

Social innovation for poverty reduction and sustainable development: some governance and policy perspectives

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ABSTRACT

The systematic deployment of social innovation has been largely overlooked by policy makers concerned to reduce poverty and promote sustainable development. According to research funded by the European Commission, the policies of international organizations rarely refer to the potential of social innovation, neither generally nor in the context of achieving the 2030 Sustainable Development Agenda. However, a huge number of initiatives around the globe are successfully using social innovation approaches, but most do so without using this term. They thereby do not fully understand the potential and strength that a more systematic deployment of social innovation theories, methods and practices could bring. This paper aims to at least partially redress this balance by reporting on evidence derived from the on-going empirical and theoretical research undertaken by the SI-DRIVE research project in relation to policy reduction and sustainable development, in particular by focusing on the governance and policy implications.

Categories and Subject Descriptors

K.4.1 (Public policy issues)

General Terms

Human Factors, Management, Measurement, Design, Economics, Experimentation, Theory, Legal Aspects, Verification.

Keywords

Social innovation, poverty reduction, sustainable development, governance, public policy.

1. INTRODUCTION

The systematic deployment of social innovation has been largely overlooked by policy makers concerned to reduce poverty and promote sustainable development. According to research undertaken by the European Commission funded SI-DRIVE

research project¹ "... policy related documents of public authorities such as the European Commission, the United Nations, the OECD, the World Bank, etc. often do not refer to social innovations (exceptions are Horizon 2020 documents as well as publications of other DGs such as DG Employment, Social Affairs and Inclusion and DG Internal Market, Industry, Entrepreneurship and SMEs)." However, a huge number of initiatives around the globe are successfully using social innovation approaches, but most do so without using this term. They thereby do not fully understand the potential and strength that a more systematic deployment of social innovation theories, methods and practices could bring. This paper aims to at least partially redress this balance by reporting on evidence derived from the on-going research undertaken by SI-DRIVE. This is done, in particular, by focusing on the governance and policy implications, as well as taking account of the potential role of Information and Communication Technology (ICT). Governance can here be defined as being exercised through public institutions where government engages with its public through administrative rationalism, democratic pragmatism and/or economic rationalism and is often highly context specific. Various elements might be included in this: upholding the rule of law; providing stability; efficacy and efficiency; representativeness and accountability; participation and transparency; and being inclusive and supporting the most vulnerable in society. [1]

There is today a plethora of definitions of social innovation that have only quite recently come to be subject to intensive study and support, although its practice characterizes much of human history. According to the European Commission funded TEPSIE research project², social innovations are new approaches to addressing social needs. They are social in their means and in their ends. They engage and mobilize the beneficiaries and help to transform social relations by improving beneficiaries' access to power and resources as well as their capacity to act. Any and all types of social actors can initiate and engage in social innovation, including the public and private sectors, research and academic institutions, civil society as well as ordinary people and communities. Unlike the more traditional top-down and technology driven innovations, however, social innovation is

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¹ SI-DRIVE (Social Innovation: Driving Force of Social Change), 2014-2017: www.si-drive.eu. Initial evaluation of 1,011 case studies, November 2015.

² TEPSIE (Theoretical, Empirical and Policy Implications of Social Innovation in Europe), 2012-2014: www-tepsie.eu.

more likely to be bottom-up and driven by civil society, although multi-actor collaboration is even more typical.

SI-DRIVE builds on this work by focusing on the changes in social practices which social innovation brings about. A social practice can be understood as a type of practice which aims to provide solutions for one or more social needs, including people's economic and environmental needs as these are typically highly inter-dependent, as discussed below. "In this sense, social innovation is seen as a new combination or figuration of practices in areas of social action, with the goal of better coping with needs and problems than is possible by use of existing practices. A social innovation is therefore social to the extent that it varies social action, and becomes socially accepted and diffused in society"³, such as initiatives that promote local food sourcing and organic food. In some circumstances, this can, in turn, contribute to quite radical systemic change across much of society, for example by leading to changes in dietary habits, followed up by appropriate policies and regulation.

2. POVERTY REDUCTION AND SUSTAINABLE DEVELOPMENT

The study and support of social innovation has mainly been led by the so-called developed countries but is also now increasingly a topic of focus in the developing and emerging economies, given the powerful insights it brings to meeting social needs and addressing societal challenges, and particularly to poverty reduction and sustainable development (PRSD). Although the purpose of this paper is not to provide a systemic review of development theory and practice, a recent comprehensive account shows that the post-1945 development debate has been largely driven by classical economics, and despite the brief emergence of the more bottom-up basic needs approach of the 1970s attempting to look at the real lives of people and communities, this market-led approach re-asserted its dominance in the 1980s. [2] Since then, however, much theoretical and practice-led progress has started to challenge this market hegemony, for example in the form of post-development and human development theories, ideas about the social economy and studies of innovation and globalization. Sustainable development theories and practices themselves have also been established, for example by the Brundtland Commission in 1987 as forms of development which "meet the needs of the present without compromising the ability of future generations to meet their own needs". [3]

This paper focuses both on the global and the European context of social innovation for PRSD, based upon the approach of, and evidence derived from, SI-DRIVE but also from wide ranging desk research. This is a useful perspective as captures some of the similarities and contrasts between the developed countries, on the one hand, and the developing and emerging economies on the other. The former include much of Europe, as well as North America, Oceania and East Asia, whereas the latter constitute Africa, most of Asia (except for East Asia) and Latin America and the Caribbean. Although, these two global blocks encompass, of course, significant internal variation, the contrast between the two is quite distinct in terms of economic, social and political development as well as in relation to their comparative standards of living and welfare.

³ SI-DRIVE *op cit*.

