Social Innovation Practices and Trends

Part II

31 May 2012

Contents

1. Introduction

This paper forms the second part of an overview of social innovation (Deliverable 1.1 of the TEPSIE research programme). In the first part of the overview we developed a working definition of the term social innovation for the TEPSIE programme. We reviewed how others have used the term and used this to propose a new definition including what we consider to be its core elements, and common features. We set out a typology of social innovation, a description of the process and an account of how social innovation occurs in the public sector, private sector, not-for-profit and what we term the 'informal sector'.

Social innovation is a practice lead field. Around the world people are coming up with all sorts of new and innovative ways to address social challenges. It is these examples that are leading the thinking and development of the field. In this paper we provide an overview of the current practice. We look at the new and interesting approaches that are developing across the 27 EU member states and beyond and detail some of the new trends that we see emerging in the field. This is not designed to be a comprehensive and detailed review of social innovation activity around the world – such a task would be a vast research programme in its own right. Rather, it is snapshot of the diverse and interesting activity that we wish to investigate further over the course of the TEPSIE programme.

2. Social innovation in practice

The field of social innovation is immensely broad - it covers examples as diverse as microfinance, fair trade, new models of eldercare, preventative interventions in health and criminal justice, co-production and online platforms which enable sharing, mass collaboration and peer-to-peer learning.

Figure 1 – Social innovation

This diversity of practice makes the 'field of social innovation' quite difficult to describe, analyse and measure. Indeed, it might be more appropriate to talk of fields and practices rather than one single field of action or practice. As we have discussed in Part 1 of TEPSIE 1.1, social innovations are dependent on the social, economic and cultural contexts in which they are devised. As such, social innovations vary quite considerably across different communities, countries and cultures.

In this paper, we look at current practice through the lens of the four sectors: the non-profit sector, the public sector, the private sector and the informal sector. We do this because each of the four sectors has its own means of obtaining resources, its own rules and customs for the distribution of its outputs, and its own principles of reciprocity.[1] One distinguishing feature is the way the sectors are financed - with the non-profit sector funded primarily through grants, the public sector through taxation and borrowing, the private sector through the sale of goods and services and the informal sector frequently involving no formal financial exchange. Specific sectors also face specific challenges. For example, the state often lacks the mechanisms to encourage the best ideas to flourish and the weak to fail. And the informal sector lacks the capital and organisational capacity to fully implement ideas. This is why it is important to analyse the processes, institutions and conditions which are key to supporting social innovation in each of the four sectors.

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[1] R Murray, J Caulier-Grice & G Mulgan, *How to Innovate: the tools for social innovation*, The Young Foundation, London, 2008

However, as we have argued in Part 1 of TEPSIE 1.1, the boundaries between the four sectors are not fixed and absolute. Social innovations frequently involve more than one sector – a recent example is the partnership between the Department for International Development (DfID), Vodafone and later a number of non-profits which led to the creation of mobile banking platform MPesa. Social innovations that start in one sector can also be taken up in others; for example, many models of distance learning were pioneered by non-profit organisations and then adopted by business or social enterprises.

Moreover, many organisations working within the field of social innovation are hybrids - containing parts of the public, private, non-profit and informal sectors. Many operate across sectoral boundaries - private sector firms receive grants from governments, and social enterprises are bolstered by the voluntary support of the informal sector, for example. Similarly, charities in the non-profit sector often run their own shops and other market enterprises, and many are contracted to provide services by the state. Social innovation frequently happens in these overlapping spaces between sectors, and therefore we are particularly interested in the dynamics of the relations between them. Indeed, the capacity for innovation depends as much on innovation in the structures, goals and the cross border relations of each of the four economic spheres, as on any specific role that each has traditionally played.

Here we provide a snapshot – rather than a comprehensive exploration – of the major trends and developments in social innovations through the lens of these four sectors.

Figure 2: Trends and examples characterising the four sectors

Sectors	Trends	Examples
The non-profit sector	Delivering public services	Charter schools, USA
	Campaigning and advocacy	Participant Media films
	Innovative funding	Crowdfunding
The public sector	Open data	Data.gov, USA
	Platforms for consultation	UK government's e-petition website
	Personalisation	Personalised budgets
	Citizen engagement	Participatory budgeting
	Prevention	Harlem Children's Zone, USA
The private sector	Social enterprises	Divine chocolate, UK
	Businesses engaging in social innovation	M-PESA, Kenya
	Partnerships between businesses and non-profits	Mleczny Start (Danone, Lubella, Biedronka), Poland
The informal sector	Networks of care	San Patrignano, Italy
	Valorising the voluntary	SPICE, UK
	New forms of collaboration	OpenStreetMap

2.1 The non-profit sector

The non-profit sector (sometimes termed the third sector) is a significant source of social innovation. It includes a wide range of activities including work in areas such as health, education, culture, the environment, community building, conflict resolution and emergency relief. As a sector, however, it remains fragmented and economically vulnerable. In times of recession and austerity, the demands placed on non-profit organisations tend to increase, while government funding is often cut or scaled back. Recent trends include the use of social media channels to campaign and spread awareness in new ways and a growing role for the sector in the delivery of public goods and services. One of the most interesting developments in the last few years has been in the way that non-profit organisations are funded, with many diversifying from largely grant based income streams.

2.1.1 Delivering public services

Non-profit organisations are increasingly providers of services, particularly in education and health. In some cases they are filling in gaps left by public service provision. Research from the Comparative Non-profit Sector Project at John Hopkins University makes clear that in some countries, especially in Central and Eastern Europe, non-profit organizations are now expected to be the primary service providers (for example, Hungary, Romania, and Slovakia) and are viewed as filling in gaps left by governments.[2] In other regions the trend has been for governments to commission non-profit organisations to provide services that it once had sole responsibility for delivering.

One of the clearest examples of this can be seen in education. Governments in Sweden, the United States and the UK are contracting non-profit organisations to deliver schooling, often with many more freedoms and opportunities for innovation than traditional school models. In the US, State governments grant education providers a renewable charter for a certain amount of time, usually three to five years. This is a contract detailing the school's mission, programs, goals, students served, methods of assessment, and ways to measure success. Charter schools are less constrained than their public counterparts and frequently employ innovative approaches to learning, often utilising new technology tools in the classroom. Some of the most radical experimentation with charter schools occurred in New Orleans following Hurricane Katrina; the district removed zoning and allowed students to choose to enrol at any one of the charter or public schools. Examples of charter school providers include KIPP ('Knowledge is Power Program'), Aspire and Rocketship.[3]

2.1.2 Campaigning and advocacy

A second shift in activities has seen non-profit organisations using more sophisticated tools and strategies for campaigning and advocacy. Many more organisations are developing multi-channel campaigns with a major role for social media platforms like Twitter, Facebook, Flickr and YouTube. Indeed, these new networking and collaboration tools present a significant opportunity for social innovation.

The use of film has emerged as a particularly powerful tool for driving awareness of social challenges and in turn, donations, support and behaviour change. There is an evolving field of socially conscious cinema, much of it backed by ex-eBay executive, Jeff Skoll, through his organisation Participant Media.[4] This financed the 2006 climate change film, An Inconvenient

[2] Viewed on 18 May 2012, http://ccss.jhu.edu/wp-content/uploads/downloads/2011/09/CNP_WP37_2000.pdf
[3] Viewed on 18 May 2012, http://www.kipp.org/; Viewed on 18 May 2012, http://www.rsed.org/; Viewed on 18 May 2012, http://www.aspirepublicschools.org/
[4] Viewed on 18 May 2012, http://www.participantmedia.com/

Truth, which became one of the highest ever grossing documentaries. Participant Media has gone to on to produce a number of other films with a social focus, such as Waiting for Superman about public education and Food Inc, examining the impact of the corporate food industry in the US. Participant Media have partnered with more than 600 non-profits in the making and distribution of the films they finance and produce. Film maker Franny Armstrong has also directed a series of activist films including the Age of Stupid looking at climate change and Drowned Out, which followed a family's stand against a government dam project in Gujarat, India.[5] She went on to form 10:10, a global campaign to get individuals, organisations and governments to reduce their carbon emissions by 10% in a year.[6]

Low cost, virally spread films are also being used by many non-profits to draw attention to issues on which they campaign. The Story of Stuff, a short video animation by Annie Leonard that traces the environmental impact of products quickly reached 15 million viewers and a set of similar videos looking at electronics and the beauty industry have been released, with support from the Tides Foundation.[7] More recently, the US charity Invisible Children's video calling for the arrest of war criminal Joseph Kony became the fastest ever spreading viral video, with over 67 million views within five days of being released.[8] As these examples help illustrate, there is a large and growing appetite for socially aware media, with social media sites providing channels for rapid dissemination. This is an increasingly important area of activity for non-profit organisations as they work to secure support for their activities and to create long lasting change around the issues on which they campaign.

