

Social innovation: Improving individual and collective well being. The OECD perspective

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« Go social »!

- OECD Secretary General, Mr Angel Gurría said:
- “**Go social** to give the people hope, confidence and perspectives.”
- “**We must “go social”**. This is a strong OECD message to policy makers.”

OECD and innovation: going social

- **Oslo Manual:**
 1. 1992 focused on technological product and process (TPP) innovation in manufacturing.
 2. 1997 expanded coverage to service sectors.
 3. 2005: marketing and organisational innovation
- *An innovation is the implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organisational method in business practices, workplace organisation or external relations.*
- **The OECD Innovation strategy (2010)** : looks at “innovation” from a wide expanse of policy areas and acknowledges the rise of “**social innovation**”

The OECD/LEED Forum on Social Innovations

A multi-stakeholder forum created in 2000 by various actors (Governments, private sector and non profit sector) to foster **social innovation** and analyse **social innovations**

Main objectives

To facilitate exchanges of best practice and policies in social innovation.

To provide a framework for a comparative assessment of social innovations.

To reinforce international networks of policy-makers in this field.

Social innovation: a working definition

- Social innovation can concern “**conceptual, process or product change, organisational change and changes in financing, and new relationships with stakeholders and territories**”
- It seeks **new answers to social problems** by:
 - identifying and delivering new services that improve the quality of life of individuals and communities;
 - identifying and implementing new labour market integration processes, new competencies, new jobs, and new forms of participation, as diverse elements that each contribute to improving the position of individuals in the workforce both as producers and consumers.

Main key elements of social innovations

- Individual, collective and institutional **creativity**
- Capacity to « **think out of the box** » to walk off the beaten tracks, to **act/differently**
- Ability to mobilise different human and financial resources and to **work in partnership**
- Ability to make a **social impact** and to change the society
- **Enabling environment** with the adequate incentives, finances, structures and drivers

Why social innovation is gaining importance

The emergence of social innovation, now urged by the financial and economic crisis and the public budget constraints, can be explained by :

1. **Rise of civil society** and social entrepreneurship: not residual actors. Willingness to transform society
2. **Failure of** market and State to address social challenges using **conventional wisdom** and traditional approaches
3. Emergence of **social challenges** (poverty, social exclusion, ageing population, rising inequalities, demographic change) which are threats but also opportunities

Why social innovation is gaining importance.2

- 4. Need of the traditional business to **reconnect with society** (eg CSR, social audits, etc)
- 5. Emergence of **new investors** attracted by social return on investments
- 6. Emergence of **social venture philanthropy/capital**
- 7. Increasing importance of **intangible assets** (creativity, social capital)
- 8. Need to **modernise the public sector** and to increase its efficiency
- **SOCIAL INNOVATION : a dynamic of change**

Social entrepreneurship: definition

- (OECD 1999) Social enterprise: Any private activity conducted in the public interest, organised with an entrepreneurial strategy but whose main purpose is not the maximisation of the profit but the attainment of certain economic and social goals, and which has the capacity of bringing innovative solutions to the problem of social exclusion and unemployment
- (OECD 2010) Social entrepreneurship can be defined as entrepreneurship that aims to provide innovative solutions to unsolved social problems and challenges not addressed by commercial entrepreneurship or the public sector..

Which innovation through social entrepreneurship

- **A new economic model:** a « triple bottom line approach » and the willingness to produce positive externalities
- **New forms of governance** aiming at gathering different stakeholders so to maximise the impact of their actions (ex SCIC in France or CIC in UK)
- **Innovations** in goods and services and in process (SELUSI study)
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Links between social innovation and social entrepreneurship

Social innovations

- New solutions to social challenges
- Improvement of individual and collective well being and quality of life
- conceptual, process or product change, organisational change and changes in financing, and new relationships with stakeholders and territories
- Changes in financing
- Changes in relationships with territories

Social entrepreneurship

- New responses to social challenges
- Explicit pursuit of positive externalities
- New forms of internal and external governance
- Mixed financing (public, private, monetary and not monetary)
- Strong links with territories

Which policies?

