



“SOCIAL INNOVATION ROCKS”

The concept of social innovation and entry points to establish a Malaysian social innovation policy

Josef Hochgerner
Zentrum für Soziale Innovation



Overview

1. **Innovation culture** in the industrial society: The prevailing paradigm of innovation and innovation systems
2. **Extending the paradigm** by introducing the concept of social innovation: Definition and the 4-i process
3. **Permeation of social innovation** in the knowledge society: Ideas, organisations and emerging infrastructures
4. **Trends and examples** of measures and support on European and national levels
5. **Conclusions and recommendations**



„ALL INNOVATIONS ARE SOCIALLY RELEVANT“

Innovations are embedded in social change

1. Innovation culture ...

The most famous steam engine - Optimised by James Watt, 1776



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

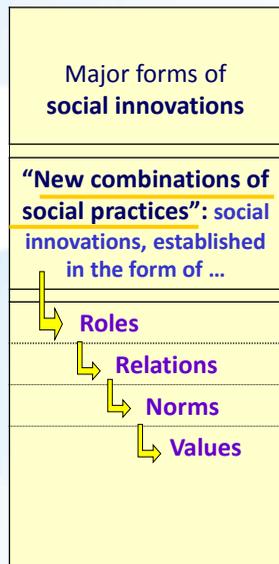


„Brave New World“: Optimisation of human behaviour in social systems – 20th century



SOCIAL INNOVATION BUILDS ON 100 YEARS OF INNOVATION THEORY

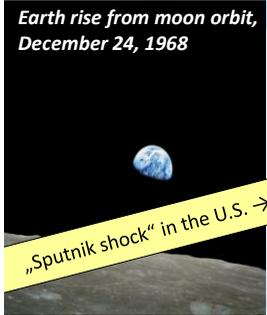
Comparison of the ‘new combinations’ according to Schumpeter with the ‘main types of innovations’ according to the Oslo Manual	
“ <u>New combinations of production factors</u> ” (SCHUMPETER 1911)	“Main types of innovations” in business (OECD 2005, ‘Oslo Manual’)
New or better products	Product innovations
New production methods	Process innovation
Opening up new markets	Marketing
Reorganization of the market position	Organizational innovations
New sources of raw materials	



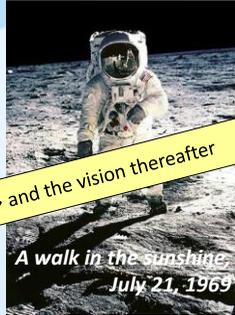
Society generates innovation

Innovations expand the range of human action ...

... and facilitate sometimes 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

Not one big innovation, nor a series of innovations only!

→ result of a powerful socio-technical system, enabled by a particular **innovation culture**

The dominant **innovation culture** favours engineered changes by technology in societal **sediments**:

- ❖ **Technology** made ‚skin‘ of society
- ❖ The **power** structures in society
- ❖ Modes of **communication** in society, between individuals, organisations, organisms and artifacts
- ❖ **Frames of reference**, shaping manners, mores, myths & rites
- ❖ The balance or imbalance of **emotions** in society (security / insecurity, hope / fear, empathy / hatred ...)

Social innovations required as well !



WHY SOCIAL INNOVATION ?



Evolution of Brains



Social change, development, crisis and ‚Grand Challenges‘: Resources and solutions

Social Innovation for Social Action !



Innovative Technologies

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





The first world-wide conference on social innovation research with 370 participants from 54 countries around the globe. * Vienna, 19-21 Sep. 2011

2. Extending the paradigm ...

“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.”

Cf. the “Vienna Declaration: The most relevant topics in social innovation research”, 2011, adopted by the conference CSI.

