

The power of social innovation

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Summary

What is social innovation?

AWT sees social innovation as a collective term for contemporary initiatives by people and organizations focussed on devising innovative solutions to societal problems. Social innovation starts with individuals and organizations who identify a problem and decide to do something about it. This can grow into a broad initiative involving various parties and people, ranging from private citizens to entrepreneurs and scientists. The initiatives may stay local or can develop into complex alliances at the national or international level.

Request for advice

Interest in social innovation is growing worldwide and expectations are high. The Dutch Ministry of Education, Culture and Science and the Ministry of Economic Affairs therefore asked AWT for advice: What exactly does social innovation mean, and does the government have a role to play in this regard?

Social innovation in the Netherlands and in other countries

AWT describes how Dutch policies and the debate on social innovation in recent years have largely focused on social innovation in the sense of workplace innovation in organizations. Workplace innovation is essential for promoting the innovative potential, efficiency and competitiveness of businesses and organizations. However, equating social innovation to workplace innovation has resulted in a lack of emphasis in the Netherlands on other forms of

social innovation in policy-making. In the EU and in trendsetting countries (the United Kingdom, the United States and Australia), the concept of social innovation is interpreted much more broadly in applicable policies. Social innovation then includes processes and activities which, in the Netherlands, are (only) covered by other concepts such as active democracy, citizens' initiatives, social enterprises and social infrastructure.

In conclusion: opportunities of social innovation can be put to better use

In its report AWT concludes that social innovation in this broad sense provides ample opportunities for Dutch society and the economy in the Netherlands. Internationally, there are high expectations of the effects of social innovation, although these effects have not yet been clearly identified. In any event, it is clear that social innovation creates dynamism, commitment, a desire to experiment, new forms of entrepreneurial activity and innovative business models. The perspective of social innovation is, therefore, an important addition to the current political discourse on active democracy and civil society. Social innovation also refers to forms of participation thus far neglected in this debate: innovative, creative forms of social initiative. These are in fact also specific forms of what is considered innovation in the prevailing economic discourse. What makes them somewhat different is that they develop in networks of individuals and organizations and not necessarily within the traditional business and economic community. Also, they focus on societal goals in addition to, and beyond, financial yield.

Active government role needed: put social innovation on the agenda and facilitate it

The Council recommends that the government play an active role in social innovation, in order to better identify and make use of its value for society. The government does not have to start from scratch. For decades, Dutch policy has aimed at provided scope for social initiative. However, lately there has been a lack of emphasis in the Netherlands on the theme of social innovation in the broad, European sense. Social innovation is not embedded comprehensively in policies on innovation and knowledge, but it should be. After all, the reasons for the government to play a role in advancing economic innovation also apply to social innovation: the creation of public value in combination with market failure. The countries leading the way in social innovation have developed strategies to guide and encourage it. They involve creating the infrastructure and funding opportunities needed to further social innovation successfully.

These conclusions result in three recommendations to the ministries, provinces and municipalities:

Recommendation 1: Embrace social innovation and put it on the agenda

Put social innovation on the agenda: make support for social innovation an explicit component of government policy on encouraging societal participation. Adopt the generally accepted definition of social innovation as used by the European Commission and by policy-makers worldwide. Expand the Dutch definition (workplace innovation) and fall in line with the European discourse and European policies in this area. Take an interdepartmental approach: strive for close cooperation with various societal parties. Leverage social innovation via the top sectors wherever possible to address societal challenges.

Recommendation 2: Create scope for social innovation

Create environments in which organizations and networks can experiment with new solutions to societal issues. For example, work with low-regulation environments and deals. Strive for a more open government culture. For municipalities, provinces and ministries: examine each new policy process to see whether and how social innovation can be supported and encouraged as an effective policy tool. For the national government: provide support to municipalities, professionals and individuals to help them develop the necessary problem-solving ability.

Recommendation 3: Encourage social innovation through existing innovation and knowledge policies

Create a place for social innovation in the existing innovation and knowledge policies. This will help to accelerate social innovation and improve its leverage for societal purposes. AWT has defined six concrete steps that the Ministry of Economic Affairs and the Ministry of Education, Culture and Science can take:

- i. *Work on infrastructure for social innovation.* Create national platforms based on a number of identified societal challenges, taking cues from existing private initiatives and organizations. The task of these platforms will be to encourage social innovation on societal themes, and they will work based on both public and private contributions.
- ii. *Strive to broaden innovation policy beyond the confines of policy on trade and industry.* Consider innovation policy from the perspective that innovative actors who are not allied to companies should also be a policy target group. This is the case in those situations where innovations can create public value, but where the market fails to do so. Investigate the future possibilities for supporting innovation outside of the corporate arena. This may involve tax deductions for individuals and organizations that engage in social innovation and an incentive scheme for heterogeneous networks.
- iii. *Adjust current policy on trade and industry to address social innovation.* Create scope in the top-sector policy for cooperation with organizations and agencies other than institutes of knowledge. Search for ways to prioritize support for those (economic) innovation projects which feature aspects of social innovation that answer to current policy aims. Identify specific incentives that will encourage crossover projects between top sectors.
- iv. *Create knowledge policy on social innovation.* Put social innovation on the knowledge and innovation agendas that guide the government's research ambitions. Encourage research institutes to develop expertise on social innovation. Commission ongoing monitoring of the field of social innovation to encourage the development of knowledge.
- v. *Prioritize multidisciplinary research.* Support parties such as VSNU, KNAW and NWO for this purpose in the steps they are taking towards innovative working methods in the Dutch scientific community. Ask KNAW and NWO to focus on bringing together scientists from the natural sciences, the humanities and the social sciences to

conduct focused, collaborative research into societal challenges. Ask NWO to give greater priority to multidisciplinary research in its programmes. After all, science is also facing the challenge of being innovative and collaborating with companies, end users and other interested parties.

- vi. *Collaborate with other countries.* With the United Kingdom, but also with Belgium (Flanders). The Social Innovation Factory was recently launched there, with the aim of creating a culture of social innovation in Flanders. The Netherlands should actively seek to collaborate with representatives of this initiative.