2.1 Global context

According to UNESCO⁴, reducing global poverty has become an urgent international concern lying at the root of many other social, economic and environmental issues. In purely economic terms, income poverty is defined as when a family's income fails to meet a specific threshold, although this differs across countries. Poverty is normally defined in either relative or absolute terms. Absolute poverty measures the amount of money necessary to meet basic needs such as food, clothing, and shelter. Both the United Nations and the World Bank currently use the international absolute standard of extreme poverty set at the threshold of \$1.25 a day in relation to 2005 purchasing power parity (PPP). The concept of absolute poverty is not concerned with broader quality of life issues or with the overall level of inequality in society. The concept therefore fails to recognize that individuals have important social and cultural needs. This, and similar criticisms, led to the development of the concept of relative poverty. Relative poverty defines poverty in relation to the economic status of other members of the society: people are poor if they fall below prevailing standards of living in a given societal context. An important criticism of both concepts is that they are largely concerned with income and consumption.⁵ [4][5] Therefore, in order to broaden the concept of relative poverty and embed it into the real lives of poor people, it is useful to examine it in the context of sustainable development.

The United Nations defines sustainable development as the guiding principle for balanced long-term global development consisting of the three dimensions of economic development, social development and environmental protection, so that if any one dimension is weak then the system as a whole is unsustainable⁶. A typical way to visualize the three dimensions is shown in Figure 1. In September 2000, world leaders adopted the United Nations Millennium Declaration⁷, committing their nations to a new global partnership to reduce extreme poverty and setting out eight overall targets known as the Millennium Development Goals (MDGs), ranging from halving extreme poverty rates to halting the spread of HIV/AIDS and providing universal primary education, by the target date of 2015. Although impressive gains were achieved in some MDGs, such as the reduction of extreme poverty (although this is mainly due to the tremendous economic growth in China), access to safe drinking water, gender parity in primary schools, and improvement in lives for at least 100 million slum dwellers, targets were only partially met for many goals. Serious shortfalls were in targets like access to basic sanitation, deaths from tuberculosis and maternal mortality. In addition, hunger remains a global challenge, illiteracy still holds back more than 120 million young people, progress on primary school enrolment has recently slowed and one in five children under age five in the developing world is still underweight. [6]

⁴ <http://www.unesco.org/new/en/social-and-human-sciences/themes/international-migration/glossary/poverty> (Accessed 16-11-14).

⁵ <http://www.unesco.org/new/en/social-and-human-sciences/themes/international-migration/glossary/poverty> (Accessed 16-11-14).

⁶ <http://www.un.org/en/ga/president/65/issues/sustdev.shtml> (Accessed 16-11-14).

⁷ United Nations (2000) "United Nations Millennium Declaration 2000: <http://www.un.org/millennium/declaration/ares552e.htm>

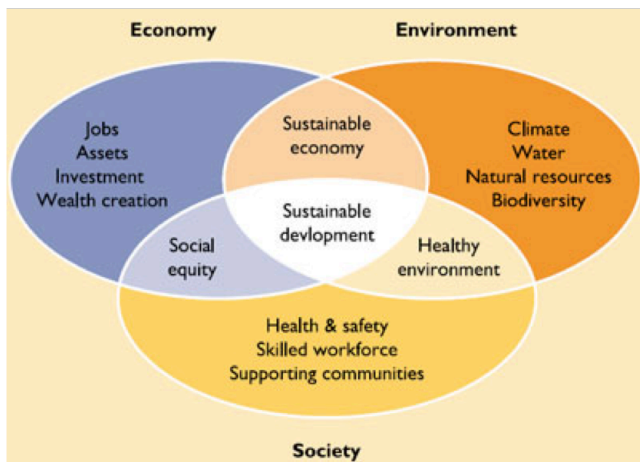


Figure 1: The three pillars of sustainable development⁸

In the run-up to 2015, the United Nations in partnership with many other international bodies, institutions, and private and civil actors at all levels, engaged in wide global consultations on the framework for a post-2015 sustainable development agenda termed the Sustainable Development Goals (SDGs). In September 2013, the UN High Level Panel commented “we are deeply aware of the hunger, vulnerability, and deprivation that still shape the daily lives of more than a billion people in the world today. At the same time we are struck by the level of inequality in the world, both among and within countries. Of all the goods and services consumed in the world each year, the 1.2 billion people living in extreme poverty only account for 1%, while the richest 1 billion people consume 72%.” [7] Moreover, there is increasing evidence that inequality directly damages economic growth for all, so that countries with high levels of inequality suffered lower growth than nations that distributed incomes more evenly. [8] Thus, regardless of any social or ethical objections to large and increasing inequality, strong evidence is now available that it also damages the economy and thereby prospects for development.

In September 2015 in Paris, all 193 UN Member States agreed seventeen SDGs, building directly on the eight MDGs, but adding issues related to sustainable energy, employment, infrastructure, cities and habitation⁹. In addition, the SDGs include for the first time a focus on promoting peaceful and inclusive societies, as well as strengthening the means of implementation through greater institutional capacity and collaboration with all relevant actors. To deliver the SDGs by 2030, innovative shifts are required which focus on the participation and inclusion of people, partnerships amongst all actors, gender responsiveness and improvements to risk and disaster management. In turn, these require capacity development and strong leadership across the public sector, as well as rethinking the scope of basic public services as defined in the SDGs, and the use of new technology, especially ICT. [1]

2.2 European context

According to the European Anti-Poverty Network (EAPN), in spite of the overall wealth of the European Union (EU), poverty is still at a relatively high level. Nearly 1 in 7 people are at risk of poverty.¹⁰ Poverty is a direct attack on people's fundamental

rights, limits the opportunities they have to achieve their full potential, brings high costs to society and hampers sustainable economic growth. Both absolute and relative poverty also reflect failures in the systems for redistributing resources and opportunities in a fair and equitable manner. These lead to deep-seated inequalities and thus to the contrast of excessive wealth concentrated in the hands of a few while others are forced to live restricted and marginalized lives, even though they are living in a rich economic area.

Although not all people who are socially excluded or vulnerable are poor, the debate on poverty in the EU is often closely associated with social exclusion. The term social exclusion is used to emphasize the processes which push people to the edge of society, which limit their access to resources and opportunities, curtail their participation in normal economic, social and cultural life leaving them feeling marginalized, powerless and discriminated. Another common term associated with poverty is vulnerability. People are in a vulnerable situation when their personal well-being is put at risk because they lack sufficient resources, are at risk of being in debt, suffer poor health, experience educational disadvantage and live in inadequate housing and environments¹¹.

