

SI-DRIVE
Social Innovation: Driving Force of Social Change

D10.4: SUMMARY REPORT ON SOCIAL INNOVATION FOR POVERTY REDUCTION AND SUSTAINABLE DEVELOPMENT

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1 EXECUTIVE SUMMARY

What is the role social innovation can play in tackling global poverty and supporting sustainable development? This summary report on social innovation for poverty reduction and sustainable development provides an overview of the main considerations and conclusions derived from the work of the SI-DRIVE project between 2014 and 2017.

Poverty and sustainable development are important global challenges

Tackling global poverty is, of course, one of the most pressing challenges the world faces today, despite the significant global falls in poverty over the last fifteen years. In contrast, over the same time scale, poverty has risen threefold in Europe and other so-called 'developed countries'. Even more significantly, in almost all countries, income as well as social and other forms of inequality have risen dramatically over the last fifteen years. This explains the sharp rise in relative poverty in Europe as the top 5% of the population pull increasingly away from the other 95%, both in terms of their financial assets and in the quality and security of the lives they lead. The new UN Sustainable Development Goals from 2016 to 2030, agreed by virtually all countries around the world including those in Europe, have been designed to address these and related issues through intense cooperation between governments, businesses and civil society organisations.

The main challenge of SI-DRIVE's policy field for poverty reduction and sustainable development (hereinafter referred to as PRSD) is to simultaneously ensure that the poor and marginalised are empowered to participate in meeting their own social and other needs, whilst at the same time addressing the structural and contextual barriers preventing them from doing so.

Methodology

A comprehensive review of literature and liaison with other social innovation projects preceded two rounds of global mapping. First, to collect 1,005 detailed case studies using both quantitative and qualitative methods, and second to carry out in-depth mainly qualitative investigations of 82 of these cases based on numerous interviews, background research, as well as data from the round 1 mapping. Poverty reduction and sustainable development (hereinafter termed PRSD) is one of seven policy fields investigated, contributing about 180 cases in round 1 and thirteen cases in round 2. The 180 round 1 cases were analysed to cluster them into seventeen practice fields, each consisting of a common practice-based set of social and other activities that focus on meeting a specific social need. The thirteen cases for round 2 were then selected from three of these practice fields for in-depth analysis, as well as to obtain wide geographic coverage and a balance in other case characteristics like size, scope and actors involved.

The main theoretical frame for analysing the cases is the five key dimensions developed by SI-DRIVE: the societal needs addressed; concepts and understanding; resources, capabilities and constraints; governance, networks and actors; and process dynamics.

The landscape of PRSD and societal needs addressed

Analysing the 180 PRSD cases showed that income support in the form, for example, of micro-financing and financial safety nets, as well as community development and capacity building, are the two most common practice fields. Also important are creating and finding jobs and housing, supporting families and children, combatting inadequate nutrition and hunger, focusing on cross sectoral support (such as coordinating between diverse actors and institutions), supporting women, and displacement and refugees. Further analysis enabled these practice fields to be grouped so as to represent the three dimensions of the UN's framework for sustainable development: economic, social and environmental. A fourth cross-cutting dimension is also added because many social innovations aimed at people in poverty focus on more than one dimension or sector at the same time. An examination of the geographic coverage of the PRSD cases compared to the non-PRSD cases shows that the former are significantly more representative of global social innovations, especially in the so-called developed and emerging economies, with the latter demonstrating more focus on Europe and the more developed regions of the world.

The societal needs addressed by the PRSD policy field illustrate its huge range, given that it cuts across all the other more sectorally and specifically focused policy fields: education; employment; environment; energy supply; transport and mobility; and health and social care. The interrelations between PRSD and other policy fields are the most intense

and comprehensive, reflecting the fact that poverty and marginalisation affects all aspects of life and society. There is also a tendency for PRSD to focus more strongly on the short term and local social demand that poor and marginalised people face, compared with non-PRSD social innovations, and less on the longer term more macro needs for systemic change.

Concepts and understanding

Concepts and understanding are delineated by several characteristics, including by the main societal sectors and actors involved. All social innovation cases show strong collaboration between public private and civil sectors, but PRSD cases show that civil sector actors are by far the most prominent. It seems that civil organisations are typically more trusted by the poor and marginalised as they have greater local knowledge and are more nimble -- they act, in effect, as 'trusted third parties'. PRSD cases also collaborate much more than non-PRSD cases with other actors, such as foundations, informal groups, schools, charities, religious groups and cooperatives, perhaps reflecting their near and local focus and more intense working with the beneficiaries themselves, which many of these other actors directly represent.

PRSD and non-PRSD cases also focus on a number of similar cross-cutting themes, especially empowerment, human resources and knowledge, but also show important differences. PRSD cases are more concerned with gender, equality and diversity but much less with ICT and social media. Also noteworthy is that the economic PRSD sub-group of cases focuses significantly on social entrepreneurship and the social economy, whilst the cross-cutting sub-group strongly prioritises empowerment because of its concern with integrating all the various needs of the individual or group through, for example, personalising and co-creating the support they receive. While most non-PRSD social innovations have been adopted from elsewhere, PRSD cases are much more likely to be highly original social innovations which did not previously exist. This perhaps reflects the fact that they tend to be more recent than non-PRSD cases, as well as more likely to be in developing and emerging economy countries where fewer good practices exist and the mechanisms for disseminating them are weaker.

Resources, capabilities and constraints

In terms of the numbers and types of people directly supporting social innovations, non-PRSD cases have a more overall balanced array of personnel between regularly paid employees, volunteers, external advisers and others. PRSD cases, in contrast, show much greater variation, with a very significant reliance on volunteers, which can likely be explained by these social innovations generally being less well established and professional, as well as having higher representations from developing and emerging economies than non-PRSD initiatives. This is not the case, however, for the economic PRSD sub-group which uses very few volunteers but has huge reliance on regularly paid employees, which is very likely the result of the need for more professional personnel within a more demanding economic framework.

The budget sizes of both PRSD and non-PRSD social innovation are generally quite similar, although the former tend to have some bias towards larger amounts. Funding sources also show much similarity and all demonstrate that they draw on a huge range of types, with the most important being own and partner contributions, but with national public, private company and private individual funding also significant, as is the sale of products and services. In terms of comparisons between non-PRSD and PRSD social innovations, the former are more likely to draw on EU funding, probably simply because a higher proportion are based in Europe, whilst in contrast donor funding is significantly less given that donors focus much more on poverty and sustainable development. Within the PRSD group of cases, both the environmental and cross-cutting sub-groups rely significantly more on their own and partner contributions, as well as on private individual funding, perhaps explained by the former's smaller scale compared with non-PRSD cases and the latter's more personalised and integrative nature. Another view of the PRSD cases shows that both private sector funding and crowdfunding are much more important in Europe than in developing and emerging economies (hereinafter DEE), whilst charging users for services and obtaining funds from foundations and philanthropies are more significant in the latter. This is perhaps due to the mission of foundations being typically directed mainly at these countries.

By far the most important drivers of both non-PRSD and PRSD social innovations are relationships and interactions with individuals, networks and groups, plus, but to a lesser extent, an innovative environment and solidarity. But ICT and social media are less important as a driver of PRSD cases than for social innovations in other policy fields,

although they have a much greater focus on solidarity, reflecting their focus on marginalisation and vulnerability. However, the economic sub-group has somewhat less focus on solidarity and more on financial resources, whilst the cross-cutting sub-group has the lowest focus on financial resources and on globalisation which does not figure at all, arguably reflecting the personalised and individual nature of its aims. Looking at the different drivers in Europe compared to the DEE, the latter are much less characterised by a vision of solidarity, perhaps because of the greater competition for resources and the difficulties in recognising common needs. The DEE is also markedly less likely than Europe to be driven by ICT and social media, which probably reflects the large access, cost and skill differences between the two groups of countries, particularly when dealing with poor and marginalised people.

With regard to barriers to both PRSD and non-PRSD social innovation, funding challenges are by far the most prominent followed by lack of personnel. The main distinctions are that PRSD cases tend to be characterised more by the barriers posed by knowledge gaps, legal restrictions and missing political support, each of which are clearly more likely to affect issues around poverty and vulnerability as a relatively new focus area of social innovation, especially outside the more developed countries. Within the PRSD cases, the social sub-group is the most affected by lack of finance, perhaps because of perceptions that concrete impacts are more difficult to achieve and take longer than in other sub-groups, whilst it is less affected by the absence of participants. The environmental sub-group is most challenged by missing political support, perhaps due to some political controversy and doubt, especially regarding its long-term implications. The cross-cutting sub-group is also highly challenged by lack of political support as well as by relatively high legal restrictions, which may be due to the fact that it often requires a whole-of-government response which is often difficult given the siloed nature of many public sectors around the world. In relation to differences between the DEE and Europe, it is clear that lack of suitable people and knowledge is more important in the DEE than in Europe, whilst lack of finance is a bigger barrier in Europe. This is perhaps because European initiatives are traditionally more prone to use financial inputs compared to the DEE, and that in a period of austerity this is felt more strongly. 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.

