

Foreword II

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In the last decade, social innovation has attracted particular attention from policy makers, academics, practitioners and the general public. The current unparalleled challenges at global, national and territorial levels call for innovative strategies and tools to successfully address them. Moreover, the recent financial and economic crisis, probably the worst we have seen in our lifetime, makes the shift to a new economic thinking urgent. Innovative models of growth and governance are needed to recreate trust among people, on the one side, and to allow economic and social sustainability and transparency in decision making, on the other side.

As the OECD (Organisation for Economic Cooperation and Development) Secretary General, Ángel Gurría, recently said “we must go social to give the people hope, confidence and perspectives”.

Now, social innovation is key to giving people better perspectives. In fact, according to the definition that OECD provided in its Forum on Social Innovations (FSI), its final aim is to improve people’s well-being and quality of life by promoting social change. Social innovation is, therefore, an important element of the new economic thinking, which is needed to put forward those fundamental changes in approaching economics and politics, thus avoiding a return to “business as usual”. Social innovation should be central to the policy agendas of our Governments. Even if progress has been made in some countries to support social innovation, more remains to be done.

The role of research is important in furthering the knowledge around social innovation and the mechanisms and processes which are needed to implement it. Social sciences and humanities have clearly a role to play, as social innovations are vital in the field of social policies. The papers presented in this book underline the need for including social innovation in the paradigm shift of innovation. This is what the OECD Innovation strategy (2010) did, looking at innovation from a wide expanse of policy areas and acknowledging the rise of social innovation to

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tackle the global challenges such as climate change and the greening of the economy.

Indeed, the OECD has been an early player in the field of social innovation to increase policy awareness on its importance for more sustainable and inclusive public policies. In fact, through its LEED (Local Employment and Economic Development) Programme, the OECD established the Forum on Social Innovations, a multi-stakeholders platform, created in 2000 by a number of actors in the public, private and non-profit sectors, from different countries, which agreed to share knowledge and to help in shaping the policy agenda around social innovation. The Forum aims at facilitating exchanges of best practices and policies in social innovation, at providing a framework for a comparative assessment of social innovations and at reinforcing international networks of policy makers and practitioners in this field. The Forum on Social Innovations (FSI) is innovative and interesting for at least a couple of main reasons and could be, therefore, seen as a model for similar initiatives. More places, and even virtual places, of knowledge sharing and policy dialogue are, in fact, needed to increase awareness around social innovation and set up initiatives. What is interesting in the FSI and could also be inspiring is its multi-stakeholders approach, which is indispensable if social innovation is to be fostered and implemented.

Social innovation is not restricted to one sector. Rather, it can take place everywhere, but it does not simply “happen”. It requires mechanisms and incentives to stimulate it. It is the result of joint efforts, creativity and of a shared vision of a more sustainable, fairer and people-oriented future. Some innovations appear in the public sector, some in the private and others in the non-profit sector. Bringing together different actors under the umbrella of the Forum on Social Innovations was a way to foster a creative dialogue between stakeholders around many different initiatives: conferences; capacity building seminars; study visits; and topics relevant for social innovation such as the social economy and the social entrepreneurship; important agents of social innovation, although not the only ones; corporate social responsibility, that is the role of private business in fostering social innovation; community capacity building, that is empowering people for them to be able to actively participate in their communities; demand-led innovation, that is bringing people in the innovation process; and, finally, innovative decision making processes.

The FSI is also interesting because of its balanced approach between a theoretical and a practical dimension: The FSI has put together “the theory and the practice”, and in combining these two dimensions, it has set social innovation in motion. In fact, while providing a working definition of social innovation, the first ever provided by an international organisation, it has, over the years, explored a wide set of social innovations in different geographical contexts. Today, like yesterday, the theory of social innovation evolves and new definitions appear while many social innovations develop on the ground. Already 12 years ago the FSI wanted to capture the essence of social innovation through the analysis of social innovations appearing in different countries. This approach is still valid: while more research is needed to understand the boundaries of social innovation and to measure it, policy makers need

to go beyond definitions and look at the realities which develop before their eyes to understand what is needed to foster social innovation and which mechanisms are the most appropriate and which leverages can be used.

Why was the decision to establish this Forum taken 12 years ago, at a time when social innovation was not yet high on the policy agendas of OECD member countries? Because many elements were already there to suggest that social innovation would have become an important factor of economic and social development. If the recent financial and economic crisis and the public budget constraints have now made this even clearer, we need to be aware that the factors that led to the creation of the OECD Forum on Social Innovations are still influencing the development of our societies and, in actual fact, represent triggers for social innovation to develop. This book analyses some of them, making clear that the time has now arrived to promote social innovation without any further hesitation.

Let us think, for instance, about the importance of the civil society and the social economy and social entrepreneurship. Their engagement in the social and economic development is central and they certainly cannot be considered, as they sometimes are, as residual actors. These actors have the willingness and often the capacity to act to transform the society and to provoke social change. Many initiatives undertaken by the social economy and by the civil society have proved to be innovative in dealing with social, environmental and societal problems, while contributing to the economic development. Not to mention that some entities, for instance social enterprises, are socially innovative devices themselves, thanks to their governance systems and their explicit mission of pursuing the general interest through an entrepreneurial approach.

The limits of the market and the state to address important social challenges (poverty, social exclusion, ageing population, rising inequalities, demographic change,) using conventional wisdom and traditional approaches are also factors that have played, and continue to play, an important role in the emergence of social innovation.

And obviously the global challenges that are first and foremost threats can also be considered as opportunities to “think out of the box” and implement social innovation. History confirms that the emergence of social innovation has always been linked to times of crisis.

Another trigger of social innovation, which started to be observed as a new phenomenon ten years ago, was the need of traditional business to reconnect with society and to adopt more socially accepted behaviours. This was, in turn, partially due to the increasing emergence of intangible assets, such as reputation, and trust. As the importance of intangible factors is even growing nowadays, social innovation can increase even more.

The emergence of new investors attracted by the social return on investment and therefore willing to invest in more socially responsible business and venture is also a factor that is having a positive impact on social innovation.

Social innovations are processes and outcomes which transform practices and policies of local and global economic and social development. Whenever social innovations appear, they always bring about new references and processes. The

ingredients of social innovation are different and interconnected: individual, collective and institutional creativity are needed, together with the capacity to “think out of the box” and to walk off the beaten tracks. The capacity to work in partnership and to mobilise different kinds of human and financial resources is another important ingredient for social innovations.

But what is really needed is to have a systemic approach to social innovation, an enabling environment and eco-system providing the adequate incentives, finances, structures and drivers for social innovations to develop. The OECD has put forward in the last decade a number of policy recommendations on the measures and processes which can foster social innovation.

Social innovation is a challenge – one that cannot be missed. This book represents an excellent opportunity to “challenge social innovation” and to push thinking around it further.