Another significant development for the field of social innovation has been the emergence of crowd funding. This initially took off in the creative space. The platform Kickstarter allows people with an idea for a creative output (say a book, or an album) to post a profile and request to receive donations from a community of interested individuals.[9] Similarly, WeFund aims to transform arts funding by enabling anyone to feature a project they'd like to undertake, and anyone to act as patron.[10] This idea has quickly extended to encompass funding for all kinds of projects, especially social ones. For example, Spacehive is a crowdfunding platform with a focus on neighbourhood improvement projects.[11] Recently, Spacehive was used to obtain the final 40,000 needed to build a community centre in one of the most deprived areas in south Wales, Glyncoch. The idea of connecting individuals with specific needs has also informed innovations reaching the developing world. Kiva is a platform that allows individuals to make microfinance loans to entrepreneurs in the developing world. So far nearly 800,000 people have lent $299 million dollars using the platform.[12]

There are now a range of online platforms that enable crowdfunding and peer-to-peer funding. Many of these platforms are about helping individuals feel a more direct connection with the cause they're supporting. For example, DonorsChoose allows teachers to post requests for specific needs in their classroom (arts supplies or musical instruments) and individuals can choose what they would like to support. The materials are received and the donor receives an update from the relevant teacher and children.[13] ScholarMatch allows potential donors to support an individual

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[5] Viewed on 18 May 2012, http://www.spannerfilms.net/people/franny_armstrong
[6] Viewed on 18 May 2012, http://www.1010global.org/uk
[7] Viewed on 18 May 2012, http://www.storyofstuff.org/
[8] Viewed on 18 May 2012, http://www.youtube.com/watch?v=Y4MnpzG5Sqc
[9] Viewed on 18 May 2012, http://www.kickstarter.com/
[10] Viewed on 18 May 2012, http://www.wefund.com/
[11] Viewed on 18 May 2012, http://spacehive.com/
[12] Viewed on 18 May 2012, http://www.kiva.org/
[13] Viewed on 18 May 2012, http://www.donorschoose.org/about

student who needs financial help to attend college.[14] Peer to peer and crowdsourced funding is also aided by much easier access to reliable information about organisations in the non-profit sector. For example, the site Guidestar provides comprehensive, up to date information on more than 1.8 million non profits, along with tools to help users analyse this data in the way most useful to them.[15]

Another new development is the emergence of venture philanthropy. This applies venture capital investment principles – such as long-term investment and capacity-building support – to the voluntary and community sector. A number of characteristics distinguish this form of support from regular grant making. First, venture philanthropists tend to have a close relationship with the entrepreneurs and organisations that they support. Second, the finance provided is tailored to the specific needs of the project or enterprise and it is usually given over the medium to long term (three to five years) with the aim of helping the organisation to be financially sustainable by the end of this period. Third, venture support typically focuses on building the operational capacity and long-term viability of the target organisations, rather than funding individual projects or initiatives. Fourth, venture philanthropists will usually provide various forms of non-financial support such as strategic planning, marketing and communications, executive coaching, human resource advice and access to other networks and potential funders. And finally, in venture philanthropy there is a strong emphasis on being able to measure the outcomes of social investments. In some cases there are no expectations of receiving a financial return on the original investment, but there is always an expectation of a measureable social return. Venture philanthropy began in the US but has taken off in many countries. Examples include the One Foundation in Ireland, BonVenture in Germany, d.o.b Foundation in the Netherlands, Oltre Venture in Italy and Good Deed Foundation in Estonia.[16]

We are also seeing traditional funders, such as large foundations, taking a much more strategic approach to philanthropy. Focusing on a single topic or issue area is a good example of strategic grant making. Frequently this will involve funding research as well as knowledge exchange and networks to help consolidate existing work and address some of the inefficiency and duplication in the sector.[17] For example, the Robert Wood Johnson Foundation focuses exclusively on health issues. During the 1990s it funded key advocacy work campaigning against the tobacco industry. More recently, it has chosen to focus its efforts on the challenge of childhood obesity.[18] Its strategy is to do far more than fund discreet projects, but rather to help bring about systemic change by leading research efforts in the field. To this end it is funding large scale studies that examine the connection between food prices and children's health and how agricultural subsidies can affect the production and prices of fruit nationwide. Another current study looks at the impact of marketing on children's food preferences. Similarly, since 2006, the MacArthur Foundation has been instrumental in building a field of understanding around digital media and learning, funding some of the first ethnographic studies looking at how young people participate in digital media.[19] The William and Flora Hewitt Foundation have focused on opening access to learning resources, leading

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[14] Viewed on 18 May 2012, http://scholarmatch.org/about/

[15] Viewed on 18 May 2012, http://www.guidestar.org/rxg/about-us/index.aspx

[16] Viewed on 18 May 2012, http://www.onefoundation.ie/; Viewed on 18 May 2012, http://www.bonventure.de/en/aboutus.html; Viewed on 18 May 2012, http://www.dobfoundation.nl/eng; Viewed on 18 May 2012, http://www.oltreventure.com/; Viewed on 18 May 2012, http://www.heategu.ee/eng/

[17] For a discussion of the grant-making strategy of building a field, see the report 'Building to Last' by Blueprint Research and Design, viewed on 18 May 2012, http://www.arabellaadvisors.com/wp-content/uploads/2012/03/building-to-last.pdf

[18] Viewed on 18 May 2012, http://www.rwjf.org/childhoodobesity/

[19] Viewed on 18 May 2012, http://www.macfound.org/site/c.lkLXJ8MQKrH/b.946881/k.B85/Domestic_Grantmaking__Digital_Media__Learning.htm

the OpenCourseWare movement which has encouraged institutions such as Massachusetts Institute of Technology to make their curricula open to the public.[20] Though the non-profit sector is still dominated by small and fragmented grant-makers, these examples of a more strategic approach to philanthropy are setting a new standard for grant making going forward.

2.2   The public sector

The public sector is not always seen as innovative. However, much social innovation takes places within the public sector. Politicians, public servants and front line workers often seek out and put into practice radical new models. Moreover, the public sector plays a critical role in supporting social innovations – as the biggest purchaser of public goods and services, its access to finance and huge organisational and capacity resources, as well as its policy and regulatory role for example in setting the conditions under which organisations and individuals operate. It also plays a critical role at various stages of the social innovation lifecycle. Traditionally, governments have played a central role in the generation of innovations - most notably as funders of research and development projects that are too risky for the private sector to fund.

There are a wide range of barriers to social innovation within the public sector. These include departmental silos, audit and accountability structures, reward and incentive structures, budgets and financial flows, targets and performance management processes, as well as a lack of enabling conditions such as dedicated teams and budgets, cultures of innovation and political champions for innovation. Public sector innovation is also highly centralised, and since it is driven by political manifestos and commitments, tends to be episodic in nature. The public sector is also the most complex of the four sectors, which makes its operation and direct contribution to innovation difficult. It needs to meet often contradictory and multifarious demands, make policy trade-offs, react as fast as it can to societal challenges, whilst also meeting transparency and accountability requirements not placed on the other sectors. In addition, it must also provide the necessary frameworks for stability and continuity which the other sectors need in order to function well.

However, public sector innovation has become increasingly important, and many governments around the world now see it as a priority. In part, this is a reaction to New Public Management (NPM), namely the introduction of market based mechanisms (such as choice and competition), and private sector performance management strategies (for example, targets and performance incentives) within the public sector. NPM was prevalent in the 1980s and 1990s, especially in the Anglo-Saxon states and through institutions such as the World Bank and the IMF, and has been widely criticised since the early 2000s. Critics argue that NPM fails to recognise that the public sector is substantively different from the private sector, not only in terms of the structures and motivations but also in terms of the complexity of social challenges being dealt with. In this sense, calls for public innovation are a reaction to failures of NPM and part of an effort to develop a new paradigm for public administration in theory and practice.

New information and communication technologies have opened up a wealth of innovation opportunities within and across the public sector. These include ways of opening up access to information, improving the interactions between citizens and the state and new forms of citizen consultation. More broadly there has been a focus on both user-centred and user-driven innovation – especially around citizen engagement, co-production and personalisation. A number of ventures have engaged citizens in the co-production of public services; others are re-framing the delivery of public services around the notion of individual pathways and journeys to create tailored

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[20] Viewed on 18 May 2012, http://www.hewlett.org/programs/education-program

and personalised services; and other innovations are engaging citizens in decision-making processes by devolving power and budgets to individuals and local communities. There have also been a number of innovations around prevention – trying to tackle the underlying causes of social problems rather than their symptoms or effects.

2.2.1 Open data

One recent trend in the public sector has been opening up access to government information and data. The US pioneered this shift with its data.gov website launched in May 2009, closely followed by the UK in early 2010.[21] Its repository has grown from 47 datasets at launch to over 250,000 currently. There are now many equivalents of data.gov in countries around the world; Datacatalogs.org provides a comprehensive list of open data catalogues.[22]

Increased access to government data has generated a wealth of innovation, much of it citizen led, to put this data to use. Apps for Democracy was a competition initiated by the Chief Technology Officer for the District of Columbia, Vivek Kundra, in 2009 to invite people to use government data to build new web applications that would improve civic life in the city. The so-called 'hackathon' competition created 47 apps in just 30 days, from mapping crime hotspots to helping citizens find safe bicycle routes. The Apps for Democracy model has been replicated by many regions, for example Apps Voor Nederland[23] that challenges developers to make applications with open data provided by the Dutch government, and Apps for Democracy Finland[24], which was a similar competition held in 2009.

Many cities have now moved from open competitions to seeking solutions for specific problems – for example, San Francisco has recently pioneered 'unhackathons' bringing together not just coders but also designers, businesses and civic groups. These so called 'smart-cities' where city governments team up with other sectors to ensure highly efficient and effective city governance using ICT often represent the 'sweet spot' between centralised and de-centralised governance models, since cities are typically large enough to have real power and impact, but also small enough to be close to the lives of local people where innovation and participation can have greatest impact. There are also significant efforts to share data between public authorities, as is currently taking place between cities in the US including San Francisco, Chicago, Boston and New York.

Some moves to open up data have sought to increase transparency and accountability in the political process. For example, OpenSpending is a repository of data from around the world that enables anyone to explore, visualize and track government spending.[25] It also runs country-specific sites such as *Where does my money go?* in the UK, which tracks where taxes are spent. Another project developed by MySociety, TheyWorkforYou, provides a simple interface for citizens to monitor their MP's activities in parliament and voting record.[26] A similar site, Mzalendo, has been built to do the same thing for the Kenyan parliament.[27]

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[21] Viewed on 18 May 2012, http://www.data.gov/

[22] Viewed on 18 May 2012, http://datacatalogs.org/

[23] Viewed on 18 May 2012, http://www.appsvoornederland.nl/

[24] Viewed on 18 May 2012, http://www.mindtrek.org/2009/democracy_finland

[25] Viewed on 18 May 2012, http://openspending.org/

[26] Viewed on 18 May 2012, http://www.theyworkforyou.com/

[27] Viewed on 18 May 2012, http://info.mzalendo.com/

2.2.2 Platforms for consultation

A number of platforms have been developed to enable citizens to engage in the policy making process. WeThePeople, launched by the Obama administration, gives citizens a way to create and sign petitions asking the government to take action on a specific issue.[28] Petitions must generate 25,000 signatures in thirty days in order to be reviewed by Administration officials. The UK government's e-petition website allows anyone who can collect 100,000 signatories to propose that issue for debate by MPs in the House of Commons.[29] The German Bundestag has initiated a very similar scheme.[30] There are other examples at the municipal level. The City of Paris, for example, has recently re-launched an e-petition site that asks Parisians to collect signatories on city issues such as roads, the environment and waste management.[31] 18,000 signatories are needed to trigger a debate in the Council of Paris. In San Francisco, 'Improve SF' is a social media platform that allows city authorities to launch ideas for civic improvements and elicit feedback from residents, as well as enabling residents to make suggestions for consideration by their peers.