Governance, networks and actors

Although the gender gap is smaller in social innovations than for many other types of innovation, for example technology and business innovations, there is a tendency for it to be somewhat greater in non-PRSD compared with PRSD cases. This is perhaps understandable given the latter's concern for the poor and marginalised across many aspects of their lives, whilst the former tend to be somewhat more specialist and sectorally focused in nature. Looking at geographical differences amongst PRSD cases, it is clear that 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 organisations. Asia, Latin America and the Caribbean as well as Europe do also demonstrate this, although to a lesser extent.

Partners contribute with different types of support, with the idea development and funding roles as the most important for both non-PRSD and PRSD cases. There are also distinct differences, so that idea development is even more important in the latter, which also emphasises 'other', i.e. more wide ranging, roles even more. This is perhaps because PRSD social innovations tend to be relatively more recent than other types and are more likely to need a richer and diverse ecosystem of actors and inputs. Indeed, the data overall show that PRSD cases have a more multi-varied character than non-PRSD cases, and that their ecosystems tend to be more diverse, rich and broad. Within the PRSD cases, the environmental sub-group has the most prominent role for idea development, maybe reflecting the increasing urgency being placed on good ideas to counter climate change. This role is also very prominent for the social sub-group, perhaps because of perceptions that concrete impacts are more difficult to achieve and take longer than in other sub-groups, so that the onus on innovative ideas is great.

An important characteristic of social innovations generally, that is in some contrast to more technology and business focused innovations, is their very strong emphasis on involving the beneficiary as much as possible in both designing and implementing the innovations that will directly affect their lives. The data shows that 66% of non-PRSD social innovations have direct beneficiary involvement, but that this proportion is increased to 74% with PRSD cases. The clear conclusion is that PRSD social innovations targeting the poor, marginalised and vulnerable, focus even more than other social innovations on the direct involvement of beneficiaries. The data also shows that, within all PRSD cases, the cross-cutting sub-group is much more focused on involving the beneficiary with 90% of such cases doing so. This probably refers to in-kind direct support from the beneficiaries themselves, who tend to get more directly

involved in co-creating and running such initiatives, given the need for these to be highly personalised around their unique integrated needs as individuals or small groups.

Process dynamics

Data on the motivations and triggers of both non-PRSD and PRSD social innovations clearly shows the predominance across all types of social innovations at the social demand and societal challenge levels, with non-PRSD cases marginally more likely to be motivated by the meso level of societal challenges and PRSD cases by the micro level of social demand. Also important triggering mechanisms are new ideas, more so for PRSD cases than non-PRSD cases, probably because of the more recent nature of the former and thus the relative dearth of existing good practices to learn from and/or adopt, as noted above. New technologies are also important for triggering across all types of case, but more so for non-PRSD cases where especially ICT and social media are more widely used, also as noted above. As regards the PRSD sub-groups of cases, policy incentives are relatively more important in the cross-cutting sub-group, perhaps because of the more complex and comprehensive nature of such cases than many others. These cases typically require good cooperation from the public sector through cooperation across government entities and policies which enable more personalised services and treatments. The environmental sub-group is also more likely to be triggered by a social movement than other social innovations, which is probably related to the need for widespread bottom-up pressure to change attitudes and government actions related to issues like climate change, pollution, food quality and similar.

Data on the current development stage of social innovation projects shows that, although the most common across both non-PRSD and PRSD cases is the more advanced impact stage, many more of the former are at the impact stage than are the latter. This probably reflects the fact that PRSD cases tend to be more recent and thus less developed and advanced than more 'mainstream' social innovations. Amongst the PRSD sub-groups, the cases least advanced towards the impact stage are in the social sub-group, perhaps because of the sheer variety of such cases and the challenges they face in tackling poverty, marginalisation and vulnerability which are, first and foremost, social issues. In contrast, the economic sub-group is the most advanced of the PRSD cases towards achieving impacts given that such cases have typically a longer pedigree and have had greater government and donor focus, at least until recently.

The transfer and scaling of social innovations provide some of the best direct evidence of successful case outcomes and impacts, given that, although cases can of course have great impact in their specific context even if not transferred or scaled, the fact of transference and/or scaling is a clear sign of success. Evidence for geographic transfer shows that although PRSD cases are more likely to be transferred geographically than non-PRSD cases, they are much less likely to be transferred over a greater distance. This is probably because non-PRSD cases tend to be, as noted above, more specialised and sectorally focused than PRSD cases so are only transferred if highly similar needs and conditions arise elsewhere. However, if they do arise elsewhere with the necessary specialist and sectoral conditions, transfer can take place relatively easily and over considerable distances. In contrast, PRSD social innovations, being relatively more recent and less advanced than other social innovations, are nevertheless more likely to be transferred simply because there is rapidly growing demand for them from increasingly aware communities of policy-makers, funders and civil organisations. The only exception amongst the PRSD sub-groups appears to be the cross-cutting cases which do seem to be able to transfer over greater distances. This is perhaps because it is the model of a comprehensive and integrative innovation, bringing together diverse partners and interests which can be transferred, rather than, as more likely in the other PRSD cases, a particular contextually sensitive focused solution. Looking at differences between geographic regions, European PRSD cases are more likely to spread over greater distances, but there is not a marked difference compared to the DEE. The overall conclusion is that it is clear there are significant difficulties in transferring and scaling successful social innovations, although identifying the principles and methods of transference, as is done by recognising and analysing distinctive practice fields, can be an important aid.

Evidence for the mechanisms of transfer shows some clear distinctions between non-PRSD and PRSD social innovations. The latter are much more likely than the former to be transferred by project partners themselves and less likely to be taken up by a new group of users. This almost certainly reflects the fact that PRSD cases tend to be newer and less advanced and thus more likely to be known and appreciated only by a narrower group of actors, particularly of course the project partners themselves.

Scaling, as opposed to transfer, refers to a social innovation initiative growing in situ, i.e. when its own governance and organisation grows organically and thereby itself serves an increasing number of users and beneficiaries. There

are strong similarities between non-PRSD and PRSD cases, with the most important being increasing the target group reach, having a network of project partners and organisational growth. There are, however, some noteworthy distinctions amongst the PRSD sub-groups, such as the importance the economic sub-group gives to its network of project partners for project scaling, probably because these cases are by and large those with the longest pedigrees and that are most advanced. This also applies to some extent to the cross-cutting cases where the explanation is more likely to be these cases' greater diversity of partners, given their cross-sectoral nature, so they potentially have more partner channels to work with.

Development paths and mechanisms of social change

As with the examination of process dynamics, an examination of the development paths and the mechanisms of social change of social innovation provides good evidence of the extent to which social innovations have impacts in wider society. Three basic models can be discerned in the PRSD policy field that can be termed a 'formal-structural' typology of social innovation for PRSD. This might also apply to many other types of social innovation, given that PRSD cuts significantly across the other SI-DRIVE policy fields:

1. Highly formal-structural type: typically quite stable, robust and relatively top-down, closed and embedded in policy and regulation, relatively efficient and can be effective, often characterised by incremental innovation. The main PRSD example is the income support practice field. The typical development path of this type is for continuous growth, which is related to relatively large stable government and/or other funding within a conducive policy structure and where the case objectives overall are meeting their intended outcomes
2. Semi formal-structural type: mixing both top-down and bottom-up, typically quite stable at the macro level but less so at the micro level, both relatively open and closed, generally robust, relatively effective and can be efficient, often characterised by a mix of incremental and disruptive/radical innovations. The main PRSD example is the community capacity building practice field. The typical development path of this type is a step-by-step or stage model, characterised by two to three main stages separated by slower or no growth, or sometimes even by short-lived retrenchment. This tends to be due to financial, political or other serious problems, albeit short-lived, where there is little or no direct support from policy structures at least during the slow-down, but where the case objectives overall are meeting their intended outcomes.
3. Weakly formal-structural type: less structured, bottom-up and small scale, typically quite unstable due to fast changing conditions, more subject to tensions and is shock sensitive, relatively open, can be both relatively effective and efficient but also the reverse, often characterised by both disruptive (if not radical) innovation and 'innovation on the go'. The main PRSD example is the displacement, refugees and good governance practice field. The typical development path of this type is for up and down, wavelike, alternating success and failure, mainly due to very fast changing dynamic contexts directly affecting the social innovation and which the social innovation is attempting to address. In these cases the policy structures may be neutral or benign but normally are not hostile at least over the longer term, and where the case objectives overall are meeting their intended outcomes.