Within the EU, poverty is normally measured by using relative income poverty based on the average or median equivalized household incomes in a country. Commonly this ranges from 40-70% of median household income, which gives an overall picture of the risk of poverty, but the figures can also be broken down by age, gender, household type, employment status and locality to give a more detailed picture of who is at greatest risk. This makes it possible to examine the particular situation of specific groups such as children or older people or the unemployed in different locations. In the EU, people falling below 60% of median income are said to be at-risk-of poverty.

In 2010, the European Platform Against Poverty and Social Exclusion¹² was launched as one of seven flagship initiatives comprising the Europe 2020 strategy¹³. With more than 120 million people in the EU at risk of poverty or social exclusion, EU leaders have pledged to bring at least 20 million people out of poverty and social exclusion by 2020. However according to the new President of the European Commission, the situation in 2014 had already deteriorated “We have to expect nearly 150 Million of poor people in Europe by 2025. Currently, 46% of the world wealth is in the hands of 1% of the world population. These inequalities have consequences on citizens' well-being, economy, social cohesion, poverty reduction, solidarity and democracy.”¹⁴

The fight against poverty and social exclusion is at the heart of the Europe 2020 strategy for smart, sustainable and inclusive growth¹⁵. More specifically the aim is to target poverty and social exclusion through growth and employment as well as modern and effective social protection. In the same way as for the SDGs, which unlike the MDGs are universal and apply to European as well as all other countries, this also foresees working in partnership with civil society to support more effectively the implementation of social policy reforms. The participation of

⁸ Source: <http://neckdeepin.blogspot.com/2012/08/essay-2-challenges-in-cultural.html> (Accessed 22-11-15).

⁹ <https://sustainabledevelopment.un.org/topics/sustainabledevelopmentgoals>

¹⁰ <http://www.poverty.org.uk/summary/eapn.shtml> (Accessed 16-11-14).

¹¹ <http://www.poverty.org.uk/summary/eapn.shtml> (Accessed 16-11-14).

¹² <http://ec.europa.eu/social/main.jsp?catId=961> (Accessed 16-11-14).

¹³ http://ec.europa.eu/europe2020/index_en.htm (Accessed 16-11-14).

¹⁴ <http://www.eesc.europa.eu/resources/docs/jean-claude-junker---political-guidelines.pdf>. (Accessed 16-11-14).

¹⁵ http://ec.europa.eu/europe2020/index_en.htm (Accessed 16-11-14).

people experiencing poverty was for the first time explicitly acknowledged as a catalyst for inclusion strategies.

3. METHODOLOGY

3.1 Overall approach

During 2015, SI-DRIVE undertook large-scale global desk research and mapping of social innovation. The work, which is on-going, is focused around the seven policy fields of education, employment, environment, energy and climate change, transport and mobility, health and social care, and PRSD. As of October 2015, this led to 1,011 detailed case studies, including 175 on PRSD. This will be followed up in 2016 with at least seventy case studies (ten for PRSD) taking the work to greater depth through interviews, field work and observation.

The case studies used a comprehensive questionnaire covering all aspects of social innovation, but for the 175 PRSD cases specific questions are analysed in this paper, including those relevant for governance and public policy, such as ecosystems of actors, their modes of collaboration and interaction. The analysis and its results are both quantitative and qualitative, leading to a number of conclusions. Although the data analysis part of this paper is descriptive rather than inferential at this stage, given that the SI-DRIVE database has at time of writing only just been compiled, this is linked to very comprehensive desk research and consultations. This leads to tentative analytical conclusions as well as providing a sound basis for testing and further analysis in the future. The following should be read in this light.

3.2 Operational approach

Cases were selected by SI-DRIVE's fourteen European and eleven international partners across thirty countries as local experts to obtain a representative sample based on two steps:

Step 1: Focusing on any individual, group, community or place that is designated as being in income-defined poverty in the context in which they are found. The developing and many emerging economies use the UN/World Bank definition of absolute poverty as less than \$1.25 per day, whilst most developed economies use relative poverty, e.g. in Europe below 60% of median household income. In cases where there is no specific data showing that these limits have been breached, the focus is on serious deprivation experienced by people resulting from income and/or other material scarcity leading to various forms of exclusion, vulnerability or marginalisation.

Step 2: Taking those defined as being in poverty in Step 1, the interest is on any social innovation initiative designed to produce sustainable development outcomes which directly benefit them, as defined by the UN across the three dimensions of economic, social and environmental. A fourth cross-cutting dimension is added because many social innovations aimed at people in poverty focus on more than one dimension or sector:

- Economic: such as financial security, safety nets, income, wages, savings, jobs and vocational training.
- Social: such as tackling social exclusion, inequity, and vulnerability, and quality of life issues like health, education, culture, awareness, knowledge and skills and capabilities and capacities.
- Environmental: the human constructed environment such as habitation, infrastructures, utilities, facilities and

amenities, as well as the natural environment related to for example land and water reclamation, pollution, climate change, and bio-diversity.

- Cross-cutting: given that most poor and marginalized people experience multiple deprivation challenges, for example simultaneously low employment, poor education and health, financial insecurity, and often live in inadequate housing in environmentally stressed areas, many social innovations attempt to design initiatives which integrate, coordinate and cut across two or more of these by treating the individual as a whole person.

For much of the empirical case study work, the basic unit of analysis is a comparison between the 96 cases from the developing and emerging economies (hereinafter termed the DEE) drawn from Africa, Asia and Latin America and the Caribbean (hereinafter termed LAC) on the one hand, and the 79 European cases on the other hand. These two groups provide workable sample sizes, although important caveats are that the samples are not drawn randomly, nor is the number of countries complete. However, partners have selected what they consider as representative cases based on their expert knowledge and detailed state-of-the-art desk research, as well as by finding cases in important countries with no SI-DRIVE partner. This means the 175 cases provide a basis for the most comprehensive and detailed analysis of the topic area undertaken to date.

4. RESULTS AND ANALYSIS

4.1 Sustainable development pillars and social innovation practice fields for PRSD

Figure 2 presents the relative disposition of the four sustainable development pillars across the 175 PRSD cases. It clearly shows that the social pillar is the most pronounced although there is some variation across the regions, with the DEE having greatest focus on these cases. Having greater social exclusion and social needs generally is the likely explanation.

