Social Innovation in Smart Specialisation

Seminar: Non-Technological Innovation for Growth and Jobs

Ljubljana
29th September 2014

Presentation

- **Overview of S3 and Social Innovation Workshop 29th Sept 2014**
- **SmartSpec Projetc**
  - **Aims and activities**
- **Slovenia S4 – mention**
- **What is Social Innovation…**
- **Case studies**
- **Discussion**

Thanks to:
Adrian Healy,
Gorazd Jenko,
Peter Wostner,
Ranald Richardson,
Claire Nauwelaers
Darko Ferčej and
Regional particpants

Research and Innovation Strategies for Smart Specialisation (RIS3)

What is smart specialisation?

- Building on the past, whilst breaking with the past, through:
  - Building on existing strengths and potential
  - Strengthening competitive advantage
  - Stimulating innovation
  - Connecting and engaging with external expertise
- Involves focused investment, through:
  - Prioritisation of research and innovation fields
  - Stimulating exploration and search processes

Project Aims

- The 'SmartSpec' Project aims to:
- strengthen the **analytical underpinnings** of the concept of Smart Specialisation,
- generate **strategic intelligence** for policy-makers, and
- provide **methodological guidance** for practitioners

Project Objectives

- To explore the **role of organisations** and their interaction in the development and implementation of smart specialisation strategies
- To identify **institutional and systemic bottlenecks** for smart specialisation, and the possible need for reforms
- To **assess the challenges** for Member States and regions with less developed research and innovation systems
- To explore the **link between smart specialisation and social innovation**
- To support the **production of better metrics** for the design, evaluation and monitoring of smart specialisation strategies
- To develop the process of **peer review assessment** of strategies

Project approach

- Series of integrated **Work Packages,** exploring
  - **PRINCIPLES**
    - Entrepreneurial Search Dynamics
    - **Social Innovation**
    - Regions with less developed research and innovation systems
    - Effective strategy design
  - **PRACTICES**
    - 16 regional 'living laboratories'
  - **PROCESSES**
    - **10 Regional affiliates engaged in a 'Learning Journey'**

Slovenia

The Team

Partners

Experts in field

- Cardiff University
- Charles University
- Claire Nauwelaers
- ERRIN
- EURADA
- Fundacion Deusto
- Lund University
- Newcastle University
- University of Groningen
- University of Padua
- Utrecht University

Regional Affiliates

- Basilicata, IT
- Bremen, DE
- Eszak-Alfold, HU
- Lodz, PL
- Murcia, ES
- Navarra, ES
- Northern Ireland, NI
- East Sweden, SE
- South Moravia, CZ
- **Slovenia, SL**

The learning journey

Linking theory
and practice

Identifying practical
challenges

Benchmarking
conceptual knowledge

Building a
learning community

Workshop 1
Workshop 2
Workshop 3
Workshop 4
Workshop 5
Workshop 6
Workshop 7
Workshop 8
Workshop 9
Workshop 10

Conceptual Core
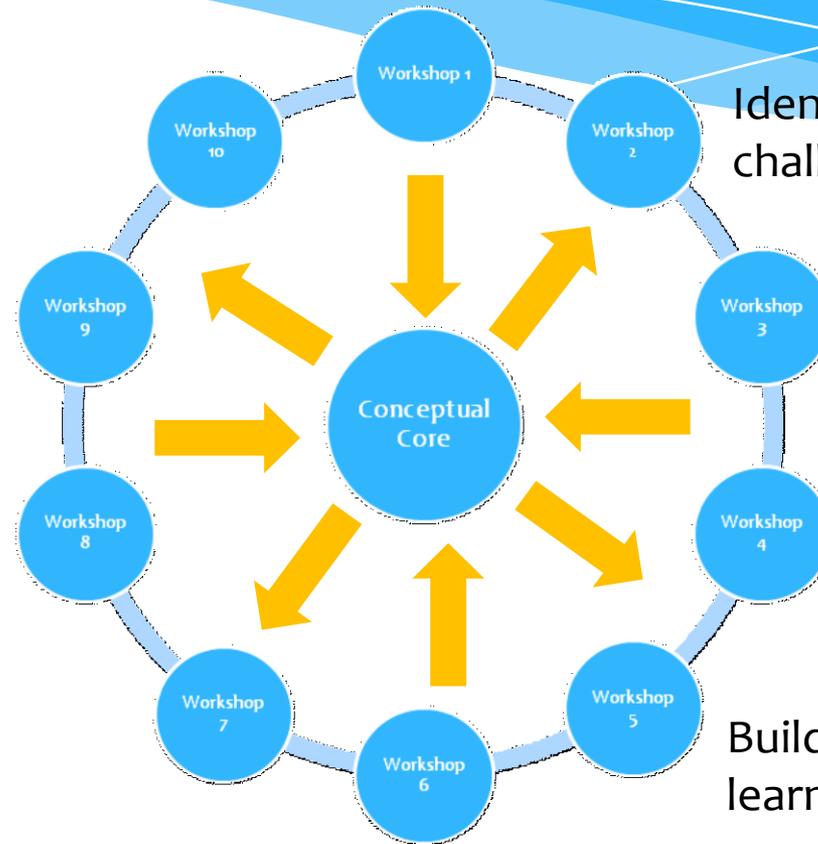
Smart Spec Learning Journey