Highlight findings

Overall, SI-DRIVE has found that social innovations in support of PRSD are typically undertaken through collaboration with non-mainstream actors, bound together by a common vision of inclusion and solidarity. This extends to the people actually experiencing poverty and exclusion, so their incorporation into the process of social innovation is vital. This also helps to prioritise the coordination and integration of initiatives, given that vulnerable people typically experience multiple deprivation challenges that single sector or actor interventions can often exacerbate rather than ameliorate. Success is thus often cross-sector and cross-actor, bottom-up, small scale and highly local and contextualised, at least initially, and works closely with the target beneficiaries to increase their capacity and knowledge about their own needs and how they can 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 and organisations, but also within the community itself to raise their own awareness in order to take collective action.

In many PRSD social innovations, the key actors are civil organisations which are typically more trusted by the poor and vulnerable as they have greater local knowledge and are more nimble -- they act, in effect, as 'trusted third

parties'. This typically seems to work well given they are seen as not having their own commercial or political interests and are thus better able to be neutral mediators. For example, in the context of community capacity building focused on basic education, gender empowerment and employment in northern rural Ghana, a local NGO partially supported by Danish development funding, has successfully managed to mediate and coordinate appropriate all-round solutions by combining the efforts and resources from a range of actors. These include both central and local governments, trades unions, local micro-enterprises, radio and TV outlets, village chiefs and councils, as well as international donors and experts.

The biggest barriers to successful social innovation tackling poverty include the acute lack of people with the relevant knowledge and expertise, knowledge and finance. This means that basic questions need to be asked about how social needs and issues are articulated. For example, on the one hand, the poor typically find themselves in a condition of overall relative powerlessness, whilst on the other hand the poor -- and especially the communities in which they live -- possess huge potential, resilience and latent ability to be a big part of their own solution. In turn, this will often mean there should be less focus just on 'problem solving' and much more on the opportunities open to the poor in their specific context, so that awareness raising, advocacy and mobilisation of the poor people and their communities, as much as possible through their own efforts, is critical. From the perspective of governments, funders and civil organisations, this implies that a coordinated approach is needed which cuts across administrative silos and links together a range of complementary actors depending on the specific requirements of each initiative. Given that poverty both results from, as well as itself causes, multiple deprivation across a range of issues, this is a fundamental issue. Although PRSD social innovation focuses strongly on the short-term more local and often pressing social needs of the poor and marginalised and that this is clearly important, it often does so at the expense of the longer term more systematic changes needed in society which might alleviate these social needs in the first place. Many of the PRSD social innovation initiatives studied are, in essence, concerned only to meet immediate social needs by increasing the agency and empowerment of beneficiaries, without recognising that typically these are merely the symptoms of more structural root causes, which are hardly considered let alone addressed.

The overall conclusion is that social innovation is already playing an important role in meeting the needs of those in poverty, but the impact could be much greater. For example, although the international development community often deploys social innovation methods, they rarely recognise social innovation as a distinctive and coherent approach.

Research recommendations

The main barriers to PRSD social innovation documented, i.e. the lack of suitable people and knowledge and lack of finance, mean that these two issues need particular research attention. It is also clear that successful initiatives can readily grow in situ under a variety of conditions. However, it tends to be more difficult to transfer good basic ideas and practices to other organisations elsewhere, even in the near proximity, and that this gets even harder as the geographical distance increases given that contextual conditions become increasingly alien. Research should make greater efforts to attempt to identify ambitious but also operational 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.

Research into a better 'business model' for PRSD social innovation is needed, perhaps based upon a hybrid approach, termed here the 'Living Ecosystem Business Model'. It is labelled a 'living ecosystem' to stress the dynamic interrelationships between elements and their mutual interdependencies. It also attempts to incorporate the idea of flows through the system as well as feedback loops and iterations in the same way as found in living systems, but which the traditional 'business model canvas' fails to do.

More research is also needed into the mechanisms of social change and the agency-structure dichotomy. Although PRSD social innovation focuses strongly on the short-term more local and often pressing social needs of the poor and marginalised and that this is clearly important, it often does so at the expense of the longer term more systematic changes needed in society which might alleviate these social needs in the first place. Many of the PRSD social innovation initiatives studied are, in essence, concerned only to meet immediate social needs without recognising that typically these are merely the symptoms of more structural root causes, which are hardly considered let alone addressed. Research should also be undertaken into the mechanisms of social change examined and, in particular, whether the three groups recognised in PRSD social innovations (input and process; drivers; and outcome and

structural mechanisms) should also be the subject of further research, including whether it is useful to align these with the agency-structure dichotomy.

Policy recommendations

A summary of the main policy recommendations arising from the analysis of PRSD social innovations is as follows.

- 1) First, there are different types of policy needs for different social needs, contexts, scales and actors related to, for example:
 - Recognising the duality and interrelationships between structure, on the one hand, and agency/advocacy, on the other, and how to provide support for both.
 - Project stage: For example: 1) immediate humanitarian, crisis or relief (including disaster response); 2) addressing basic needs like social inclusion and employment; 3) addressing more longer term needs like education and health, etc.
 - Enabling, permissive policy, on the one hand, compared to active, interventionist policy, on the other. For example, civil society organisations often only need an enabling policy environment in the first stage, such as not setting up barriers or roadblocks like legal constraints barring them from delivering services (providing they are good quality and not exploitative). But in the second stage if they wish to scale, an active policy approach should attempt to directly support social innovation through, for example, funding, setting up support structures and networks, the public sector getting actively involved as partners, directly addressing the lack of suitable people, knowledge, finance, etc.
- 2) Related to this, policy is needed to support the development trajectory of a typical social innovation initiative, for example:
 - i) start with envisioning and describing desired outcomes, either derived directly from a perceived/experienced societal need or challenge, or derived directly from existing capacities and desires about beneficiary wishes
 - ii) use social innovation to develop beneficiary agency to achieve the outcomes in i)
 - iii) do this within the existing structural context
 - iv) then attempt to change the structure and further develop agency to maximise the outcomes both for the initiative itself as well as for other (similar) initiatives.
- 3) There is a need for joined-up policy given that poverty consists typically of multi-deprivation requiring multi-disciplinary solutions, i.e. all-round approaches addressing the whole human being with dignity and respect, e.g. using the nexus approach which recognises policy links, synergies and trade-offs.
- 4) There is a need for policies that do not dictate the process of social innovation, but instead aim at specific outcomes/impacts and open up for process innovation to find the most appropriate solutions (in the specific context), as long as these processes remain ethical, transparent, not exploitative, not criminal, etc.
- 5) Recognise and support the special role of civil society organisations as 'trusted third parties' which can link others actors across silos and sectors. This typically seems to work well given that these organisations are seen as not having their own commercial or political interests and are thus better able to be neutral mediators.
- 6) Align social innovation policy directly to welfare policies as well as policies for social protection, social impact investment and the currently developing re-vamp of the 'Social Europe' strategy.
- 7) Encourage policies, support systems, etc., that directly incorporate ethnographic and anthropological approaches into social innovation for poverty reduction and sustainable development, including the power of story-telling and appreciative enquiry.

- 8) Policies at the local, municipality and city levels often have most impact, as they are close to the beneficiaries and know the actual contextual situation.
- 9) Monitoring and evaluation for social innovation itself need innovation. For example, in addition to existing logic methods, social value impact assessment, etc., new methods are required by policy makers (as well as social innovators) such as Theory of Change, appreciative enquiry, outcome harvesting, key lines of enquiry, etc., all of which are used successfully by the development community.
- 10) Specific social policies and programmes should be developed by the United Nations, the World Bank, World Economic Forum, the OECD, International Monetary Fund, and other relevant international organisations (e.g. at regional level like the African Union, African Development Bank, etc., etc.). These international organisations often use social innovation methods and approaches but rarely use this term and are thereby potentially missing the potential synergies with, and additional insights of, the global social innovation community.