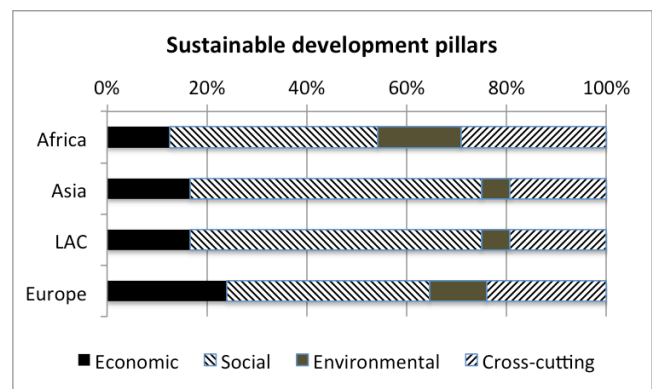


Figure 2: Sustainable development pillars for PRSD

Africa has the biggest focus on environmental concerns perhaps because climate change has had the greatest impact to date on this continent, as well as on cross-cutting cases which may reflect the fact that all-round development-needs and multiple deprivation are most pronounced here. Europe also has a large number of cross-cutting cases although an examination of these shows that here the challenge is that public services, although generally of good standards, tend to be highly siloed so that one of the main goals of

social innovation across the continent is to provide joined-up support across silos.

As discussed above, SI-DRIVE is *inter alia* developing an understanding of how social innovation can support PRSD through the identification of a number of ‘practice fields’ as solutions to poverty reduction and the promotion of sustainable development. A practice field is a recognizable and generalizable method for meeting a particular but very common social need, but which is nevertheless highly specific and open to transfer or replication elsewhere, given that it can be adapted to different contextual and framework conditions. Table 1 shows the fifteen most common practice fields in the sample of 175 PRSD cases, which together cover 95% of all cases.

Table 1: Practice fields for PRSD

PRSD practice fields	%
Community capacity building & advocacy	13%
Micro financing & safety nets	11%
Self employment & job matching	11%
Coordinated cross-sector support	9%
Local food sourcing & reduction of waste	9%
Community housing creation & sharing	7%
Supporting families & children	6%
Local & community environmental improvement	5%
Bottom-up and shared access to education	5%
Bottom-up and shared access to health	4%
Supporting young people	4%
Supporting women & minorities	3%
Supporting the disabled	3%
Coping with displacement, conflict & corruption	3%
Supporting culture	2%
Other	5%
Total	100%

Table 1’s practice fields range across all four dimensions, with community capacity building and advocacy the most common at 13% of all cases. This reflects the fact that much PRSD social innovation is typically bottom-up, small scale and highly local and contextualized (at least initially), and works intimately with the local target beneficiaries to increase their capacity and knowledge about their needs and how to achieve them. Advocating for the right to have their social needs met is often an important component, both vis à vis the government and other powerful institutions or organizations, but also within the community itself to raise their own awareness in order to take collective action. Other important practice fields also reflect the nature of PRSD social innovations, including in the areas of financial security, employment and jobs, food, accommodation and environmental improvements. More than 9% of cases are characterized by the need to provide coordinated cross-sector support given that most poor and marginalized people experience multiple deprivation

challenges, as discussed above. Practice fields also focus attention on specific marginalized or excluded groups, like families and children, young people, women and minorities and the disabled. Such groups tend to be the most likely to suffer from poverty in most countries of the world. Tackling displacement also includes support for refugees, a practice field which very recently has become increasingly important, especially in Europe.

4.2 Actor ecosystems for PRSD

Figure 3 shows the relative involvement of the main sector actors in the 175 PRSD cases across the four continents, and also adds similar data from SI-DRIVE’s 936 non-PRSD cases.

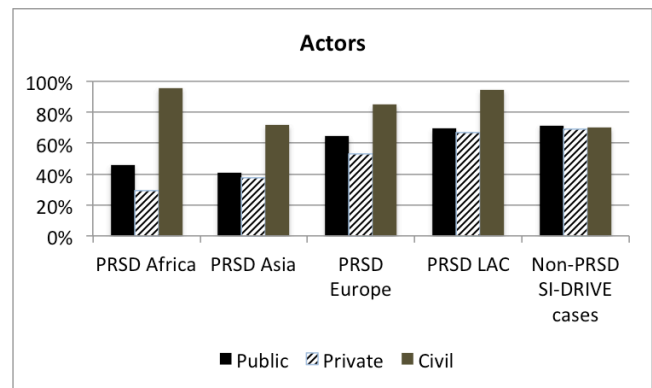


Figure 3: Actor ecosystems for PRSD

The contrasts depicted in Figure 3 are striking. First, there is clear variation in the involvement of actors in the PRSD cases with civil society actors generally more heavily engaged, followed by the public sector and then private companies. Each actor type also often includes more than one individual actor. The percentages always add to more than 100% given that two, and more commonly three, actor types are involved in each case. This demonstrates that social innovation is strongly characterized by variable and dynamic ecosystems and constellations of actors depending on the particular practice field and context.

Africa shows the importance of civil society most distinctly, possibly reflecting overall its relatively weaker public and private sectors with their fewer resources so that overwhelmingly the main initiative for social innovation comes from civil society. Asia, LAC and Europe reflect this although to a much lesser extent, but still demonstrate that civil society is typically the most important actor for PRSD. On the other hand, the data for all SI-DRIVE’s non-PRSD cases shows a remarkably even balance across the actor types at about 70% involvement. This reflects the fact that these non-PRSD cases are drawn mainly from Europe and include policy fields like education, health, employment, transport, energy and environment, where the public and private sectors are traditionally more heavily involved.

4.3 Drivers and barriers for PRSD

As a form of innovation only recently given significant recognition by governments and companies, and where its needed inputs, processes and outcomes remain uncertain and often contested, social innovation initiatives are particularly sensitive to their contextual drivers and barriers, shown in Figures 4 and 5.

