

Social Innovation for Public Service Excellence



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EXECUTIVE SUMMARY

Governments around the world are grappling with societal challenges that are acting as a brake on sustainable economic growth, leading to inequality and instability in society, and impinging upon the general well-being of their population.

Social innovation is a response to these challenges that offers considerable promise for public managers. It offers new solutions, new methodologies and new conceptual frameworks. Success can be seen through case studies from around the world, including middle- and low-income countries in South-East Asia. While it remains an emergent field, still building a robust theoretical underpinning and establishing an evidence-base, the promise of social innovation is too compelling to ignore.

Social innovation refers to new ideas that work in meeting social goals. A social innovation approach puts capacity to harness innovation at the core of public service. As a field, social innovation is new, practice-led and under-theorized. It should be considered more of a movement than a particular methodology, as might be the case for design thinking. Indeed, a feature of social innovation is that it combines multiple disciplines, types of actors and sectors. Social innovation is also more than just invention; it describes a process from initial prompt through to scale and systemic change.

For the public manager, there are three important features of social innovation.

First, social innovation brings an experimental approach to public service. Experimentation entails an evidence-based approach, acknowledgement of the limits of current knowledge, multiple small bets about what might work, and acceptance that some attempts will fail but provide learning that builds towards future success.

Second, social innovation requires distributed systems where innovation and initiative are dispersed to the periphery and connected by networks. Public managers must support and partner with social innovators: people who initiate and lead social innovation initiatives, and who can be found anywhere within the system, but tend to be semi-outsiders and boundary spanners.

Third, citizens and service users can bring insights and assets to help public managers achieve their policy objectives. Social innovations are developed 'with' and 'by' users and not delivered 'to' and 'for' them. Co-design and co-production are common elements of social innovation. As a result, social innovation can build community capacity in addition to delivering direct project impacts.

Anyone can be a social innovator, and people acting as social innovators are found everywhere: in every sector, at every

level of the hierarchy as well as outside it, of every age and background. The twin challenges for public managers are firstly, to take on the role of a social innovators themselves and secondly, to support social innovators by nurturing them, channelling their energies towards the more pressing problems, and connecting them within a bigger system.

Public agencies can nurture their capacity to absorb social innovations and innovate themselves by building a diversity of relationships with other actors of all kinds and by finding ways for staff to understand others' perspectives. One powerful perspective is that of service users. Ethnography and design thinking are two tools for tapping into that perspective to gain better insight into social issues and develop solutions. Another approach is finding ways to encourage and bring together people interested in social innovation through events and networks.

Proposals and ideas for social innovation can be developed with the community through participatory decision-making and co-design. Experience with a range of innovation funds, prizes and camps has found that more directed approaches which support innovators with more than money tend to pay off. A shift to outcome-based procurement rather than pay for activity is also 'innovation friendly', but relatively hard to implement.

Social innovations generally require substantial development in the field. When contracting and monitoring projects, emphasis should be on ensuring rapid learning and adaptation rather than on compliance with the initial plan. Social innovation initiatives can benefit from co-location in hubs or parks and from the kind of intensive support provided by incubators.

Social innovation offers two additional ways to sustain new projects beyond mainstream public management practices. The first way is through the creation of marketplaces and introduction of competition, fostering social enterprise and the concomitant social investment market. The second is through task-shifting public service functions to volunteers or micro-entrepreneurs in the community, which often achieve better and cheaper results.

Scaling is a major challenge for social innovation. Promising approaches include facilitating horizontal learning networks, open source methodology, and replication and social franchising support.

To fully tap the potential of social innovation, public managers must move beyond support of individual social innovation projects. They must integrate social innovation into the creation of a national system, building the infrastructure to support social innovation from prompt through to scale.

While social innovation shows great potential for public managers, it is not without its challenges. It will find the most fertile ground where there is trust between sectors, public managers have space and authority to use their own



BY-NC Edith Valle / flickr.com/cedimnews

initiative, and government seeks to promote the general well-being of its population. Public managers need to be in a position to take a smart informed approach to risk, as the outcomes are often uncertain and the methods not yet rigorously tested. Public managers need to shift - and be genuinely empowered by their political masters to shift - to a more facilitative role and trusting relationship that requires some 'giving up' of power to the community. They must also be patient for results and work hard to reconfigure public institutions to financially benefit from social innovation. Framing and strategizing precedes solution design, and requires different processes than prototyping or design thinking. There is a risk of jumping too soon into doing things (prototyping, design jams, games) without proper reflection. Much of what follows is conceptualized in this reflection and should be part of social innovation.

1. INTRODUCTION

Thank you for reading this Discussion Paper from the UNDP's Global Centre for Public Service Excellence (GCPSE). The GCPSE, a joint initiative of the Government of Singapore and UNDP, was established in September 2012 to do three things: to promote evidence on how best to create and sustain excellence in public service; to support innovation and reform; and to convene events that encourage new ways of tackling reform.

Our ambition therefore, is to act as a catalyst for new thinking, strategy and action in the area of public service. In support of UNDP's ambitious strategy for helping to achieve international and national development goals, we at the GCPSE are striving to enhance the quality of the activities of UNDP and its partners in more than 170 offices in developing countries, regional centres and headquarters.

Social, economic and political processes are, of course, complex and happen differently at different times in different contexts. We aspire to discover, distil and disseminate the evidence of 'what really works' to promote effective, efficient and equitable public services. Although research findings about development processes agree that there are no blueprints, easy answers or quick fixes, surely better evidence will help us learn, from both theory and practical experience, those general principles and transfer-able solutions that may best inform local practices.

This Paper contributes to that objective. It builds on the GCPSE's 'Theory of Change' that four factors were critical in the success of the 'Singapore Story' and other examples of rapid and sustained development: effective co-operation between a country's Political and Administrative Leadership; a strongly motivated Public Service; the government's capacity for Long-term Planning, Foresight and handling complexity, while retaining the capacity to innovate.

Social innovation and its related fields (public services innovation, social entrepreneurship, social enterprise, social investment, design thinking) have generated much interest in recent years. Social innovation as a self-defined field has emerged only within the last decade or so but interest has spread quickly around the world. The existence of social innovation is certainly not new, but social innovation as a self-aware field and a phenomenon recognized and taken seriously by policy makers and public managers certainly is new.

This Discussion Paper was developed to inform the *Public Service Innovation Lab*¹ consultation on the Co-design of Public Policy and Services, organised in Singapore on 2nd and 3rd December 2013. The consultation provided an opportunity for both experts and practitioners to discover and debate Social Innovation trends and applications, informed by two discussion papers – one on Design Thinking and this paper on Social Innovation.

¹ See <http://www.undp.org/content/undp/en/home/ourwork/capacitybuilding/publicservice/PSI-Lab/>.

Methodology and Structure

This paper provides an introduction to the philosophical underpinnings of social innovation, and an overview of some of the more important methods, approaches and trends being employed around the world to contribute to the development of public policies and the delivery of public services. It includes initiatives emanating from within government and outside government, and provides nearly 100 examples of social innovation methods and references to key research papers. It is inevitably partial and incomplete given the global scope and emergent nature of the field of social innovation, which is very broad and diverse, and still poorly defined and documented. This paper therefore seeks to whet the appetite of readers, who will need to follow up on the leads in which they are most interested, to obtain a full description and build the case for adoption in their own country.

The primary audience for this paper is reflective practitioners and policymakers in low- to middle-income countries, especially in South-East Asia. Many examples included in this paper are drawn from such countries and are therefore directly relevant to the target audience. Also included are examples from high-income countries, where the current 'state-of-the-art' and more mature social innovation systems are most often found.

Chapters 2 and 3 provide an introduction to social innovation and its philosophical underpinnings. Chapters 4 to 9 provide an overview of methods, approaches and trends loosely grouped around the six stages of innovation. In reality, the innovation process is not linear and the stages are not discrete, so some of the methods introduced will be relevant at multiple stages. Finally, Chapters 10 and 11 consider specific issues for public managers, overall conclusions and key recommendations.

A key role of public managers is to productively partner with social innovators.

2. WHAT IS SOCIAL INNOVATION?

Social innovation refers to new ideas that work in meeting social goals.² Social innovation is an emergent, practice-led and under-theorised field. Practitioners and examples of social innovation can be found around the world, but it is currently most established in North America and in Europe. It has developed with ill-defined boundaries, meanings and definitions. A useful working definition is provided by the TEPSIE³ project, perhaps the most definitive research study into social innovation to date:

"Social innovations are new solutions (products, services, models, markets, processes etc.) that simultaneously meet a social need (more effectively than existing solutions) and lead to new or improved capabilities and relationships and better use of assets and resources. In other words, social innovations are both good for society and enhance society's capacity to act."⁴

The project was a five-year pan-European collaboration led by The Young Foundation and the Danish Technological Institute.

Elements of social innovation

Social innovation is better seen as a broad movement than as a single methodology or even a tightly defined field. The core and common elements are highlighted in Figure 1.

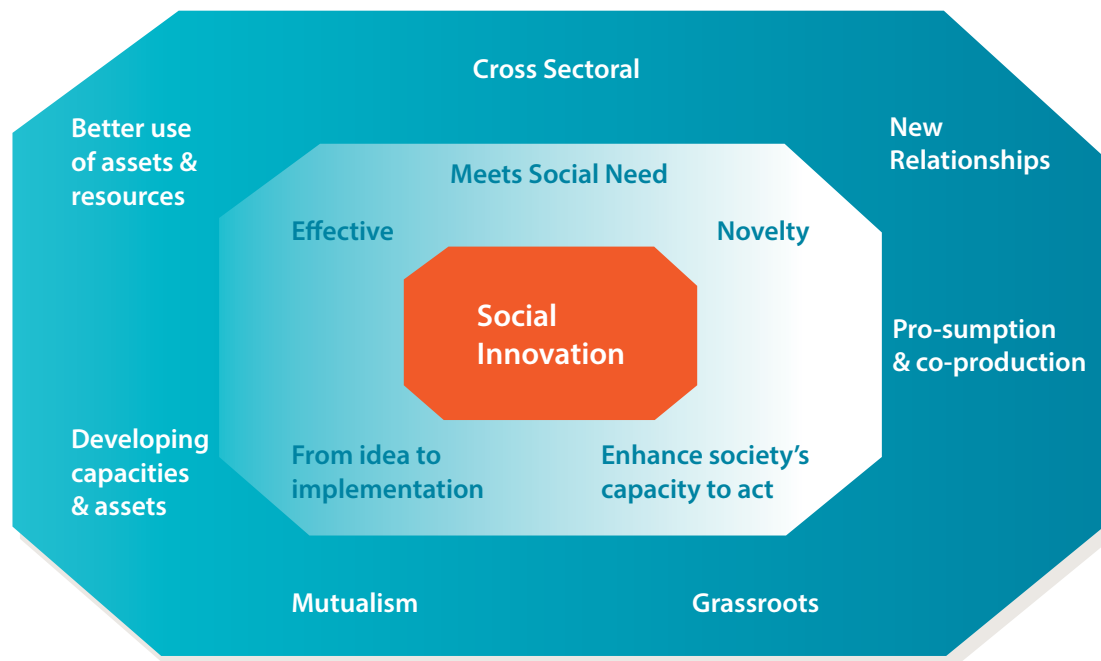
The TEPSIE approach to defining social innovation (and The Young Foundation approach upon which it is based) is very inclusive and may be useful within the field to help practitioners transcend some of the silos that have long existed between subdomains that draw on different disciplines and traditions, such as social entrepreneurship and social design. From the perspective of public managers and policymakers a simpler approach may be more useful. There are three key strands to this movement that distinguish social innovation approaches from other approaches to public management, shown in Figure 2. First, social innovation is a development of innovation theory and management, but applied to social and public policy goals. Second, social innovation is inherently collaborative. A key role of public managers is to productively partner with social innovators (who may also be public managers) including by 'co-framing' the problem and then 'co-solving' it. Third, social innovation seeks to harness and strengthen society's

² G. Mulgan, S. Tucker, R. Ali & B. Sanders, 'Social Innovation: What it is, why it matters, how it can be accelerated', Basingstoke Press London, 2007

³ "The theoretical, empirical and policy foundations for building social innovation in Europe" (TEPSIE), European Commission – 7th Framework Programme, Brussels: European Commission, DG Research. www.tepsie.eu

⁴ The Young Foundation (2012) 'Social Innovation Overview - Part I: Defining social innovation'. A deliverable of the project: "The theoretical, empirical and policy foundations for building social innovation in Europe" (TEPSIE), European Commission – 7th Framework Programme, Brussels: European Commission, DG Research. See also G. Mulgan, S. Tucker, R. Ali and B. Sanders, 'Social Innovation: what it is, why it matters, how it can be accelerated', London, Basingstoke Press, 2007. See also a number of publications from Nesta, London: G. Mulgan, 'Ready or Not? Taking Innovation in the Public Sector Seriously' (2007); N. Bacon, N. Faizullahwocial Venturing', Social Innovator Series(2009); 'How to Innovate: The tools for social innovation' (2009), and 'The Open Book of Social Innovation'(2008).

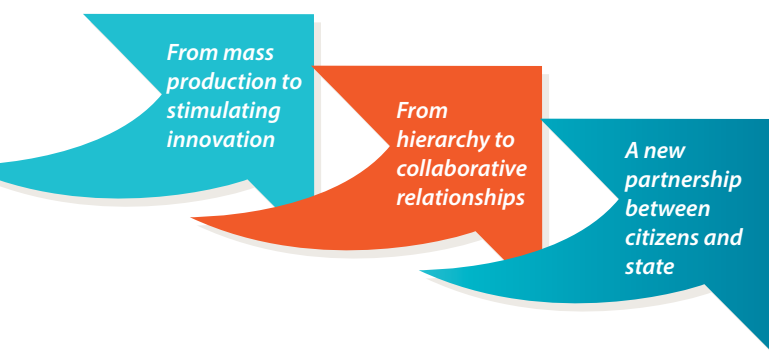
Figure 1: Core and common elements of social innovation



Credit: TEPSIE, www.tepsie.org

capacity to act to promote general well-being by creating new partnerships between citizens and the state. Each of these three distinguishing features is explored in turn in this paper.

Figure 2: Three strands of social innovation for the public manager



From mass production to stimulating innovation

Governments around the world are grappling with social challenges that act as a break on sustainable economic growth, lead to inequality and instability in societies, and impinge upon the general well-being of their populations. These challenges vary somewhat between countries by income level, geography and other circumstances but the list will be familiar to all: climate change, pollution, volatile weather conditions and deforestation. Demographic changes are leading to an ageing population in some countries with a consequent impact on the need for elder care and housing. In other countries there has been an explosion of youth, leading to concerns about

disengagement, unemployment and social unrest. As the emphasis within the world economy shifts towards industry, services and knowledge creation, the world needs ever more highly educated workforces. Progress in eradicating communicable diseases has brought with it a rise in long-term medical conditions, so as people live longer they are also likely to live more of their life with a disability. The striking feature of these social challenges is that they cannot adequately be addressed through economic growth alone, and have proven stubbornly resistant to traditional policy levers.

These social challenges tend to be complex, defying linear, top-down policy responses. Complex problems do not have a single 'end' or a 'solution' and so greater importance is attached to the process of managing them than trying to resolve them per se. Addressing many of these complex challenges requires a paradigm shift and behaviour change.

There is also growing recognition of the importance of relationships in achieving many social goals. Relationships help with social mobility, general well-being, resilient communities and elder care, for example. A lack of constructive relationships is a good indicator for criminal behaviour, economic inactivity, poor health and depression. Solutions to these problems therefore cannot be delivered in the way that commercial products are delivered – they require the participation, cooperation and 'buy in' of users, the beneficiaries of services.