Information online: www.socialinnovation2011.eu

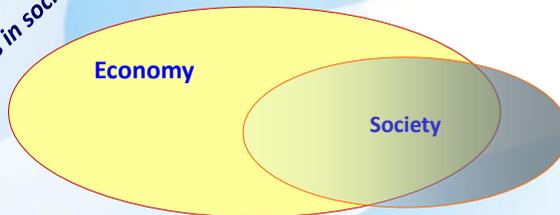


“THE GREAT TRANSFORMATION”

Stress in social systems

Karl Polanyi, 1944:

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

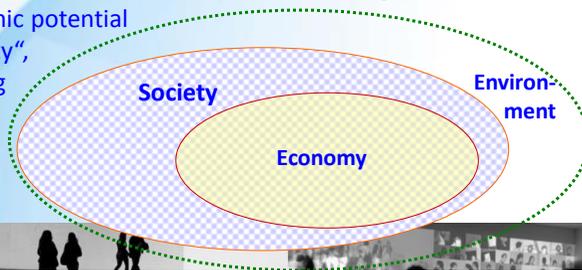


„Society becomes an annex to the economy and market forces.“

2. Extending the paradigm ...

The utmost concern of social innovations in the 21st century:

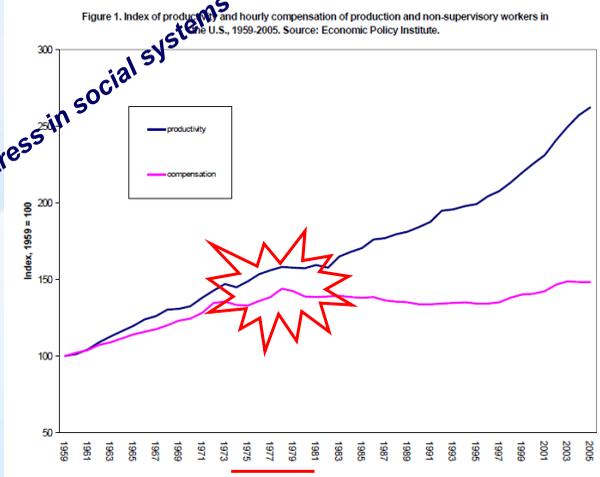
To apply the vast economic potential of the „knowledge society“, as part of society, serving distributive justice and braking the acceleration of social inequality.



The termination of the „golden age of capitalism“ *)

Wages remain static whilst productivity increases, USA 1959-2005

2. Extending the paradigm ...
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

*) Eric Hobsbawm



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

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

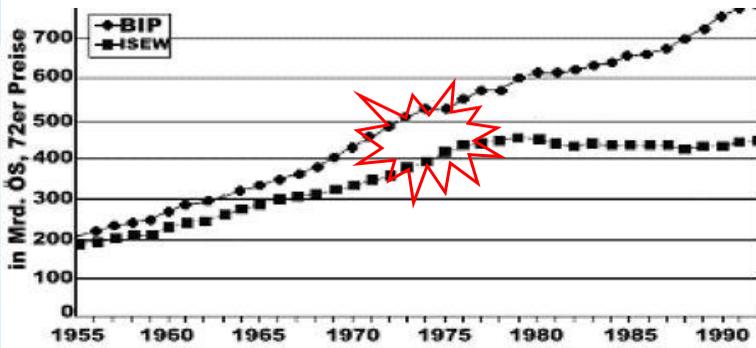
My personal favourite concerning the most needed social innovation of the 21st century:
„Management of abundance“ !



The termination of the „golden age of capitalism“

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

2. Extending the paradigm ... Stress in social systems



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 & practices

»Social innovations are new practices for resolving societal challenges, which are adopted and utilized by the individuals, social groups and organizations concerned.«

With reference to Schumpeter
(„Innovations are new combinations of production factors“)
→ »Social innovations are new combinations of practices«

2. Extending the paradigm ...



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





2. Extending the paradigm ...

Areas relevant to social change	Examples of social innovations	
	Old / historic / previous	New / current / future
Science, education and training	✓ Universities; compulsory education; Kindergarden; pedagog. concepts e.g. Montessori ...	✓ Technology enhanced learning; 'micro-learning', Web 2.0; Wikipedia; 'science mode 2'
Work, employment and the economy	✓ Trade unions; Chambers of commerce/labour; Taylorism; Fordism; self service	✓ Flextime wage records; CSR; social entrepreneurship; diversity mgmt.; collaborative consumption
Technologies, machinery	✓ Norms and standardisation; mechanisation of house keeping; traffic rules; drivers licence	✓ Open source movement (communities); self constructed solar panels; decentralized energy prod.
Democracy, politics and justice	✓ 'Attic democracy'; the state as a juristic person; general elections	✓ Citizens participation; 3 rd sector; equal rights; gender mainstreaming
Social and health care systems	✓ Social security; retirement schemes, welfare state	✓ Reforms of financing and access to welfare (e.g. 'birth right portfolio')



IS INNOVATION SPECTACULAR BY NATURE?