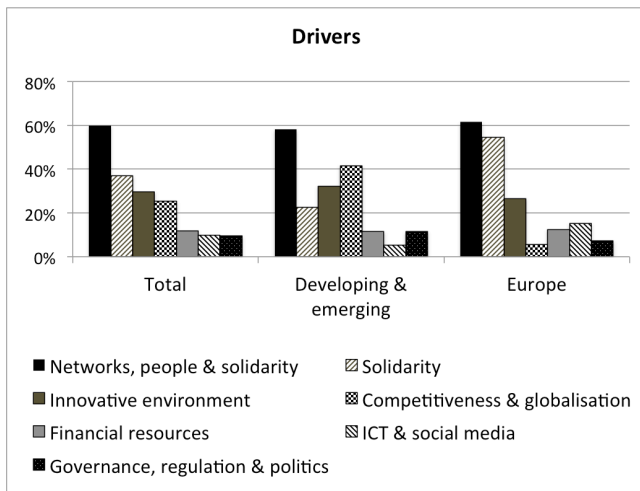


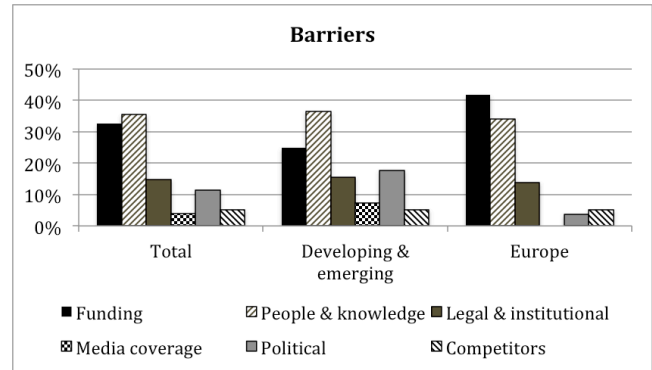
Figure 4: Drivers to social innovation PRSD

Figure 4 displays the most important drivers for PRSD social innovation for both the DEE and Europe. Ecosystems of networks, groups and individuals, bound together by a common and pervasive vision of solidarity also with the target beneficiaries, are clearly the most important driver. This is followed by the benefits of an innovative environment and the need for financial resources, although the latter is interestingly not the most important driver given that many social innovations take place using volunteers, enthusiasm and non-monetary assets typically available locally. Social innovation for PRSD is largely about collaboration, new alliances and the cross-fertilization of ideas and practices. Governance, regulation and politics are not highly important given that many social innovations take place below the radar and in the gaps left by the state and the market, where regulation may be uncertain. This can in some contexts lead to conflicts around interests, rights and legality.

There are also clear differences between the DEE and Europe in Figure 4, with the former much less characterized by a vision of solidarity, perhaps because of the greater competition for resources and the difficulties in recognizing common needs. The impact of competition and globalization is also significantly greater in the DEE which is likely to be due to such countries' greater exposure to these forces. The DEE are also markedly less likely to be driven by ICT and social media (5% compared to 15% of cases) which, although there are important exceptions such as in Kenya), reflects the greater access, cost and skills differences between the two groups of countries, particularly when dealing with poor and marginalized people. Overall, ICT and social media is less important as a driver of PRSD social innovation than it is for social innovations in other policy fields, evidenced by the fact that 32% of all SI-DRIVE's 1,011 cases deploy these technologies as part of the innovation process compared to 10% for PRSD.

The barriers to PRSD social innovation are depicted in Figure 5, showing that the lack of suitable people and knowledge is the most important overall, marginally more so in the DEE than in Europe. However, the lack of finance is also a barrier in one third of all PRSD cases, and much more so in Europe where ambitions may be much higher than the shrinking availability of finance allows. This may also be due to the fact that European initiatives are traditionally more prone to use financial inputs as part of innovation and other types of initiatives compared to the DEE. As noted above, such resources in the DEE have always been, and

remain, scarce, so there is a tradition of focusing even more on frugal innovation and the use of non-monetary assets.



5: Barriers to social innovation PRSD

As noted in Figure 4, issues directly related to governance, regulation and politics are only marginally seen as drivers when conducive. However, when un-conducive, Figure 5 shows that political barriers are often important in the DEE almost certainly due to greater scope than in Europe for conflicting interests around legality, legitimacy and power. In a community-driven education case in Ghana for instance, its success initially led to resistance from government as it was, in effect, doing the government's job quite effectively and thereby showing the public sector in a relatively bad light. Lack of media coverage can also be a barrier in the DEE, compared to Europe where it does not seem to play any role.

4.4 Financing social innovation for PRSD

Given the relative importance of financing PRSD social innovation noted above, Figure 6 illustrates the role of the different sources of finance. As can be seen, a case's own and its partner's financial inputs are by far the most important source in 70% to 80% of all cases, and this is followed by both public and, especially, private sector finance for between 30% to 50% of cases. The private sector is even more likely to do this in Europe than in the DEE, possibly because the sector is much stronger in Europe and likely to be involved in the provision of similar products and services to a wide range of users, so sees such activity directed at PRSD as complementary to its wider business.

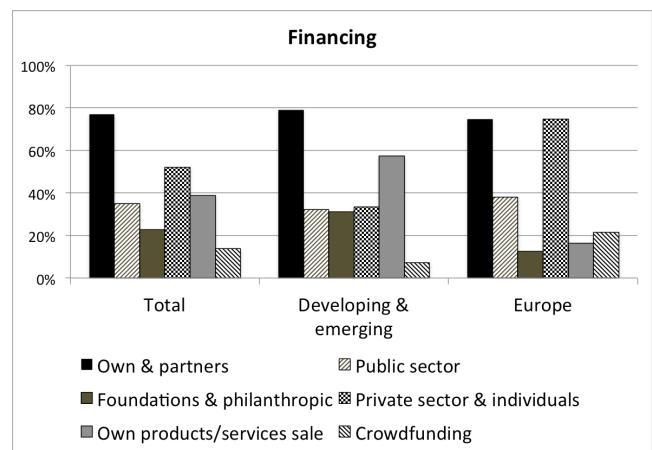


Figure 6: Financing social innovation for PRSD

Charging for the products and services provided by an initiative takes place in about half of all cases. However, this does not

involve charging the end beneficiaries, i.e. the poor and marginalized, as clearly this would normally be counter productive. Data on fees to these end users was also collected in the survey but found to be present in only 0.02% of DEE cases and only 1.0% in European cases. Charging for goods and services is instead made to intermediary public and/or private sector actors, who then offer these to the end beneficiaries free of charge. Figure 6 also shows that there is a significant difference between the DEE cases, where such charging is very important, and European cases where it is much less so. An examination of the cases shows that this seems to be because the public sector in the DEE is often paying for such products and services, being provided at quite a basic level, as they typically do not have the capacity or knowledge to do so themselves, unlike in Europe.