It is important not to confuse 'innovation' with 'technology' or 'engineering'. Innovation applies to everyday life, and in reality is much broader than technology or engineering.⁵ It can apply

⁵ J. Schumpeter, 'The Theory of Economic Development: An Inquiry into Profits, Capital, Credit, Interest, and the Business Cycle', Harvard University Press, Cambridge, 1934.

to new products such as the Jaipur Foot⁶ radically redesigned prosthetic leg in India; new services such as Vodafone's M-Pesa⁷ mobile banking system in Afghanistan, India, Kenya and elsewhere; new processes such as participatory theatre in South Africa; new markets such as Fair Trade; new platforms such as regulatory changes or networks such as Tyze⁸, which helps older people track informal and formal care in Canada, the United Kingdom (UK) and United States; new organizational forms such as Community Interest Companies in the UK or Low-Profit Limited Liability Companies in the United States; and new business models such as Narayana Hrudayalaya⁹ ultra-low cost healthcare in India.

As public managers find their role becoming harder, they are also coming under increasing scrutiny as citizen expectations rise with increased levels of income and security and experience of customer service from the private sector. Social media shines a new spotlight on the way government officials behave and the way public services are provided, and technology is creating new ways for citizens to hold governments to account.

The old model of public management was developed in the period of mass production and draws on a machine-based mental model. It is a centralized command and control structure whose function is to bring standardisation and efficiency in order to raise volume of outputs and overall quality. Like the controller of a machine, the role of the public manager is to direct activity through top-down strategies and performance management, while the role of frontline public workers is to deliver a standardized service to citizens who are passive recipients. If the activity at the front end does not conform to plan, then corrective action is needed. The model relies on a good plan to start with. It assumes that the environment in which public managers operate is reasonably certain and known, if only the right technical expertise can be brought to bear. Public managers are therefore in a crucial and privileged position, depending on their position in the hierarchy.

Unfortunately this traditional model is not suited to the nature of social challenges today. Social innovation responds to this by putting capacity to harness innovation at the core of public service. It faces the fact that we often do not know as much as we would like about the nature of the problems we are trying to tackle or what kinds of interventions might be effective in tackling these problems. The path of progress is seen as indistinct, needing to be discovered through exploration and experimentation. Social innovation therefore brings an experimental approach to public management. Experimentation entails an evidence-based approach and acknowledgement of the limits of current knowledge. New initiatives are treated as hypotheses to be tested through prototyping, piloting or other means in order to build enough knowledge about effectiveness to have the confidence to deliver an initiative at scale or more permanently. Scientists will

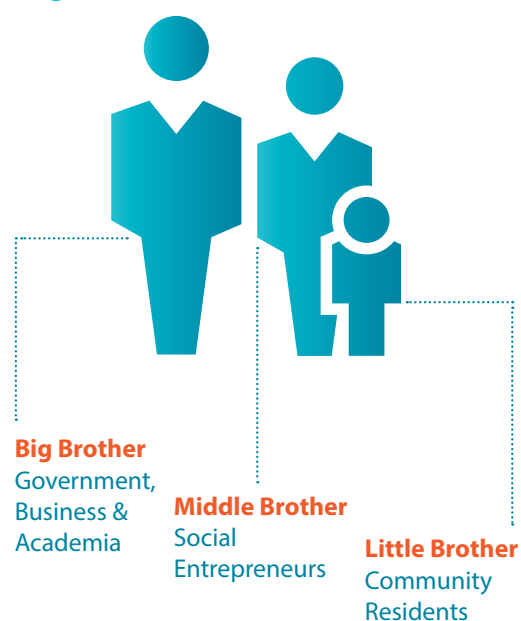
test multiple hypotheses as quickly and cheaply (and safely) as possible. So, too, should public managers adopting a social innovation approach. With multiple initiatives, some overall lack of coherence, conflict and competition may need to be tolerated. Experimenters also can expect to fail, probably many times, in order to ultimately make a breakthrough. This poses particular challenges for the public manager. 'Performance management' in a social innovation context shifts from ensuring compliance with an agreed plan to looking for maximal rate of learning - in other words departing as fast and far from plan as needed to achieve the agreed outcomes.

From hierarchy to collaborative relationships

Social innovation reconceives public administration as requiring distributed systems where innovation and initiative are dispersed to the periphery and connected by networks. Social innovation can come from anywhere but often ideas, insights and innovations come from the margins, or from the interstices between disciplines, departments or domains of responsibility, which are often the neglected or forgotten spaces.

For the public manager, an important aspect of social innovation is forging partnerships with the people innovating. Innovators are often mavericks and misfits – people prepared to think differently and stand out. As Czech President and Poet Vaclav Havel argued, power often stifles creativity, and generally it is those on the margins that have the space, sometimes the eccentricity, to think radically. They can be called reformers, activists, changemakers, social entrepreneurs or civil or policy entrepreneurs. The Gawad Kalinga Community Development Foundation refers to them as the 'middle brother', between the 'older brother' of government and corporations and the 'youngest brother' of ordinary citizens, as illustrated in figure 3.

Figure 3: Gawad Kalinga's middle brother changemakers



Credit: Gawad Kalinga Community Development Foundation

⁶ www.jaipurfoot.org

⁷ For an interesting analysis of M-Pesa see The Economist Blog, Why Does Kenya Lead The World In Mobile Money?, <http://www.economist.com/blogs/economist-explains/2013/05/economist-explains-18>

⁸ www.tyze.com

⁹ www.narayanahealth.org

They are often boundary spanners – people who have knowledge of more than one domain, allowing them to bring insights and relationships from one to the other, or to see things as a semi-outsider.¹⁰ They have been described as ‘bees’ that fly between and cross-pollinate the ‘trees’ of more established institutions.¹¹ The role of the public manager shifts therefore, from designing and operating the machine of public administration, to cultivating a garden. Social innovations are often bottom-up, grassroots, distributed and local. The energy and dynamism of innovation is not entirely within the control of the public manager but can be nurtured and harnessed for the public good. Gardeners cannot be too rigid in their thinking but must work with what they have, training and pruning the plants and sometimes seeing weeds as wildflowers. It is important to note, however, that though public managers tend to take on the role of fostering innovation (being the gardener) they also can act as the social innovator themselves.

One way in which the state can harness the passion and energy of external social entrepreneurs is by allowing the creation of autonomously managed institutions funded in the same way public institutions are, rather than on a contractual basis. This model has been used most with schools (most famously by

charter schools) in the United States, but it is now being emulated in low- and middle- income countries where organizations such as Promoting Equality in African Schools¹² (Uganda) and Mukangan¹³ (India) are raising the quality of education. The Groupe SOS¹⁴ (France) is also doing this with hospital care. These institutions may be constituted as statutory institutions or as non-governmental organizations (NGOs), and are guaranteed funding indefinitely (subject to meeting quality standards and other regulation) based on a funding formula similar to that of state-run institutions. This model introduces some diversity of provision, catering to different needs and allowing different approaches to be tried out, within a regulated environment. It gives social entrepreneurs the long-term financial stability to focus on the actual delivery of services; they often also bring other kinds of resources to bear, through philanthropy, that the state cannot reach.

CASE STUDY 1: PROMOTING EQUALITY IN AFRICAN SCHOOLS (UGANDA, ZAMBIA)

Social entrepreneurs running autonomous but state-funded institutions

Promoting Equality in African Schools (PEAS) is a global non-profit/social enterprise hybrid based in the UK with a mission to unlock the potential of Africa by delivering equal access to affordable, quality secondary education. In sub-Saharan Africa, only one in four children is able to continue their education beyond primary school as secondary education is still largely underfunded and underprovisioned. This seriously hampers the life chances of students and undermines the motivation of primary school students to complete the primary education cycle.

PEAS runs 21 schools in Uganda and one in Zambia. The project is pioneering a public-private partnership with the Ugandan and Zambian Ministries of Education, meaning PEAS receives a capitation grant per pupil. This capitation fee, together with boarding school fees and school farms, means that within two years of opening, a PEAS school itself will generate enough revenue to cover its running costs, including teacher salaries, indefinitely. PEAS raises funds privately to cover the start-up cost of the schools.

By working with a non-profit organization such as PEAS, the Ugandan and Zambian governments get higher quality education for the same running costs as a state-run school; are able to leverage the private funding for start-up costs that PEAS can access; and overcome capacity issues constraining the rate of new school openings.

In Uganda, three out of the four PEAS schools measured outperformed their respective district averages in UCE National Exams 2011 and the first PEAS school to have a cohort pass through all four years of lower secondary education was rated in the top 17 percent of private schools nationally. PEAS is a winner of the World Innovation Summit for Education Awards 2013.

A new partnership between citizens and the state

Social innovations are often open, collaborative, and engage a wide range of actors. Ordinary citizens and communities can therefore have a direct insight into the problems they face in a way that a public manager may not if the client group is dissimilar to his or her own personal circumstance. Moreover, public service outcomes are clearly the result of the collective efforts of service providers, service users and the wider community. The most important determinant of a child's progress at school is parental engagement; lifestyle and willingness to follow medical advice is crucial to health; family planning guidance and handing out condoms will only work if the guidance is followed and the condoms used; good neighbourliness and social responsibility are essential if the police are to focus on serious crimes.

¹⁰ P. Williams, 'The competent boundary spanner, *Public Administration*, 80(1); 103-124, 2002; J. Voets, & P. de Rynck, 'Exploring the Innovative Capacity of Intergovernmental Network Managers: The Art of Boundary Scanning and Boundary Spanning', V. Bekkers, J. Edelenbos & B. Steijn (eds.), 'Innovation in the public sector: linking capacity and leadership', Houndmills: Palgrave MacMillan; 155-175, 2008.

¹¹ G. Mulgan, N. Wilkie, S. Tucker et al, 'Social Silicon Valleys – a manifesto for social innovation', Basingstoke Press, 2006.

¹² <http://www.peas.org.uk>

¹³ <http://muktanganedu.org/>

¹⁴ <http://www.groupe-SOS.org> (French language)

Social innovations are developed 'with' and 'by' users and not delivered 'to' and 'for' them. The beneficiaries of public services that address these needs, and their families and communities, also have capacities that are potentially part of the solution. Traditional approaches tend to overlook the ways in which people are able to turn resources into outcomes. In the words of Amartya Sen and Martha Nussbaum, traditional approaches fail to capture human 'functioning' and capabilities.¹⁵ Social innovation places the potential and responsibility for meeting our challenges as a society not just in the hands of a few experts but in the hands of everyone. It requires both a remodelling of the role of the public manager and even more radically, a new and more ambitious model of active citizenship. Social innovation therefore can also involve changes in power relations between citizens and the state.¹⁶ The conception of public services as systems and standards to be managed and rationalized must be shifted to a conception of services that feed the relationships that sustain people in everyday life.

Boundaries between producers and consumers are increasingly being blurred. In the words of Alvin Toffler, users are becoming producers, or 'prosumers'.¹⁷ This is also evident in the social field, where there has been a significant shift away from seeing individuals as passive recipients of services. The core idea, often termed 'co-production', is that "people who use services are hidden resources, not drains on the system, and that no service

that ignores this resource can be efficient".¹⁸ Co-production goes well beyond the idea of user engagement or consultation. Rather, it is about shifting responsibility and resources from professionals to users and involving people in the delivery of their own services.

Social innovations can create new social relationships in a number of ways. They can lead to new forms of governance, lead to new and better forms of collaborative action, and improve the inclusion and participation of marginalized and/or under-represented groups. Or, they can shift and change the relationship entirely, for example, by enabling users to become producers, or patients to become carers (Patients Like Me¹⁹, United States), or students to become teachers (Barefoot College²⁰, South Africa) or mothers to become voluntary maternal health workers (Animateurs de Santé²¹, Rwanda).

An example of co-production in the very difficult area of child protection is New Zealand's Family Group Conferencing.²²

CASE STUDY 2: **FAMILY GROUP CONFERENCING (NEW ZEALAND)** **Coproduction for child protection and young offenders**

The decision-making approach of Family Group Conferencing involves the extended family in making plans for children in the context of child protection or criminal behaviour issues. It was first developed in New Zealand as a response to Maori and Samoan family structures and has since spread to nearly 20 countries including Brazil, The Netherlands and Saudi Arabia.

Where a social worker has concerns about the safety of a child, rather than determining themselves what action to take, a family group conference (FGC) is convened. This meeting is attended by the child themselves, their immediate family and as many extended family members as possible. The social worker attends and sometimes other professionals such as a nurse, police officer or teacher. There is also a facilitator who runs the meeting.

The family themselves determine how the meeting is run but generally the social worker will share information about the concerns they have for the child. The family will talk about why the social worker believes the child is at risk, what has been done already and what has worked so far and what hasn't. The family then gets time alone within the professionals, in which

they discuss the concerns and together develop a plan. The professionals then return to discuss the plan and ensure that it is clear and realistic, does what needs to be done to protect the child, and says who will do which tasks and by when. Primary responsibility for monitoring the implementation of the plan remains with the family, with the social worker only stepping in if the process breaks down.

The model shifts responsibility for developing a plan for the child in question from the social worker to the wider family, with the social worker retaining an approving function. In this way, it taps into the extended family's own resources and capabilities by allowing them to co-produce the end result, thereby achieving a better outcome for the child, such as a reduction in the likelihood of having to remove the child from the family.

New information and communication technologies are accelerating this shift, resulting in what Charles Leadbeater has described as mass production being replaced by production by the masses.²³ These technologies have enabled people to come together in new ways and on a scale previously unimaginable.

²² <http://www.cyf.govt.nz/keeping-kids-safe/ways-we-work-with-families/family-group-conference-or-fgc.html>

²³ C. Leadbeater, 'We-Think: Mass innovation, not mass production: The Power of Mass Creativity', Profile, London, 2008.

¹⁵ A. Sen, 'Development as freedom', Anchor books, New York, 1999.

¹⁶ T. J. Hämmäläinen & R. Heiskala (eds.), 'Social Innovations, Institutional Change and Economic Performance: Making Sense of Structural Adjustment Processes in Industrial Sectors, Regions and Societies', Edward Elgar Publishing, Cheltenham, UK, 2007.

¹⁷ A. Toffler, 'The Third Wave', Bantam, 1984.

¹⁸ D. Boyle & M. Harris, 'The Challenge of Co-production', Nesta, London, 2009. The term 'prosumer' has been used in marketing for a 'professional consumer', and is more recently used to describe a 'product and brand advocate'. This means people are becoming voices for products, esp via social media.

¹⁹ <http://www.patientslikeme.com>

²⁰ <http://www.barefootcollege.org>

²¹ C. Mugeni, F. Ngabo and J. Humuza, 'Community Performance-Based Financing in Health: Incentivizing Mothers and Community Health Workers to Improve Maternal Health Outcomes in Rwanda', quoted in E. Bing and M. Epstein, 'Pharmacy on a Bicycle – Innovative Solutions for Global Health and Poverty', Berrett-Koehler, 2013.