Few innovations with basic and lasting impact, most innovations only improve what's already functioning

2. Extending the paradigm ...

Kind of innovation	Technological innovation	Social innovation
Radical innovation	Few / huge impact e.g. Telephone	Few / huge impact e.g. Democracy
Incremental innovation	Many/cumulative impact e.g. additional features	Many/cumulative impact e.g. stakeholder involvement



HOW TO CREATE SOCIAL INNOVATION ?

The „4-i process“ of social innovation development:

- **Idea** >> What is the issue, what could be the solution?
- **Intervention** >> Conceptualisation, define approaches, methods
- **Implementation** >> Using resources, breaking deadlocks, cooperation
- **Impact** >> Measures of quality, range and scales, life cycle!

2. Extending the paradigm ...



Only if there is notable impact, according to the objective(s), an idea becomes an innovation.

Success criteria: Novelty or superiority of the solution; involvement of and benefit to the target group(s); effectiveness and sustainability; replicability and scaling.



Analysing social innovation examples

Public sector: Municipality of Kapfenberg (AT) – „Future for all“

- **Idea** >> Issue poverty – social assistance without stigmatisation
- **Intervention** >> „Activity Card“
- **Implementation** >> Transport companies, Caritas (NGO), Supermarket, Cafe, Sports ...
- **Impact** >> Participation, elevating quality of life and cohesion

Business sector: ERSTE Bank (AT) – „2nd Savings Bank“

- **Idea** >> Issue private persons excluded from financial services, re-inclusion
- **Intervention** >> Collaboration with insolvency advisers and social care NGO
- **Implementation** >> Access to bank account, guidance by the NGO and bank volunteers
- **Impact** >> Learning, inclusions, empowerment, scaling

Civil society: Nagykanizsa (HU) – „Social housing reconstruction camp“

- **Idea** >> Issue: social exclusion, threat of eviction from homes
- **Intervention** >> Negotiating rent arrears compensation by labour contributed
- **Implementation** >> Contracts, camp and co-ordination of students, roma, professionals
- **Impact** >> Better houses, cost/energy reduction, empowerment, replication



BUILDING SOCIAL INNOVATION SYSTEMS (1)

Extension of the innovation system and RTDI policies (Research, Technology Development and Innovation — key requirements:

3. Permeation into innovation systems

- Incorporation of SI in universities, vocational training and adult education
- Innovation in science (“Science Mode 2”, “Transformative Science”)
- Funding of research on social innovation (focused programmes and accompanying research)
- Development of indicators, metrics and statistics of social innovation
- SI initiation and implementation in all sectors of society (private business, public administration, civil society organisations)
- Networks and communication (magazines, platforms, various media)
- Legal aspects of common goods, open innovation and IPR



SOCIAL INNOVATION SUPPORT

Social innovation and the EUROPE 2020 Strategy:

*“...to design and implement programmes **to promote social innovation for the most vulnerable**, in particular by providing innovative education, training, and employment opportunities for deprived communities, to fight discrimination (e.g. disabled), and to develop a new agenda for migrants' integration to enable them to take full advantage of their potential...”*

4. Trends and examples ...

EU Programme for Employment and Social Innovation (EaSI):

budget € 815 million for 2014-2020

Overview of EU funded research projects under the „Social Sciences and Humanities“ programme in the 7th EU Framework for Research, Technology Development and Innovation:

http://ec.europa.eu/research/social-sciences/pdf/ssh-projects-fp7-5-6-social-innovation_en.pdf



European Social Innovation Research

SI Research | SIE Home | TEPSE | Search

SIE Directory | SIE Magazine

SI Research

Research Home >

Blog >

Social Innovation >

Social Enterprise >

SI in the Public Sector >

Events >

About >

Featured

New social innovation competition launched
Read more

Welcome to European Social Innovation Research!
Read more

TEPSIE
The Theoretical, Empirical and Policy Foundations for Social Innovation in Europe
TEPSIE is a res...