As might be expected, Figure 6 also shows that the role of foundations and philanthropic financing is greater in the DEE than in Europe, given that the mission of such organizations is typically directed specifically at such countries. On the other hand, Europe is much more likely to use crowd-funding for PRSD initiatives, probably because the wider population and business community have access to considerably greater financial resources than in the DEE. Europe also generally has greater uptake of sophisticated ICT which is typically used to transact this form of financial sourcing.

4.5 Growing and transferring social innovation for PRSD

One of the main public policy goals related to social innovation is to replicate or transfer successful initiatives so that the impacts and benefits can be as widely felt as possible. Figure 7 shows however that this is not always easy, although this may also be due to the fact that many PRSD social innovations are relatively recent. However, about 70% of successful cases do grow in situ, i.e. the initiative itself through its own governance and organization grows organically and thereby serves an increasing number of beneficiaries.

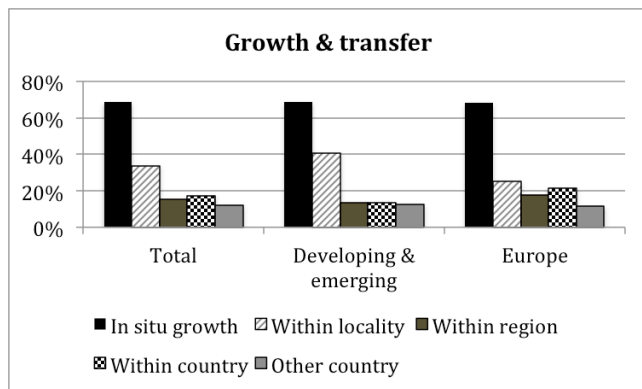


Figure 7: Financing social innovation for PRSD

It is also clear that only between about 10% to 30% of all cases transfer their basic ideas and practices to other organizations elsewhere, and that this is most likely to be within the locality and decreasingly so at greater geographical distance. European PRSD cases are more likely to spread at these greater distances, but there is not a marked difference compared to the DEE. These observations are, however, typical of wider studies of the diffusion and spread of innovations generally, as reviewed in [9], and reflect the friction of distance, although this is increasingly being overcome by the growing availability of modern

communications. However, more important than distance are both the constraints as well as the benefits of context. Context for all types of social innovation is, by definition (see section 1 above) extremely important, given that the end beneficiaries in their own lives and localities are almost always directly active in the initiative. Achieving success and large impact is made much more likely when those benefitting from an initiative own the process and its outcomes and are important actors in achieving them. This is often in quite stark contrast to more typical top-down innovations, for example as traditionally practiced by both public and private sectors alike, which in effect attempt to do something to the target group rather than doing something with them.

There are also drawbacks to context, of course, in particular as illustrated in Figure 7, that it is thereby difficult to transfer and scale successful social innovations. Indeed, one of the objectives of the SI-DRIVE research project is to identify powerful practice fields that provide good vision and ideas as well as effective mechanisms that address in a systemic way common challenges faced by most people and communities, so are less likely to be context dependent at that level. The current research has already empirically identified a number of these, some of which are shown in Table 1, for example the importance of advocacy and community building, micro-financing and safety nets, taking responsibility for local food sourcing and reducing food waste, local job matching, peer and networked approaches to education, health and tackling disadvantage, etc. None of these is particularly new, but their initiation, implementation and impact through the social innovation lens as described above, is a new rich way to understand processes, involve the beneficiaries and deploy resources, especially in support of sustainable development.

5. GOVERNANCE AND PUBLIC POLICY PERSPECTIVES

Effective and high impact social innovations, making significant contributions to poverty reduction and sustainable development, require an understanding of the enabling governance and framework conditions as well as of appropriate public policies. Drawing on the above analysis and a qualitative assessment of SI-DRIVE's and other evidence, some tentative conclusions can be drawn as outlined in this sector.

5.1 The governance of social innovation for PRSD

It is clear from the above analysis together with SI-DRIVE's broader research that social innovation in support of PRSD is typically undertaken by collaboration, new alliances and the cross-fertilization of ideas and practices. This is typified by ecosystems of actors and flexible modes of collaboration and interaction. It demonstrates that PRSD social innovation is strongly characterized by variable and dynamic ecosystems and constellations of actors depending on the particular practice field and context. Such ecosystems are typically bound together by a common and pervasive vision of solidarity also with the target beneficiaries. Thus, the direct participation of the people actually experiencing poverty as a catalyst for PRSD strategies is vital. This is also necessary to ensure coordinated cross-sector initiatives, given that most poor and marginalized people experience multiple deprivation challenges that single sector interventions can often exacerbate rather than ameliorate.

Much successful PRSD social innovation is thus typically bottom-up, civil society initiated and led, small scale and highly local and

contextualized (at least initially), and works intimately with the local target beneficiaries to increase their capacity and knowledge about their own needs and how they can achieve them. As mentioned above, advocating for the right to have their social needs met is often an important component. Formal governance, regulation and politics have not been highly important given that many social innovations take place below the radar and in the gaps left by the state and the market, where regulation may be uncertain. As noted above, this can in some contexts also lead to conflicts around interests, rights and legality. The government's role in this is to work in close partnership with other actors in promoting PRSD, particularly with civil society but also with the private sector, foundations and academics and researchers. This is also a clear conclusion from SI-DRIVE's other policy fields, as sketched in Figure 8. [10]