2.2.3 Personalisation

The design and delivery of public services has been based on the 20th century paradigm of mass production - namely, the idea of a 'one size fits all' model, standardised packages of care and support and universal benefits. This top-down, command-and-control model which still characterises much of public service delivery is not, however, well suited to dealing with complexity and details, or the changing needs and expectations of citizens. One response to this old model of public service provision has been to place citizens at the centre of services and focus more on their individual needs and aspirations. One of these approaches – personalisation – is based on the idea that people's needs vary and that accordingly, the kind of support they need also varies. This concept has become increasingly widespread in the fields of health and education, where much attention has been placed on identifying and then improving individual 'learner journeys' and 'patient pathways'.

The Department for Education in the UK state that "personalisation puts citizens at the heart of public services and enables them to have a say in the design and improvement of the organisations that serve them. In education this can be understood as Personalised Learning - the drive to tailor education to individual need, interest and aptitude so as to fulfil every young person's potential".[32] In this context, the concept of personalisation builds on a significant body of knowledge and practice which emphasises the existence of multiple intelligences and different learning styles. In practice, this has translated into new types of pedagogy, an emphasis on lifelong learning, new forms of assessment and evaluation, and a broadening of the curriculum. More recently, technology tools that allow teachers to identify how students are performing in real time offer opportunities for a much deeper level of personalisation. Currently, many of these are still at an early stage of development. The School of One in New York uses a learning algorithm to combine data about students and available materials to create a unique schedule – called a playlist - for every student.[33] A pilot in 2009 found that using this approach, students acquired new maths skills on average seven times faster than peers with similar demographics and pre-test scores.[34]

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[28] Viewed on 18 May 2012, http://www.whitehouse.gov/petitions

[29] Viewed on 18 May 2012, http://epetitions.direct.gov.uk/

[30] Viewed on 18 May 2012, https://epetitionen.bundestag.de/

[31] Viewed on 18 May 2012, http://www.paris.fr/petition

[32] DfES, *A National Conversation about Personalised Learning*, DfES Publications, Nottingham, 2004

[33] Viewed on 18 May 2012, http://www.schoolofone.org/concept.html

[34] Viewed on 18 May 2012, http://schoolofone.org/resources/so1_quickfacts.pdf

Technology is offering similar possibilities in health. Sundhed.dk is a Danish online portal that centralises health information and online health services.[35] It includes personalised features for citizens over the age of 15 who apply for a free digital signature. Individuals can use the portal to access their personal medical histories and to do things like order a prescription, register as an organ donor and make a living will. Evaluations have shown that it has resulted in significant savings for the Danish health system, reducing the need for doctor appointments, for example.[36] In the UK, the Patients Know Best service, provided by the St Johns Innovation Centre, is a patient-driven platform which helps patients to manage their health care, giving them access to their medical notes so that they can work in partnership with medical professionals.[37] Other examples include forms of personalised budgets that enable users to pay for and choose their own package of care and support. This approach operates on the principle that individuals are best placed to decide what activities and forms of support they will benefit from most and has been particularly effective in care settings.

2.2.4   Citizen engagement

One of the most significant innovations in the public sector has been engaging citizens in the design and delivery of the services they use. This challenge to the old model of public service provision has profound implications for the role of citizens, communities and the state. There are many forms of citizen engagement but two of the most striking models are co-production and participatory budgeting.

There are now a number of design labs, consultancy firms, public agencies and non-profits which are bringing users and front line public sector workers together to improve and re-design services. One example in the UK is Think Public, a social design agency that works with service users in the public sector. It has worked with hospitals in the UK to try to embed a user led approach to designing services, developing an Experience Based Design toolkit to try to scale patient-centred approaches throughout the NHS.[38] Other examples include Skillnet in the UK, which brings together people with and without learning difficulties to work together as partners to establish a holistic network of support services. And at Vejle Hospital in Denmark, patients who have undergone hip and knee surgery do not look primarily to doctors and nurses to support them in their recovery, but rather to others who have recently had the same operation, forming peer support groups to provide reassurance and share experience in the recovery phase. The scheme has resulted in major cost savings by reducing the amount of days patients need to stay in hospital recovering.[39]

One of the most radical forms of citizen engagement has been participatory budgeting, pioneered in Brazil and now being implemented in cities across Europe and South America. With participatory budgeting, citizens decide via public meetings and neighbourhood votes, on the investment priorities for their localities. The first participatory budget was introduced in 1989 by the Brazilian Workers Party (PT) in Porto Alegre. When it was formed, the PT was a coalition of intellectuals, militant trade unions and the landless and urban movements. The PT already had a tradition of participatory methods and popular education (inspired by the teachings of Paulo Freire) so the participatory budget was an attempt to democratise decision making processes in a way that was

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[35] Viewed on 18 May 2012, http://www.sundhed.dk/
[36] See case study, viewed on 18 May 2012,
http://www.eduweb.vic.gov.au/edulibrary/public/teachlearn/innovation/panddc/Power_in_Peoples_Hands.pdf
http://www.patientsknowbest.com
[38] Viewed on 18 May 2012, http://thinkpublic.com/case-studies/case-study-experience-based-design/
[39] See case study, viewed on 18 May 2012,
http://www.eduweb.vic.gov.au/edulibrary/public/teachlearn/innovation/panddc/Power_in_Peoples_Hands.pdf

aligned to the PT's history and traditions.[40] Evaluations of the participatory budget in Porto Alegre have showed that there was much greater investment in low income areas, compared to the 1970s and early 1980s, when the majority of funds were spent in middle class areas.[41] Participatory budgeting has now taken off in many regions, including Europe.

2.2.5   Prevention

Increasingly, governments are trying to find ways to tackle the root causes of particular challenges, rather than curing their symptoms. In part, this is a response to the kind of complex social challenges that governments are faced with. In health, for example, we are seeing a major increase in chronic diseases for which there are no cures. In these cases, preventative strategies, for example focusing on changing lifestyle choices (e.g. smoking, diet and sedentary behaviour) become much more important. These strategies are also becoming more prevalent in response to spiralling costs, and the recognition that many current strategies are not only unsustainable, but also ineffective. Harlem Children's Zone is one example of a preventative approach. This is a holistic programme of initiatives to try to reverse decades of decline and deprivation in this borough of New York City. Interventions begin at birth, with the Baby College which provides workshops for parents with children aged 0 to 3. Support continues throughout school-age years right up to college, and includes in-school and after-school programs, as well as social, health and community building initiatives.[42] There have also been moves towards prevention in the field of criminal justice. Campaigners in the US identified the phenomenon of 'million dollar blocks' in US cities where more than one million dollars had been spent imprisoning offenders from a single zip code, while little had been invested in services in the local area. Justice reinvestment is a new approach that seeks to deploy funding that would be spent on custody into community based initiatives which tackle the underlying causes of crime.[43] In Texas alone, it is estimated that $210.5 million was saved in the 2008-2009 financial year. Within two years of the justice reinvestment strategies being put in place, the Texas prison population stopped growing for the first time in decades.[44]

2.3   The private sector

Historically, the private sector has not been a significant player in the field of social innovation. Indeed, many social innovations have arisen as a response to perceived failures of the private market. However, the last decade has seen the market become an increasingly important source of social innovations, particularly as social industries such as education, health and social care represent a growing share of the economy. Key emerging trends include the growth in social enterprises, growth in new hybrid social business models, and moves by existing businesses into the social space, often in collaboration with non-profit organisations.

The growing importance of social and environmental challenges in business innovation was highlighted in a report carried out by FORA with the Danish Ministry of Economic and Business Affairs and the Finnish Ministry of Economic Affairs.[45] The authors explored the changing nature of innovation within the private sector and identified four main drivers of *The New Nature of*

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[40] H Wainright, *Reclaim the State: Experiments in Popular Democracy*, Seagull Books, London, 2009
[41] Viewed on 18 May 2012, http://www.participatorybudgeting.org.uk/documents/the%20PB%20Porto%20Alegre-%20History.pdf
[42] Viewed on 18 May 2012, http://www.hcz.org/
[43] Viewed on 18 May 2012, http://justicereinvestment.org/
[44] Case study featured in Social Justice 2009 Report from the Australian Human Rights Commission, viewed on 18 May 2012, http://www.hreoc.gov.au/social_justice/sj_report/sjreport09/index.html
[45] FORA, 'The New Nature of Innovation', Copenhagen, 2009, viewed on 18 May 2012, http://www.newnatureofinnovation.org/

Innovation. These include co-creating value with customers and tapping knowledge about users; global knowledge sourcing and collaborative networks; global challenges as a driver of innovation; public sector challenges as a driver of innovation. The authors argue that social and environmental challenges, such as chronic disease, an ageing society and a lack of access to clean water, represent a significant opportunity for businesses.

Perhaps the most significant development in this sector has been the growth of social enterprises. While there is no single definition of social enterprises and they take different legal forms in different countries, they can be identified by common features including: the primacy of their social mission, trading income and the provision of goods or services rather than just campaigning and lobbying.[46] Social enterprises generate income either by providing services, or selling goods directly to customers – which is why we have included social enterprises within the private sector rather than the non-profit sector. Social enterprises tend to limit the amount of profit that can be distributed to investors and tend to reinvest profits back into the enterprise.

2.3.1   Social enterprises

There has been a real surge of interest in social enterprises, includes co-operatives, mutuals and other mission driven organisations operating within the private sector. Indeed, in the last few years, there has been a particularly strong resurgence of interest in co-operatives[47] - 2012 is the United Nations Year of Co-operatives.