2 INTRODUCTION

2.1 BACKGROUND

In the era of the post-2008 global financial crisis, the switch from the UN's Millennium Development Goals in 2015 to the 2030 Sustainable Development Goals, the Paris Climate Change Agreement made in December 2015, and increasing concerns about global inequality, prosperity, political stability and security, poverty reduction and all-round sustainable development have risen to the top of the agenda both in Europe and around the world. Many of these societal challenges arise from so-called 'wicked' problems, i.e. very complex and intertwined challenges which require the combination of highly differentiated types of knowledge and expertise, collaboration between multiple actors and an openness to new ideas and approaches. It is in such a space that social innovation has in recent years been recognised and able to thrive given its typically good innate match with such requirements. Many such 'wicked' problems appear to be shared across most parts of the world, which is clearly one result of increasing globalisation:

- Climate change and related concerns like reductions in bio-diversity and increasingly severe weather events. Increasing scarcity of especially physical resources as well as energy stresses related to the need to shift both physical and political/institutional infrastructures away from carbon-based energy to renewable energy.
- Dramatically increasing inequalities especially within countries, also related to gender and minorities, despite the significant reduction in absolute poverty over the last 10-15 years and overall less inequality between countries.
- Food, water and nutrition insecurity largely the result, not of overall shortages, but of huge distributional imbalances also related to significant market failures.
- Labour market, employment and skills challenges, due not least to the dramatic industrial and economic changes resulting, first, from the 2007-8 financial crisis and, second, presaged today by the so-called fourth industrial revolution with new technologies like artificial intelligence and robotics.
- Rapidly changing demographics, including continued population growth in most so-called developing countries, ageing and population shrinkage in others, the strongest migration pressures since 1945, gender and minority issues, and burgeoning urbanisation.
- An apparent upsurge in crime, violence, conflict and war, largely due to many of the above 'wicked' problems, although the medium and long-term trends shows them decreasing. What has certainly changed, however, is the use of new technology in this context as well as increases in related political and security concerns.

- Many governments and existing societal institutions at all levels in so-called developing countries are struggling to cope with the above, whilst in a wide range of countries there are failures in specific institutions, as well both dysfunctional and fully failing states. There is also rampant mistrust by entire societies in institutional capacities and willingness to reform.

It is also increasingly accepted that governments and policy-makers alone do not have a monopoly on the resources and insights needed to tackle these wicked problems on their own. They need to work closely with all other actors in the so-called quadruple helix, i.e. in addition to government, also the private sector, the education and research community and civil society, each of which can be a significant source of innovation. Government is, however, not reduced to being just one actor amongst many, but needs to retain a distinctive role given it is the only actor that represents all interests across society and must therefore act as arbiter, coordinator and final regulator of laws, standards and ethics. There is also increasing recognition that there is a fifth actor that can contribute significant innovation, albeit one without conscious agency, i.e. nature itself and the lessons it can provide both to how society functions as well as to technology and science, thereby making up the quintuple helix¹.

Both in Europe and globally, the concept of social innovation is becoming increasingly evident in policy, scientific and public debates. There is a growing consensus among practitioners, policy makers, the research community and others that widespread social innovation is required to cope with the significant challenges that societies are facing now and in the future. The EU funded project SI-DRIVE (www.si-drive.eu) contributes to a comprehensive understanding of how social innovations occur and under which conditions they flourish and lead to social change. One of the key objectives is to determine the nature, characteristics and impacts of social innovation and to identify its success factors, drivers and barriers in seven policy areas: in addition to poverty reduction and sustainable development, also education and lifelong learning; employment; environment; energy supply; transport and mobility; and health and social care.

Analysing the relations between social innovation and social change, the main focus of the poverty reduction and sustainable development policy field is on tackling poverty, inequality, marginalisation and vulnerability. It also recognises that a broad approach is needed to the 2030 Sustainable Development Goals as defined by the UN and adopted by almost all countries around the world including in Europe. SI-DRIVE undertakes research on these issues by analysing social innovations which contribute to new solutions within and beyond existing systems and mindsets, thereby helping to promote beneficial social change.

This summary report synthesises some of the main work of SI-DRIVE since January 2014 on poverty reduction and sustainable development, drawing *inter alia* on:

- Millard, J. 2014. Development theory, chapter 3 in *Theoretical approaches to social innovation: a critical literature review*, D1.4, SI-DRIVE: www.si-drive.eu
- Millard J, *et al* (2015) Social innovation for poverty reduction and sustainable development: some governance and policy perspectives, Proceedings 9th International Conference on the Theory and Practice of Electronic Governance, the ACM Press.
- SI-DRIVE Deliverable D10.3: Social innovation in poverty reduction and sustainable develop: case study results: www.si-drive.eu.
- SI-DRIVE Policy brief on poverty reduction and sustainable development, May 2017: www.si-drive.eu.

Apart from this introduction and chapter 3 on the global and European context, this summary report is structured by the main research questions derived from the five key dimensions of SI-DRIVE:

1. What is the landscape of poverty reduction and sustainable development (hereinafter PRSD) and the societal needs addressed? (chapter 4)
2. Which kinds of concepts and understanding underpin social innovations in PRSD? (chapter 5)

¹ Carayannis, E. G., Barth, T. D., & Campbell, D. F. (2012). The Quintuple Helix innovation model: global warming as a challenge and driver for innovation. *Journal of Innovation and Entrepreneurship*, 1(1), 2. Retrieved from <http://www.innovation-entrepreneurship.com/content/1/1/2>

3. What resources, capabilities and constraints drive or hinder social innovations? (chapter 6)
4. What is the structure of actor-networks and governance in social innovation processes? (chapter 7)
5. How do the process dynamics of social innovations operate in PRSD? (chapter 8)

In addition, there are two final chapters:

- What are the development paths and mechanisms of social change involved in PRSD social innovations (chapter 9)
- Conclusions and recommendations for the future (chapter 10).

2.2 SI-DRIVE: THE PROJECT

SI-DRIVE extends knowledge about social innovation in three major directions:

- Integrating theories and research methodologies to advance the understanding of social innovation, leading to a comprehensive new paradigm of innovation.
- Undertaking European and global mapping of social innovation, thereby addressing different social, economic, cultural and historical contexts in eight major world regions.
- Ensuring relevance for policy makers and practitioners through in-depth analyses and case studies in seven policy fields, with cross European and world region comparisons, foresight and policy round tables.

Based on these three pillars, SI-DRIVE contributes to a deeper understanding of social innovations. Based on a comprehensive definition of social innovation and a theoretical framework for understanding social innovations, empirical knowledge generated through global mapping and case studies has contributed to understanding the role of social innovations for transformative changes in poverty reduction and sustainable development, in terms of theory, policy and practice.

SI-DRIVE's empirical findings based on the theoretical framework are summarised and have been disseminated to various poverty reduction and sustainable development communities with the aim of discussing relevant findings and outcomes, stressing the focus on the importance of social innovations for transformative change. One main aspect is to learn from both European and non-European countries regarding pioneer models of social innovation in support of poverty reduction and sustainable development globally. Social innovations in specific practice fields (combining different social innovation projects and initiatives) have been analysed regarding their contribution in addressing the societal challenges related to poverty reduction and sustainable development. The aim is to better understand and analyse the intentional trends and possible impacts on social change in this policy field.

2.3 THEORETICAL FRAMEWORK

Social Innovation is a ubiquitous phenomenon, characterised by a high variety, diversity and plurality of concepts and understanding. Therefore the SI-DRIVE approach goes far beyond the concepts of social entrepreneurship as the erstwhile focus that tended to exclude other key aspects, including the potential of a comprehensive concept of social innovation and its relationship to social change. (Howaldt, Kaletka, and Schröder 2017, p. 108).²

² "What is needed is a differentiated perspective of the role of social entrepreneurs within the different phases of the social innovation process and the cross-sector collaboration with actors from the different societal sectors (private, public, universities, and civil society)." (Howaldt, Kaletka, and Schröder, 2017: 95).

SI-DRIVE has elaborated the building blocks for a theory of social innovation by integrating existing theories and research methodologies to advance our understanding. This leads to a comprehensive new paradigm of innovation. The starting point for the development of such a theoretical framework was a review of existing theories relevant for social innovation and the relationship of social innovation to social change (Howaldt et al 2014), as shown in *Figure 1*.

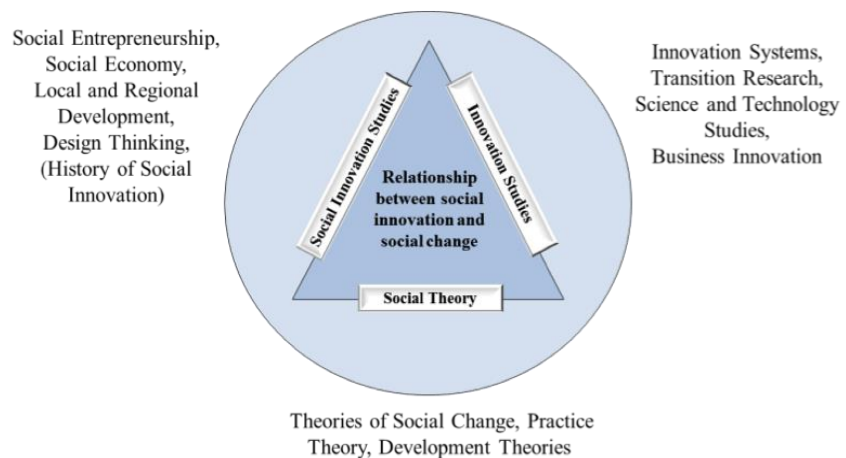


Figure 1: Building blocks towards a theory of social innovation

Social theory, innovation studies and social innovation studies form the three building blocks (including the main approaches of each block) for developing a social innovation theory, and the relationship of social innovation to social change (see Figure 2). Based on this critical literature review of existing theories, Howaldt et al. (2016) developed a theoretical framework for the empirical mapping of social innovations based mainly on four pillars: (1) a comprehensive definition of social innovation, (2) practice fields combining similar initiatives, (3) five key dimensions and (4) mechanisms of social change.