3. Permeation into innovation systems

Blog

Disruptive and incremental digital social innovation >
At the Igitea Athens event in September 2012, Neelke Kroes (the European Commissioner for the Digital Agenda) talked about the importance of what she terms disruptive innovation using ICT as the ke...
Written by Jeremy Millard
Networks | Social innovation | Greece

Defining social innovation >
Despite the growing interest in social innovation among policymakers, foundations, researchers and academic institutions around the world, there is currently no common definition of social innovati...
Written by anna.davis
Social innovation

In search of an evaluation approach to social innovation >
In recent years, the social sector has reached consensus on the need to improve measurement and evaluation of its work and impacts, although...

Join the Conversation
@tepsie_eu
Powered by Twitter

SIEurope_SE | 1 day 20 hours ago.
Promoting social innovation may help reinforce social cohesion in Europe's cities by Annette Zimmer and Andrea Walter t.co/eBoIwfn3

SIEurope_SE | 3 days 8 hours ago.
Social Innovation Europe Newsletter>> The Big Picture- t.co/4YwhVGI

TEPSIE_EU | 6 days 1 hour ago.
#FF @inglisjen @LesHems @jocasebourne @laurabunt

Transition_inst | 6 days 22 hours ago.
Defending #socent in Europe: interesting

Cookie Control
This site uses cookies to store information on your computer.
I am happy with this
read more About this tool

http://www.siresearch.eu/

Internet | Protected Mode: On

FR 17.06 11/10/2012

Research

SI drive

Social Innovation: Driving Force of Social Change

International Consortium Members:
SI-DRIVE involves 15 partners from 12 EU Member States, 10 partners from other parts of the world, and 14 high level advisory board members: all in all 31 countries involved.

3. Permeation into innovation systems

blue: EU research partner, red: non-EU research partner, green: Advisory Board

Partners and Advisory Board logos:

- TNO innovation for life
- ZSI
- Brunel University London
- THE THOMAS CORNELLAN INSTITUTE FOR SOCIAL CHANGE
- IAT
- social innovation lab
- CRISES
- GRADUATE SCHOOL OF BUSINESS UNIVERSITY OF GATE TOWN
- Aclic
- Deusto
- TISS
- AIT AUSTRIAN INSTITUTE OF TECHNOLOGY
- LAMA DEVELOPMENT & COOPERATION
- UNIVERSITY OF CALicut
- UNITED NATIONS
- FCIAC
- sfs Sozialforschungsstelle Dortmund
- tu technische universität dortmund

This project has received funding from the European Union's 7th Framework Programme for research, technological development and demonstration under grant agreement no 612870.



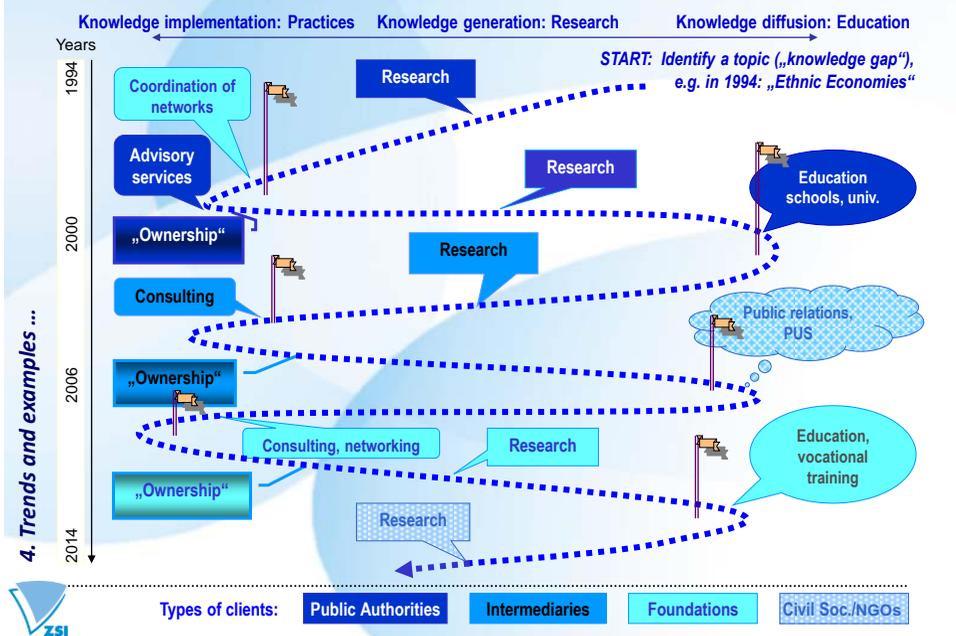
Zentrum für Soziale Innovation * Centre for Social Innovation * Vienna