Social enterprise sectors look very different throughout Europe. In some countries, social enterprises are focused on service provision. For example in Poland and Finland, most social enterprises are non-profit 'work insertion' organisations; in France, Sweden and Romania, childcare services constitute the bulk of social enterprise activity. In southern Europe, especially Italy and Spain, the majority of social enterprise activity is undertaken by co-operatives.[48]

In some countries, the concept of the 'social enterprise sector' is only emerging – for example it was not until September 2011 that the legal form of 'co-operative social enterprise' was created in Greece. The UK, however, has a particularly well developed consumer-focused social enterprise industry – examples include Divine chocolate, which promotes Fair trade practices that empowers farmers in Ghana, and Belu, a carbon-neutral bottled water company that invests its profits in water aid projects and environmental initiatives.[49] The development of the social enterprise sector in the UK has been aided by a number of policies, structures and institutions including the Social Enterprise Action Plan launched in 2006, new legal forms such as the Community Interest Company and the creation of the umbrella body Social Enterprise UK.

In many parts of Europe, the co-operative sector is particularly well-developed. There are 123 million co-op members, roughly 160,000 co-operatives, employing nearly 5.4 million people across

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[46] We discuss social enterprises in the context of the market here because they are distinct from the non-profit sector in a number of important ways, as outlined by the EMES definition: "Social enterprises, unlike some traditional non-profit organisations, do not normally have advocacy activities or the redistribution of financial flows (as, for example, many foundations) as their major activity, but they are directly involved in the production of goods or the provision of services to people on a continuous basis. The productive activity thus represents the reason, or one of the main reasons, for the existence of social enterprises." See first EMES research project, as introduced by J Defourny 'Introduction: from third sector to social enterprise', in C. Borzaga and J. Defourny (eds.) 'The Emergence of Social Enterprise', London and New York, Routledge (pp 16-18), 2001.

[47] By 'Social Economy' we mean organisations which operate in the market but pursue social goals.

[48] For a discussion of how social enterprise differs across Europe, see
http://www.emes.net/fileadmin/emes/PDF_files/News/2008/WP_08_01_SE_WEB.pdf, viewed on 18 May 2012

[49] Viewed on 18 May 2012, http://www.divinechocolate.com/default.aspx; http://www.belu.org/

Europe. These co-operatives work in a variety of sectors – including agriculture, retail, housing, health, education, travel, banking and care. Interestingly, the co-operative movement has been able to withstand the current economic crisis. In the UK, the co-operative sector has grown by 21% since the financial crash in 2008.[50] In France, the top 100 co-operatives have grown by 4% and the number of those employed by co-operatives has increased by 80,000 in the last two years. Co-operatives have fared equally well in other parts of Europe over the same period.[51]

In the UK, co-operatives are increasingly seen by policy makers as a new model for public service delivery and as an alternative model in fields where the private sector has clearly failed. The Coalition government are currently spinning out a number of public bodies and agencies into co-operatives and mutuals. The argument is that the democratic ethos and structure of co-operatives will make them better suited to serving the public and meeting social needs. In this sense, co-operatives are being seen by some as a remedy not only to the perceived failures of the market, but also the perceived failures of the state.

2.3.2 Businesses engaging in social innovation

Beyond the social enterprise sector, there are a range of for-profit businesses trying to meet social needs and developing social innovations. Some of these for profit businesses are developing social innovations as a core part of their business. Others are developing social innovations in addition to their core business.

Some firms are developing entirely new products that are designed specifically for use with low income populations. The Hasso Plattner Institute of Design at Stanford University has a class dedicated to this practice – Design for Extreme Affordability - that has generated a number of social businesses.[52] These include DripTech[53], a low cost water efficient irrigation system for use by small-plot farmers in developing countries and d.light[54], which sells solar rechargeable LED lanterns at an affordable alternative to kerosene lanterns in the Indian subcontinent. Another example is Sanergy which is making a sustainable business out of the sanitation value chain in slums across Kenya.[55] These are for profit companies focused on social goals.

There are also a range of businesses, often large multinational corporations, which are starting to work in the social field. In some cases these firms are motivated by increasing expectations from consumers and other stakeholders to demonstrate a set of values beyond profit. Some businesses are moving beyond traditional philanthropic and CSR activity and towards more substantial activity that uses their core business assets. A well-known example is Safricom's initiative to provide a mobile banking service to those without formal bank accounts in Kenya through its organisation, M-PESA.[56] Others are exploring the application of their technologies in fields such as health, education and the environment. Cisco, for example, is deploying its videoconferencing technology, TelePresence, in universities across the US to support new forms and models of learning. It has also adapted this technology for medical use; HealthPresence is being deployed in hospitals across the US to facilitate remote healthcare and professional training.[57]

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[50] Co-ops UK, *The UK Co-operative Economy: Britain's return to co-operation*, Co-ops UK, Manchester, 2012

[51] CoopFR , *Panorama sectoriel des entreprises coopératives: top 100 des entreprises coopératives 2012*, CoopFR, 2012

[52] Viewed on 18 May 2012, http://extreme.stanford.edu/

[53] Viewed on 18 May 2012, http://www.driptech.com/

[54] Viewed on 18 May 2012, http://www.dlightdesign.com/home_global.php

[55] Viewed on 18 May 2012, http://saner.gy/

[56] Viewed on 18 May 2012, http://www.safaricom.co.ke/index.php?id=745

[57] Viewed on 18 May 2012, http://www.cisco.com/web/strategy/healthcare/cisco_healthpresence_solution.html

2.3.3 Partnerships between businesses and non-profits

There are also a number of businesses working with non-profits to develop new products and services, often for under-served markets. For example, Danone, along with Lubella, Poland's leading grain products firm, and Biedronka, a distributor, decided to partner with a medical research group, the Institute for Mother and Child, to develop an affordable, nutritious product to combat malnutrition in Poland. Together they launched 'Mleczny Start', a low priced breakfast porridge enriched with vitamins and minerals specially selected to fit the needs of growing children. Mleczny Start costs 0,65 PLN (approximately €0.19) per serving. Since its launch in September 2006 it has reached sales of more than 1.5 million sachets by the end of 2006, including about 33,000 households with children under the age of 15.[58] Similarly, German chemicals company BASF partnered with Swiss Foundation the Global Alliance for Improved Nutrition (GAIN) to leverage its vitamin production capabilities to tackle malnutrition in developing countries by fortifying staple food products.[59]

2.4   The informal sector

The informal sector has been the source of some of the most exciting social innovations and is set to become even more important as issues of ageing and behaviour change take centre stage.

We use the term 'informal sector' to describe the activity undertaken by individuals, families and communities that is not captured by the private, public and non-profit sectors. In terms of social innovation, this sector includes the activities of individuals, families and communities working to meet social needs, including the non-monetised activities undertaken by civic, religious and other community groups. This includes forms of mutual support and care, volunteering, membership of informal groups and associations (such as urban gardening and Transition Towns), collective action and social movements. It also includes the online activities undertaken by individuals, families and communities – this includes what is termed the 'sharing economy', open source projects and other forms of mass collaboration, peer-to-peer networks, social networking and so on.

Here we identify three emergent trends for social innovation in this sector: initiatives to promote networks of care; new ways to recognise and value unpaid work; and new forms of online collaboration.

2.4.1 Networks of care

The networks of support provided by the household are already the primary source of care for the young and elderly and those suffering from chronic disease. A number of social innovations aim to promote these networks of support, particularly in the field of ageing. These initiatives help to encourage and formalise the kinds of relationships of mutual support that societies rely on. One example, Homeshare International, matches students in need of accommodation with older people who might be living alone and would benefit from both company and help with household tasks.[60]

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[58] See case study in papers: http://www.csreurope.org/data/files/toolbox/Base_of_the_pyramid_workingpaper.pdf viewed on 18 May 2012, http://growinginclusivemarkets.org/media/cases/Poland_Danone_2008.pdf, viewed on 18 May 2012 and
http://www.inclusivebusiness.org.vn/index.php?option=com_content&view=article&id=417%3Adanone-poland-affordable-milk-porridge-for-low-income-families&catid=94%3Acase-studies&Itemid=469&lang=en, viewed on 18 May 2012

[59] Viewed on 18 May 2012, http://www.article13.com/A Viewed on 18 May 2012,
13_ContentList.asp?strAction=GetPublication&PNID=1449

[60] Viewed on 18 May 2012, http://homeshare.org/default.aspx

Another example is Southwark Circle, a membership organisation in the UK that aims to mobilise the resources in a community to empower older people to have a better quality of life and greater wellbeing.[61] Members pay a small annual fee and are given access to a network of neighbourhood helpers who offer to help out with specific tasks or errands. Full of Life is another project based around a peer network and promotes emotional resiliency skills amongst older people. [62] There are other cases where mutual support is institutionalised. One such example is San Patrignano, a drug rehabilitation community run and managed by 2,000 rehabilitating heroin addicts in the Emilia Romagna region of Italy.[63] Its innovative model has now been replicated in Sweden with a project called Basta Arbeits Kooperativ.[64]

2.4.2   Valorising the voluntary

For exchanges that happen outside the formal economy, the unit of value is often time. Some of the most interesting social innovation in the informal sector looks at how this value can be better captured, recognised and exchanged. One example is time banking which originated in the United States in the 1980s and has spread to many other countries. By engaging in a certain activity, perhaps giving practical help and support to others, participants deposit hours of time into the 'bank'. In return they can 'withdraw' an equivalent amount of time in support when they need it. There are different models of time banking; some are person to person, or 'peer-to-peer'. In these models, individuals are part of an established time banking 'hub' or centre, often hosted by a non profit or public sector organisation and run by a time broker who tracks credits. In person to agency models, individuals earn time credits through their contribution to the aims and goals of a particular agency, whether public or non-profit sector. The agency itself acts as 'the bank' and issues time credits in recognition of the time and options for spending these. The person to agency model was developed in the UK by SPICE, a time banking organisation that started in South Wales.[65] Finally, in agency-to-agency models, organisations can exchange underused assets such as office space or expertise such as legal advice.