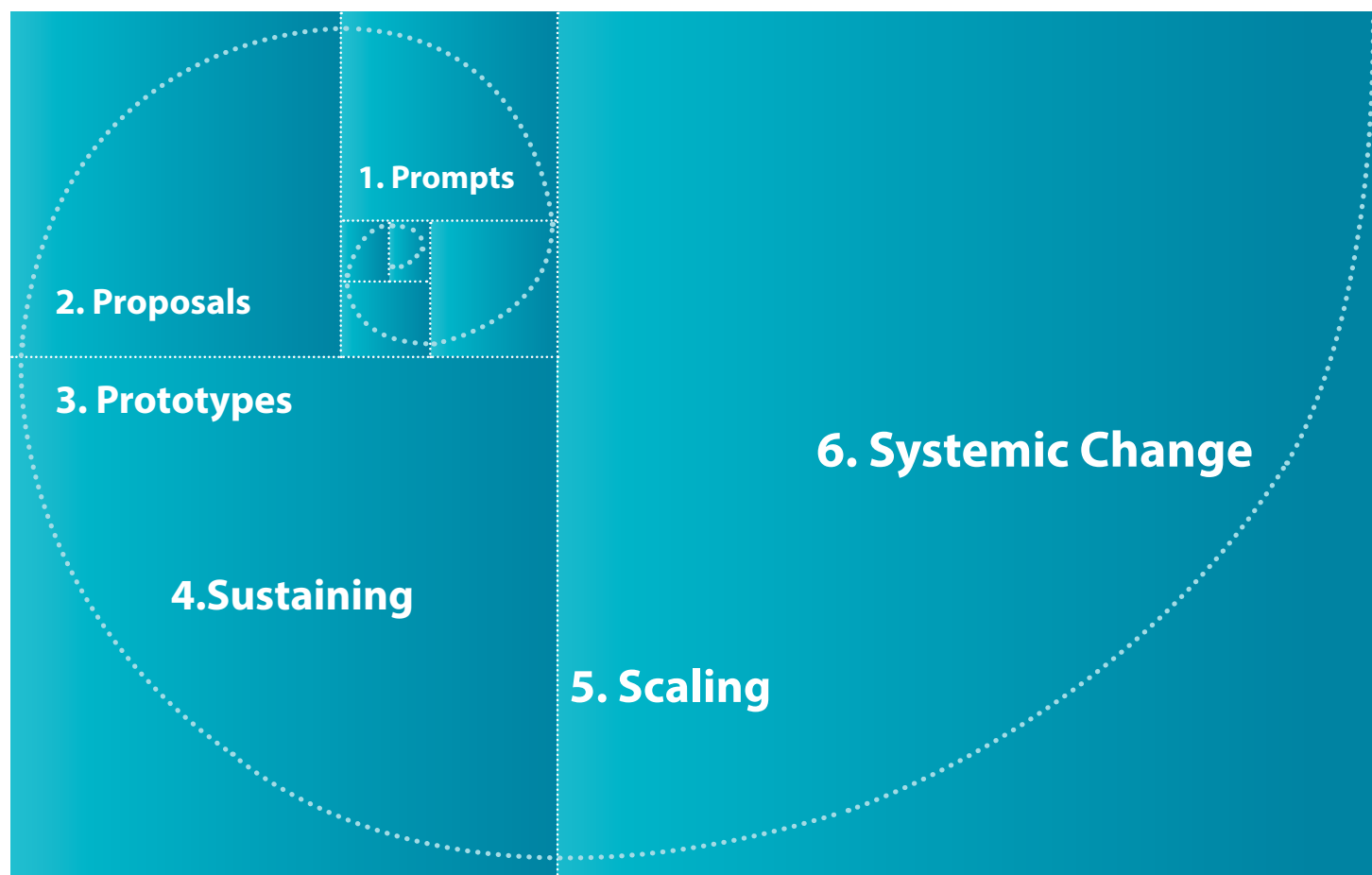
This open and collaborative form of production online allows large numbers of people to work independently on collective projects without normal market structures and mechanisms such as organizations, hierarchies and compensation. Examples in the social sphere include Habitat Jam²⁴ (international), the world's largest public consultation exercise on urban issues, organized by UN-HABITAT; the open source hydrogen fuel cell electric car developed by 40 Fires²⁵ (UK); the Ushahidi²⁶ platform (Kenya), first developed in response to post- election violence in Kenya in 2008 and now providing a platform for users to crowdsource crisis information sent via mobile phones; and the Digital Humanitarian Network, which supported relief operations in the wake of Typhoon Haiyan/Yolanda by harnessing social media and location tracking to provide a technology platform for citizens, volunteers and aid workers.

3. PROCESSES, PERSPECTIVES AND PROTAGONISTS OF SOCIAL INNOVATION

Processes of social innovation

Innovation is much more than just invention or creativity. It entails the practical application of a new idea as a financially sustainable form. Social innovation can be understood as an end-to-end process from the circumstances that trigger or prompt an innovation, through to the scaling up or mainstreaming of the innovation, and resulting systemic change that may occur. Literature sometimes distinguishes three phases: (1) 'invention'; (2) 'innovation' or 'adoption'; and (3) 'scaling' or 'diffusion'.²⁷ Another approach is to distinguish six phases. This six-phase approach is used in this paper, as it allows one to look more closely at the different stages and avoids the confusion of identifying 'innovation' as one of the stages as well as the overall process.

Figure 4: The Young Foundation's innovation spiral



Credit: The Young Foundation

²⁴ <http://www.un-ngls.org/orf/habitatjamOverview.pdf>

²⁵ <http://www.40fires.org>

²⁶ www.ushahidi.com/

²⁷ S. M. Bates, 'The Innovation Imperative', http://www.ssireview.org/articles/entry/the_social_innovation_imperative

The Young Foundation's innovation spiral identifies six stages:

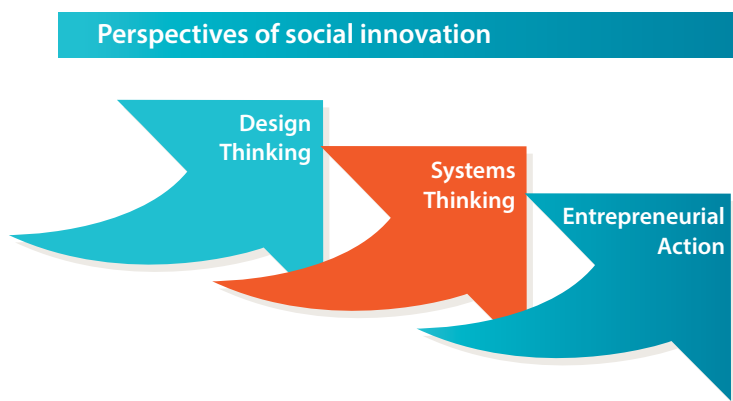
- ▶ **Prompts** – which highlight the need for social innovation and create new opportunities to solve old problems;
- ▶ **Proposals** – where ideas are developed or seeded;
- ▶ **Prototyping** – where ideas get tested in practice. In the public sector, this is often through pilots. In the business world this is the start-up phase;
- ▶ **Sustaining** – when the idea becomes everyday practice to be sustained indefinitely or until it is no longer needed;
- ▶ **Scaling** – growing and spreading social innovations;
- ▶ **Systemic change** – involves re-designing and introducing entire systems in order to obtain the full advantages of a cluster of innovations.

Perspectives within social innovation

Social innovation is a multi-disciplinary field that draws upon multiple perspectives and methodologies. Analytical and synthetic thinking, creativity, empathy, empirical research, economics, institution building, power dynamics and campaign tactics all come into play. Each innovation requires its own combination of these perspectives to succeed. These different perspectives are like spectacles that, with the right training, can be put on by anyone. By playing with different perspectives, new conversations or new opportunities can open up. These perspectives are represented in figure 5.

Design thinking is the front end of innovation, focused on the person or community that it is intended to benefit. Systems thinking is the back end of innovation, focused on the wider environment and larger 'system' within which the innovation will function, including aspects such as supply chain, stakeholders and interdependencies. Entrepreneurial action is what translates an idea into impact, with 'entrepreneurial' not being confined only to business approaches but to any creative, momentum-building way forward.

Figure 5: Perspectives of social innovation



Protagonists – who are the social innovators?

Social innovation does not refer to any particular sector of the economy, but to innovation in the creation of social outputs, regardless of where they emanate. Anyone can be a social innovator, and people acting as social innovators are found everywhere: In every sector, at every level of the hierarchy and outside it, within every age group and background. Social innovations can occur in all sectors wherever there is the space to try new approaches and the means to sustain those that work. The relative contribution of each sector is largely influenced by the economic and social structure of each particular country.

Civil society - including non-profit organizations, NGOs and community organizations - has perhaps the most significant role in social innovation. This is true particularly in countries with a strong civil society tradition such as Bangladesh, Germany, India and the United States, and also in countries with weak state capacity and international donors. Civil society tends to focus on the early stages of social innovation, since it tends not to have the resources to operate at scale since this usually requires substantial public subsidy or access to commercial markets. However, civil society as a base for social innovation may be overrepresented in the literature, because civil society entities are easier to identify and often market themselves in a way that the public sector does not.

The public sector can play a leading role, especially in those countries where the public sector as a whole, or parts of it, are capable, dynamic and enjoy a high degree of trust amongst the population, such as in Scandinavia, Singapore and South Korea. The twin challenges for public managers is firstly, to take on the role of a social innovators themselves and secondly, to support social innovators by nurturing them, channelling their energies towards the more pressing problems, and connecting them within a bigger system.

Businesses can also play an important role through corporate social responsibility initiatives or through developing business opportunities pioneered first by civil society, such as micro-finance. Emerging markets such as BRIC countries are the new mass markets of the world. They now generate half of global GDP and more than 40 percent of world exports. The key driver of reverse or frugal innovation is the income gap that exists between emerging markets and the developed countries; contrast average per capita income in the United States (\$44,000) with that of India (\$1,000). Consumers in poor countries demand solutions on an entirely different price-performance curve. They demand new, high-tech solutions that deliver ultra-low costs and 'good enough' quality. "You need to innovate *for* India, not simply *export to* India," says Vijay Govindarajan, professor of international business at Tuck School of Business at Dartmouth College and the first professor in residence and chief innovation consultant at General Electric.²⁸

²⁸ <http://knowledge.wharton.upenn.edu/article/vijay-govindarajan-how-reverse-innovation-can-change-the-world/>

Examples include the chotuKool portable cooler²⁹, the Aakash tablet for teachers and students in India³⁰ and ultra-economical cars such as the Tata Nano \$2000 car model by Tata Motors for India and Dacia Logan \$5000 Renault model for Europe.

Social innovation frequently cuts across sectors and may move between sectors as it develops. Many models of distance learning, for example, were pioneered by non-profit organizations and then adopted by business or social enterprise. Social innovations often occur at the interfaces between different sectors and involve actors working together from across sectors such as businesses and third sector organizations, or the state and social enterprises. Park Won-soon, Mayor of Seoul, South Korea, recognizes the need to cross sectors: "As we become increasingly interdependent, the once-rigid boundaries between the public sector, private sector and civil society are being challenged – each sector pursues innovation and convergence. The time has come for us to pinpoint the competencies of each sector and strategically use them to improve the well-being of all citizens. In short we need super-sectoral social innovation," he says.³¹

Networks like Social Innovation Exchange (SIX) provide platforms for knowledge exchange, support and collaboration. These networks play an important role by serving to connect, inspire, motivate and develop language and capacity among local social innovators. They also attract the interest of new organizations and individuals, inviting them to adopt new approaches or partnerships. In the NGO and non-profit space, umbrella organizations can offer a range of benefits to small local initiatives or organizations. This includes providing credibility, global identity, funding and professional development. Fellows of the NGO Ashoka receive acknowledgement for their achievements and financial support and access to a global network of change makers.

Players in the traditional donor, aid and philanthropy spaces have begun embracing, supporting and collaborating with social innovators through their more well-established traditional networks and structures. The +Social Good platform unites a global community of innovators around a shared vision: The power of technology and new media to make the world a better place; a platform where connectors can collaborate, share best practices, influence local and global agendas, and find new ways to translate their vision into action. The social media collaboration is a spin-out of the Social Good Summit organized by a broad coalition including Mashable, 92Y, Ericsson and The Bill & Melinda Gates Foundation with the United Nations Development Programme (UNDP) and the UN Foundation.

4. PROMPTING SOCIAL INNOVATION

Across the six stages of social innovation from proposals to systemic change there are a variety of interesting approaches being pursued in different countries, contexts and circumstances around the world. This and the following five chapters seek to highlight some of the more notable examples.

Any social innovation starts from some kind of trigger. This could be a sudden crisis such as Hurricane Katrina, which led to several innovations such as the New Orleans Institute for Resilience and Innovation³²; or it could be violence following elections in Kenya in 2008 which led to Ushahidi, a platform for crowdsourcing information via text messages sent in by people on the ground, enabling organizations to plan crisis responses.³³ New evidence or insights from research can also prompt social innovation, such as applications of cognitive-behavioural therapy techniques to reduce anxiety, depression and disruptive behaviour of school children that informed the Penn Resiliency Program³⁴ But the main source of prompts is probably technological advances, which create new opportunities to solve previously intractable problems, Technology made possible the use of mobile phones to improve literacy in India by the Radiophone programme of Sesame Workshop Initiatives India Pvt. Ltd.³⁵ as well as the ambition of edX to bring higher education to 1 billion people through its massively open online learning courses.³⁶

The prompts stage of social innovation is not something that happens before social innovation; it is an integral part of it. Governments cannot take this stage for granted, because the way in which a problem is framed or re-framed is the key to solving it. Public managers can help create an environment conducive to this stage of social innovation in three ways: they can ensure that public sectors workers are receptive to absorbing innovation from outside; they can seek to put the expressed needs and preferences of service users at the heart of public service design and delivery; and they can foster opportunities for people interested in social innovation to come together from diverse backgrounds to be inspired, learn and exchange ideas.

Nurturing absorptive capacity

An innovative organization is receptive to outside influences – it looks to the margins and the mavericks. For social innovation, capacity to absorb and integrate insights and ideas from other sources, often unexpected ones, is crucial for arriving at new solutions. Many governmental organizations are starting to encourage their staff to 'look out, not up', to spend time on the frontline meeting service users, and to build informal social networks with peers in other government agencies. For example, the Seoul Metropolitan Government (South Korea) employs numerous ways to sensitize staff to citizen's views and

²⁹ <http://www.chotukool.in/socialimpact/journey.html>

³⁰ <http://www.akashtablet.com/>

³¹ W. Park, 'Forging Ahead with Cross-Sector Innovations', Stanford Social Innovation Review, Summer 2013.

³² <http://www.neworleansinstitute.net/>

³³ <http://ushahidi.com/>

³⁴ <http://www.ppc.sas.upenn.edu/prpsum.htm>

³⁵ <http://www.sesameworkshopindia.org>

³⁶ <http://www.edx.org>

concerns including via the Simincheong, a 'speakers corner' and video message recorder physically located in City Hall; the Yeoboseyo, a giant sculpture of an ear outside City Hall that allows citizens to record feedback as voice messages; and through encouraging discussion among the Mayor's 750,000 Twitter followers. In addition, public managers from City Hall are being seconded to agencies such as Nesta, a UK-based social innovation entity. Further, a Social Innovation Bureau scans the world for leading practice from which it can learn.

This example from South Korea has the ingredients that help to create what might be considered the 'secret sauce' of innovative organization – the existence of 'boundary spanners'.³⁷ Boundary-spanning leaders reach across organizations and borders to build relationships that might lead to collaboration, bridge perspectives that might generate new insights, and transfer ideas and knowledge that have proved effective in one context and might be adapted for another. They are able to bring together resources to get unusual things done.

Ethnography, public dialogue and design thinking

Insights from citizens, communities and public service users remains an important 'unturned stone' in the search for innovation. Public bureaucracies are generally not very sensitive to the life experiences and daily needs of their citizens, and traditionally have not involved citizens in policy formulation or service delivery. Citizens may have the opportunity to vote periodically, but otherwise tend to be the subject of State action and regulation rather than an active participant. Actively engaging citizens can produce a much-enhanced understanding of problems that government seeks to address. It also introduces divergent thinking and avoids 'group think'; particularly important when tackling complex problems or ones which have proven resistant to previous interventions. Public managers may be able to save significant time and resources with early user testing. Citizens themselves also can be the source of innovative ideas. Failure to engage can lead to unanticipated consequences or simply ineffective interventions and, as this paper argues above, many of the problems encountered today require, by their nature, more personalized solutions.

A variety of techniques are available to uncover the needs of citizens and service users. Various forms of public consultations, surveys and focus groups are in widespread use, and these are now being supplemented by web-based channels for citizens to report small-scale problems such as broken civic infrastructure, crime and nuisance. For example, customer feedback systems such as Street Bump (USA) and Ukryama, (Ukraine) allow residents to report local problems such as graffiti, potholes or broken lighting via smartphone application.³⁸ In the Ottawa Hospital³⁹ in Canada, 'civil lotteries' have been conducted engaging both online and offline with cancer patients in Patient Reference Panels to transform care delivery and

policies. Anyone who had experience with cancer or caring for someone with cancer were invited to participate to pinpoint the strengths and weaknesses of the hospital's current cancer care programme and map the 'care pathways' or experiences of patients and families and identify a set of principles to orient the design of the new programmes.