Social innovation

- Support research
- Establish social innovation funds
- Create incubators for social innovation
- foster the emergence of intermediaries who can connect social demand with the supply of social innovations

Social entrepreneurship

- Support research
- Build enabling environments and implement supporting policies
- Provide sustainable finance
- Provide training opportunities to social entrepreneurs and include social entrepreneurship in school and university curricula

Which policies? 2

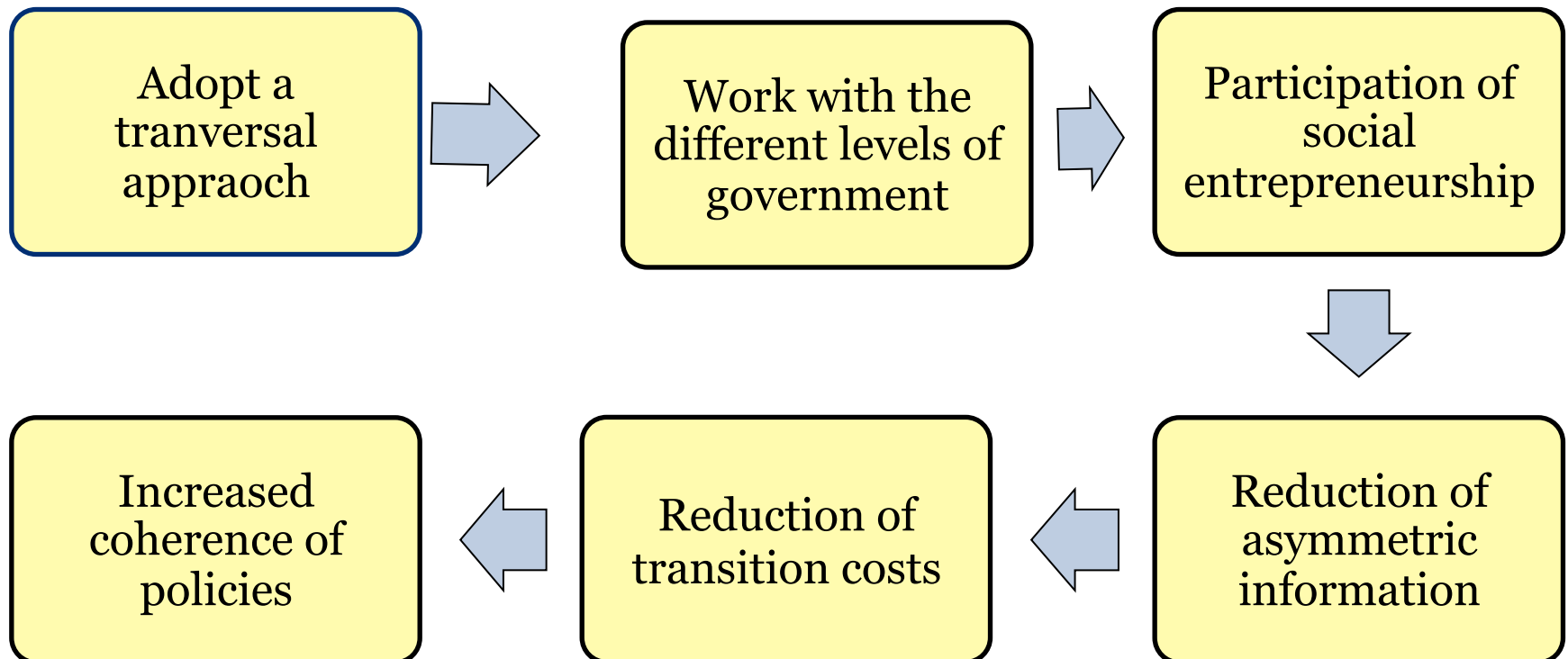
Social innovation

- Evaluate the impact of social innovations

Social entrepreneurship

- Support market development for social enterprise and provide training for public officials and social enterprises to deal with public tenders
- Evaluate the impact of social entrepreneurship

Co-construction of public policies coordination and vertical and horizontal cooperation



Thank you

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www.oecd.org/cfe/leed/socialinnovation