Time banking is one form of tracking and exchanging value outside of the mainstream economy. There has also been a wave of local alternative currency projects, partly motivated by the desire to keep wealth in local economies and partly by the need to strengthen relationships in communities. Several have been successful in New England in the United States, including the Ithaca Hour[66] in New York and the BerkShare in Massachusetts.[67] In the UK, the Brixton Pound is one of the few examples of urban alternative currencies. A paper version of the currency was launched in September 2009 with an electronic currency (enabling payment by text) launched in September 2011. Around 200 businesses are currently accepting the Brixton pound and over 1,000 people have joined the club of supporters list.[68]

2.4.3   New forms of collaboration

New information and communication technologies are also enabling people to come together in new ways and on a scale that was previously unimaginable. Possibly the best known example of 'mass collaboration' is the open source software movement. New technologies are also dissolving traditional boundaries between production and consumption; they are enabling people to become

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[61] Viewed on 18 May 2012, http://www.southwarkcircle.org.uk/

[62] Viewed on 18 May 2012, http://www.youngfoundation.org/our-work/wellbeing-and-resilience/full-life

[63] Viewed on 18 May 2012, http://www.sanpatrignano.org/?q=en

[64] Viewed on 18 May 2012, http://www.basta.se/page.asp?show=2

[65] Viewed on 18 May 2012, http://www.justaddspice.org/

[66] Viewed on 18 May 2012, http://www.ithacahours.com/

[67] Viewed on 18 May 2012, http://www.berkshares.org/

[68] Viewed on 18 May 2012, http://brixtonpound.org/about/keyfacts/

producers in their own right – as musicians, film makers, writers, teachers, carers and so on. This has been a major trend and source of social innovation. However, of most interest to us are the platforms that enable new forms of collective action. The internet has provided a whole new infrastructure for collaboration - there are now platforms for aggregating knowledge and action, for group purchasing and for the gifting of goods. These new forms of collective action and collaboration are creating social value, often outside any formal organisational structure.

Some platforms aggregate knowledge. The most famous example of this is Wikipedia, the free online encyclopaedia written entirely by volunteers. Other examples include platforms that enable people to pool information about their surroundings. This has been adopted by numerous environmental projects - for example, Oil Reporter, an application developed in response to the BP oil disaster in 2011, provides a simple way for individuals to report spill conditions in their area and its impact on wildlife.[69] Urban Forest Map is a project which uses crowdsourcing to document all the trees in San Francisco.[70] Similar crowdsourcing approaches have been used to tackle civic issues, for example Fix My Street enables people to report local problems in their area such as graffiti, fly-tipping or broken paving slabs directly to their local council.[71] Another example is OpenStreetMap which crowd sources geographical data, such as street maps, and makes it accessible and free to use by anyone.[72] In the field of health, one interesting example is CureTogether, which enables patients to list their symptoms, the treatments they have tried and the results that they have observed. Its 25,000 members have already contributed nearly 3 million data sets across 576 medical conditions.[73] Initially, the aim was to provide mutual support for patients but the information provided has now started to reveal broader patterns and trends. The platform has prompted much interest from the academic community and is now providing a new model for self-reporting studies and clinical research.

Other platforms enable people to share, pool and gift physical goods and resources. Examples include peer-to-peer car-sharing platforms such as Getaround[74], RelayRides[75] and JustShareIt[76] which connect car-owners with car-renters; platforms that connect urban gardeners with under-used green spaces such as LandShare[77] in the UK and Urban Garden Share[78] in the US; peer-to-peer sharing platforms such as NeighbourGoods[79]; and gifting platforms such as the ReUseItNetwork[80] and FreeCycle[81] which match people who have things they want to discard with those who can use them. These sites create a frictionless, low cost way for resources to be identified and more efficiently distributed. This 'sharing economy' overlaps with the private sector. Lisa Gansky and others have described this as the 'mesh' or 'collaborative consumption' and point to a number of businesses that are based on principles of sharing, access rather than ownership and re-use.

The Internet has also opened up new possibilities for collective action and protest. According to Tom Postmes and Suzanne Brunsting, mass communication, coupled with an antiauthoritarian

[69] Viewed on 18 May 2012, http://oilreporter.org/

[70] Viewed on 18 May 2012, http://www.urbanforestmap.org/

[71] Viewed on 18 May 2012, http://www.fixmystreet.com/

[72] Viewed on 18 May 2012, http://www.openstreetmap.org/

[73] Viewed on 18 May 2012, http://curetogether.com/

[74] Viewed on 18 May 2012, http://www.getaround.com/

[75] Viewed on 18 May 2012, https://relayrides.com/

[76] Viewed on 18 May 2012, http://www.justshareit.com/

[77] Viewed on 18 May 2012, http://www.landshare.net/

[78] Viewed on 18 May 2012, http://www.urbangardenshare.org/

[79] Viewed on 18 May 2012, http://neighborgoods.net/

[80] Viewed on 18 May 2012, http://www.reuseitnetwork.org/index.htm

[81] Viewed on 18 May 2012, http://www.freecycle.org/

ideology and a wide availability of 'independent' news and information has mobilized and engaged a wide range of citizens who had not been so active previously.[82] Online protests take many forms. On one side of the spectrum examples include mass membership organisations such as Avaaz, CredoMobile, Oxfam, Greenpeace and Amnesty who are using online platforms to mobilise, lobby and influence. On the other side of the spectrum examples include hacker-activists such as the Electro-hippies Collective Project and Cult of the Dead Cow.

There are also a range of projects that bring people together to develop new online tools and platforms. One example is Crisis Commons which brings together volunteer coders, programmers and designers to develop technology tools that help respond to disaster situations. The earthquake disaster in Haiti in 2010 spurred the movement and since then 'Crisis Camp' events have been held throughout North and South America as well as in Europe, including the UK, France, Belgium, Italy and Ireland. [83] Another example is Social Innovation Camp (SI Camp) which brings together social practitioners, designers and coders to create ICT enabled social solutions. Originating in London in 2008, there have since been camps in New Zealand, Australia and Slovakia. SI Camp, Central and Eastern Europe (CEE) aims to jumpstart a 'digital activist' movement across seven countries in Central and Eastern Europe - Bulgaria, the Czech Republic, Hungary, Poland, Romania, Slovakia and Slovenia. Selected ideas from the camp included Psychology First - Aid, which offers free online counselling for people who can't or don't want to contact professionals personally in Slovakia; a self- help network for parents in Hungary; and My Doctor, a digital tool to help people arriving in a new city to find a new doctor in Bulgaria.[84]

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[82] T Postmes and S Brunsting, 'Collective Action in the Age of the Internet: Mass communication and online mobilisation', *Social Science Computer Review*, Vol. 20:3, Fall 2002, pp. 290-301

[83] Viewed on 18 May 2012, http://crisiscommons.org/

[84] Viewed on 18 May 2012, http://www.sicamp.org/

3. Trends in social innovation

The field of social innovation has developed primarily as a field of practice. It is made up of people acting and then sometimes reflecting upon and sharing their experience. The literature on social innovation is a strange mix of biographies of social innovators, studies of individual cases of social innovation and surveys of existing practice. There has been little work on the theoretical dimensions of social innovation and very little analysis of broader trends, patterns and models.

In the previous section we provide a brief snapshot of some of the most recent examples and developments in the field of social innovation. This snapshot highlighted a number of trends, such as openness and the growth of distributed networks, dissolving boundaries between users and producers, a greater awareness of complexity and a pragmatic approach to experimentation within the social field. In this section, we explore these specific trends in more detail. This list is not exhaustive – it is a first contribution to exploring wider patterns and trends in social innovation.

It is also important to mention that social innovations are context dependent – they vary in form and function across different cities, countries and cultures. Social innovations are imbued with the values, beliefs and assumptions of the people who are involved in their genesis and implementation. Therefore, it could be said that some trends will be more evident in some parts of the world than others and some will resonate more with practitioners than theorists and vice versa.

In this section we focus on the following trends:
- Mass collaboration
- Collaborative consumption
- Pro-sumption
- Co-production
- Design
- Systems thinking
- Capabilities and assets

3.1 Mass collaboration

Across fields as diverse as technology, academia and business, new organisations are challenging traditional business models and models of production by tapping into the distributed knowledge of citizens. From Wikipedia, Flickr, YouTube, Innocentive to open source software, the internet has enabled whole armies of enthusiasts to come together to share, collaborate and create – in ways and on a scale that is completely unprecedented. According to Charles Leadbeater, mass production is being replaced by production by the masses.[85] This phenomenon – termed open innovation, mass collaboration, peer-to-peer commons based production, or collaborative production – is one of the most important forms and sources of innovation and social innovation online.

There are numerous definitions of mass collaboration. Essentially, it entails large numbers of people working independently on collective projects. It differs from other forms of co-operation because it involves producing or creating new information (such as open source maps or software). Mass collaboration can be characterised by decentralisation, self-selected participation, self-

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[85] C Leadbeater, We-Think: Mass innovation, not mass production: The Power of Mass Creativity, Profile, London, 2008

allocated tasks, community based moderation, transparency of process and diversity of participants. It is based on James Surowiecki's proposition that 'the many are smarter than the few'.[86]

Perhaps the best example of mass collaboration is the open source software movement. Software that is 'open source' is owned by no-one (and therefore free to distribute), can be amended by anyone (as long as they have basic programming skills) and can be used by everyone. The ethics and principles underpinning open source are enshrined in a set of 'open standards'.[87] Examples include the Linux operating system, the Mozilla Firefox browser and the Apache web server. These rely on a large and highly distributed community of programmers to develop, maintain and improve the software.

The success of Linux and other open source software projects demonstrates that alternatives to closed and proprietary models of production have huge potential in creating robust and sophisticated innovations. Software released by Debian in 2005, included 229 million lines of code which, commentators suggest, would have taken roughly 60,000 man-years to develop at an estimated cost of $8 billion.[88] Moreover, in 2006, Linux derived software accounted for roughly 80% of software on computer servers globally.[89] The open source software movement also shows great promise in harnessing the power of highly distributed knowledge to share information, collaborate and solve problems on an unprecedented scale.