Several more interesting approaches are in use achieve a substantially deeper understanding. One of the oldest and most powerful is ethnography, a technique drawn from anthropology involving researchers immersing themselves in the lives of those they are studying to observe not just their interaction with public services but how those services fit into their daily lives. This can lead to rich insights that can allow an intractable problem to be resolved. Te Kotahitanga⁴⁰ is an example of a social innovation was developed directly from ethnographic research, as described in case study 3.

CASE STUDY 3: TE KOTAHITANGA (NEW ZEALAND) Ethnography as a driver of innovation

Te Kotahitanga is a school teacher programme that seeks to address what the New Zealand government has identified as the major challenge facing education in New Zealand today, namely continuing social, economic and political disparities between descendants of Anglo-European peoples and the indigenous Maoris. Over 40 percent of Maori leave school without formal qualifications.

The project commenced in 2001, with a series of in-depth appreciative enquiry interviews with 70 Maori students, those parenting them, and 80 teachers and school principals about the causes of ongoing educational disparities between Maori students and their non-Maori peers and possible solutions. The aim of these interviews was to identify the lived schooling experiences of Maori students and those most closely involved with their education. Student interviews revealed clearly that when Maori students have good relationships with their teachers, they are able to thrive at school. Based on the conditions expressed by the students for such a relationship, an effective teacher profile was developed that required a philosophical shift from mainstream teaching practice. It is an approach that rests in the first instance upon a commitment by teachers to build caring and learning relationships and interactions with Māori students; in the second, for teachers to strongly believe Maori students can improve their achievement; and thirdly, their students are able to take responsibility for their learning and performance. This was the basis for the development of a teacher training and whole-school reform programme.

Over 4,000 teachers have now been trained, impacting 45,000 students and showing a 260 percent increase in the retention rate of Maori students to Year 11 mark. The first cohort of Maori students to graduate from high school showed a 50 percent increase in attainment rate from the previous year's cohort who had not been through the programme.

³⁷ P. Williams, 'The competent boundary spanner', *Public Administration*, 80(1); 103-124, 2002; J. Voets, & P. de Rynck, 'Exploring the Innovative Capacity of Intergovernmental Network Managers: the Art of Boundary Scanning and Boundary Spanning', V. Bekkers, J. Edelenbos & B. Steijn (eds.), *Innovation in the public sector: linking capacity and leadership*, Houndsmills: Palgrave MacMillan; 155-175, 2008.

³⁸ <http://streetbump.org> and <http://ukryama.com/>

³⁹ <http://www.ottawahospital.on.ca/>

⁴⁰ <http://www.tekotahitanga.tki.org.nz>

Another approach is public dialogue, in which the public is engaged in a public policy issue to sufficient depth that they are able to understand the essential issues and provide informed perspective rather than the kind of 'snap judgement' you might get from an opinion poll. This approach provides public managers with insights which may lead to amendments to make proposals more effective, or may alert public managers to potential resistance, controversy or implementation difficulties. The internet has allowed this approach to reach much larger audiences. Habitat Jam⁴¹ was a massive online event organized by the United Nations Human Settlements Programme (UN-HABITAT), the Government of Canada and IBM, held in 2005 to help solve urgent problems of the world's cities. Participants contributed ideas that were used to shape the topics of discussion for the 2006 World Urban Forum 3 conference. With 40,000 people from 158 countries taking part, it is considered to be the largest public event on urban issues in history. By providing an online collaborative environment to support an incredible number of participants and inviting anyone with an interest in urban issues to take part, the organizers created a forum where ordinary citizens from around the world could learn from each other and make their voices heard.

Design thinking is one of the more high profile approaches to understanding service users. Many leading social innovation agencies, such as The Human Experience Lab⁴² (Singapore) and MindLab⁴³ (Denmark) have design thinking as a key component of their approach. La 27e Région⁴⁴ (France), for example, brings design skills into public service, specifically municipal government, to facilitate radically user driven and co-designed services as a key source of innovation. Design thinking is the subject of a parallel paper and therefore not elaborated here.

Schools, trains and safaris

Anyone can be an innovator. Part of the attraction of social innovation for public managers is that, at best, they can ride the wave of energy and enthusiasm of an army of 'change-makers' with whom they have common cause. A number of events have sprung up – generally called schools, events or academies – to focus on encouraging people interested in social innovation,

particularly young people. Jagriti Yatra⁴⁵ is an ambitious train journey of discovery and transformation that takes hundreds of India's highly motivated youth, especially those who are

from small towns and villages of India, on a 15-day, 8000 km national odyssey to meet the role models (social and business entrepreneurs) of the country. Make a Difference Asia (MaD)⁴⁶ seeks to inspire and empower young people all over Asia to create positive personal, economic, social and environmental change. It does this by fostering exchange with passionate people from diverse backgrounds through an annual event in Hong Kong bringing together 1,000 young people from across

Asia with the MaD School, a social innovation course, and MaD Venture Fellowships. The Social Safari run by Kennisland⁴⁷ (The Netherlands) has participants from 10 different countries such as Costa Rica, Guatemala, Iran, Kenya, Nicaragua and Zimbabwe. In the midst of the 'urban jungle' participants set out to find new social solutions for some of the most 'wicked' challenges in the city. A high proportion of participants in these programmes go on to set up social initiatives of one kind or another, and often develop job creation schemes generating several more jobs than the number of participants.⁴⁸ However, these kinds of projects can be distinguished from camps, labs and incubators because they focus on the individuals' development, not primarily on developing specific social innovation projects.

CASE STUDY 4: KAOSPILOTS (DENMARK)

Building social innovation skills through alternative education

The KaosPilots is a hybrid business and design school, a multi-sided education in leadership and entrepreneurship teaching programme which is "not designed simply to shape students to fit the future, but to help them create it".⁴⁹ The KaosPilots curriculum is approved by EQUIS accredited Aarhus School of Business.

KaosPilots are taught to navigate confidently in turbulence and are empowered to co-create their own education. Instead of the traditional business school case studies, the focus is on creating real paid projects that are sold to real clients by the students. For example, one assignment was in the remote Frederikshavn Municipality in northern Denmark that was faced by issues of unemployment and 'brain drain'. First the pilots worked with the local youth to map out their dreams and existing resources and then they collaborated with the local public service leaders in how to embrace and support 'wild' local culture projects instead of resisting or ignoring them.

A study from 2011 showed that more than one third of its alumni from the three-year programme became entrepreneurs and 50 percent of the alumni have leadership positions. BusinessWeek has recognized the KaosPilots as one of the best design schools in the world, and Fast Company has named it one of the Startup Leagues Big 10, preparing participants for the fast moving startup economy. Kaospilots has inspired schools in countries such as Australia, Denmark, Netherlands, Norway and Sweden.

As part of its social mission KaosPilots are currently working with ministries of education, civil service training agencies and private universities in Asia to open source their social innovation know how and opportunity-based pedagogy to help transform the mainstream education system.

⁴¹ <http://www.un-ngls.org/orf/habitatjamOverview.pdf>

⁴² The Human Experience Lab (THE Lab) is an initiative of the Singapore Government established within the Public Service Division, PS21 Office.

⁴³ <http://www.mind-lab.dk/en>

⁴⁴ <http://blog.la27eregion.fr/>

⁴⁵ <http://www.jagritiyatra.com>

⁴⁶ <http://www.mad.asia>

⁴⁷ <http://socialsafari.org>

⁴⁸ See for example, <http://www.the-sse.org/evaluations>

⁴⁹ www.kaospilot.dk

5. PROPOSALS FOR SOCIAL INNOVATION

The second stage of social innovation involves generating a new idea that might address the identified need more effectively than existing approaches. This covers planning and programme design for public managers and, if delivery is not to be in-house, procurement of an appropriate delivery partner.

Participatory decision-making and co-design

Participatory planning and budgeting is a technique that allows public managers to engage constructively with citizens or service users during the planning phase. It directly involves citizens in making decisions about how public money should be spent. Usually, this means involving citizens in identifying spending priorities, making and voting on proposals about how to spend the budget, and in overseeing and evaluating how the money was spent. It avoids unrealistic demands and expectations among citizens by helping them see the trade-offs inherent in working in a resource-constrained environment. By doing this, it can overcome a lack of trust in government and a confrontational approach by situating everyone as being 'on the same side' in tackling an issue. The practice emerged in the 1980s in Porto Alegre, Brazil, and has since been adopted in many cities and regions around the world, albeit in very different forms, including in China's Zeguo township, discussed in Case Study 5.⁵⁰

CASE STUDY 5: PARTICIPATORY BUDGETING IN ZEGUO (CHINA) Participatory budgeting through deliberative polling

Zeguo township, in Wenling City, Zhejiang Province, covers 97 villages having a permanent local population of almost 120,000 as well as a migrant population of the same size. Its major industries produce shoes, water pumps, air compressors and new building materials. In 2005, it introduced participatory budgeting to inform spending decisions in relation to priority projects.

In the first year, 275 people were selected to participate in a deliberative poll through a random sampling designed to create a diverse and representative microcosm of the people, including usually disengaged persons. The main goal of the deliberation day was to discuss how to spend the annual budget, and examine citizens' preferences among the possible projects listed by the local officials. The total cost of the 30 projects was 136 million RMB (\$20 million US dollars), but only less than one third of that amount could be spent on them. In light of budget constraints, the participants were asked to carefully examine each proposal in 16 small groups, discuss their merits and identify key questions for competent experts to answer in

plenary sessions. The moderators of each table were teachers selected from Zeguo Number Two High School, who had been trained for the event. At the end of the day, participants rated 30 projects on a scale of 0 to 10. Local authority officials had to observe discussions without participating, and met the following day to finalize the legally binding decisions. Impressed by the experiment, they accepted most of the citizens' proposals in the final budget.

In subsequent years the process was refined further and spread to include other townships within Wenling City. It expanded to include the entire town budget, and steps have been taken to be even more inclusive through affirmative action to involve illiterate people and representatives of migrant workers.

The concept of participatory budgeting has attracted widespread interest in China. As only 32 percent of the budget of local authorities there is received from the central government in Beijing, this potentially allows the flexibility to adopt participatory budgeting processes. The Zeguo process provides a channel for citizens and interest groups to express their concerns, while reducing conflicts of interest and the perception of corruption in setting public spending budgets.

Innovation funds, prizes, challenges and camps

Another approach to the proposals phase is to encourage social entrepreneurs and innovators to come forward, and to support them in getting their own ideas off the ground. Small grants schemes are now common in many parts of the world, such as India's National Innovation Fund⁵¹ or UnLtd⁵² (India, Malaysia, Singapore, UK and in Thailand managed by ChangeFusion). Governments in many countries in South-East and North-East Asia, including Hong Kong, Malaysia, Singapore and South Korea, have set up funds to support social entrepreneurs and policy departments to create an enabling environment.

These small grant funds often produce potentially interesting and impactful initiatives, but overall the evidence of their impact is hard to assess. Because it is entirely directed by social entrepreneurs, it may not meet the immediate objectives of public managers. Many policymakers and philanthropists have become frustrated with the limitations of this approach and have sought to supplement these funds with a more activist approach.

One approach is to look beyond the provision of money to structuring efforts to solve social problems. Activities such as Social Innovation Camps⁵³ and hack days bring together people with similar interests but different skills to work on a particular problem for a limited period of time (often a weekend or 24 hours). Social Innovation Camp began in London has now spread worldwide including Azerbaijan, Czech Republic, Georgia, Nigeria, Slovakia and across South-East and East Asia.⁵⁴

⁵¹ <http://www.nif.org.in>

⁵² <http://unltd.org.uk> and <http://www.changefusion.org>

⁵³ <http://www.socialinnovationexchange.org/>

⁵⁴ <http://www.sicamp.org> and <http://www.sicampasia.org>

⁵⁰ Y. Sintomer, R. Traub-Merz, J. Zhang; C. Herzberg, *Participatory Budgeting in Asia and Europe. Key Challenges of Participation*, China Social Science Press, Beijing, 2011, ed.

Public or philanthropic funding is mainly spent on facilitating the event and most participants are seeking to 'make a difference' alongside their day job or freelance work and so do not need grants unless they decide to take their idea forward.

Other approaches use crowdsourcing. They attract people to contribute ideas to address specific problems put forward by policymakers by offering a prize as an inducement (rather than a reward for past work). This works well for scientific problems. For example, Innocentive⁵⁵ is a platform that takes specific problems in the research and development space and reframes them as challenges for anyone to solve, with cash or other prizes for the best solutions. Nesta⁵⁶ (UK) has pioneered the use of challenge prizes for social innovation. For example Nesta supported the United Nations Development Programme in Bosnia and Herzegovina to issue a challenge to find a renewable energy solution capable of providing off-grid power to cover the needs of an average war-returnee family in rural Bosnia and Herzegovina.

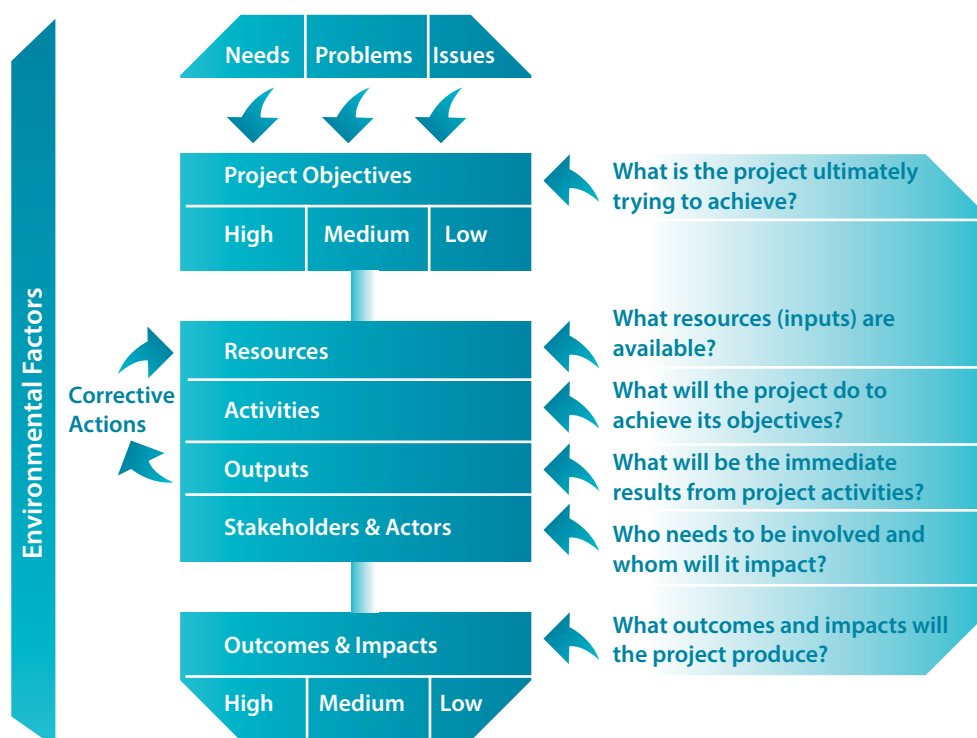
CASE STUDY 6: NHS REGIONAL INNOVATION FUNDS (ENGLAND) Contracting and monitoring innovation projects within the public sector

In 2009 the National Health Service (NHS), the public sector provider of universal health care in England, launched the

Regional Innovation Funds (RIF). The ten funds together totalled £225M, covered every region of England and were supported by an external national fund advisory service run jointly by The Young Foundation, an NGO, and Nesta, a non-departmental public body. Their objective was to support innovation within the NHS by funding projects brought forward by or in partnership with NHS staff. The NHS considered it important to support a high proportion of radical innovation projects, where the potential benefits were great but the chances of success uncertain. Awards ranged from £1,000 to £400,000 and expected and externally agreed return on investment projections ranged from 60 percent to 2600 percent on maturity.