Date	Region	Topic	Academic support
26-27 June 2014	Murcia	Monitoring	Adrian Healy, Cardiff University
29-30 Sept 2014	**Slovenia (SBRA)**	**S3 and Social Innovation**	Claire Nauwelaers, Independent consultant, Belgium Ranald Richardson, Newcastle University, UK
27-28 Oct 2014	Lodzkie PL	Involving businesses in smart specialisation	Claire Nauwelaers, Independent consultant, Belgium Jiri Blazek, Charles University, Czech Republic
20- 21 Nov 2014	Bremen	S3 and the relevance of cluster strategies	Bart Los (University of Groningen) Netherlands James Wilson (Deusto Business School) Bilbao Spain Bjorn Asheim (University of Lund) Sweden
9-10 Dec	Northern Ireland	Public Sector Innovation	Claire Nauwelaers, Independent consultant, Belgium Kevin Morgan, Cardiff University
19 Jan 2015	Navarra	Role of Different Institutions in S3	John Goddard, Newcastle University, U.K. Michaela Trippl (University of Lund) Sweden Bjorn Asheim (University of Lund) Sweden
4 Mar 2015	INTERIM	CONFERENCE	PRAGUE
May 2015	South Moravia	Governance system of S3	Kevin Morgan, Cardiff University Jiri Blazek, Charles University, Czech Republic
June 2015	Basilicata	S3 and the relevance of cluster strategies	Claire Nauwelaers, Independent consultant, Belgium Fiorenza Belussi, Padua University.
Sept 2015	Eszak-alfold	"Social Innovation"	Claire Nauwelaers, Independent consultant, Belgium Ranald Richardson, Newcastle University, UK
Nov 2015	East Sweden (tbc)	To be discussed	Fiorenza Belussi, Padua University. Claire Nauwelaers, Independent consultant, Belgium
Mar 2016	Report		

SmartSpec Regions

The Learning Journey

10. East Sweden
5. Northern Ireland
4. Bremen
3. Lodz
9. Eszak-Alfold
7. South Moravia
2. Slovenia
6. Navarra
1. Murcia
8. Basilicata

Workshop 1
Workshop 10
Workshop 2
Workshop 9
Workshop 3
Conceptual Core
Workshop 8
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Workshop 7
Workshop 5
Workshop 6

- Building a learning community
- Identifying practical challenges
- Benchmarking conceptual knowledge
- Linking theory and practice

29th September

- Outline of the Slovenian S3 (S4) Strategy
- Discussion
- Academic input from:
  - Claire Nauwelaers, Independent consultant, Belgium
  - Ranald Richardson, Newcastle University, UK
- Discussion and input from regions
  - Presentation from Darko Ferčej – Creative Med Interreg Project
- Conclusions – Adrian Healy, Cardiff University

Dr. Peter Wostner

S4 & Social Innovation

Office for Development and European Cohesion Policy

Ranald Richardson
Presentation Structure

- Introduction: Key objectives of WP2
- The (fuzzy) concept of Social innovation
- Linking Social Innovation and Smart Specialisation
- The societal challenge approach
- Potential limitations of societal challenge approach
- Open discussion: other approaches

WP2 Key Objectives

- To explore the conceptual links between S3 and social innovation
- To identify how social innovation can contribute to S3 strategies focusing in particular on:
    - The role of public service innovation around RIS
    - The involvement of users and citizens in processes of design and decision
    - The role of social enterprises as sources of social innovation
- We look at these issues through the **lens of the ageing societal challenge**
- Core deliverables are academic papers but we seek to contribute to directly to policy thinking

So what is Social Innovation?