The comprehensive definition of social innovation focuses on “*new social practices* defined as a new combination or new configuration of social practices in certain areas of action or social contexts, prompted by certain actors or constellations of actors in an intentional targeted manner with the goal of better satisfying or answering needs and problems than is possible on the basis of established practices; at the end socially accepted and diffused (partly or widely) throughout society or in certain societal sub-areas, and finally established and institutionalised as social practices. ...This working definition also foresees that, depending on the circumstances of social change, interests, policies and power, successfully implemented social innovations may be transformed, established in a wider societal context and ultimately institutionalised as regular social practice or made routine” (Howaldt et al., 2016: 4f).

Based on this definition SI-DRIVE differentiates between the macro level of policy fields and the meso level levels of practice fields, and related projects/initiatives (micro level):

- practice field is a general type or ‘summary’ of projects and expresses general characteristics common to different projects (e.g. micro-credit systems, car sharing).
- project/initiative is a single and concrete implementation of a solution to respond to social demands, societal challenges or systemic change (e.g. Muhammed Yunus’ Grameen Bank which lends micro-credits to poor farmers for improving their economic condition, different car sharing projects or activities at the regional-local level).

The main theoretical frame for mapping and analysing social innovation cases is the operationalisation of the comprehensive definition of social innovation through **five key dimensions**., as shown in *Figure 2*.

1. Addressed social demands and societal challenges
2. Concepts and understanding (analytical concepts like social practice)
3. Resources, capabilities and constraints including capacity building, empowerment and conflicts
4. Governance, networking and actors (functions, roles and sectors) for social change and development
5. Different phases of the process dynamics (mainly: mechanisms of diffusion: imitation, social learning; relationship to social change).

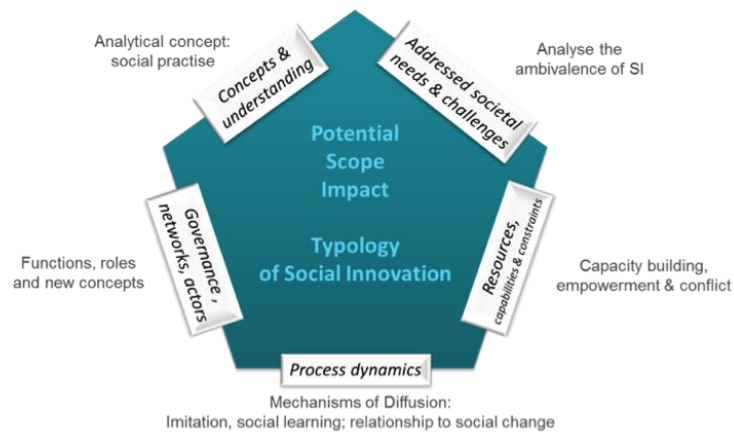


Figure 2: Five key dimensions of social innovation

In a fourth perspective the processes of social innovations are characterised by **mechanisms of social change** (Howaldt and Schwarz, 2016: 59f, based on Wilterdink, 2014): learning, variation, selection, conflict, competition, cooperation, tension and adaption, diffusion, planning and institutionalisation of change. To illustrate some of these mechanisms in the poverty reduction and sustainable development policy field, they have been found to fit into three groups:

- Input and process mechanisms -- these consist of the inputs and basic processes social innovation needs to effect social change: learning, variation and selection
- Driver mechanisms -- these consist of the drivers social innovation needs to effect social change: conflict, competition, cooperation and tension
- Outcome and structural mechanisms -- these consist of the outcomes social innovation needs to effect social change: diffusion, complementary innovation, planning and institutional change

2.4 METHODOLOGY AND EMPIRICAL APPROACH

SI-DRIVE aims to undertake a comprehensive and systematic analysis, focusing on the main societal challenges reflected by different policy fields and mapping social innovations all over the world. The methodology developed combines qualitative and quantitative research fulfilling the gaps and constraints of each methodology in a complementary and interrelated way. In support of the qualitative research of more than 80 in-depth-case studies, SI-DRIVE also conducted - for the first time - a quantitative mapping of more than 1,000 social innovation cases from around the world.

The SI-DRIVE methodology³ is constructed as an iterative research process characterised by two empirical phases based on and feeding the three central research pillars of SI-DRIVE: theory, methodology and policy. Starting with an initial theoretical, methodological and policy and foresight framework, empirical Phase 1 lead to the global mapping of social innovation as a comparative analysis of 1,005 cases worldwide, seven policy field reports, global regional reports, external database screening, and eight first policy and foresight workshops. These results led to the improvement of the three pillars and laid the ground for the second empirical phase: the in-depth case studies in each of the seven policy fields of SI-DRIVE, and the second round of policy and foresight workshops. Finally, the results of both empirical phases are summarised in each of the policy fields as well as across all, contributing to the final theoretical framework, the methodology and the policy and foresight recommendations of SI-DRIVE.

³ A detailed description can be found in Howaldt et al. 2016, chapter 3.

Thus, the chosen triangulation and combination of quantitative and qualitative methods also has a sequential aspect. While the quantitative approach is more appropriate for the analysis of 1,005 mapped social innovation cases, the qualitative methodology is more relevant for the 82 in-depth case studies (based on the quantitative and qualitative analysis of the first empirical phase), as illustrated in *Figure 3*.

Iterative Process: Two Empirical Phases Based on and Feeding Theory – Methodology – Policy Development

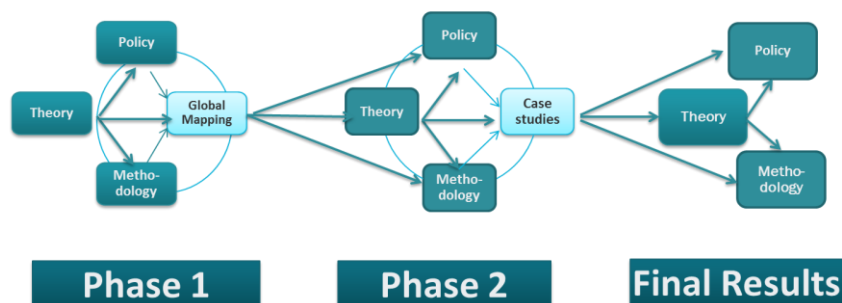


Figure 3: Continuously updated research cycle

While the focus of the global mapping has been on exploring the multifaceted world of social innovation, the focus of the subsequent qualitative research was on the dynamic interrelation between social innovations, the practice fields and various mechanisms of social change. These were related to the five key dimensions of SI-DRIVE (Figure 2) to which the case studies further explored in particular the governance, networks and actor dimension, as well as process dynamics. The latter also examined the factors of success (and failure) and considered the mechanisms and degree of social change, diffusion in society, the degree of institutionalisation, and the importance of the practice field and initiatives for everyday life and local communities.

Based on the global mapping of 1,005 social innovation initiatives all over the world, 82 case studies were selected from the database (with some additional cases of high recent relevance) for in-depth and additional qualitative study. The cases were selected based on the theoretical framework, the results of the global mapping and the partners' knowledge and experience. In addition to practical and logistics issues, like access to and willingness of the initiatives to participate, the overall geographic spread was also taken into account. The (strategic) relevance of the practice fields, the representativeness of a single given case for a given practice field in terms of social demands, as well as their stage of development (cases that were already in the implementation and/or impact phase being preferred) were additional selection criteria.⁴

3 THE CONTEXT OF 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 (hereinafter PRSD). A recent comprehensive account published by SI-DRIVE 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.⁵ 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 globalisation. 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

⁴ Detailed information about the case study methodology and selection could be found in Schröder/Kuschmierz 2016, chapter 1.