Working for social profit since 1990:
ZSI bridges
knowledge generation and
knowledge application
to reduce gaps between
social needs and technically
increased economic
capacities of the knowledge
society.



CASES How we do it: The „RESEARCH – APPLICATION – SLALOM“





Innovation in Public Administration



4-year FP7 project (2014-2017), coordinated by the ZSI

Supporting learning innovation in European Public Employment Services (PES)

Supporting PES in adapting to the changes to their world of work by facilitating professional identity transformation

4. Trends and examples ...

First steps

- Identify specific demands in CES to support appropriate competences development that address the need for integration and activation of job seekers in fast changing labour markets.
- Establish links across PES in Europe to exchange experience and good practice

<http://employid.eu>



Master of Arts in Social Innovation

Danube University Krems, Austria

Department of Interactive Media and Technologies for Education – Centre of Interactive Media

Duration: 5 Semester, 120 ECTS, extra-occupational, blended learning

4. Trends and examples ...

Launch of 2nd course of study:
October 6th, 2014

Admission until end of 2014

Information:
www.donau-uni.ac.at/masi



CASES „SozialMarie“

The international Austrian award for successful social innovations

Eligible for submission are projects of the:

- social economy (civil society initiatives, NPOs/NGOs, associations)
- public sector, administrations
- private sector, businesses

Applications since 2004: about 2500

1st prize: € 15,000

2nd prize: € 10,000

3rd prize: € 5,000

Total prize money awarded (to a number of now 135 awardees): € 420,000.--



4. Trends and examples ...

A different approach re. funding and stimulating *ideas* cf. „The European Social Innovation Competition“ at <http://socialinnovationcompetition.eu/>



CASES

European Commission – DG Enterprise: European Social Innovation Competition

“The Competition ... invites Europeans to come up with new solutions to reduce unemployment and minimize its corrosive effects on the economy and our society both now and in the future. Social innovation is not only desirable, it is necessary.

It doesn't matter if you haven't found the right investor for your ideas yet. We can help you bring your project to life as part of our Social Innovation Academy.”

Three winning projects are awarded financial support of € 30,000

http://ec.europa.eu/enterprise/policies/innovation/policy/social-innovation/competition/contestants_en.htm

4. Trends and examples ...





4. Trends and examples ...

EIB – European Investment Bank: Social Innovation Tournament

“The Social Innovation Tournament established by the EIB Institute in 2012 is the flagship initiative of its Social Program. The Tournament seeks to promote the generation of innovative ideas and reward opportunities promising substantial societal benefits or demonstrating best practices with tangible, scalable outcomes. It targets the **creation of social value** in relation to the fight against social exclusion. It thus covers projects in a wide range of fields, from education and health care to natural or urban environment, through new technologies, new systems, and new processes.”