- "An idea longing for a theory….no consensus regarding its relevance or specific meaning… lacking in clarity…. 'a Babel-like terminological confusion'" (Pol & Ville, 2009; Moulaert, et al, 2013;Oosterlynk, 2013)

- A 'quasi-concept' whose utility lies in **grouping researchers and policymakers around a set of issues** and concerns to generate social knowledge of value to both" (Jensen and Harrison, 2013)

- **BEPA's 3 broad 'interdependent' categories (BEPA, 2011)**
  - **grass roots**: social innovation for unmet social demands
  - **societal challenges: where 'social' and 'economic' boundaries blur in order to better meet society wide problems**
  - **systemic:** fundamental changes in attitudes, values, strategies, policies, organisational structures and processes, delivery systems and services…re-shaping society itself

- **Our view:** SI is context dependent

Social innovations as processes and outcomes

- "Social innovations are innovations that are <u>social</u> in both their ends and their means… <u>new ideas (products, services and models)</u> that simultaneously meet social needs (more effectively than alternatives) and create new social relationships or collaborations.

- The <u>process</u> of social interactions between individuals undertaken to reach certain outcomes is participative, involves a number of actors and stakeholders who have a <u>vested</u> interest in solving a social problem, and empowers the beneficiaries. It is in itself an outcome as it produces social capital" (BEPA, 2010: 9-10, italics added)

'Disconnects' between RIS and SI

RIS

- Economic goals
- Economic-industrial policy
- Market values
- Wealth creation
- Efficient socio-economic arrangements
- Technology biased
- European model of capitalism
- Established regional strategy role
- Fragmented communities of regional *economic* development practice

Separate multi-territorial governance silos

Social Innovation

- Social goals
- Social policy
- Social values
- Resource redistribution
- Just socio-economic arrangements
- Critical of technology bias
- Anti/post/operating-in-the-interstices of capitalism
- Limited regional strategy role
- Fragmented communities of *social* development practice

SI and the Four Cs

- **The Four Cs**
1. **Choices**: the selection of a few investment priorities based on a process of entrepreneurial discovery to identify promising areas of specialisation
2. **Competitive advantage**: building on current economic specialisation and mobilising talent by matching RTD+I with business needs and capacities
3. **Critical mass**: developing world class excellence clusters and providing arenas for related variety and cross-sectoral links which drive specialised technological diversification
4. **Collaborative Leadership**: collective endeavour involving the academic world, public authorities, business and innovation users

- **Can SI contribute to Four Cs?**

  - Bring different **values** to motivate action
  - Extend **domain**s of entrepreneurial discovery
  - Help **move S3 beyond STI** or at least complement STI bias
  - Enhance **process** and expand collective endeavour to underpin S3

- Can S3 contribute to SI?

All regions face societal challenges, but is it an opportunity for all?

- A number of 'challenges':

  - The Capacity Challenge
  - The Prioritization Challenge
  - The Stakeholder Engagement Challenge
  - The 'Policy Mix' Challenge
  - The Multi-level Governance Challenge
  - The Cross-border Challenge
  - The Smart (Evidence-based) Policy Making Challenge
  - The Policy Capacity Challenge

Smart Specialisation and Social Innovation:
The cases of Flanders and Provence-Alpes-Côte d'Azur