Projects were selected on the basis of a simple application form and, sometimes, an oral pitch before a 'dragons den' of experts. However, before funds were released to the project team, a rigorous baseline report was co-produced between the project team and fund advisers that included a logic model developed with stakeholders with all key assumptions made explicit, a project plan, and a quantification of the expected impact of the project over and above the impact of any existing service. An important principle was to 'instil ownership' in the project team so they felt they were being funded to run 'their' project not delivering to the fund's requirements.

Figure 6: Logic model of Regional Innovation Funds

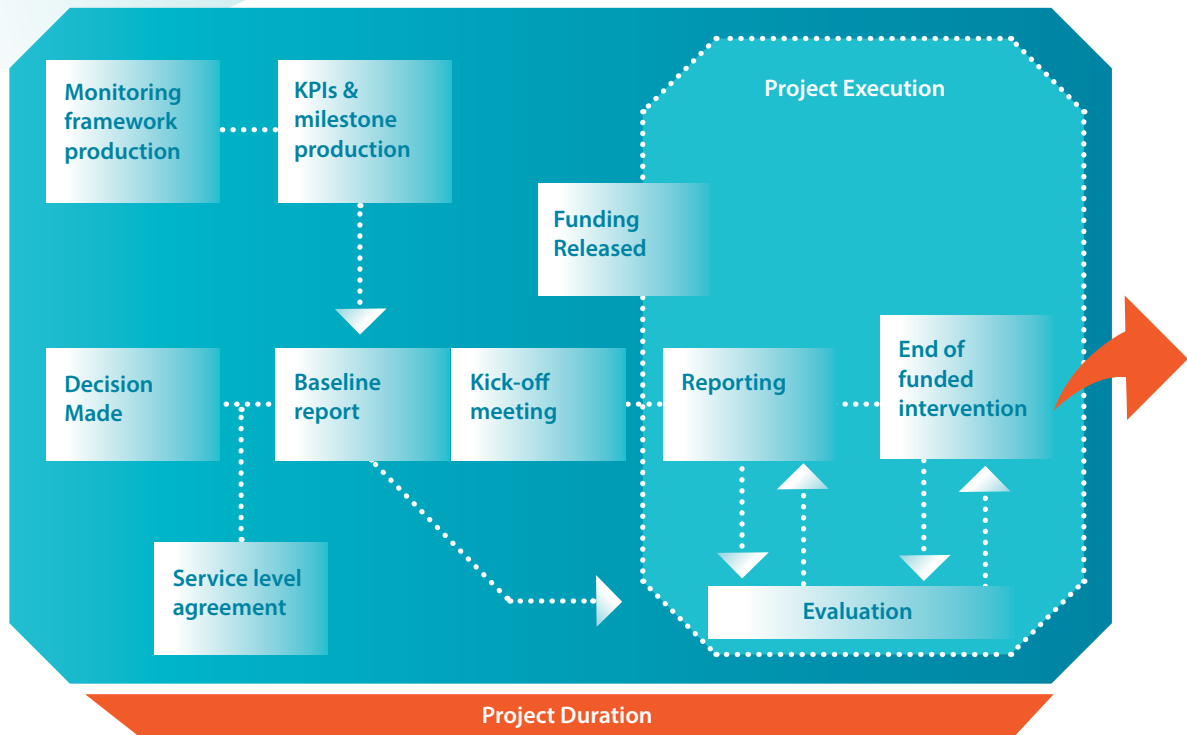


Credit: National Health Service, England

⁵⁵ <http://www.innocentive.com>

⁵⁶ <http://www.nesta.org.uk/>

Figure 7: Contracting process of Regional Innovation Funds



Credit: National Health Service, England

Once the funds were released a minimal approach to contract monitoring was taken by the RIF team, who focused on ensuring the money was spent as agreed and that the project team was collecting and responding to the operational data that would allow verification or refinement to the logic model and measure overall impact. Departure from the project plan was explicitly allowed so long as it could be justified by the project team in these terms. During project delivery phase, leaders from RIF funded projects were regularly brought together to share learning, support each other and receive master classes from the national fund advisers.

Most project leaders were leading an innovation project for the first time and many reported that support from both peers and experts invaluable. For example, in one region, most reported that 'I have to undertake many tasks I have never done before' as part of their project and many reported 'My project changed substantially during the delivery period as overcame unanticipated obstacles or refined delivery in the light of experience.'

Procuring results and social impact bonds

Many government procurement practices hinder social innovation. Procurement policies often favour letting large contracts to established organizations with long track records, secure balance sheets, and solid reputations, and mandate detailed technical proposals which require large experienced tender writing teams to complete. Applicant eligibility is also often tightly defined, especially where a contract is for the private sector or NGO sector. The service to be delivered is often specified in great detail. These are all ways to reduce and mitigate risk, but they also hinder innovation and deter small and new organizations that are often the innovators.

Innovation is most needed where there is a high level of uncertainty about the best way to deliver a service or a desire to do things differently. Public managers therefore look for ways to shift the responsibility for service design from the payor or commissioner to the provider or service delivery partner. Providers should be in a better position to design an innovative service because they are closer to the end user and/or because there is competition amongst providers. Public managers therefore seek to support social innovation by shifting from a payment for activities model to a payment for results model,



BY-NC Lance Bellers for Sightsavers / flickr.com/communityeyehealth

where the desired outputs or outcomes are clearly specified but bidders have a degree of freedom to propose what activities they would undertake in order to deliver those results. There appears to be a high degree of consensus in high income countries that this is the right direction of travel, but it is less evident in middle to low income countries, perhaps because it requires a high degree of sophistication in contract specification and impact measurement.

One development of this approach is worth touching on has attracted a great deal of attention. The social impact bond is a concept developed by The Young Foundation that has now spread to the United States (as payment for success bonds) and Australia, particularly by an NGO called Social Finance.⁵⁷ Social impact bonds are a form of outcomes-based contract in which public sector commissioners commit to pay for significant improvement in social outcomes (such as a reduction in offending rates, or in the number of people being admitted to hospital) for a defined population.

Social impact bonds are an innovative way of attracting new investment around outcomes-based contracts that benefit individuals and communities. Through a social impact bond, private investment is used to pay for interventions, which are delivered by service providers with a proven track record. Financial returns to investors are made by the public sector on the basis of improved social outcomes. If outcomes do not improve, then investors do not recover their investment.

Social impact bonds provide upfront funding for prevention and early intervention services, and remove the risk that interventions do not deliver outcomes from the public sector. The public sector pays if (and only if) the intervention is successful. In this way, social impact bonds enable a re-allocation of risk between the two sectors.

6. PROTOTYPING SOCIAL INNOVATION

Social innovations rarely emerge fully formed from the mind of their creator or the planner's pen. They are half-baked and inevitably flawed. The 'Plan, Do, Review' approach does not work well because most social innovations are operating in conditions of great uncertainty and many are based on human behaviour, which is hard to predict. They need to be adjusted substantially in the light of experience, trial and error. The levels of uncertainty are manifold: uncertainty about the optimum design of the intervention; uncertainty as to how best to introduce a new intervention; uncertainty about demand or participation in the intervention from users, which may need to be built up over time; uncertainty as to how to measure success of the intervention; uncertainty as to whether key stakeholders will support the intervention; uncertainty about how to develop and scale up an intervention.

In these circumstances, the innovator must learn and adapt as fast as possible. There are many methods in use for testing ideas and refining them. These include proof of concept testing, in which member of the target user group are asked to assess and suggest improvements based on a verbal description, visualisations or a paper prototype; formal pilots in which the programme is run for a defined period and then rigorously evaluated; and whole systems demonstrators in which pilots of multiple interventions are run simultaneously to also assess their interaction and joint effectiveness.

Many social innovators adopt an agile design approach, also popularized in the business world through the Lean Startup methodology.⁵⁸ This involves quickly releasing a 'beta' version of a concept in order to gather user feedback. The idea is to generate feedback and learning as fast as possible without wasting unnecessary time developing a 'perfect' product that may turn out to not be what is needed. This includes the validation of key underlying assumptions about user response, demand, cost sensitivity and the 'minimum viable product' – the essential elements of the product or service which cannot be removed, as opposed to nice to have but inessential elements. The innovator is looking for the 'minimum viable product', no wasting time on unnecessary frills, and uses customer feedback to either 'persevere' or 'pivot'.

Contracting, monitoring and evaluating social innovations

Procurement officers need to decide how to monitor a contract and evaluate the impact of an innovation being put into practice. Some government procurement practices distinguish between situations in which a conventional approach can be taken and those situations in which a more agile design approach is needed.

A conventional approach to contract management seeks to ensure delivery without deviation from the agreed plan. In an innovation setting, this fits well with a scientific or clinical

⁵⁷ E. Reiss, *The Lean Startup: 'How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses'*, Crown Business Publishing, 2011

⁵⁸ E. Reiss, *The Lean Startup: 'How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses'*, Crown Business Publishing, 2011.

approach to trialling, in which a randomized controlled trial is preferred, and where this is not possible, at least the design of the intervention should be held constant throughout the trial period in order to conduct a rigorous evaluation. Many social innovation trials are not based on substantial pre-clinical evidence because there is a great deal that we do not yet know about human behaviour and interaction. The plan is likely to be flawed and the innovation needs to adapt in the light of experience: sticking to plan may actually indicate poor implementation.

In these circumstances procurement officers should therefore shift their attention from compliance to learning, and treat a contract relating to a social innovation more like a scientific experiment than an order for paperclips. This means the provider should clearly set out the logic model/theory of change and show assumptions underlying the design of their intervention. The delivery plan should be designed to test these assumptions as rapidly as possible and provide regular opportunities to adjust the plan in the light of lessons learnt. The appropriate objective of a pilot is not to test an innovative new approach that has been designed in advance, but rather to end the pilot period with a design for the intervention that has been refined through trial and error. Evaluation of a pilot will need to be formative, informing the ongoing modification of the innovation in real time, as well as summative, providing a snapshot assessment at the end of the pilot period.

The challenge for evaluators, and for social innovators is that not all problems are bounded, have optimal solutions, or occur within stable parameters. These kinds of problems are called complex or “wicked” problems. The same techniques that are considered evaluation best practices in more static situations are unhelpful, even harmful, to situations where there is a lot of uncertainty and ‘moving goalposts’. Standard evaluation principles can define and structure evaluative questions so narrowly that they limit learning and adaptability. Innovation is commonly about breaking and challenging previous boundaries and paradigms.

Developmental evaluation⁵⁹ applies to an ongoing process of innovation in which both the solution and objectives are evolving. Developmental evaluation is designed to support innovation within a context of uncertainty. The ‘developmental’ part is based on the innovation driving change. The processes of Planning, Doing and Evaluating/Learning are conducted simultaneously, in an incremental and iterative manner with faster feedback loops and many ongoing cycles throughout on project or process similar to that of SCRUM⁶⁰ and agile project management⁶¹.

Hubs, parks and incubators

There is strong evidence for the effectiveness of creating clusters and co-working spaces for early stage businesses. This also seems to apply to social innovation. There is no consistency of terminology in use to describe these facilities and indeed there does not seem to be a fixed model for what services they provide. They can be called hubs, social innovation parks, incubators, accelerators or launchpads. They generally but not always provide co-working space or physical proximity of offices plus networking opportunities, talks by invited speakers and events and rely on rent of space as their main source of income. Many also seek to provide additional business support, mentoring and other services. The largest group is the Impact Hub⁶² global network of more than forty hubs on six continents, although they do not have an exclusively social focus. Other hubs include iHub⁶³ (Kenya). Some of the more established social innovation parks including those in Bilbao (Spain)⁶⁴, Shanghai⁶⁵ and Singapore⁶⁶. Although it is hard to assess their impact, these facilities tend to be popular with social innovators and entrepreneurs and the sustainability of their business model is a key reason that they have spread so fast.

Some of these facilities place much more emphasis on business and other kinds of technical support provided to the hosted enterprises, and might be considered as a distinct category and more properly called incubators. They have strict entry criteria that is normally by competitive process and sometimes will provide social investment in all or selected hosted enterprises. Leading examples include The Accelerator from The Young Foundation⁶⁷ (UK), Wayra UnLtd⁶⁸ (UK) and SiG@MaRS, the Social Innovation Generation programme at MaRS Discovery District⁶⁹ (Canada). Another example is Gawad Kalinga’s Enchanted Farm⁷⁰ (Philippines). Unlike the hub model, social innovation incubators are highly unlikely to be financially sustainable without subsidy, because the hosted enterprises cannot afford to pay for the intensity of services provided even though they generally rate the support provided as important in their development. Such environments provide efficiencies in terms of capacity building events and informal cross-pollination and recruitment of resources between social innovators and early stage start-ups that are moving in unknown territories and making up or re-writing the rules and ‘industry best practice’ as they move forward. These ecosystems can act as a ‘blue stamp’ to third parties and give innovators a support framework where they are normalized.

⁶² <http://www.impacthub.net>

⁶³ <http://www.ihub.co.ke>

⁶⁴ For an English language introduction see <http://www.slideshare.net/SleXchange/social-innovation-park-bilbao-pecha-kucha-six-and-the-city-summer-school>

⁶⁵ http://www.npi.org.cn/english/business_08.html

⁶⁶ <http://www.socialinnovationpark.org/>

⁶⁷ <http://www.growing-socialventures.org>

⁶⁸ <http://wayra.org/unltd/>

⁶⁹ <http://www.marsdd.com>

⁷⁰ <http://gk1world.com/gk-enchanted-farm>

⁵⁹ Jamie A.A. Gamble, ‘A Developmental Evaluation Primer’, Published by The J.W. McConnell Family Foundation, 2008.

⁶⁰ Schwaber & Mike Beedle book: Agile Software Development with Scrum, 2001.

⁶¹ Dr. Winston Royce, ‘Managing the Development of Large Software Systems’, 1970.

CASE STUDY 7: GAWAD KALINGA ENCHANTED FARM (PHILIPPINES) A social innovation incubator and more

The Enchanted Farm is unique combination of model farm, village, university and social business incubator. It is the first of twenty-four sites Gawad Kalinga plan to build around the Philippines. It is run by Gawad Kalinga, an international poverty alleviation and development agency originating in the Philippines.

The Village University for sustainable community development teaches students how to start social enterprises and communities from the ground-up as well as teaching agriculture and appreciation of nature. The Enchanted Farm is also a social tourism attraction, with visitors coming from other parts of the Philippines and abroad and gain insight into the social problems that face millions of Filipinos and here inspiring stories of social entrepreneurial initiatives.

The heart of the farm is the incubator, a 'Silicon Valley' for social entrepreneurship where young entrepreneurs are provided a supportive business ecosystem and an enabling environment to help them launch Filipino brands. Eventually up to 50 enterprises will share in the resources of the farm and facilities. It aims to be forgiving enough for social entrepreneurs to make mistakes while testing prototypes and new business models, but demanding enough for them to build global Filipino brands that have real social and environmental impact. Social enterprises are also supported by GKconomics, GK's distribution arm, which provides marketing and distribution services and access to markets throughout the Philippines and internationally.

Social enterprises in the Enchanted Farm include: Plush and Play makes educational bamboo and plush toys for children; Theo & Philo makes artisanal chocolate from locally sourced products; Trese produces silkscreen printed products; and Bayani Brew produces healthy beverages.

Social innovation advisers and labs

The work of a variety of agencies includes advising on the processes of elements of social innovation such as prototyping, collaborative learning, or replicating. NGO examples include the Center for Knowledge Societies' Bihar Innovation Lab⁷¹ (India), Kennisland (The Netherlands), the Young Foundation (UK), as well as some mainstream development agencies moving into the social innovation field such as Hivos (The Netherlands) and Reos Partners LLC (USA). A feature of many of these organizations is that they can act both in an advisory capacity and as principal actors pursuing their own innovations. Those that have a more codified methodology are often called 'social innovation lab' or 'co-labs' and use mixed methodologies often centred around design thinking to develop new innovations.