<http://institute.eib.org/programmes/social/social-innovation-tournament/>



4. Trends and examples ...



SINNERGIAK SOCIAL INNOVATION (University of the Basque Country – Spain)

Does Action-Research in three fields:

Social Innovation, Creative Industries, and Innovation in the Public Sector

EUROPEAN PROJECTS: TRANSCREATIVA (leader), SIMPACT (partner), Creative Job (partner); **OTHER PROJECTS:** Ergolab (living lab), GIPUZKOA CREATIVA (creative industries), RESINDEX (social innovation indicators), Social Innovation Eco-Systems (Evaluation public policies), Gipuzkoa Workplace Innovation (regional public policies).

Provides education and training:

MA in Social Innovation and Creative Industries (University of the Basque Country)
Creative Poles: Competencies in solving social problems and creative industries
Social Innovation Summer Schools

Supports social innovation implementation through:

ERGOLAB: Innovation by users. **HEDABIDE:** Social Innovation Communities. **TRANSCREATIVA:** competencies and engagement unemployment young people



CASES

Social Innovation Laboratory (SIL) Zagreb – Beograd – Skopje

Who?

- **Civil society organisations** and networks from HR, SRB and MKD
- Founded 2011

What?

- Aims to improve quality of life in the Western Balkan Countries
- Acts as platform for social innovations where knowledge, ideas and practices meet to find solutions for development challenges in the regional socio-economic context.



www.socinnovationlab.org/

4. Trends and examples ...

"On national and local levels, we need partners and support not just in terms of funding but also recognition."



CASES

Tilburg Social Innovation Lab Netherlands

Who?

- Four Universities from the area of Tilburg, founded 2011.

What?

- Joining forces to make a visible contribution to the development of the region Brabant as the Region for Social Innovation.
- A **"do-tank"** in which methods and innovations are generated.

How?

- Involving regional stakeholders
- Providing suitable interdisciplinary knowledge



4. Trends and examples ...





CASES

Scholarship for starters , i.e. unemployed youth

<https://www.startersbeurs.nu/> [“starter-bourse”]

A Social Innovation, developed by Tilburg University, NL, together with de City of Tilburg and Trade Unions.

Employers draw up a apprenticeship plan with the starter, the scholarship is for 6 months and can be prolonged at another employer for 6 months.

Scholarship funds are **negotiated** between the unions, the city and the public employment agencies.

Starters receive € 500 a month compensation and € 100 a month to save up for additional training.

The City (unemployment agencies) compensates the employers € 550 a month (counseling costs).

4. Trends and examples ...



Key sources

Information about examples and funding policies:

Empowering people – driving change. Social innovation in the European Union.

Background study, leading the European Commission into the area of social innovation.

BEPA (Bureau of European Policy Advisers), 2010

http://ec.europa.eu/bepa/pdf/publications_pdf/social_innovation.pdf

THE OPEN BOOK OF SOCIAL INNOVATION.

Robin Murray, Julie Caulier-Grice, Geoff Mulgan, 2010

Presents a lot of cases from public, private and civil society sectors and information about various forms of support in ...

- the public sector
- the grant economy
- the market economy
- the informal or household economy

<http://youngfoundation.org/wp-content/uploads/2012/10/The-Open-Book-of-Social-Innovation.pdf>

GUIDE TO SOCIAL INNOVATION

European Commission, prepared by DG Regional and Urban Policy and DG Employment, Social affairs and Inclusion with inputs by various other DGs, 2013

Includes examples of social innovation funded by the Structural Funds and modes of funding

http://ec.europa.eu/regional_policy/sources/docgener/presenta/social_innovation/social_innovation_2013.pdf

4. Trends and examples ...



The SWOT table of Malaysia (1) [OECD 2013]

Innovation in South-East Asia – Country Report Malaysia: pp. 181-222

http://www.keepeek.com/Digital-Asset-Management/oced/science-and-technology/innovation-in-southeast-asia-2012_9789264128712-en#page212.