⁵ Millard, J. 2014. Development theory, chapter 3 in *Theoretical approaches to social innovation: a critical literature review*, SI-DRIVE, a research project funded by the European Commission's Seventh Framework Programme: www.si-drive.eu

of future generations to meet their own needs”.⁶ This summary report focuses both on the global and the European context of social innovation for PRSD, based upon the approach of, and evidence derived mainly from, SI-DRIVE but also from preceding desk research.

3.1 GLOBAL CONTEXT

According to UNESCO⁷, 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 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 recognise 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.⁸ 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 unsustainable¹⁰. A typical way to visualize the three dimensions is shown in *Figure 4*. In September 2000, world leaders adopted the United Nations Millennium Declaration¹¹, 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.

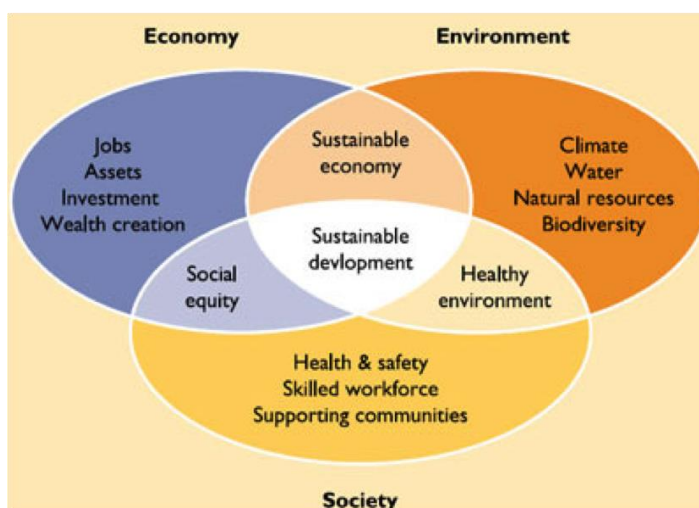


Figure 4: The three dimensions of sustainable development

⁶ Brundtland Commission Report. 1987. Our common future: report of the World Commission on Environment and Development, United Nations, New York.

⁷ <http://www.unesco.org/new/en/social-and-human-sciences/themes/international-migration/glossary/poverty> (Accessed 16-11-14).

⁸ <http://www.unesco.org/new/en/social-and-human-sciences/themes/international-migration/glossary/poverty> (Accessed 16-11-14).

⁹ Sachs, J. D. 2005. *The End of Poverty: Economic Possibilities for Our Time*. New York. The Penguin Press; and Ravallion, M. Chen S. & Sangraula P. 2009 *Dollar a day* The World Bank Economic Review, 23, 2, 2009, pp. 163-184.

¹⁰ <http://www.un.org/en/ga/president/65/issues/sustdev.shtml> (Accessed 16-11-14).

¹¹ United Nations (2000) "United Nations Millennium Declaration 2000: <http://www.un.org/millennium/declaration/ares552e.htm>

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.¹²

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%.”¹³ 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.¹⁴ 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 habitation¹⁵. 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.¹⁶

3.2 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.¹⁷ 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 marginalised 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 emphasise 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 marginalised, 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 environments¹⁸.

¹² United Nations. 2015. *The Millennium Development Goals Report*, United Nations new York, 2015.

¹³ United Nations. 2013. *A new global partnership: eradicate poverty and transform economies through sustainable development: The Report of the High-Level Panel of Eminent Persons on the Post-2015 Development Agenda*, United Nations Publications, New York.

¹⁴ IMF (International Monetary Fund). 2014. *Redistribution, Inequality, and Growth*, IMF Staff Discussion Note, February 2014.

¹⁵ <https://sustainabledevelopment.un.org/topics/sustainabledevelopmentgoals>

¹⁶ United Nations (2013) “Governance, public administration and information technology for post-2015 development”, discussion and findings of the Expert Group Meeting in Geneva, July 2013: http://workspace.unpan.org/sites/Internet/Documents/Governance_PA_Report.pdf

¹⁷ <http://www.poverty.org.uk/summary/eapn.shtml> (Accessed 16-11-14).

¹⁸ <http://www.poverty.org.uk/summary/eapn.shtml> (Accessed 16-11-14).

Within the EU, poverty is normally measured by using relative income poverty based on the average or median equivalised 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 Exclusion¹⁹ was launched as one of seven flagship initiatives comprising the Europe 2020 strategy²⁰. 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.”²¹

The fight against poverty and social exclusion is at the heart of the Europe 2020 strategy for smart, sustainable and inclusive growth²². 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 people experiencing poverty was for the first time explicitly acknowledged as a catalyst for inclusion strategies.

4 THE LANDSCAPE OF THE PRSD POLICY FIELD AND SOCIETAL NEEDS ADDRESSED

This chapter summarises how the poverty reduction and sustainable development (hereinafter termed PRSD) policy field and its constituent practice fields is defined and characterised, and provides an overview of which social demands, societal challenges and systemic changes are addressed.

4.1 DEFINING THE POVERTY REDUCTION AND SUSTAINABLE DEVELOPMENT POLICY FIELD

The definition of the PRSD policy field is derived from two steps. First, by ascertaining whether the target group beneficiaries are in poverty as defined above, and/or suffer from serious deprivation experienced by people resulting from income and/or other material scarcity leading to various forms of exclusion, vulnerability or marginalisation. Second, sustainable development outcomes and impacts are examined 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 at the same time:

- **Economic:** such as financial security, financial 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 as well as capabilities and capacities.
- **Environmental:** the human constructed environment such as habitation, infrastructures, food, utilities, facilities and amenities, as well as the natural environment related to for example land and water reclamation, pollution, climate change, and bio-diversity.

¹⁹ <http://ec.europa.eu/social/main.jsp?catId=961> (Accessed 16-11-14).

²⁰ http://ec.europa.eu/europe2020/index_en.htm (Accessed 16-11-14).

²¹ <http://www.eesc.europa.eu/resources/docs/jean-claude-juncker---political-guidelines.pdf>. (Accessed 16-11-14).

²² http://ec.europa.eu/europe2020/index_en.htm (Accessed 16-11-14).

- **Cross-cutting:** given that most poor and marginalised 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.

Once the PRSD policy field is defined, the PRSD practice fields, as groups of similar projects/initiatives, are derived. This is done, first, by agreeing with partners a long list of the social needs which social innovations for PRSD in their countries and regions might address, and then using this to map actual initiatives, policies, etc. Subsequently, the second step analysed the results of this mapping to determine its fit and relevance, resulting in a smaller number of refined and empirically based practice fields. The resulting naming and distribution of practice fields is shown in *Figure 5*, as are the most common social innovation practices for PRSD that reflect the focus on poor and vulnerable people. The results show that income support in the form, for example, of micro-financing and financial safety nets, as well as community development and capacity building, are the two most common practice fields. Also important are creating and finding jobs and housing, supporting families and children, combatting inadequate nutrition and hunger, focusing on cross sectoral support (such as coordinating between diverse actors and institutions), and supporting women.

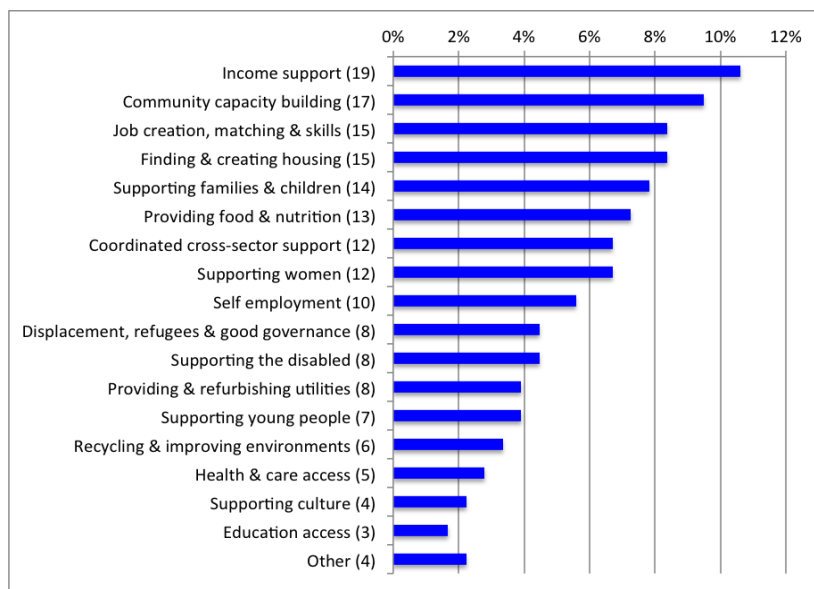


Figure 5: Distribution of PRSD cases across empirically derived practice fields (n=179)

The distribution of the PRSD cases across world regions is shown in *Figure 6* where a comparison is also made with non-PRSD cases.