Mass collaboration represents a dramatic shift from traditional models of innovation. Yochai Benkler describes how mass collaboration (or, as he calls it, peer-production) is "based on sharing resources and outputs among widely distributed, loosely connected individuals who co-operate with each other without relying on either market signals or managerial commands. It refers to production systems that depend on individual action that is self-selected and decentralised, rather than hierarchically assigned."[90] This represents a radically new model of production and innovation. Mass collaboration is inherently social and open; it is distinctive from closed and proprietary models of innovation and traditional models which rely on either markets or firms to organise production.

The open source software movement has grown symbiotically with the open access movement (which is, as the name suggests, based on the idea of unrestricted access to information and content). And indeed, one of the greatest challenges facing the open source software movement has been to protect the intellectual property generated in a way that is aligned with the open principles of the movement. The response has been to pioneer new models of intellectual property which are predicated on access to, rather than ownership of, information and content. Open licenses, with 'all rights reversed', enable people to use, copy, amend and distribute material with little or no restriction. These licenses create a freely accessible 'commons' of information with some rights for authors and creators. Examples include Creative Commons, Free Documentation and Open Publication Licenses.

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[86] J Surowiecki, *The Wisdom of Crowds: why the many are smarter than the few*, Abacus, London, 2005
[87] Viewed on 18 May 2012, http://www.opensource.org/docs/definition.php
[88] C Leadbeater, *We-Think: Mass innovation, not mass production: The Power of Mass Creativity*, Profile, London, 2008
[89] C Leadbeater, *We-Think: Mass innovation, not mass production: The Power of Mass Creativity*, Profile, London, 2008
[90] Y Benkler, *The Wealth of Networks: How social production transforms markets and freedo*, Yale University Press, New Haven, 2006. Viewed on 18 May 2012, http://www.benkler.org/Benkler_Wealth_Of_Networks.pdf

Mass collaboration and open access are fundamentally challenging traditional business models and models of production. They provide a completely new model for creating, sharing and disseminating knowledge. But how can these models be applied in new fields such as government, or public services? There are already a number of initiatives which aim to tap into the wisdom of crowds to improve policy and public services. Beth Simone Noveck, who explores existing initiatives, such as the Peer to Patent project which opened up the patent examination process to public participation, argues that open source technologies "can make government decision making more expert and more democratic" and creating new opportunities for shifting "power from professional sources of authoritative knowledge to new kinds of knowledge networks."[91] Indeed, we believe that mass collaboration and open access will become an increasingly important source and form of social innovation.

3.2 Collaborative consumption

As well as new forms of production, new technologies are enabling new forms of consumption. Over the last few years there has been an explosion in sharing, bartering, swapping, trading, gifting and renting online. While sharing in itself is by no means a new phenomenon, it is being enabled on a mass scale by online platforms. There are now platforms for sharing cars, toys, books, bikes, homes and workspaces. In 2011, already 3 million people from 235 countries had couch-surfed.[92] By 2015 it is estimated that 5.5 million people in Europe will belong to sharing services such as bicycle sharing, peer rental, car sharing, and time-banking. Lisa Gansky calls this the 'Sharing Society' or the 'Mesh' and defines it as an economic model which is based on providing access to, rather than ownership of goods and products.[93] She points to a range of new businesses which are disrupting traditional business models based on private ownership.

The 'sharing economy' or 'mesh' is the result of a convergence of factors. New technologies, especially P2P and location based services, enable people to share, swap and trade directly with one another. It has been driven by environmental concerns. Many now argue that collaborative consumption – which enables re-use, re-cycling and re-purposing - is critical in a sustainable society.[94] This phenomenon has also been driven by 'cost consciousness' or a growing desire to reduce household spending – and there has been a significant increase in sharing since the beginning of the current economic crisis. It has also been driven by new businesses that recognise that sharing can be a competitive advantage.[95]

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[91] B S Noveck, 'Wiki Government: how open-source democracy can make government decision-making more expert and more democratic', *Democracy Journal*, N.7 Winter, 2008. Viewed on 18 May, 2012: http://www.democracyjournal.org/article.php?ID=6570

[92] D Sacks, *The Sharing Economy*, Fast Company, 18th April 2011

[93] L Gansky, *The Mesh: Why the future of business is sharing*, Portfolio Books, New York, 2010

[94] 'The New Market Places - Peer to Peer Collaborative Consumption', *MIT Entrepreneurship Review*, March 10 2011- viewed 18 May 2012, http://miter.mit.edu/article/new-market-places-peer-peer-collaborative-consumption

[95] L Gansky, *The Mesh: Why the future of business is sharing*, Portfolio Books, New York, 2010

Figure 3: Three collaborative consumption systems

Product Service   Redistribution Markets   Collaborative Lifestyles

Source: R Botsman, http://www.collaborativeconsumption.com
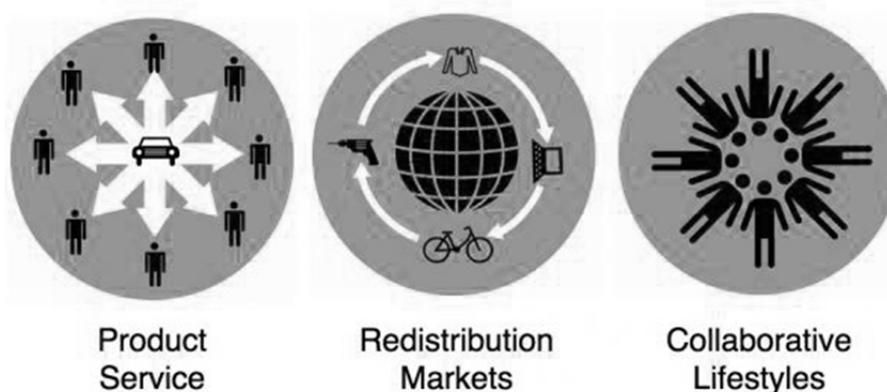
There are different kinds of collaborative consumption. Rachel Botsman who calls this phenomenon 'collaborative consumption' identifies three kinds of sharing: product service systems; redistribution markets and; collaborative lifestyles. Product service systems enable people to pay for the benefit of using a product without needing to own the product outright. Examples include car sharing, bike sharing, film rental and art rental. This includes rental from peers as well as companies. The second kind of collaborative consumption is through 'redistribution markets'. This involves redistributing 'used or pre-owned goods from where they are not needed to somewhere or someone where they are'. Examples include online market places such as eBay and Craigslist but also swapping and gifting sites, such as Freecycle and Netcycle. The third strand focuses on collaborative lifestyles. Botsman argues that collaborative consumption entails more than simply the consumption of physical goods. She argues that people are coming together to share intangible assets such as time and skills and resources such as money and space. Examples include social currencies (such as time-banking), social lending, peer-to-peer lending and co-working spaces.[96]

Collaborative consumption is based on a number of principles. These include: trust between strangers; belief in the commons; idling capacity; and critical mass.[97] Trust is particularly important; user ratings on eBay are an example of a system which has helped to reduce peoples' concerns about transactions with strangers. We see this as an emerging trend and source of social innovation.

3.3   Pro-sumption

Mass collaboration and collaborative consumption provide new models of consumption and production – largely, models based on access to, rather than ownership of information and content. Another feature of mass collaboration and collaborative consumption is the dissolution of distinctions between consumers and producers as 'customers' produce and supply goods and services themselves.

Indeed, one of the features of web 2.0 is that users are becoming producers; in the words of Alvin Toffler they are becoming producer-consumers, or 'prosumers'. Toffler predicted this trend over 30 years ago; he argued that mass production would be replaced by mass customisation as companies

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[96] R Botsman, www.collaborativeconsumption.com, viewed 18 May 2012
[97] R Botsman, www.collaborativeconsumption.com, viewed 18 May 2012

would start to differentiate themselves by catering to niche markets. In order to customise their products, these companies would have to engage customers in the development of their products, thereby creating prosumers.

New technologies have enabled an explosion of pro-sumption. Examples include: the Lego Factory where users can design their own Lego sets; Threadless which enables people to upload t-shirt designs and then vote on the t-shirts they want manufactured; personal publishing platforms such as Wordpress; social networking sites such as MySpace and Facebook; citizen reporting papers such as OhmyNews; collaborative projects such as Wikipedia and; open source projects such as Linux.

Pro-sumption is also evident in the social field. Prosumers are playing a critical role in fields such as health (through initiatives such as the Expert Patient Programme), education (through parent or community led and managed schools) and recycling (in the home). Even though much of this activity takes place at the individual level, there are numerous examples of prosumers coming together to provide information and mutual support. One example is the explosion in virtual self-help groups. We believe that this trend is likely to increase – and has significant implications in the form and development of social innovation.

3.4   Co-production

The offline manifestation of pro-sumption is co-production. The term co-production began as a way of describing the crucial role that service users can play in making it possible for professionals to be successful in their jobs. It was originally coined at the University of Indiana by Elinor Ostrom and colleagues to explain why neighbourhood crime rates went up in Chicago when police officers stopped walking the beat and retreated into cars. The insight was that services such as policing rely as much upon the tacit knowledge, assets and efforts of service 'users' as the expertise of professionals. It was used again in the UK by the Institute for Public Policy Research (IPPR), the King's Fund and others to explain why doctors need patients as much as patients need doctors. The concept of the 'core economy', first articulated by Neva Goodwin[98] and later developed by Edgar Cahn, is helpful in explaining this further. The core economy is made up of all the resources embedded in people's everyday lives – time, energy, wisdom, experience, knowledge and skills – and the relationships between them. Our specialised services dealing with crime, education, care, health and so on are all underpinned by the family, the neighbourhood, community and civil society. This understanding has helped to radically reframe the potential role of 'users' and 'professionals' in the process of producing services. Far from being passive consumers, or a drain on public finances, people, together with their friends, families and communities are understood as important agents with the capacity to co-design and co-deliver services with improved outcomes.