5. Conclusions and recommendations

Strengths	Weaknesses
<ul style="list-style-type: none"> ○ Large presence of MNE in electronics automotive sectors ○ Research capabilities ○ High competitiveness ranking ○ Young population ○ Natural resource endowments ○ Economic and political stability ○ Islamic leadership credentials ○ Coherent vision for the country ○ Substantial investments in tel-co infrastructure 	<ul style="list-style-type: none"> ○ Poor quality education and skills ○ Declining private investment and low productivity growth ○ Stagnant R&D and innovative capacity ○ Low absorptive capacity of SMEs, little technology transfer & spillovers ○ Few industry links to public research ○ Little entrepreneurship & venture capital ○ Unco-ordinated national S&T policy weak implementation of strategies



The SWOT table of Malaysia (2) ... continued

5. Conclusions and recommendations

Opportunities	Threats
<ul style="list-style-type: none"> ○ Increasing focus on high-technology exports to developed economies ○ International reputation as centre for Islamic banking and finance ○ Burgeoning service sector including expansion of tourism industry ○ Sizeable Malaysian diaspora ○ Diversification of trade and production towards more knowledge-intensive goods/services ○ Increasing engagement of SMEs in more innovation driven strategies 	<ul style="list-style-type: none"> ○ Impacts of regional and global economic downturns ○ Increasing competition from other Asian economies for trade and foreign investment ○ Increasing brain drain ○ Racial polarisation and religious extremism





Critical social issues to be addressed

SWOT sections	Issues
Strengths	<ul style="list-style-type: none"> – <i>Young population</i> – <i>Economic and political stability</i> – <i>Islamic leadership credentials</i> – <i>Coherent vision for the country</i>
Weaknesses	<ul style="list-style-type: none"> – <i>Poor quality education and skills</i> – <i>Unco-ordinated national S&T policy</i> – <i>weak implementation of strategies</i>
Opportunities	<ul style="list-style-type: none"> – <i>International reputation as centre for islamic banking and finance</i> – <i>Burgeoning service sector including expansion of tourism industry</i>
Threats	<ul style="list-style-type: none"> – <i>Sizeable Malaysian diaspora</i> – <i>Increasing brain drain</i> – <i>Racial polarisation and religious extremism</i>

... by policies for social innovation development and implementation



Three clusters to select potential social innovation priorities:

① Young population – Poor quality education and skills – Increasing brain drain – Malaysian diaspora

Fields of action to be addressed by social innovations:

- Education and training of the young generation
- Return programmes for educated and skilled Malaysians in diaspora

② Economic and political stability – Islamic leadership credentials – International reputation as centre for Islamic banking and finance – Racial polarisation and religious extremism

- Provision of equal opportunities and participation in politics, culture and economic prosperity
- Turning racial diversity and islamic challenges into opportunities

③ Coherent vision for the country – Uncoordinated national S&T policy, weak implementation of strategies – Burgeoning service sector including expansion of tourism industry

- Communication/involvement creating „ownership“ of the vision to become a high income country
- Service sector development and tourism embedded components of the vision
- Science, technology and innovation policies should be geared towards improvement of quality of life, not merely economic growth

5. Conclusions and recommendations





Policies and instruments

	Areas of SI / social innovation activities	Policies, objectives	Resources and instruments
5. Conclusions and recommendations	SI Science and Research	<ul style="list-style-type: none"> – Thematic priorities – Accompanying research concerning TD&Innovation – Methods and metrics: SI process analysis, impact measurement 	<ul style="list-style-type: none"> – Key topics research programme („transformative research“) – Inclusion of social dimensions and impact research on RTDI programs – Design, trials and use of indicators, capacities for evaluation/monitoring international comparison („manual“)
	SI infrastructures	<ul style="list-style-type: none"> – Education and training – Statistics 	<ul style="list-style-type: none"> – SI in vocational training, polytechn. Schools, universities, post-grad. ed. – National/regional/sectoral stats.
	SI implementation	<ul style="list-style-type: none"> – Initiation, start-up support – From idea to impact – Encouragement/ acknowledgement of success 	<ul style="list-style-type: none"> – Incubators (SI Hubs) – Grants, preferential loans, tax credits – Awards, honours, communication and debates in media, publicity



Thank you for your attention 😊



Prof. Dr. Josef Hochgerner
 Centre for Social Innovation
 Linke Wienzeile 246
 A - 1150 Vienna

Tel. ++43.1.4950442
 Fax. ++43.1.4950442-40
 email: hochgerner@zsi.at
<http://www.zsi.at>