Claire Nauwelaers

FLANDERS : Social Innovation and RIS3

FLANDERS: A wealthy, knowledge-intensive region at the heart of Europe

- Population: 6.3 million (= 58 % BE)
- Surface: 13.521 km² (= 45% BE)
- GDP: € 185 billion (2011)
- Exports : +- 100% of GDP
- GERD: €4.33 billion (2/3 of BE)
- … of which €2.82 billion BERD
- GERD/GDP: 2.4%
- Total public budget STI policy: €1.88 billion of which 65% R&D
- Constitutional competences in research, innovation and economic development
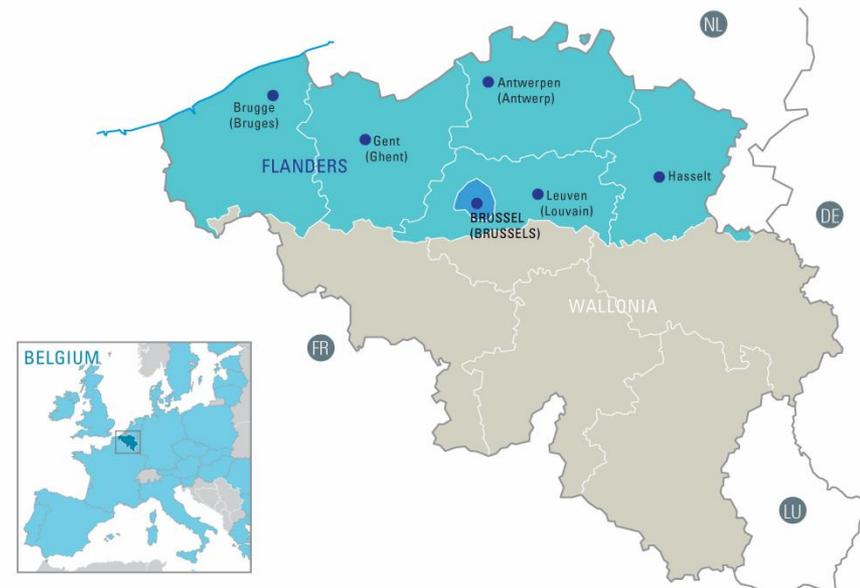
FLANDERS : Social Innovation and RIS3

RIS3 Vlaanderen

- **RIS3** : Smart specialisation as an integrative policy framework for regional development, industrial and innovation policy: "Flanders in Action" + « New Industrial Policy » + « Flanders Innovation Centre »

- Six **'innovation crossroads'** identified for the development of specific innovation strategies = "spaces where interdisciplinary research and open innovation can contribute to societal and economic value creation". 'Innovation Direction Groups' assigned by the Minister to advise on such strategies:
  - Eco-innovation
  - Green energy
  - Sustainable mobility and logistics
  - Innovation in care
  - **Social Innovation**
  - Industrial transformation (specified for core sectors)

FLANDERS : Social Innovation and RIS3

Social innovation in RIS3 Vlaanderen

- **Role of social innovation in RIS3**

    1. A selection criterion for « strategic spearhead sectors » (ancestors of innovation crossroads): « *The orientation of the roadmap on societal and economic value creation, and on valorisation of human potential in sustainable employment*"
    2. One out of 6 RIS3 priorities (« innovation crossroads »)

- "Innovation Direction Group" on Social Innovation: critics point to a too limited view on "workplace innovation" and "social economy" and advise to take on board a broader view:
    - « *so that successful examples and good practices from the social economy can be transposed and applied to the broader economy* »

FLANDERS : Social Innovation and RIS3

Social innovation in RIS3 Vlaanderen

- **General concept social innovation :** « all innovation that is structurally dedicated to the response to a societal need and includes a new product, service, process, marketing method or organisational model ». Includes:
  - Innovation at the workplace
  - Social entrepreneurship
  - Broad social innovation: societal challenges and community-driven

- **Operational concept social innovation :**
  1. Innovative = new for society or for a specific sector of society
  2. Social = main goal is to look for measurable and sustainable medium-term social impact
  3. Important = solution to a real and important social need; scale and replicability
  4. Robust = integrated business model, financial sustainability
  5. Co-creation through new types of partnerships, looking for empowerment

FLANDERS : Social Innovation and RIS3

Tools for SI in RIS3

1. Social Innovation Factory

- **Light structure** funded by the regional government (€2.6m yearly), Duration 4 years, mid-term evaluation.

- **Aim**: catalyzing social entrepreneurship projects. Supporting the creation of a strong set of "social innovators", well equipped to drive their enterprise or project to full success.