There is currently no agreed-upon definition of co-production, though most definitions have one common feature: the role of people in public services. This variety of interpretations is perhaps because co-production is in many respects elusive. In an attempt to capture the richness, diversity and flexibility of practice NEF and NESTA have set out six key principles: building on people's existing capabilities; mutuality and reciprocity; peer support networks; blurring distinctions; facilitating rather than delivering; and recognising people as assets.[99] In a discussion paper published by NESTA, David Boyle and Michael Harris define co-production as "delivering public services in an equal and reciprocal relationship between professionals, people using services, their families and their neighbours. Where activities are co-produced in this way, both services and

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[98] N Goodwin, J Nelson, F Ackerman & T Weissskopf, *Microeconomics in Context*, Sharpe, 2009

[99] D Boyle, A Coote, C Sherwood & J Slay *Co-production: Right here, Right now*, NEF & NESTA, London, 2010

neighbourhoods become far more effective agents of change." They also explain what co-production is not – notably volunteering, personal budgets or public consultations.[100] The authors also outline the benefits of co-production. These include: delivering better outcomes; preventing problems; bringing in more human resources; encouraging self-help and behaviour change; supporting better use of scarce resources; growing social networks to support resilience and improving well-being.

Calls for co-production have been prompted by a converging set of pressures. These include a growing appetite among citizens to be involved and awareness that new public service delivery models are needed as a result of increased expectations among citizens, emerging social challenges and the squeeze on public sector budgets.

Under the old centralised command and control model of the welfare state, public services are delivered to citizens as standardised packages on a 'one size fits' all model. This model is being discarded in favour of distributing services and control to the periphery. Partly, this is to do with better meeting social needs – namely, the idea that individuals are best placed to identify their own needs and the kinds of supports they require. Partly, this is a response to the growing complexity of government. But it is also a response to the growing costs of dealing with citizens' needs. One way of responding to the growing demand on public services is to see citizens as partners and collaborators rather than passive recipients. As Boyle and Harris argue, previous approaches to reform and improve public services (such as New Public Management methods and the introduction of market mechanisms such as choice and voice) 'have largely run their course'. They argue that reforms to improve operational efficiency will by and large be inadequate to the challenges facing public services. Radical innovation is needed and co-production provides one model for public service reform.

Figure 4: Social Innovation Trends

[100] D Boyle & M Harris, *The Challenge of Co-production: how equal partnerships between professionals and the public are crucial to improving public services*, Nesta, London, 2009

Co-production is also a result of new and changing values and beliefs. As mentioned before, academics have shown a significant shift towards 'post-materialist' values in Europe and North America. These values favour autonomy, voice and participation, self-expression and psychological self-determination. In this sense, co-production can be seen as a reaction against excessive deference to professions, and the notion that the expert knows best.

However, this partnership model implies new roles for citizens – as carers, teachers, designers, school leaders and so on – the implications of which are significant and wide ranging. For co-production to become mainstream, it will require new networks of supports and new ways of developing capacity among service users, their friends, families and communities. Nevertheless, we see co-production as an emergent trend within the field of social innovation.

3.5 Design

Design has had a significant impact on social innovation in the last decade. Many organisations and agencies working in the social field have adopted design based approaches to tackling social challenges and at the same time, the design industry itself has started to turn its attention to service design as well as product development.

Design and design thinking are best understood as a process for problem solving – a process of developing the means to change an existing situation to a preferred one. This definition, although broad, challenges the conventional notion that design is about product development. Designers have indeed been responsible for the creation of some of the most iconic and appealing objects that surround us. Increasingly, however, design thinking is being used to generate innovative solutions to some of the greatest social and environmental challenges we face today. [101] Designers have applied their methodologies to reduce the transmission of blood born diseases in parts of Africa, to develop new models of eldercare, to improve awareness of sexual health risks among teenagers in East London and develop interventions for diabetes sufferers. Even though the application of design based approaches within the social field is fairly new, it is already having a significant impact. This is because, as Tim Brown of IDEO argues, "design is a process especially suited to divergent thinking – the exploration of new choices and alternative solutions."

The process of designing solutions and products – usually involving creativity, prototyping and implementation – is similar to the process of generating social innovations. As Herbert Simon once wrote, "the intellectual activity that produces material artefacts is no different fundamentally from the one that prescribes remedies for a sick patient or the one that devises a new sales plan for a company or a social welfare policy for a state …. In large part, the proper study of mankind is the science of design, not only as the professional component of a technical education but as a core discipline for every educated person."[102] However, there are three features of design thinking which are particularly important in the development of social innovations. These are: rapid prototyping to test ideas in practice, making problems visible and tangible; and a user-centred approach.

The designer starts with the end user in mind and works with them to co-create solutions. In this sense, design thinking is based on the idea that end users are best placed to identify their own needs and develop their own solutions. As Tim Brown explains, "design thinking is centred on

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[101] T Brown, Design Thinking, http://designthinking.ideo.com/, viewed on 18 May 2012
[102] H Simon, The Sciences of the Artificial, MIT Press, Cambridge, MA, 1996, pp. 111 - 128

innovating through the eyes of the end user and as such encourages in-the-field research that builds empathy for people, which results in deeper insights about their unmet needs. This focus helps avoid the common problem of enthusiastic 'outsiders' promoting inappropriate solutions and ensures that solutions are rooted in the needs and desires of the community."[103] This is important, not only because the intervention will be better tailored to specific needs, but also because agency and ownership lie with the end users – design is by nature participatory. In many cases, co-creating solutions with end users helps to develop their skills, capacities and assets. As such there are wider and longer term benefits also.

Another feature of design thinking which has influenced the ways many social innovations are developed is prototyping. Products and services can be prototyped in a number of ways – including sketches, simulations, paper models, life-size models, visualisations, experience prototypes, beta-testing and so on. One of the central principles of design thinking is that the product or service being developed should be tested in practice and that it should be tested early on in the development process. Prototypes help to demonstrate whether the product works and to identify problems with functionality and performance. It is the starting point to an iterative process and is critical in finding out what is viable.

Designers also make problems visible and tangible – through prototypes, visualisations, mapping, films, photos, and so on. These representations can be incredibly effective in codifying tacit knowledge and in enabling end-users to see issues from other perspectives. As Moscovici argued, visual representations provide a framework through which "new knowledge and critiques may be created."[104] For example, the Design Council carried out a project with diabetes sufferers in Bolton. Designers asked the patients to draw the illness. These cards, and the discussions that followed, helped to identify a number of symptoms that patients found hard to discuss with their friends, families and doctors. As a result, a pack of cards was created – each card with a different symptom or effect of the disease. These cards were then used by doctors as prompts to help patients discuss their symptoms.

Design for social change and social innovation have developed symbiotically over the past few years; increasingly, actors in the social field are using design methods while designers are themselves turning their attention to social and environmental challenges. One of the common challenges for social innovators and designers is scale – or growing impact. Designers tend to start with the individual case – with the insights of the end user. While this has many virtues it does tend to make incremental innovation more likely than systemic transformation.

3.6   Systems thinking

Like social innovation, design for social change has its theoretical roots in complexity theory. New information and communication technologies – and in particular, the ability to gather, analyse and disseminate large swaths of data - have also enabled a greater understanding of complexity and have contributed to the growing field of complexity theory. This in turn has had a significant influence on the theory and practice of social innovation.

There is a growing awareness that the state and the market as currently constituted are unlikely to be able to deal with many social and environmental challenges because they are complex, or

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[103] T Brown, 'Why social innovators need design thinking', http://www.ssireview.org/blog/entry/why_social_innovators_need_design_thinking, viewed on 18 May, 2012
[104] S Pink, *Doing Visual Ethnography: Images, Media and Representations in Research,* Sage, London, 2001

'wicked' problems. Problems such as climate change, demographic shift, globalisation, poverty and chronic disease are 'wicked' because they are hard to define and therefore hard to solve. They are hard to understand – in that they are linked to and the result of a multiplicity of factors. And, they have interconnections and interdependencies which mean that actions often have unintended consequences. As such, they can be characterised by non-linearity, ambiguity and uncertainty. In this way, they can be distinguished from simple or complicated problems which can essentially be solved using specialised knowledge, methods and techniques.[105]

Existing structures and institutions often approach these complex problems as if they were complicated problems; public policy, for example, is still informed by thinking which is mechanistic (many metaphors refer to 'the machinery of government' or 'pulling levers'), linear and based on the idea that interventions have predictable outcomes, namely that input X will lead to output Y. Rittel and Webber were the first to discuss the implications of wicked problems on public policy making. In their seminal essay of 1973, they argue that the public policies and institutions based on rational reductionist and mechanistic thinking are inherently incapable of dealing with complexity, "the classical paradigm of science and engineering – the paradigm that has underlain modern professionalism – is not applicable to the problems of open societal systems."[106] They argue that wicked problems are inherently different from scientific and engineering problems which they describe as 'tame' problems.

Indeed, looking at professional policy making and service delivery from a systems perspective, the old command and control model is inadequate for a number of reasons. First, many social, environmental and energy issues cut across traditional organisational boundaries. Crime prevention, for example, will span issues relating to education, housing, families, employment, peer groups and even town planning. Second, many services cannot be delivered in the way that commercial products are delivered – healthcare and education, for example require the participation and co-operation of students and patients. Third, globalisation and the information revolution have accelerated and increased information flows, and facilitated communication among people from all corners of the globe. This also means that government now has access to more information than ever before which potentially allows for a greater and more sophisticated understanding of the interconnections between the various sub-components within a system or subsystem. But it also means that national governments are no longer the sole locus of policy making and control.[107]

There is now a growing awareness that these institutions are ill equipped to deal with the complexity, uncertainty and ambiguity that characterises the modern world – according to Dee Hock, "we're in the midst of a global epidemic of institutional failure".[108] In this sense, it isn't simply the scale of the challenges which is daunting – it is also the nature of these challenges which is problematic and requires innovation on many fronts. As Hock explains, "the deeper source of innovation lies in the nature of the complexity we are creating around the world and the growing number of problems that exceed the power of existing institutions."[109] As Peter Senge, author of The Necessary Revolution puts it, "more and more people are beginning to sense that the

[105] S Glouberman & B Zimmerman, *Complicated and Complex Systems: What Would Successful Reform of Medicare Look Like?,* Commission on the Future of Health Care in Canada, 2002

[106] H Rittel & M Webber, 'Dilemmas in a General Theory of Planning', *Policy Sciences*, Vol. 4, 1973

[107] G Mulgan, *Systems thinking and the practice of government*, Cabinet Office, London, 2001

[108] D Hock, *One From Many: VISA and the Rise of Chaordic Organisation*, Berrett-Koehler, San Francisco, 2005

[109] D Hock, *One From Many: VISA and the Rise of Chaordic Organisation*, Berrett-Koehler, San Francisco, 2005

mounting sustainability crises are interconnected – symptoms of a larger global system that is out of balance."[110]

The growing awareness of 'wicked problems', together with the developing field of complexity theory is significant for social innovation for two reasons in particular. First, the fact that these social and environmental challenges are complex rather than complicated is challenging many of the assumptions underpinning traditional approaches. Second, systems thinking leads to particular kinds of action. In this sense, systems thinking helps to identify the problem as well as the response.

