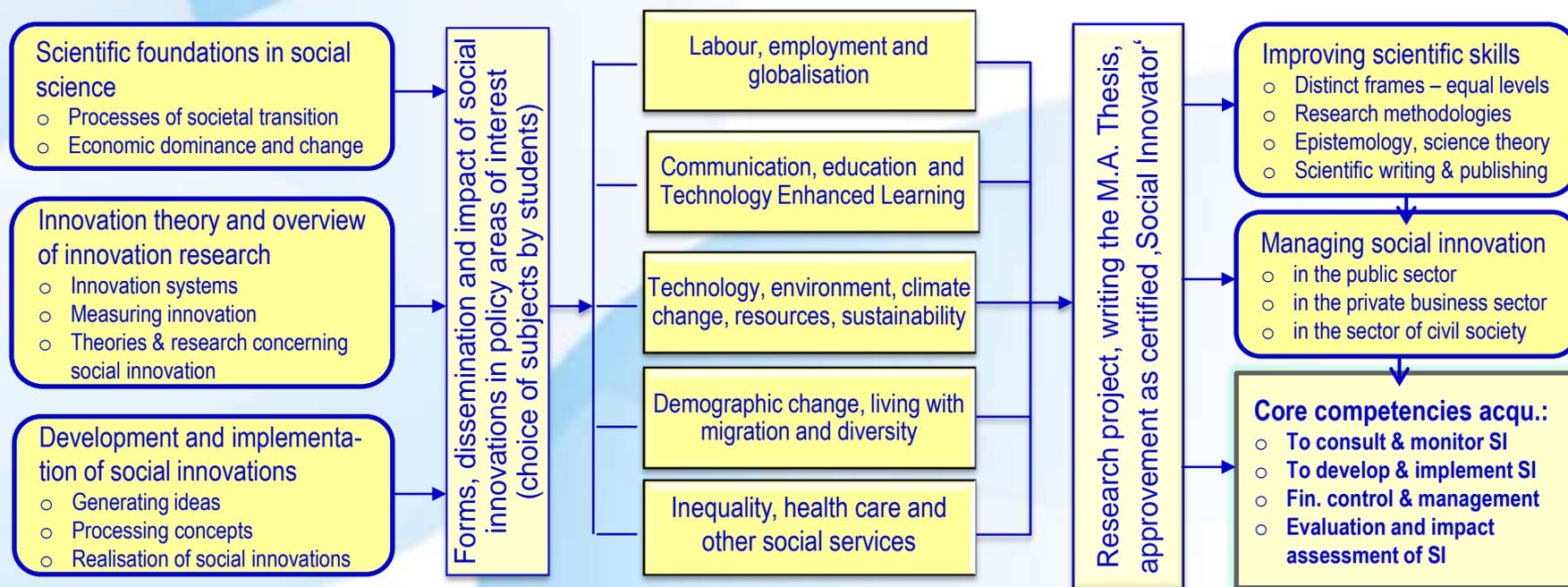


**European School of  
Social Innovation**



# Master of Arts in Social Innovation

## Modules providing competencies in science and practice





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