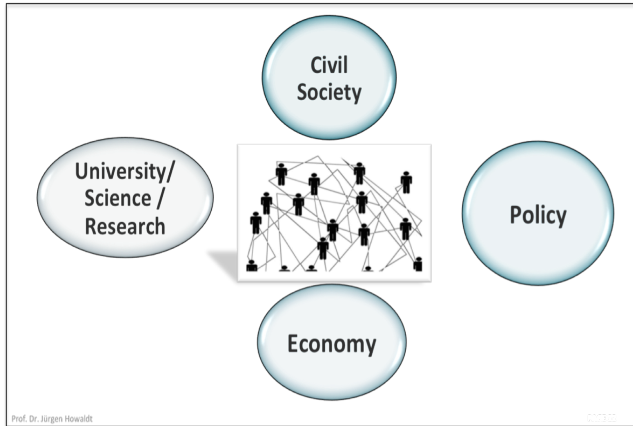


Figure 8: Ecosystems of social innovation

To summarize some of the above results, the role of ICT and social media is considerably less in PRSD social innovation than in social innovation generally. Particularly the DEE are also markedly less likely to make significant use of ICT than is Europe, which reflects the greater access, cost and skills differences between the two groups of countries, particularly when dealing with poor and marginalized people. The use of crowd-funding for PRSD, which often relies on using sophisticated ICT in order to transact this form of financial sourcing, is also much less in the DEE. Europe, on the other hand, is much more likely to do so, probably because the wider population and business community have access to considerably greater financial resources than in the DEE. Thus, there exists a clear policy imperative to support the access to, deployment of, and skills required for, appropriate technology, and this can be used to socially innovate in direct support of PRSD.

5.2 Public policy for social innovation for PRSD

There are a number of issues which public policy needs to take into account when promoting social innovation for PRSD. The above analysis together with SI-DRIVE's broader research indicates that the lack of suitable people and knowledge is the most important overall barrier to PRSD social innovation, and only marginally less so in Europe than in the DEE. However, the lack of finance is also a barrier in one third of all PRSD cases, and much more so in Europe where ambitions may be much higher than the shrinking availability of finance allows. This may also be due to the fact that European initiatives are traditionally more prone to use financial inputs as part of innovation and other types of initiatives

compared to the DEE. As noted above, such resources in the DEE have always been, and remain, scarce, so there is a tradition of frugal innovation focusing even more on non-monetary assets.

In terms of public policy nurturing and expanding the impact of PRSD social innovation, it is clear that successful initiatives can readily grow in situ under a variety of conditions. However, it is much more difficult to transfer good basic ideas and practices to other organizations elsewhere, even in the near proximity, and this gets even harder as the geographical distance increases given that contextual conditions become increasingly alien. Research and policy should make greater efforts to attempt to identify powerful practice fields that provide good vision and ideas as well as effective mechanisms that address in a systemic way common challenges faced by most people and communities, and which are therefore less likely to be context dependent at that level.

Generally, as noted above, conducive governance, regulation and politics are only marginally seen as drivers, however, when un-conducive, political barriers can become increasingly disruptive, especially in the DEE. This is almost certainly due to greater scope than in Europe for conflicting interests around legality, legitimacy and power. These constraints need to be tackled by public policy at the same time as the significant benefits which can be achieved. For example, that the likelihood of achieving success and real impact is dramatically increased when those benefitting from an initiative own the process and its outcomes and are important actors in achieving them.

SI-DRIVE's wider work on the policy implications of social innovation, include the tendency for ethical motivations to underpin many initiatives in terms of civic duty and solidarity, as also seen in the above PRSD analysis. [11] This is often coupled with some frustration about cuts to existing public sector services and interventions in the present climate of austerity. It is clear from this perspective that public policy needs to recognize both that social innovation is helping to tackle major deficits in public systems of provision, on the one hand, and that flexible and tailored social innovation often arises in response to individual and often unique needs. This analysis recognizes a number of overarching barriers to social innovation which, if addressed *inter alia* by public policy, can become enablers of social innovation:

- Existing institutions and regulations often constrain the potential of social innovation.
- Mobilizing resources and funding for social innovation remains a critical issue.
- Public policy plays an important enabling and supporting role.
- Cooperation between the public, private and civil sectors is critical to explore new business models exploiting the potential of social innovation.

In terms of the ambition to grow, transfer and upscale social innovation, public policy should recognize that:

- Compatibility with the prevailing governance and policy regime is important in facilitating uptake.
- Cooperation with the public sector is essential in many instances, but this can also hinder uptake if incompatibility or conflict (as referred to above) is too great.
- Systemic, traditional and ineffective social innovation path-dependencies need to be overcome, and new ones created (like contagion, beneficiary-led strategies, etc.).

- The removal of constraints and barriers is essential for releasing the potential of social innovations.
- The professionalization of social innovation is an important step in transfer and up-scaling, but one which continues to encourage flexibility and innovation.

There are a number of public policy challenges apparent in this:

- The tension between centralization and decentralization of public policy and decision-making.
- The declining authority of public institutions, and the growing importance of intermediaries and other non-public actors to enhance flexibility and impact.
- Building ecosystems of social innovation and supporting their growth.
- Place-related contextual differences are highly significant, for example in terms of the role of civil society, historical path-dependencies, political culture, economic and social standards, etc., all requiring highly contextualized policies, which however can also learn from other contexts and attempt to achieve greater scale.

Given the above, some initial policy options include:

- Understanding and propagating the benefits and impacts of social innovation.
- Transparency, collaboration and learning to overcome deficits and conflicts resulting from social innovation.
- Create breeding spaces and hubs to enhance the diversity of social innovations.
- Thinking and acting in the medium and long-term, given that social innovation with its complexity and embeddedness in diverse societal settings takes time to implement and harvest the benefits.