⁷¹ <http://cks.in/portfolio-item/the-bihar-innovation-lab/>

Yet another model of collaboration and social innovation has emerged through the Global Service Jam movement which runs independently-organized 'jams'-- pop-up social innovation labs--to prototype services for citizens over a 48-hour period. These jams bring together design thinkers, innovators, creative individuals and even the public sector (see GovJam, Global Sustainability Jam and Global Service Jam).

Unlike, hubs, parks and incubators, there may not be a client enterprise or innovator being supported in a pop-up social innovation lab. Sometimes the client is a government agency with a social challenge it needs to address, and sometimes the lab itself is acting as a principal. Unlike some other institutions labelled as labs, such as The Human Experience Lab⁷² or some design agencies, the social innovation labs do not just offer a short (hours or a few days) programme, but will develop new innovations over the course of many months. Leading examples include SID Lab⁷³ (Cameroon), MindLab⁷⁴ (Denmark), and Abdul Latif Jameel Poverty Action Lab⁷⁵ (USA). There is considerable interest in social innovation labs in the developed world within the social innovation field and, to a lesser extent, policymakers, but very little practical experience outside some isolated cases.

CASE STUDY 8: CURE & CARE CENTRES (MALAYSIA) Partnership between a public agency and social innovation advisers

In 2010 the Malaysian Government accepted that its anti-drugs policy was not working to reduce drug use, associated crime or the spread of HIV/AIDS. The policy, which had been in place for nearly 30 years, stigmatized drug use, 'criminalized' people who use drugs and imposed two-year sentences of detention in a network of camps.

The National Anti-Drugs Agency set out to develop a new five-year strategic plan that would involve taking a radically new direction. To help it think differently, it departed from previous practice by bringing into the process Scope Group⁷⁶, a social enterprise with expertise in social design and innovation. Scope Group introduced some novel methods including use of Kaplan's Balanced Scorecard to identify internal and external 'customers'. To draw on the collective wisdom of external stakeholders, and secure their buy in for change, co-creation workshops were run including other government agencies, NGOs, regional UNODC & UNAIDS offices, and technical experts.

⁷² The Human Experience Lab (THE Lab) is an initiative of the Singapore Government established within the Public Service Division, PS21 Office.

⁷³ <http://thesidlab.com>

⁷⁴ <http://www.mind-lab.dk/en>

⁷⁵ <http://www.povertyactionlab.org>

⁷⁶ Scope Group social enterprise, change agency and impact advisory: <http://www.scopegroupasia.com>

The primary 'customer' was identified as drug users themselves and concern for their well-being rather than the general public's wish for punishment or policymakers' desire for quick results.

This understanding of their customers and stakeholders led to a reframing of the problem and shift in the narrative from a criminal justice issue relating to 'drug addicts' to a healthcare issue regarding 'patients'. This opened up a new solution space for the agency and made it receptive to international drug policy approaches.

The agency changed its tagline from "Fighting The No. One Enemy of the Country", to "We Care, We Serve". In the period 2010-2012, all 28 of the former compulsory detention camps were transformed into Cure & Care Centres adopting medical and social science approaches that were evidence-based including the use of drug substitution therapy, voluntary open-access treatment and community-based care. In parallel were capacity building programmes for the public sector officers in the agency, and partner organizations involved in delivery.

Scope Group balanced the roles of facilitator and change advocate and promoted some unusual but effective approaches to help with the transition. Former patients of the centres were recruited to act as outreach workers providing peer-to-peer services which included advisory and referrals. A range of activities were undertaken in the periphery to reduce public stigma towards addiction and drug users, including the establishment of a Caring Squad of volunteers doing outreach work and youth volunteers totalling more than 250,000 around the country.

For social innovations to be successful in the increasingly complex areas of public policy, they need to include change simultaneously at multiple levels: the use of language and perspectives around the issue, new information and knowledge dissemination, experimentation with new practices, inclusive partnerships - all before policy changes can take place.

Social enterprises are hybrids that combine elements of a business and a non-profit organization.

7. SUSTAINING SOCIAL INNOVATION

How an innovation is to be sustained through time is a key consideration for innovators and those seeking to support innovation. This phase in the innovation spiral may be the least distinct, and the considerations discussed here in reality often come into play from proposal stage through to scale. Indeed, some innovations represent a breakthrough precisely because they are a way to radically reduce costs or bring hitherto untapped resources to bear on a problem.

Nevertheless it is common for social innovators to talk of a 'valley of death' when a pilot has been completed or a project is no longer brand new, but before it has reached a level of maturity that allows it to focus on scaling rather than just surviving. During the prototyping phase it is often possible to bring resources to a project that cannot be justified in the longer term: unit costs need to come down, effectiveness improved, unnecessary costs trimmed. Early stage projects can also often attract excitement and goodwill, or just fly under the radar, but as they seek to become permanent and vested interests feel threatened, the support can evaporate. Finally, the key people who lead the innovation during early phases may not have the skills or inclination to move from 'starting' to 'building'.

For an innovation to be sustained it must be able to cover its costs, gain support from key stakeholders (such as service users, partners, suppliers, regulators or others in authority), have the right people in place the capacity to take it forward, and continue to evolve.

Three approaches to sustaining innovations are of particular interest to public managers: the creation of markets that allow enterprise to be used to achieve social goals; shifting roles from expensive public sector professionals to (cheaper and more effective) social entrepreneurs or volunteers; and sustaining innovations within the public sector. The last of these will not be covered in this paper. It is based on mainstream approaches that will already be familiar to public managers, such as change management, building business cases and return on investment analysis, and developing implementation and roll out plans. However some social innovation tools such as the Social Business Model Canvas⁷⁷, which helps managers look at the social and economic model of an innovation, can be useful.

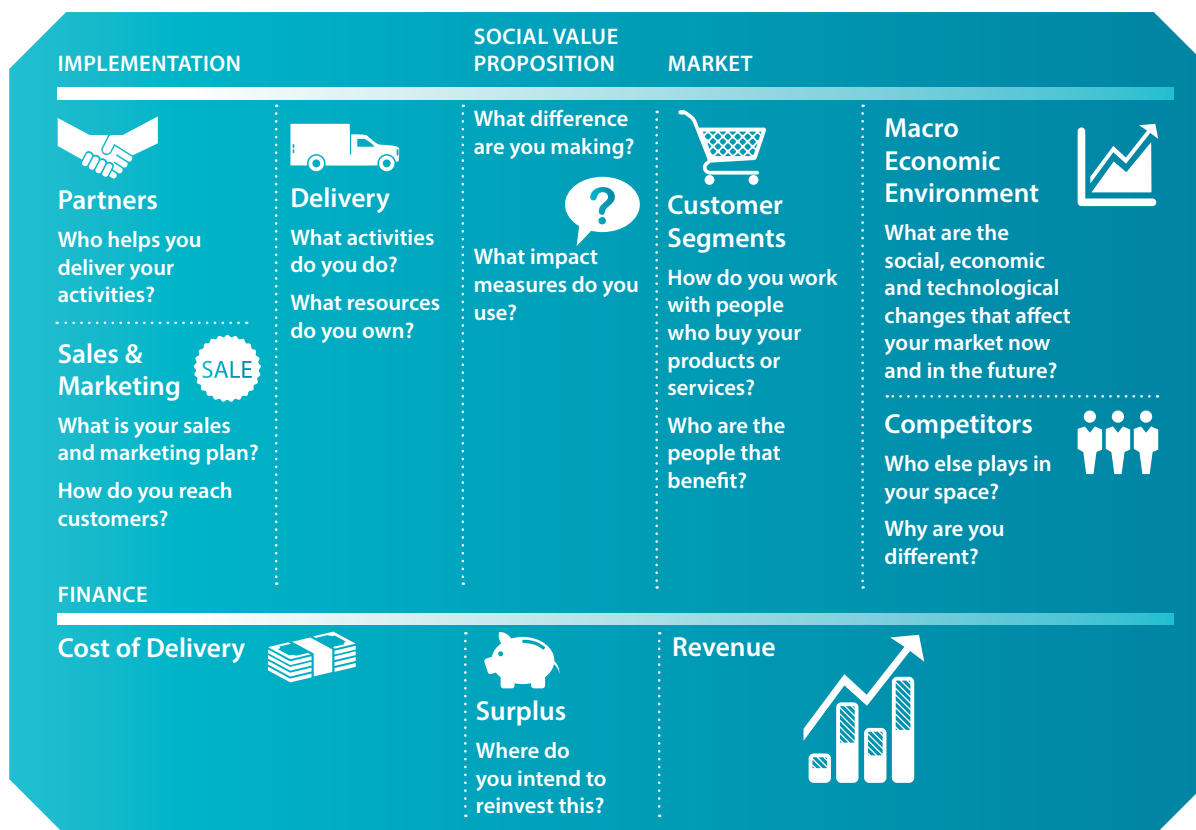
Market - social enterprise and investment

Social enterprise and social investment are transforming what has traditionally been called the NGO or non-profit sector across the world.

Social enterprises are hybrids that combine elements of a business and a non-profit organization. Hybrid social enterprises are organizations created to address social problems that use business models to sustain themselves financially and seek to create not only financial returns but also social

⁷⁷ <http://growing-social-ventures.org/en/course-content/social-business-model-canvas>

Figure 8: Social Business Model Canvas



Credit: The Young Foundation

returns.⁷⁸ In some definitions, the surpluses generated from revenues must principally be reinvested for social purposes rather than distributed to investors or owners.⁷⁹ This feature is often used by governments to justify and define tax benefits for social enterprises. There is also a strong cooperative or mutual ownership tradition within social enterprises, especially in Europe and Asia. Social enterprises are proving successful in a number of contexts: Provision of services to the general public employing disadvantaged groups, such as Hand Affection Handicraft⁸⁰ (China) which provides jobs for rural craftsmen by providing a route to urban markets; sale of premium products based on fair trade principles, such as Café Direct⁸¹; provision of public benefit services such as healthcare and education where those services are not provided or funded by the state; and provision of services paid for by the state instead of or in competition to public sector provision, such as the waste management and recycling services provided by the world's largest cooperative, Mondragon⁸² (Spain). Many governments

are creating new legal forms, some with tax benefits, in order to help social enterprises flourish, such as the UK's much emulated Community Interest Company.⁸³

Social investment is the finance equivalent of social enterprise and is a hybrid between commercial investment and philanthropy. Social investment can be defined as the provision of finance to generate both social and financial returns.⁸⁴ Social investors weigh the social and financial returns they expect from an investment in different ways. They will often accept lower financial returns in order to generate greater social impact.

Public managers can foster the creation of markets in which social enterprises can operate or remove regulatory barriers to such markets. This can lead to job creation, fostering innovation through diversity of provision reducing the barriers for innovators to get their ideas into practice, and provide a route to sustainability and scale for social innovations.

⁷⁸ Definitions vary slightly around the world. For a more extensive definition based in European traditions see <http://www.emes.net>

⁷⁹ See for example the UK government's definition: <http://seeewiki.co.uk>

⁸⁰ Social Enterprise Research Center, China Social Enterprise Cases: Hand Affection Handicraft, Case No. C2009016, 2009.

⁸¹ <http://www.cafedirect.co.uk>

⁸² <http://www.mondragon-corporation.com/language/en-US/ENG.aspx>

⁸³ <http://www.cicregulator.gov.uk>

⁸⁴ <http://www.bigsocietycapital.com>

CASE STUDY 9: HUILING FOR THE MENTALLY DISABLED (CHINA) Scaling up through social franchising

The mission of Huiling (慧灵) is to help the mentally disabled live a better and more fulfilling life. Huiling is a non-governmental, non-profit, grassroots organization founded in 1990 by Mrs. Meng Weina. It was the first private special education provision for the mentally disabled in Guangzhou. It has pursued a franchise model that allows considerable freedom for each local franchisee to experiment with the business model while providing the same services. At Xi'an Huiling, income is generated through a team that provides house-cleaning services. At Guangzhou Huiling the business operates with income generated from a bakery and a farm.

Huiling's gradual expansion occurred by responding to local requests for support. Co-workers of Huiling would identify a local social entrepreneur who was considered to be able to replicate Huiling's service model in the given locality. The search for able local social entrepreneurs was aided by a partnership with the National School of Administration (NSoA). The NSoA prepares government officials for their future assignments dealing with social issues across China. Every year about 40 officials visit selected Huiling community centers to learn about its model and impact. In one case this exposure event convinced three government officials and graduates of NSoA to replicate the Huiling model in their own local community.

Local adaptability has been important. Another important success factor of Huiling has been its ability to transform its model over the years. Huiling branches in many parts of China have succeeded in registering with the local Ministry of Civil Affairs as formally registered civil society organizations, an official recognition that enables them to obtain both political and financial support from local governments. However, despite more than 80 attempts Beijing Huiling has not been able to register as a non-profit organization.

Twenty eight years into its existence Huiling has grown into one of China's biggest disability charity franchises, employing 256 staff and operating 76 shared residencies across 13 locations in China including Beijing, Guangzhou and Tianjin, and improving the lives of about 1,000 mentally disabled aged 16 years and older.

Task shifting – using volunteers and para-professionals

Creating markets and introducing competition is not always considered appropriate by policymakers. There are other ways, however, in which tasks are being shifted from state institutions and public sector professionals to more appropriate agents. The other approach is to shift tasks to volunteers within a community. Rwanda provides an interesting example of how this works in the form of *Animateurs de Santé*.⁸⁵

⁸⁵ C. Mugeni, F. Ngabo and J. Humuza, 'Community Performance-Based Financing in Health: Incentivizing Mothers and Community Health Workers to Improve Maternal Health Outcomes in Rwanda', quoted in E. Bing and M. Epstein, *Pharmacy on a Bicycle – Innovative Solutions for Global Health and Poverty*, Berrett-Koehler, 2013; LE RÔLE DE L'ANIMATEUR DE SANTÉ DANS LA PEC DE LA TB au Rwanda, GUMUYIRE Joseph, J. Gumuyire, 'le rôle de l'animateur de santé dans la pec de la TB au Rwanda published on <http://www.stoptb.org>

CASE STUDY 10: ANIMATEURS DE SANTÉ (RWANDA) Developing sustainable innovations through task shifting to the community

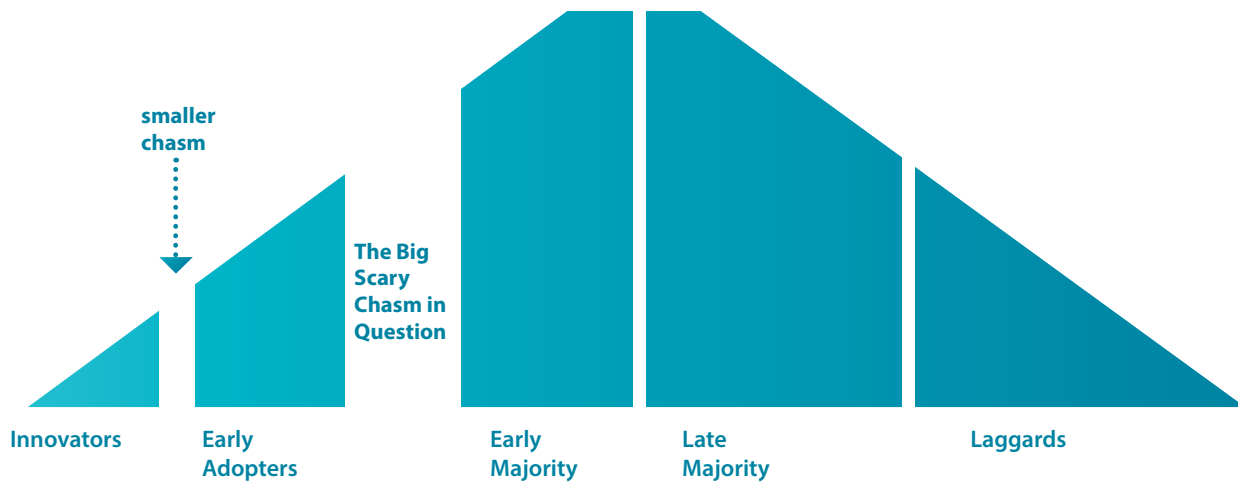
Animateurs de Santé is a government programme using community health workers to tackle tuberculosis, maternal and child mortality and other related public health issues. In this programme each community (50-100 households) chooses three or four community health workers (*animateurs*) who are then accountable to the local community. These *animateurs* carry out public education, detect illnesses in the community and encourage behaviours such as attending clinics, taking medication, and delivery of babies in hospital. These *animateurs* are incentivized by small payments for outputs, such as Rwf45 for referral of one TB case for testing. Thirty percent of the payment goes to the individual *animateur* and 70 percent to the budget of the local commune. The income from these incentives is not sufficient as the only source of income and most *animateurs* combine the role with other micro-entrepreneurial or farming activity or with childrearing responsibilities.