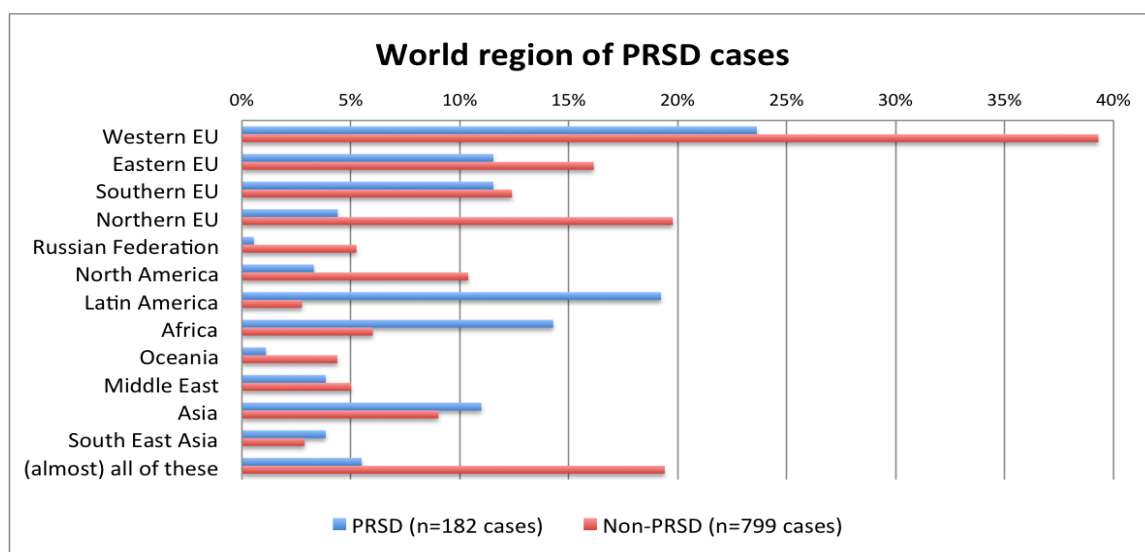


Figure 6: Distribution of PRSD cases across world regions

As *Figure 6* clearly shows, PRSD cases are significantly more representative of global social innovations, especially in

the so-called developed and emerging economies, with non-PRSD demonstrating more focus on Europe and the more developed regions of the world. To some extent this is a result of the location of SI-DRIVE partners and their differential work across the project's seven policy fields, with non-European partners more likely to be contributing to the PRSD policy field. However, this is also probably because, given the nature of PRSD social innovations, developing and emerging economy countries are more likely to feature than other countries. The thirteen cases selected for in-depth analysis, as listed in *Table 1*, also reflect this point.

Table 1: PRSD policy field case study selection

Practice Field	Partner	Case ID	Case name	Country
Income support	CEPAL	834	Strengthening Popular Finances (SPF)	Ecuador
	ZIU	627	Self-relieved Production (SRP)	China
	HELIO	1558	Yomken - 'It's possible'(Yomken)	Arab countries
	UCT	1167	One Acre Fund (OAF)	East Africa
Community capacity building	HELIO	1584	SEKEM Development Foundation' (SEKEM)	Egypt
	ITU	718	Kavar Basin Rural Development (Kavar)	Turkey
	SOMOS	1563	AgroSolidarity (AgroSolidarity)	Colombia
	TATA	653	Dignity & Designs (Jan Sahas) (D&D)	India
	UBRUN	1468	School for Life (SfL)	Ghana
Displacement & refugees	LAMA	1681	Scattered hospitality (SH)	Italy
	SIL	1317	Taste of Home (ToH)	Croatia
	SOMOS	1583	Learning Circles for change and innovation in displacement situations (LC)	Colombia
	UBRUN	363	La bagagerie Mains Libres (Luggage Handsfree) (LHF)	France

From the 179 PRSD cases in the global mapping 1 database, thirteen cases were selected for in-depth analysis in the global mapping stage 2 as shown in *Table 1*. The two most common practice fields are selected as these best represent the overall PRSD cases around the world: first, income support, and second, community capacity building. In addition, the practice field displacement, refugees and good governance, has also been selected as a high priority policy area recommended by the European Commission, given the urgency of research into this topic in light of the recent massive migration flows into Europe and the many challenges this throws up. The detailed case selection process of the thirteen cases from these practice fields is described in SI-DRIVE deliverable D10.3.

4.2 SOCIAL DEMANDS, SOCIETAL CHALLENGES AND SYSTEMIC CHANGES

The overall landscape of social innovation for PRSD shows that it overlaps with other types of innovation, like open innovation and frugal innovation, with the latter typically attempting to develop high quality products and services accessible to poor people at a price they can afford and in a form that suits their needs. Also increasingly important is using nature as a source of (social) innovation, such as in developing and emerging economies but also increasingly in Europe, as these are being shaped by environmental stress and climate change. This needs to be taken much more

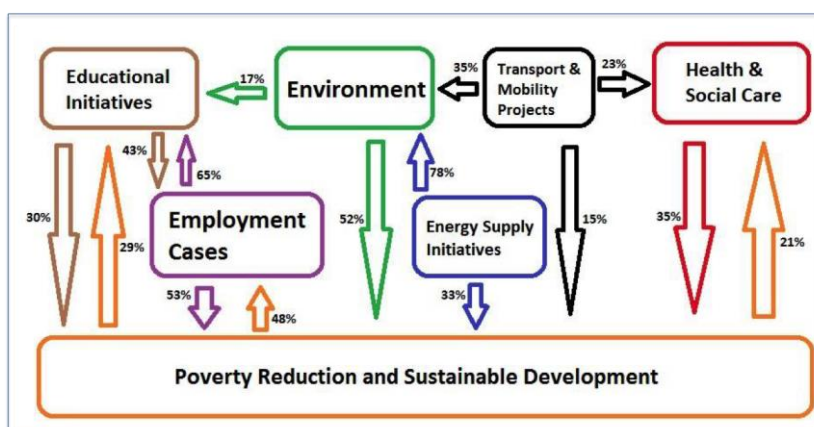


Figure 7: Interrelation of Policy Fields Addressed (%-values indicate the ranks 2 and 3 of the other policy field)²³

²³ From SI-DRIVE D1.4, p. 22.

seriously, including in topic areas that do not ostensibly focus on environmental issues. As shown in *Figure 7*, PRSD social innovation is par excellence the cross-cutting policy field given its strong overlap with all other SI-DRIVE policy fields.

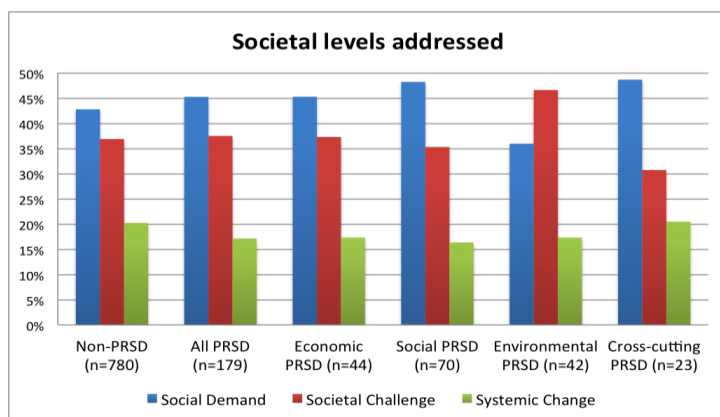


Figure 8: Societal levels addressed by PRSD social innovation

Social innovation for PRSD is also distinctive from the other policy fields with a somewhat distinctive pattern of societal levels²⁴ addressed, as illustrated in *Figure 8*. There is a tendency for PRSD to focus more strongly on the short term and local social demand that poor and marginalised people face, compared with non-PRSD social innovations. This is probably because their needs are typically more immediate and serious than those of the rest of the population. PRSD social innovations have a similar focus on the meso level societal challenges as for non-PRSD initiatives, but its short-term focus is at the expense of the longer term more macro need for systemic change.

Also shown in *Figure 8* is the breakdown of the total number of PRSD social innovations into four sub-groups reflecting the four dimensions of sustainable development introduced in section 4.1. Each sub-group includes a number of specific practice fields (as shown in *Figure 5*) where their main focus lies, as follows:

- **Economic:** job creation, matching and skills; income support; and self-employment.
- **Social:** community capacity building; supporting families and children, women, young people and the disabled; supporting culture; education access; and health and care access.
- **Environmental:** recycling and improving environments; providing and refurbishing utilities; finding and creating housing; and providing food and nutrition.
- **Cross-cutting:** coordinated cross-sector support; displacement, refugees and good governance; and other (i.e. broad) types.