Related to this, it is very important to monitor and measure impact in a professional and scientific manner, whilst still enabling the beneficiaries and other actors to be involved in this process. Given the general shortage of resources, both monetary and non-monetary, this of course needs to balance the cost of such monitoring and measurement with the increased benefits and impacts it enables, so a watching brief needs to be held on this. The social innovation actors must collect as much relevant evidence about impact as possible and not just accept opinion. In addition to qualitative assessments and listening to real beneficiaries and people on the ground, for example through their stories, is advisable to use standardised approaches to monitoring, evaluating and analysing progress and outcomes, including for example recognised project management tools, Key Performance Indicators (KPIs) and/or balanced score-card approaches. Specific studies on costs, benefits and other impacts, and to compare these with relevant international studies to learn from good practice, can be useful. In terms of assessing actual and long-term outcomes on the poor and marginalized, as well as broader impacts on society, it is also advisable to use scientifically robust methods where feasible, such as randomised control trials, before-and-after and comparison studies, as well as regular monitoring and data collection. This can ensure that highly reliable evidence is obtained and assessments made about a social innovation and its costs and benefits, leading to sound judgements about the future course of the initiative and the design of similar initiatives in order to maximise their impacts and reduce their costs.

However, comparisons between different social innovations, actors or political and regulatory regimes are not always easy given that processes, outputs and outcomes vary and are often not transparent. The design and delivery of initiatives should, in principle, also have a solid ‘business’ case before roll-out focusing on its sustainability in political, legal, financial and organisational terms, as well as on the provision of real positive benefits to the beneficiary, and ideally also for the initiator and for society as a whole. On the other hand, many successful social innovations start very informally on a small scale, and this experimentation should not be smothered by insisting on more formal business cases and strategic planning too early. It should also be remembered that some innovations rely on outputs and outcomes from other activities, so it can be difficult to measure in isolation, such as when cross-sector and cross-actor initiatives are implemented.

6. CONCLUSIONS AND FUTURE RESEARCH AND POLICY GOALS

Collaboration, diversity and a range of voices, skills, competencies and resources, form the basics of successful innovation. In order to meet the challenge of the 2030 Agenda for Sustainable Development, new forms of innovation, beyond but building on conventional technology and top-down driven innovation, are required. These new forms are generally typified as ‘open innovation’ in which all can be involved, where there are no supposed monopolies of innovation talent and potential, and where the solutions become owned by as many people as possible which results in greater acceptance, trust and impact, such as through co-creation. Social innovation for PRSD is one prominent example of these new forms of open innovation, as is ‘inclusive innovation’ which explicitly targets the otherwise excluded and directly targets the needs of the low-income or the base-of-the-pyramid (BoP) population [12]. The focus of inclusive innovation is on delivering high performance products and services at very low cost to the people whose needs are generally not otherwise addressed.

Social innovation for PRSD also requires new forms of so-called ‘open policy making’ described “as better policy making through broadening the range of people we engage with, using the latest analytical techniques, and taking an agile, iterative approach to implementation.” [13] Open policy-making in support of social innovations can also be seen as an important part of the wider concept of ‘open governance systems’, which are already emerging, albeit on a small scale as scattered but prominent examples (such as in San Francisco), particularly at local and especially city level where power and control is increasingly being devolved, decentralized or seized by different constellations of actors. [14] These developments, although still incipient, can be partially captured by the concept of the government as a platform, i.e. an open environment and ecosystem with clear frameworks, guidelines, resources and supports which invites all actors to collaborate in producing public value, for example through social innovations. Government as a platform has the task of supporting innovation across society as a whole, and facilitates public value creation in the most efficient and effective way possible through open and collaborative innovation. It is a strategy that places the government as a platform for others to build upon in an open environment and ecosystem which sees everyone, every community and every organization potentially as a resource with assets to create public value. ‘Assets’ is a wide term encompassing for example finance, time, skills, competences, knowledge, data, tools, buildings, spaces, vehicles, materials,

energy, facilities of all types and organizational capacities, some of which is enabled by ICT developments like crowdsourcing and crowdfunding. Not using assets which could be put to productive use is tantamount to ‘wasting’ them, so government as a platform has a task to pool and leverage the assets of others together with its own to address PRSD ethically and fairly. This enables government to supplement the challenge of itself having sometimes to do ‘more for less’ by being able to orchestrate ‘doing more with more’ by leveraging more assets from across society.

Within this context, the public sector needs to build its capacity in a number of specific areas. First, the ability to facilitate, orchestrate and support societal value creation regardless of which legitimate actors are involved, through for example regulation, arbitration, coordination, mediation and partnering. However, the government retains a specific set of roles, which cannot be performed by other actors, and often needs to lead or sanction such activity given that it:

- has a democratic mandate to take account of all interests in society which other actors do not have
- must take account and balance all such interests
- cannot choose the people it serves given that its services need to be universal
- has ultimate responsibility for public service quality and reach regardless of which other actors are involved
- is the supplier of last resort.

Second, the public sector needs to provide appropriate tools to enable the involvement of other actors, such as guidelines, incentives, supports, advice, data, information, knowledge, networks and ecosystems. Given that when beneficiaries and other actors are involved, such as through co-creation, collaboration, participation, self-service and self-support, this in effect often ‘out-sources’ public sector responsibility, so the burden placed on these actors needs to be eased and made as simple as possible.

Third, society’s assets need to be managed in a legal, ethical and fair manner. This involves identifying legitimate and available assets across society, and helping to orchestrate and deploy them to create public value in collaboration with the asset owners. Widely used content management systems need to be supplemented by asset management systems.

Finally, the public sector has the unique role that it is the only actor which can ensure sustainability and balanced public value so that all segments of society benefit and where trade-offs are seen as fair and proportionate. The public sector must balance being innovative and flexible with its role in providing longer term stability and continuity which other actors cannot do. This is necessary to enable people and communities to live stable lives, as well as for the market to have confidence that unpredictable governance changes will not upset their own innovation and investment decisions.

It must be stressed again that the above analysis and conclusions are tentative at this stage, although derived from large-scale empirical and secondary research, and on this basis provide a sound basis for testing and further analysis in the future. The SI-DRIVE research reported in this article needs to continue, as indeed is already planned with, for example, seventy plus in-depth action research case studies in 2016. An important research and policy goal, at least for the authors of this article, is to start to

join-up the traditionally separate silos of public governance and public digital governance, on the one hand, with social and other forms of open innovation on the other. As the understanding of public governance becomes broader and encompasses a larger number of actors, so its role in supporting and stimulating societal wide innovation becomes easier to discern and its imperative more clearly understood. This is of fundamental importance in the context of PRSD and in achieving as many of the 2030 sustainable development targets as possible.

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