Rwanda's maternal mortality rate and child mortality rate was amongst the worst in the world and tuberculosis was endemic. Over a little more than 10 years, the country cut both child and maternal mortality rates by around 60 percent. The results were stunning. In the first nine months, for example, 86 percent more women accessed prenatal services. *Animateurs de Santé* was the centrepiece of the government's strategy. The use of local volunteers was key to its success, and the government was able to create a programme that was more effective, sustainable and scaleable than a programme using health professionals from outside the community could ever have been. For example, women were found to be more responsive to another woman, particularly a mother, from their own community rather than an unknown professional. One of the most popular times for public health education sessions was found to be 6:00-6:30am, before the regular working hours of professional health workers.



BY-ND Anouk Delafortrie for EC/ECHO / www.flickr.com/69583224@N05

Figure 9: Crossing the Chasm



Credit: Geoffrey Moore, 1991

8. SCALING AND DIFFUSING SOCIAL INNOVATION

For governments, social innovation will be of limited interest unless it can achieve impact at scale - a scale commensurate with the scale of the societal challenges with which public managers grapple. Geoffrey Moore referred to the 'chasm' that every innovation must cross to turn small scale success into impact at scale (figure 9). Social innovations face the same challenge. Growing an innovation depends on effective supply and effective demand: effective supply refers to the growth of evidence to show that the innovation really works and the capacity to deliver it at scale. Effective demand refers to willingness to pay. Moore himself particularly focused on getting beyond the 'early adopters' of a new innovation to reach a mass market but both supply and demand are needed. Sometimes the first priority is to prove effectiveness while in other cases the priority is to create demand, both by persuading people that there is a need to be met, and then persuading people or organizations with the ability to pay that they should do so.⁸⁶

There are many pathways to scale, depending on the kind of innovation and the context. At one extreme is uncontrolled diffusion of an idea or approach where every new adopter is free to take whatever aspects they find useful and reject the rest as they adapt it to local circumstances. One example is the spread of World Health Organisation's Surgical Checklists.⁸⁷ Another example is the Human Library⁸⁸, an open source method to combat discrimination and create conversations that increase acceptance and tolerance that has spread to

70 countries since launched at a rock festival in 2000. At the other end of the spectrum, the innovation is tightly controlled within an organization and scale is achieved by growing the organization itself. Organizations such as BRAC⁸⁹ and Pratham⁹⁰ have taken this approach and are reaching tens of millions of beneficiaries directly.

The public manager needs to consider not only how to support scaling up but also how to close down inferior services. To be mainstreamed, innovations will normally need to replace rather than supplement existing inferior ways of working. It is as important but even harder for public managers to stop initiatives as it is to start or adopt new ones. According to Geoff Mulgan, "Effective [public] strategy requires that money is liberated from the past for the needs of the future."⁹¹ The challenge of scaling innovations is illustrated by the Crossing the Chasm⁹² or valley of death diagram in figure 9. The forms of scaling are shown in figure 10.

Horizontal learning and social marketing

When it comes to the spread of innovation through less controlled methods, a number of practices stand out.

One approach is Positive Deviance⁹³, which involves investigating the behaviour of individuals or families whose uncommon approaches have enabled them to find better solutions to a particular problem than their peers despite having similar resources. These 'positive deviants' are then

⁸⁹ <http://www.brac.net>

⁹⁰ <http://www.pratham.org>

⁹¹ G. Mulgan, 'The Art of Public Strategy', Oxford University Press, 2009, p.105.

⁹² Geoffrey A. Moore, Crossing the Chasm.

⁹³ J. Sternin, 'Practice Positive Deviance for Extraordinary Social and Organizational Change', The Change Champion's Field Guide Best Practice Publications, L. Carter, D. Ulrich & M. Goldsmith (eds), Best Practice Publications, LLC, 2003, p.20-37, http://www.positivedeviance.org/pdf/change_champions.pdf

⁸⁶ For a more detailed discussion see: Mulgan, R. Ali, R. Halkett and B. Sanders, 'In and Out of Sync: The challenge of growing social innovations', London, Nesta, 2007.

⁸⁷ <http://www.who.int/patientsafety/safesurgery/en/>

⁸⁸ <http://www.humanlibrary.org>

Figure 10: Forms of scaling



Credit: ??

trained and supported to teach others in their communities, who may be more receptive to peer learning than to official education initiatives. This asset-based peer learning approach has already helped to improve the health and nutrition of children living in rural communities in Bolivia, Cameroon, Egypt, Mali, Pakistan and Vietnam. The approach also has been used to help improve the provision of education in Argentina and Ethiopia and to combat the spread of HIV and AIDS by working with sex workers in Indonesia and Vietnam.⁹⁴

A similar approach has been adopted by the Honey Bee Network⁹⁵ in India. The network connects farmers. Those who have developed technological or process innovations to overcome the challenges they face, share their innovations with others who can develop them into enterprises, and with small investors willing to provide financial backing. The Honey Bee Network also documents grassroots innovations and runs a database of over 100,000 ideas, inventions and innovations from around the world.

Social marketing techniques are also being used to raise awareness of social problems and spread adoption of innovations. For example, Room to Breathe⁹⁶ is a campaign from

⁹⁴ <http://www.positivedeviance.org/>

⁹⁵ <http://www.sristi.org/hbnew/aboutus.php>

⁹⁶ Discussed in <http://www.shellfoundation.org/download/pdfs/FINAL+Social+Marketing+in+India.pdf>

the Shell Foundation⁹⁷ aimed at raising awareness of indoor air pollution and enabling greater availability of clean cook stoves as a solution for some of India's poorest consumers.

Open source methods

Open source methods show great potential in a number of fields within social innovation. An open source approach involves radical transparency, where the design and blueprint of an innovation are made freely and openly available to others using to use and build upon. For example, Darrel Hammond took the decision to open source his playground model developed for low income areas in the United States. Within a year, other groups had built as many playgrounds as KaBOOM! had built in the previous 14 years.⁹⁸ EdX's use of an open source platform has allowed it to become the world's largest online learning platform within 12 months of launch despite entering the market several years after the pioneers.⁹⁹

Replication and franchising

Replication and franchising sit in the middle group between diffusion and growing an institution.

Replication involves selecting an innovation of proven effectiveness and codifying it so that others can be trained to

⁹⁷ <http://www.shellfoundation.org>

⁹⁸ <http://csi.gsb.stanford.edu/breaking-new-ground-using-internet-scale>

⁹⁹ <https://www.edx.org>

apply the same approach with the support of a manual. The Realising Ambition¹⁰⁰ programme (UK) is a £25m programme supporting the replication of 25 interventions proven to divert young people from criminal activity. About half the interventions being replicated are being imported from other countries. Each intervention is supported to spread in new areas, which often involves funding both the originator of the intervention and another local body who will act as replicator. Support takes the form of technical support relating to replication of the innovation itself and capacity building support for the replicating organization which will be growing its own operations.

Social franchising is similar to replication but involves the franchisee entering into a legal agreement with the franchisor to use the brand and know-how and to receive ongoing support in return for making a capital investment to get the new franchise up and running and then an annual service fee. It is therefore only appropriate when the franchise has a solid business model underpinning it. The International Centre for Social Franchising reports that there is considerable potential in social franchising in both developed and developing country settings.¹⁰¹ ChildLine India¹⁰² wanted to scale rapidly across India while maintaining quality. They chose social franchising in 1996. ChildLine now operates in 172 cities across India with over 415 partners. Since 1996 they have received over 21 million phone calls, helping thousands each year. Another example is Child and Family Welfare Stores¹⁰³ (Kenya). In 2000, the Healthstore Foundation decided to test social franchising as a way to scale up child and family wellness clinics. They created the first 11 stores in central Kenya. In the following years, the Bill & Melinda Gates Foundation funded growth to 65 locations. The Ministry of Health for Kenya has incorporated the network in its National Malaria Strategy and the network has served almost 500,000 patients, customers and school children. Another example, is the non-profit organization Huiling¹⁰⁴ (China), described in case study 9.

9. SYSTEMIC CHANGE

Social innovations inherently include changing the way things are done and the way social needs are conceptualized. In this sense, systemic change is the ultimate goal of social innovation, even if very few social innovations reach this stage. Systemic change is never achieved through a single organization or sector; it always involves a complex interaction of culture, consumer behaviour, business practice, legislation and policy. Moreover, it always involves a change to attitudes and behaviours and requires people to see and think in new ways. Systemic change requires sufficient incentives for incumbents to change their practice and behaviour. For this reason, systemic changes are more likely to follow periods of upheaval or crisis than times of stability.

Systems thinking

Systems thinking is employed by public managers in a number of contexts. Public service transformation programmes involve thinking at a systems level rather than a focus on isolated elements of service delivery. It can be hard to see how this connects with social innovation, particularly since the scale of resources available to the state, even in many middle- and low-income countries, dwarfs the resources that most social innovators and entrepreneurs can muster, or the scale of early stage social innovations. Public managers can learn a great deal from mainstream government approaches to technology innovation, which do manage to bridge the small scale of early stage innovations with large scale government priorities. Many governments develop national innovation (or technology or science) strategies. These strategies generally seek in various ways to support the development and enhancement of a national innovation system, in other words the infrastructure and environment needed to support innovations from prompt to scale.

A similar approach is needed for social innovation. National strategies based on developing the infrastructure are needed to ensure a good flow of social innovations from the prompt stage through to the scale stage. Ideally these strategies should not be separate from, but should be an integral part of, strategies for other forms of innovation, such as in India's National Innovation Strategy and the innovation strategy of the European Union. The resulting national innovation system would include the elements in the model shown in figure 11.

This kind of comprehensive approach is necessary because most social innovators are operating in an emergent ecosystem. Each component within the system is dependent on other components that may not yet be fully mature or present at all. Overspecialization in such circumstances can be fatal and every actor needs to play a role as a champion for the broader field rather than operating in isolation. Similarly a government that works hard to foster an environment that supports creativity and early stage ideas can see little impact for its efforts if those ideas die off quickly or the benefits fail to reach more than a handful of people. On the other hand, governments that show an interest only in scaling what has been proven to work can

¹⁰⁰ <http://www.catch-22.org.uk/RealisingAmbition>

¹⁰¹ <http://www.the-icsf.org/wp-content/uploads/2013/09/1306ICSF-Big-Lottery-v11-LR-single-page.pdf>

¹⁰² <http://www.childlineindia.org.in/>

¹⁰³ <http://www.cfwsops.org/>

¹⁰⁴ A. Fulda, A. Lane & F. Valente, 'Civil Society Contributions to Policy Innovation in the People's Republic of China', Palgrave Macmillan, 2014 (forthcoming). Information taken from draft transcript courtesy of the authors.

find themselves reliant on a precarious start-up community funded by philanthropy, on innovations developed elsewhere, or on the rare innovation that make it despite a hostile environment. The right infrastructure for each stage in the innovation spiral must be built simultaneously.

A good example of a systems approach is that taken in the UK in the creation of a social investment market. The government, the Big Lottery Fund (a lottery- funded government fund) and Big Society Capital (a wholesale social investment fund created by government) have consciously set out to build a social investment market in the UK.¹⁰⁵ Their actions have included a government vision and strategy of the social investment market, funding multiple research projects to understand the market and barriers to growth, creation of a 'stewardship council' of key stakeholders to oversee market development, seeding of new social investment institutions to fill gaps in the market, funding of various kinds of intermediaries to ensure efficient functioning of the market such as grant-funded incubators, and advocacy work with mainstream investors to encourage them to diversify into social investment.

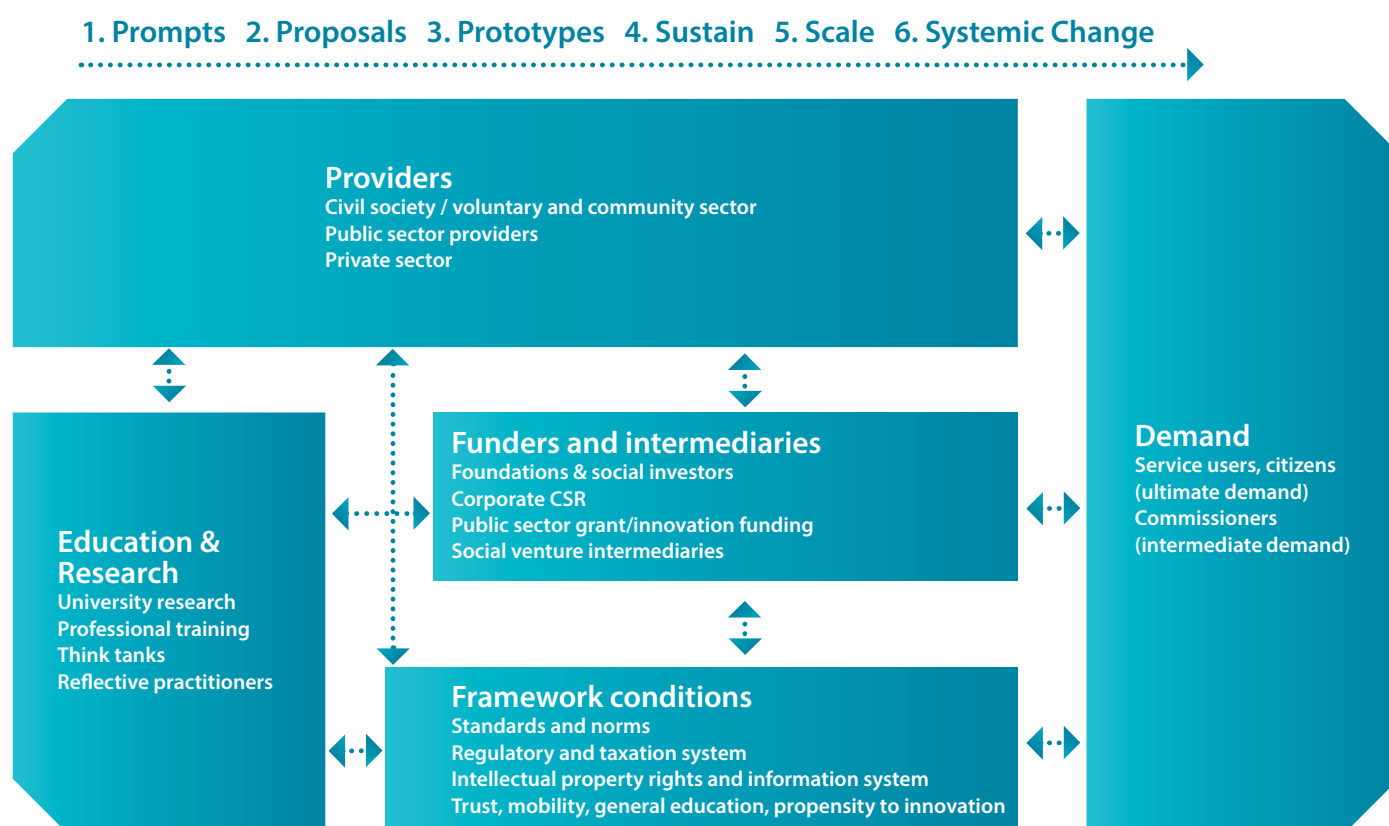
10. HARNESSING THE POWER OF SOCIAL INNOVATION FOR PUBLIC SERVICES

This paper has set out some of the powerful tools and approaches used in social innovation and examples of high impact social innovations. Potential benefits for public service from social innovation are substantial. To harness the power of social innovation for public services however, public managers face a number of challenges.