Complex problems, by definition, do not have an 'end' or a 'solution'. As a result, there is greater importance attached to the process of addressing complex problems. As Jeff Conklin explains, "you don't so much 'solve' a wicked problem as you help stakeholders negotiate shared understanding and shared meaning about the problem and its possible solutions. The objective of the work is coherent action, not final solution."[111] In addition, studies on action research, experiential learning and group dynamics have been fundamental in demonstrating that complex social issues can be explored through practical projects and social experimentation.

Emerging strategies for dealing with complexity therefore focus on outcomes (rather than inputs and outputs), collaboration and co-ordination (across sectors, fields, organizational boundaries etc.), co-production with service users (who are best placed to identify their own needs and possible solutions), decentralisation and self-organisation (by increasing decision making powers of local communities), building adaptive capacity (in order to support decentralisation and self-organisation and build resilience)[112] continuous improvement methods and the creation of learning organisations (often through reflective practice[113]).[114]

Many of these approaches are examples of social innovation. As such, complexity is highlighting the need for social innovation but also shaping the kinds of social innovations being developed and the ways in which they are being developed.

3.7   Capabilities and assets

Martha Nussbaum and Amartya Sen's capability approach has emerged as a leading alternative to conventional economic frameworks for thinking about poverty, inequality and human development, and is central to many conceptions of social innovation. The focus on capabilities and assets is a response to traditional welfare economics that tends to conflate access to resources (income or commodities) with utility – namely, happiness or desire fulfilment. This traditional approach fails to capture the ways in which people are able (or not) to turn commodities into desired outcomes. Moreover, the welfare approach, with its focus on utility, neglects rights and

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[110] Quoted in UHaque, *The New Capitalist* Manifesto: *Building a Disruptively Better Business*, Harvard Business Press, Cambridge, 2011

[111] J Conklin, 'Rethinking Wicked Problems' [interview]. *NextD Journal*, 10 pp. 1-30, NextDesign Leadership Institute, New York, 2007, viewed on 18 May 2012, http://nextd.org

[112] Overseas Development Institute, *Taking responsibility for complexity*, Briefing Paper, ODI, London, 2011

[113] See for example, D Schön, *The Reflective Practitioner; How Professionals Think in Action*, Basic Books, New York, 1983

[114] See for example, B Head and J Alford, *Wicked Problems: The Implications for Public Management*, Panel on Public Management in Practice International Research Society for Public Management 12th Annual Conference, Brisbane, 26-28 March 2008; Overseas Development Institute, *Taking responsibility for complexity*, Briefing Paper, ODI, London, 2011; J Woodhill, 'Capacities for Institutional Innovation: A complexity perspective', *IDS Bulletin* Vol. 41:3, 2010

positive freedoms which have more intrinsic value.[115] [116] As such, Sen argues that this traditional approach is inadequate to understanding both human wellbeing and deprivation. Instead, Sen distinguishes between commodities, capabilities, functioning and utility. Capabilities are the means through which needs are met – they are "a kind of freedom; the substantive freedom to achieve alternative functioning combinations (or, less formally put, the freedom to achieve various lifestyles)." A variation on this framework is provided by Martha Nussbaum, who has developed a list of 'central human capabilities'.[117]

There is a close link between social innovation and the capabilities approach. As the literature review in the previous section suggests, social innovation involves a process and empowerment dimension as well as a product dimension. Namely, social innovations can create new social relationships and enhance the assets and capabilities of users and beneficiaries, thereby empowering them to better meet their needs. In this sense, social innovation can be viewed as the carrying out of new combinations of capabilities.[118]

The capability approach is closely linked to asset based approaches. These focus on pre-existing resources which individuals and communities have at their disposal. They aim to make visible, and promote, the skills, knowledge, connections and potential in a community. This counters the shortcomings of 'deficit' or 'needs' based approaches which look at communities negatively. Indeed, looking at people and communities solely in terms of their needs can have a negative impact on those people and communities.

Asset Based Community Development (ABCD), on the other hand, "draws attention to social assets: the particular talents of individuals, as well as the social capital inherent in the relationships that fuel local associations and informal networks."[119] Positive Deviance is one such asset based approach to community development, utilizing the resources of the community in order to solve problems, modify behaviour and develop social capital. It involves finding people within a particular community who achieve desirable outcomes 'against the odds' through uncommon behaviours and strategies. The main application of Positive Deviance has been in the fields of health and nutrition, most notably in Egypt, Argentina, Mali and Vietnam.[120] Another example of an asset based approach is 'Appreciative Inquiry'. This is about searching for the best in people, their organizations, and the communities around them. Asset based approaches are also central to participatory methods of development, such as Participatory Rural Appraisal, which involves local communities in the planning and implementation of community development projects.[121]

Asset and capability based approaches highlight human agency and advocate widened participation; they are based on the idea that people are active, creative, and able to act on behalf of their aspirations. In this sense, they are based on the notion that people are in control of their own lives and the source of their own solutions. This is in marked distinction to approaches which parachute in solutions from the 'outside'. It also challenges relationships of power; which is important in terms of social innovation. As Westley and Antadze argue, disruptive social innovation

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[115] A K Sen, *The Standard of Living: The Tanner Lectures*, Cambridge University Press, Cambridge, 1987

[116] A K Sen, *Development as Freedom*, Oxford University Press, Oxford, 1999

[117] A Sen, *Development as freedom*, Anchor books, New York, 1999, pp. 74-5

[118] R Ziegler, 'Innovations in Doing and Being: Capability Innovations at the Intersection of Schumpeterian Political Economy and Human Development', *Journal of Social Entrepreneurship,* vol. 1:2, 2010, pp. 255–272

[119] M Mathie & G Cunningham, 'From Clients to Citizens: Asset-based Community Development as a strategy for community-driven development', *Development in Practice*, vol. 13:5, 2003

[120] Viewed on 18 May 2012, http://www.positivedeviance.org/

[121] See for example, R Chambers, Rural Development: putting the last first, Longmans, 1983.

can have a durable impact when it challenges the social system and social institutions by influencing the distribution of power and resources.[122]

[122] F Westley & N Antadze, 'Making a Difference: Strategies for scaling social innovation for greater impact', *The Innovation Journal: The Public Sector Innovation Journal,* vol. 15:2, 2010

4. Conclusion and summary

Over the course of the TEPSIE project we will explore these issues in greater depth and where appropriate, see how they relate to issues such as online networks, citizen engagement, measurement, evaluation, barriers to social innovation, scaling social impact and finance. We conclude with a summary of recent trends and developments.

Social innovation in practice:

1. Within the non-profit sector, recent developments include: the use of new technologies for campaigning and advocacy; a greater role in the delivery of public services and; new forms of funding and grant-making to improve the sustainability and effectiveness of the sector.

2. Within the public sector, recent developments include: opening up public data to improve accountability and/or develop new services; new platforms for public consultation; personalisation; new forms of citizen engagement in the design and delivery of public services; and preventative strategies, especially in health and social inclusion.

3. The private sector is emerging as a significant player in the field of social innovation. Key developments include the growth in social enterprises, including co-operatives and mutuals and other hybrid social business models, moves by existing businesses into the social space, and collaborations between business, non-profit organisations and the public sector.

4. The informal sector, which is a term we use to describe the activity undertaken by individuals, families and communities that is not captured by the private, public and non-profit sectors, is an increasingly important site and source of social innovations. Key developments in this sector include initiatives to promote networks of care; new ways to recognise and value unpaid work; and new forms of online collaboration.

A review of the practice of social innovation highlights a number of trends in social innovation:

1. New technologies are enabling new forms of production, what we refer to as 'mass collaboration'. These new models of production are challenging traditional business models based on private ownership. New forms of collaboration and intellectual property, based on access and openness, show great promise for tapping into the 'wisdom of crowds' to share information, collaborate and solve problems on an unprecedented scale.

2. New technologies are also enabling new forms of consumption. The 'Sharing Economy' is also challenging traditional business models based on private ownership. Instead, collaborative consumption is based on principles of access, trust, reciprocity and gifting. These new forms of sharing, gifting, trading and bartering, which enable re-use, re-cycling and re-purposing, are critical to sustainability.

3. Another feature of new technologies is the dissolution of distinctions between consumers and producers as 'customers' produce and supply goods and services themselves. In the words of Alvin Toffler they are becoming producer-consumers, or 'prosumers'. This is evident also in the social field.

4. The dissolving boundaries between users and producers is also evident in the public sector. Co-production involves delivering services in partnership with users. This partnership model implies new roles for citizens – as carers, teachers, designers, school leaders and so on – the implications of which are significant and wide ranging. For co-production to become mainstream, it will require new networks of supports and new ways of developing capacity among service users, their friends, families and communities.

5. Design thinking has had a significant impact on social innovation in the last decade. Many organisations and agencies working in the social field have adopted design based approaches to tackling social challenges and at the same time, the design industry itself has started to turn its attention to service design as well as product development.

6. A greater awareness of complexity has influenced and shaped social innovation. Strategies for dealing with complexity have focused on outcomes, collaboration, co-production, building adaptive capacity and continuous improvement methods.

7. There has been a greater focus on the assets, resources and capabilities that individuals and communities have at their disposal. This is a reaction to needs based or deficit based approaches to community development. Asset based approaches make visible, and promote, the skills, knowledge, connections and potential in a community. With asset based approaches, agency and power lies with local communities.