- **Actions**: advice to social entrepreneurs, funding for feasibility studies, executive courses for managers in the non-profit sector, support for local and regional networking around social innovation ideas, launch of prizes for social innovation projects, etc.

- **Project funding**: The Innovation Agency IWT has a new dedicated line to fund projects selected on a competitive basis (€50M/year/project).

FLANDERS : Social Innovation and RIS3

Tools for SI in RIS3

2. Funding line Social Innovation IWT (€1m)

- **Aim**: Proof of concept around concrete opportunities to initiate and accelerate social innovation in Flanders: demonstration and catalytic effect.

- **Themes**: Inclusiveness and urbanisation.

- **Target groups**: knowledge institutions, community groups / NGOs / associations and companies, in a multidisciplinary mix, demonstrating focus on user-driven innovation.

- **Criteria**: capacity of project leaders to valorise and bring project further on own resources.

PROVENCE-ALPES-CÔTE d'AZUR (PACA): Social Innovation and RIS3

PACA: A diversified and attractive, but greying region

- Population 4,9 millions with growth rate 0,8 %
- Ageing: 19% seniors (>65) (16% France)
- 81% of economy = services
- Majority of SMEs et VSEs
- Very diversified economy; important share of high-tech industry and KIS
- Low employment rate:43 % (UE &France 52%)
- GERD/GDP: 2.1% (2,3% France)
- … BERD/GDP= 1,15%
- « Innovation follower », ranked 75th in EU
- Social economy =13% of private jobs

PROVENCE-ALPES-CÔTE d'AZUR (PACA): Social Innovation and RIS3

RIS3 PACA

- **Line 1- Value creation through « Strategic Activity Domains »**

1. Energy transition/efficieny
2. Health
3. Risks-safety-security
4. Smart and sustainable mobility
5. Tourism and culture industries

- **Line 2 – Reinforce regional innovation ecosystem**

1. Enterprise growth (from creation to internationalistion)
2. Territorial innovation, competences, ICT
3. Social innovation

PROVENCE-ALPES-CÔTE d'AZUR (PACA): Social Innovation and RIS3

Social innovation in RIS3 PACA

- **RIS3:** one of 3 horizontal priorities=« to promote a new economic model and new entrepreneurship through social innovation ».

- **Definition of social innovation in RIS3:** French CSESS, in line with BEPA, covers social entreprises and commercial entreprises. Focus on cross-fertilisation: SI as source and as application of technological innovation; user-driven innovation = the link between the two forms of innovation.

- **Objectives & actions:**
  1. Support professionalisation of managers in social entreprises (initial and further education) and training of advisers;
  2. Favour exchanges and transfer of methods, and pilot projects at the interface between social and commercial entreprises, and user-driven innovation;
  3. Reinforce research on SI: indicators, measurement of impacts, criteria for project selection;
  4. Support emergence and consolidation of SI projects, new funding sources.

PROVENCE-ALPES-CÔTE d'AZUR (PACA): Social Innovation and RIS3

Tools for SI in RIS3

1. PACA-Labs

- Regional public programme (€1m yearly).

- **Aim**: fostering user centered open innovation by giving regional SMEs opportunities for tests, experimentations «proof of concept» with communities of users in a territory. Changing the SME innovation pattern through involvement of users.

- **Characteristics**: Innovative and Learning Governance of the programme; active role for the territories (« smart territories/communities »).

- **Fields**: fire detection devices for fire brigades, solutions for municipal waste treatment, devices for distance monitoring for old people, etc.

- **Scaling up**: Collaboration with territories fosters emergence of new projects; Assess the capacity of the region to develop knowledge-intensive services to become building blocks for regional development.

- **ALCOTRA**: trans-border living labs PACA, Rhône-Alpes, Turin, Piemonte, Liguria

PROVENCE-ALPES-CÔTE d'AZUR (PACA): Social Innovation and RIS3

Tools for SI in RIS3

2. Regional Cluster "services to people"

- **Focus**: organisational innovations with a local character, driven by cost constraints and search for economies of scale. Priority to improving the quality of jobs: create and secure sustainable jobs, upgrade skills.