The ideology of social innovation

This paper has sought to argue that social innovation should be of interest and value to governments of all political persuasions and ideological traditions so long as they seek to improve the general well-being of their population. This follows from the nature of the societal challenges we face today as set out in Chapter 2, and the need to develop new ways to address these challenges. It is also evident in the range of examples cited here, which have been supported by states as diverse as those of Brazil, China, Denmark, India, Malaysia, Rwanda and the United States. While the evidence base is currently fairly limited, the following benefits to government in embracing social innovation are often put forward:

Figure 11: National social innovation system



¹⁰⁵ <https://www.gov.uk/government/growing-the-social-investment-market>



Improved outcomes

By harnessing the power of social innovators and communities, public managers can gain from the energy and vision of a diverse range of innovators, the wisdom of crowds and a greater understanding of the lived experiences of citizens struggling with the very problems public managers seek to address. Initiatives can be better selected from a larger pool, targeted more appropriately, led more effectively and refined through more robust experimental methods.



A more dynamic society

By encouraging citizens to become social innovators or otherwise play a more active role in addressing societal challenges, a social innovation approach might help increase the level initiative and dynamism in the population as well as building greater community spirit. Social innovation is ambitious for the constructive role citizens play and discourages people from becoming inclined to sit back and wait for government to do things for them.



Improved implementation at scale

While the public sector can be effective in acting at scale, it does not always achieve the intended impact because the consequences of a policy and the knock-on effects can be difficult to understand without substantial engagement with those involved. Policies can attempt to provide a 'one-size fits all' that is ineffective for those most in need, or implementation can meet unanticipated resistance from those whose cooperation is needed. Social innovation also struggles with the challenge of impact at scale but it offers some lessons and approaches that may not be familiar to the public manager, including the importance of behaviour change, the power of social innovators and entrepreneurs, models of replication and franchising and, most importantly, the power of co-developing solutions that a community feels are their own rather than imposed upon them.



Enhanced social stability and support for the state

Social innovation approaches can shift relations between a community and a public agency from one of confrontation to one of constructive engagement, thereby promoting stability and harmonious relations. The public agency becomes more responsive to local concerns, the division between 'them' and 'us' is broken down, and forms of accountability develop that are separate from those of democracy and the ballot box. Social innovation can therefore help reduce political risk.

There are those who argue that this belief in the universal application of social innovation is overly technocratic and underestimates the extent to which social innovation builds on a particular value system. Fowler, for example, in specifically looking at the application of social innovation in development contexts, concludes that it is a concept that is "politically underdimensioned if not wilfully naïve".¹⁰⁶ If social innovation is seen as a broad movement, though, the political and ideological environment is likely to affect the kinds of social innovation that are viable or sustainable more than being incompatible with social innovation per se, for example shifting the emphasis between market-based and professional service or cooperative approaches. Ideological differences will also exist in terms of such second order issues as the identification of root causes of problems and attitudes towards the role of the family or respective roles of different sectors.



Greater cost-effectiveness

If the State takes sole responsibility for addressing societal challenges, it both misses the opportunity to deploy resources within the business sector, civil society, communities themselves and even 'hidden' within the public sector itself such as 'street-level bureaucrats'. Social innovation seeks to build on existing community assets and capabilities rather than replacing or undermining them.



Improved public institutions

Greater involvement of citizens as partners of the state in designing, developing and delivering public services can bring greater transparency and help fight against corruption within public institutions. At the same time social innovation does not just invite criticism, but constructive partnership.

Difficulties for public managers

Social innovation can be seen as difficult for public managers to embrace, and some institutions, sectors or countries may be more receptive than others.

Most fundamentally, social innovation relies on constructive forms of collaboration between sectors and between public institutions and communities. Where there are particularly low levels of trust between these parties or where government deliberately seeks to repress or ignore the interests of a particular group, it can be difficult or even illegitimate to build these kinds of collaborations. In some developing countries

¹⁰⁶ A. Fowler, 'Social Innovation: New Game, New Dawn or False Promise', HIVOS, 2013.

we have seen social entrepreneurs react to this situation by building parallel systems to the state, sustained through philanthropy or subsidy from faith groups or foreign agencies. In others, the state might sanction innovation by public managers at the same time as restricting the development of civil society.

Social innovation is also risky for innovators. Attempts at innovation usually fail – otherwise it would not be called innovation. It requires commitment to a process where the outcome is unknown at the outset.¹⁰⁷ In some institutions, public managers have little space or authority to take risks, and social innovation becomes harder. Risk can also be compounded by a short-term orientation dictated by election cycles or performance culture. It has been shown that the proliferation of performance indicators can also stymie innovation.¹⁰⁸

Social innovation involves a degree of giving up power.

Moreover, the methods and tools available from the field of social innovation show promise but are less well used and evidenced than other tools available to public managers such as those of improvement science, and because of the diversity of actors they may well require more local adaptation than other tools. Therefore public managers content with trusting the process are not able to comfort themselves that it is rigorous and well-proven.

In fact, there are some outcomes that can often be reliably achieved through social innovation processes. These are secondary benefits such as a greater level of trust and confidence in the government or in public services amongst a community; raising morale and productivity levels among staff providing public services; and helping public managers better understand a social challenge and the potential solution space. These more reliable outcomes can offset the risk of a project failing to achieve its primary objective.

¹⁰⁷ L. Brown, & S. Osborne, 'Risk and innovation: Towards a framework for risk governance in public services', in: *Public Management Review*, 15(2); 186-208, 2013.

¹⁰⁸ E. Sørensen, & J. Torfing, 'Enhancing collaborative innovation in the public sector', *Administration & Society*, 43(8); 842-868, 2011.

But in truth, it may be appropriate that some social innovation approaches should only be used when less risky approaches have failed. A true assessment of the risk, however, must take account of the risk of maintaining the status quo. In many areas of public policy, 'business as usual' will lead to major problems or catastrophe in the future, such as failing to arrest climate change or failing to curb healthcare spending or find more cost-effective interventions in societies with ageing populations. Social innovation, then, is in part a response to crisis. Governments resistant to change-through complacency or vulnerability - are not good collaborators in social innovation.

Social innovation involves a degree of giving up power that may be uncomfortable for public managers. It is not easy for public managers to accept that their success depends not just on their own competency but on the engagement of services users and citizens, and also to accept that this engagement is only likely to work if they give up some of their own authority and power. As Stephen Goldsmith, former Mayor of Indianapolis, said, "Government officials often convince themselves that they know the best way to deliver services and who should deliver them, disregarding input from the very people they purport to help."¹⁰⁹ It is the 'curse of professionalism'. Some of these same issues also arise when public managers partner with or support social innovators who generally do not act like typical public managers and can appear difficult to understand, unpredictable or lacking essential competencies.

The shift from managing a project or process to facilitating and stimulating innovation requires new skills and performance management techniques that are unlikely to have been part of a public servant's training. A variety of education and training courses relating to aspects of social innovation are springing up around the world to help public servants adjust. For example, Nesta and the Rockefeller Foundation are developing an Essential Tools for Social Impact, aimed at the development community.¹¹⁰

Maximizing the potential of social innovation

Public managers may be able to obtain the greatest benefits from social innovation if they focus on two challenges facing the field: how to ensure impact at scale and how to better understand the financial impact of social innovations.

Public managers who are genuinely looking to social innovation to help overcome large scale social challenges will quickly tire of exciting ideas and start-up innovations if the impact they have cannot be taken to scale relatively quickly. It is common for public managers who are receptive to the idea of social innovation to express disappointment about their own local potential partners or the quality of ideas they come across personally. There is a tendency for public managers to focus on attention at the earliest stages of innovation, such as through small grants or supporting start-up social entrepreneurs. They may also put energy into seeking to scale what have proven to be effective. However, there appears to be a large gap in

¹⁰⁹ S. Goldberger, 'The Power of Social Innovation', John Wiley & Sons, 2010, p.136.

¹¹⁰ At the time of writing the toolkit was not yet available, but when published will be downloadable from <http://www.nesta.org.uk>.



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the middle, with many early stage innovators finding it hard to secure 'follow-on' funding while at the same time many scaling focused funds finding it hard to find 'scale ready' projects. Public managers need to be prepared to stick with innovations for the long term.

The social innovation approaches discussed in this paper all require resources such as time, capacity and funds. It is hard to make a business case for a process with uncertain outcomes and early stage innovations generally also struggle to build robust business cases. Many social innovations can help reduce public expenditure or achieve better outcomes for the same resources, because they leverage community resources that were not previously being used (such as *Animateurs de Santé*, Rwanda), because they often focus on prevention thereby avoiding greater expenditure later (such as *Family Group Conferencing*, New Zealand), or because they are just more effective and cost-effective.

Public managers face two challenges in realizing this financial return and both may be inherent in social innovation. The first is that the payback period may be very long, given that innovations tend to start small and sub-optimally configured and there are real limits as to how quickly successful projects can be scaled. Patience and the ability to take a long-term view are therefore important.

The second challenge is in releasing any cash savings so that the funds can be redeployed. This is hard for several reasons. Social innovations often focus on prevention, meaning that the part of government responsible for funding the innovation may be different from the part that will benefit from the financial return. For example, work in schools to divert young people from crime will benefit the ministry responsible for law and order, not the ministry responsible for education. Social innovations also often cut across existing ways of working, so it may not be clear which part of government should fund a project or who will reap the most benefit. It may be necessary to pool budgets between agencies. The savings from an innovation may only be realized if large chunks of capacity can be taken out of the system, such as the success of a crime prevention innovation allowing for the closure of a prison. Lastly, some public services are effectively rationed by the lack of supply so that any effective increase in supply would simply be soaked up by the excess demand. This may be acceptable, desired even, in the context where budgets are stable or rising but difficult when budgets are being reduced.

Recommendations for policymakers and public managers seeking to support social innovation:

- 1) **REDEFINE CITIZENSHIP:** Encourage citizens to get involved in social innovation as a form of civic duty and shared endeavour, through social marketing and high profile opportunities to provide feedback to public services and get involved in their co-creation and co-production. Place primary emphasis not on ensuring greater legitimacy (a compliance issue for public managers), but on developing better solutions (smarter government).
- 2) **EMBRACE EXPERIMENTATION:** Establish innovation grant funds focused on high priority social needs and social innovation labs for experimentation. These should set a target success rate of say, 50-70 percent, where too little failure is seen as being as bad as too much.
- 3) **INTRODUCE USER AND CITIZEN PERSPECTIVE:** Require all major projects to incorporate user perspective and voice through ethnography, design thinking or participatory decision-making.
- 4) **SHARE THE EVIDENCE:** Fund designated repositories of evidence of effectiveness and impact, charged with collecting and making freely available the evidence within particular priority topic areas. All funded innovation projects should be required to be based upon and in turn build upon this evidence.
- 5) **INTRODUCE COMPETITION:** Encourage diversity of providers by tightly defining desired outcomes and giving wide autonomy on means used to reach these outcomes.
- 6) **INVEST IN INNOVATION:** Fund incubators to support high-potential start-up social ventures and co-fund social investment institutions with a particular focus on unsecured lending.
- 7) **ESTABLISH A GROWTH AND REPLICATION FUND** to fund the process of consolidation and packaging of a successful innovation and then its diffusion or scaling.

8) **DEVELOP A NATIONAL INNOVATION STRATEGY** that integrates social innovation into all aspects of innovation strategy and the national innovation system.

9) **SUPPORT A RANGE OF INTERMEDIARIES:** Provide funding and support for a range of social innovation institutions that can apply social innovation methods and support individual social innovators and entrepreneurs or local communities. It is important to back a variety of approaches rather than fixing on just one, such as design thinking, given the emergent nature of the field.

10) **NURTURE INNOVATIVE AND COLLABORATIVE PUBLIC MANAGERS** by creating opportunities for people to become 'boundary spanners' – secondments into the private or social sector for civil servants and vice versa, mixed project teams including external members, and support for public managers to suggest and devote time to small innovation projects alongside their main responsibilities. Build collaborative and facilitating capabilities in government.

Recommendations for public managers and others seeking to practice social innovation:

1) **SUCCESS COMES FROM SMART FAILURE:** All innovations start off flawed. Success comes from working out how to fail quickly, cheaply, safely and without jeopardizing the future of the whole project. Work out how to minimize feedback loops to get through the failures as fast as possible.

2) **FOCUS ON THE MODEL NOT THE PLAN:** With any innovation there is a high degree of uncertainty. It is more useful to understand your business and operating model, with its underlying logic and assumptions to be tested, than to create spurious projections based on assumptions in which confidence is low.

3) **LEADERSHIP OF INNOVATION PROJECTS IS CRITICAL:** The focus on failure and on the model not the plan means that the capabilities of the leadership team are critical to success. Many public managers place too much reliance on the quality of the idea rather than the quality of the team and the delivery challenges.

- 4) **TELL YOUR STORY:** Build a narrative about what you are doing that situates your project within the context of an urgent need and a broader movement for change. This inspires people to help improve your project rather than find fault.
- 5) **COMBINE USER PERSPECTIVE WITH SYSTEMS THINKING:** A deep and continually refreshed understanding of the end users' needs from their own perspective drives most social innovations. Combine this with being thoughtful about how you will operate within the ecosystem of other actors in your chosen field.
- 6) **CONNECT:** Reach out to those who may be able to help you. You will need champions and mentors to succeed, especially people with power and resources and fellow social innovators. The Social Innovation Exchange is a good place to start for the latter (www.socialinnovationexchange.org/). Many social innovators or social entrepreneurs worry about others stealing their ideas. They shouldn't. Social innovation rarely involves defensible intellectual property rights and in any case, in innovation most of the hard work comes after you have had the idea.
- 7) **PROJECT CONFIDENCE:** Early stage social innovations are like Tinkerbell, Peter Pan's fairy companion who only exists while children believe in her. Self-confidence and a certain amount of self-promotion are essential if others are to be convinced you can succeed.
- 8) **ALWAYS TAKE 'NO' AS A QUESTION:** Social innovators are often told 'no': no, you cannot do this; no, it won't work; no, it isn't original; no, you haven't got what it takes to succeed; no, this is not how we do things here. Use these 'no's to help you identify what you still need to work on.
- 9) **START SMALL BUT THINK BIG:** Have a thought for sustainability and scale from the very start. Too many concepts and pilots are inherently difficult to sustain or scale once the initial interest of a new project has dissipated.
- 10) **JUST DO IT!** No one is appointed as a social innovator and no innovation project can be planned in advance with a high degree of confidence. Polishing a business plan or business case, or doing in-depth desk-based research is a form of procrastination. Instead, be prepared to think differently and stand out. Have the courage of your convictions and just do it!

ACKNOWLEDGEMENTS

This paper was prepared for the UNDP Global Centre for Public Service Excellence's Consultation on the Co-Design of Public Policy and Services, Singapore, 1-3 December 2013. The paper benefitted from feedback and discussions with participants at this event and is based on a rapid review of the literature relating to social innovation and a quick global scan for leading practice in the field. The paper also draws heavily on the author's own knowledge and field experience.

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We are grateful for the assistance of the following people for their input and suggestions regarding examples and case studies: Andrea Lane, Dan Berelowitz, Eric Bing, Jon Huggett, Louise Pulford, Maryanna Abdo and Michael Lewkowitz and Susan Guthridge-Gould. A special thanks to Christoffer Erichsen, Shariha Khalid and the Scope Group team.



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