- **Examples**:
  - New ergonomic equipment for cleaning workers
  - Introduction of new types of jobs and skills
  - New management tools and training actions
  - Provision of new portfolio of integrated services, building on exchanges and complementarities between various types of services

- **Role of cluster**: detect, support, find partners, diffuse, upscale experiments in SI.

- **Upscaling**: transfer of methodologies (strategic skills managt) to other clusters.

-

Towards S4?
Smart and Social Specialisation Strategy?

➢ **The generation of ideas challenge**:

- **Society pull rather than/in addition to market-driven**
- From « not-invented-here » syndrome to diffusing, adapting and adopting social innovations from elsewhere

➢ **The scaling-up challenge**:

- From micro-local experiments to addressing wider societal challenges.
- Perverse effect of funding sources (project-oriented).
- Caring for replicability right from the start.
- Trans-national learning: how to implement for highly context-specific actions?

➢ **The cross-fertilisation challenge:**

- Promoting linkages and hybridation between SI and other types of innovation.
- Linking social entrepreneurs to companies and public actors: which bridges?
- Transposing methods and practices from social economy to rest of the economy

Towards S4?
Smart and Social Specialisation Strategy

➢ **Outcomes**:
- New (emerging) markets, job creation
- Entrepreneurship (more partners, new partnerships)
- More effective / efficient /sutainable delivery of public services

➢ **Impacts**
1. **Society**: Alleviating social problem: e.g. diminishing poverty rate; decrease in re-offending by ex-prisoners; increase of employment rate of vulnerable population…
2. **Governments**: Macro-economic impacts: reducing share of social expenses in public budget
3. **Business**: new economic opportunities in new markets

➢ **New or old institutions?**
- Adding new lines to existing agencies (IWT, BPI France) or creating new bodies (PACA-Labs)

Discussion

- Social innovation is a 'fuzzy' concept…
  - Is this good or bad?
- Difficult to define but easy to see – ' you know it when you see it' For example regional case studies
- Social innovation is more a process – who and how?
- Is social innovation product of the societal challenges or is it more of a process?
- How do we bring the right players together?
  - Triple helix to quadruple helix…
  - Leadership and governance

Discussion 2

- Challenge of data – how do you measure social innovation?
- How do you develop trust?
- Are some countries more susceptible to social innovation e.g. Basque Country and Navarra with tradition of social enterprises?
- Do we need more strategies or more tools?
- Need to consider subsidiarity – EU, national, regional, local…
- Where does social innovation start – is it always bottom up?
- Social innovation context driven – cannot buy it off the shelf but discussion can clarify the theoretical debate and also point to good regional case studies
- Need for more collaborative projects to share good practice

The blind men & the elephant

It was six men of Indostan,
To learning much inclined,
Who went to see the Elephant
(Though all of them were blind),
That each by observation
Might satisfy his mind.

The First approached the Elephant,
And happening to fall
Against his broad and sturdy side
At once began to bawl:
"God bless me! but the Elephant
 Is very like a WALL!"

The Second, feeling of the tusk,
Cried, "Ho, what have we here,
 So very round and smooth and sharp?
To me 'tis mighty clear
 This wonder of an Elephant
Is very like a SPEAR!"

The Third approached the animal,
 And happening to take
 The squirming trunk within his hands,
 Thus boldly up and spake:
 "I see," quoth he, "the Elephant
 Is very like a SNAKE!"

The Fourth reached out an eager hand,
And felt about the knee
 "What most this wondrous beast is like
 Is mighty plain," quoth he:
 "'Tis clear enough the Elephant
 Is very like a TREE!"

The Fifth, who chanced to touch the ear,
 Said: "E'en the blindest man
 Can tell what this resembles most;
 Deny the fact who can,
 This marvel of an Elephant
Is very like a FAN!"

The Sixth no sooner had begun
 About the beast to grope,
 Than seizing on the swinging tail
 That fell within his scope,
 "I see," quoth he, "the Elephant
 Is very like a ROPE!"

And so these men of Indostan
 Disputed loud and long,
 Each in his own opinion
 Exceeding stiff and strong,
 Though each was partly in the right,
 And all were in the wrong!

Thanks for your attention

SmartSpec Team

The blind men & the elephant

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The Blind Men and the Elephant
 John Godfrey Saxe (1816-1887)