In addition to comparisons between all PRSD cases and all non-PRSD cases in the rest of this summary report, these four sub-groups will also be used to add important nuance to the analysis. In the case of the societal levels addressed as shown in *Figure 8*, it is clear that the generally greater focus of all PRSD cases on social need and less emphasis on systemic change, that the environmental group of cases goes against this trend. To compensate, the environmental cases also have a much stronger focus on societal challenges at the meso level, which perhaps reflects the likelihood that environmental initiatives need to be undertaken at the societal rather than the individual and community level if they are to be successful.

5 CONCEPTS AND UNDERSTANDING

Concepts and understanding are delineated by several characteristics, including the main societal sectors and actors involved, the cross-cutting themes in focus and by the types of innovation deployed.

²⁴ The three societal levels are: 1) social demand (micro) tackling the immediate challenges of individuals and communities normally at a small scale; 2) societal challenges (meso) tackling challenges across society as a whole; 3) systemic change (macro) tackling challenges by changing the fundamentals of society. Derived from BEPA (Bureau of European Policy Advisers), 2010. Empowering people, driving change. Social innovation in the European Union. Luxembourg: Publications Office of the European Union, and from Hochgerner, J (2013) Social innovation: the novel creation, variation or new combination of social practices, in Carayannis, Elias G., ed., 2013: Encyclopedia of Creativity, Invention, Innovation, and Entrepreneurship. New York: Springer.

5.1 PARTNERS INVOLVED

There are clear differences between PRSD social innovation and other types, as illustrated in *Figure 9*. Both types depend on strong and significant tripartite participation and collaboration between the public, private and civil sectors. However, PRSD cases show that civil sector actors are the most prominent sector, particularly at the expenses of the private sector. In many PRSD social innovations, the key actors are civil organisations which are typically more trusted by the poor and marginalised as they have greater local knowledge and are more nimble -- they act, in effect, as 'trusted third parties'.

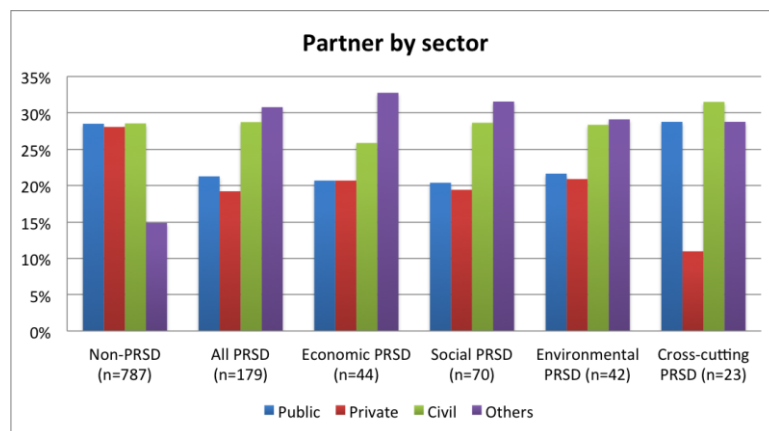


Figure 9: Partners types by sector

PRSD social innovations also tend to have a richer ecosystem of partners with a large number of 'other' actors, such as foundations, social enterprises, informal groups, social partnership institutions, schools, charities, religious groups, research and university institutions, cooperatives, networks and individuals. This may be explained by the tendency for PRSD social innovations to focus more on the near and the local than other types, and the fact that sometimes the poor and marginalised are not able for various reasons to act or represent themselves but might need the agency of intermediaries acting on their behalf. There is also a noteworthy difference between the cross-cutting sub-group and PRSD social innovations as a whole in that the former has the largest proportions of both civil and public partners than any other sub-group, and the lowest representation of the private sector. This sub-group has the task of knitting together the diverse sets of social needs which individual poor and marginalised people tend to have much more than others and, as noted above, civil organisations are very good at performing this role being more flexible as well as closest to the beneficiaries, and they typically need to do this in close cooperation with public sector entities. Commercial organisations on the other hand may be much less interested in playing such a complex and demanding role.

5.2 THEMES AND TYPES OF INNOVATION

The relative importance of the whole array of cross-cutting themes in focus by both PRSD and non-PRSD social innovations is displayed in *Figure 10*. This shows the overall similarities between both types as well as some important distinctions, such as the greater importance of both ICT and social media and human resources and knowledge in non-PRSD social innovations, but the lower focus on gender, equality and diversity issues. The ICT distinction is likely to be due to the fact that the PRSD sample of social innovations in SI-DRIVE is more heavily weighted towards the developing and emerging economies where such technology tends to be less available, of lower quality and higher cost. Poor and marginalised people in these countries are also less likely to have the necessary skills, know-how or resources to acquire and successfully use the technology. Similarly, the non-PRSD social innovations are probably more likely to emphasise human resources and knowledge because of the higher economic and performance value placed on these in tackling societal needs given the more sectorally specialised focus of the other six SI-DRIVE policy fields. The exception amongst the PRSD sub-groups is environment which, typically being more technically and scientifically demanding, also requires good human resources and knowledge.

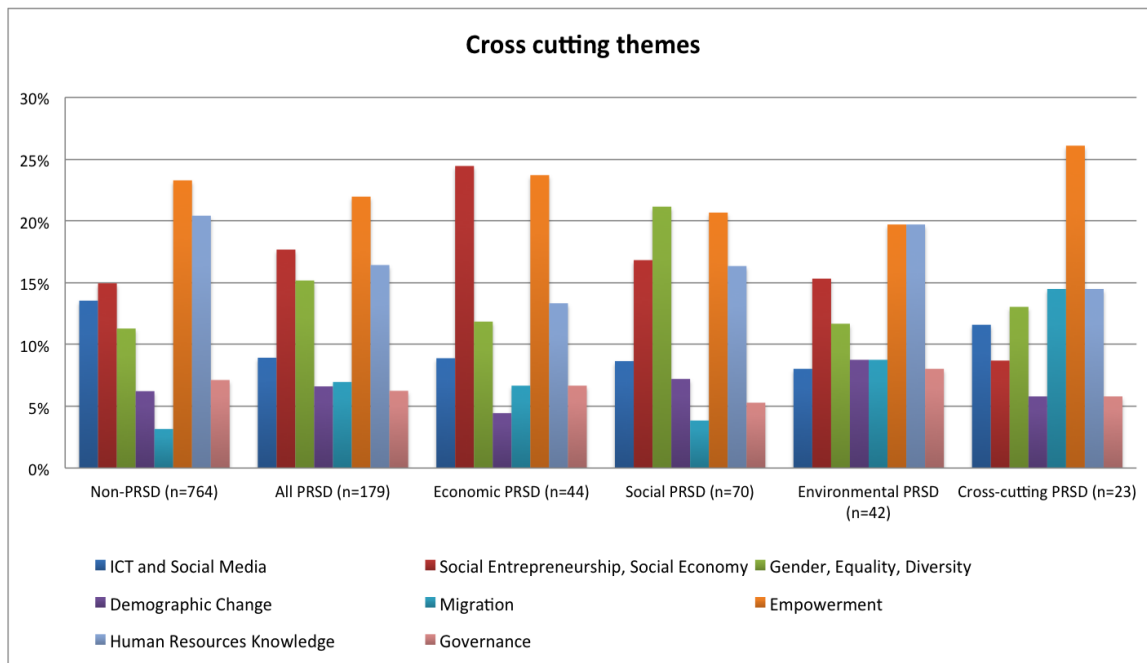


Figure 10: The cross-cutting themes of social innovation

In terms of gender, equality and diversity, it is clear that these issues are of generally higher relevance when poor and marginalised people are in focus compared to other population segments. Many sustainable development goals, for example, specifically target women and girls and aim to improve equality amongst highly diverse populations, given that this is the basis for social cohesion and well being, as demonstrated by the social PRSD sub-group of cases which emphasises these issues even more than others. Similarly the economic sub-group focuses more than any other on economic prosperity through social entrepreneurship and the social economy. Also of interest is that the cross-cutting sub-group has the strongest focus on the empowerment, perhaps because it aims to integrate across the range of multiple and interrelated needs that a given individual or group invariable has, rather than treating such needs as piecemeal and isolated as is often the case in other types of innovation. When successful, this is certainly an empowering outcome.

The sources and starting points of a social innovative are illustrated in Figure 11. This shows the highly significant importance of original rather than adopted innovations amongst PRSD cases as compared to non-PRSD cases. Perhaps the explanation lies in the fact that social innovations focusing on the poor and marginalised tend to be even more recent than other types, so there are fewer good practices to adopt. This may also be related to the fact, given the nature of the SI-DRIVE sample of cases, PRSD social innovations more often come from developing and emerging economies where such innovations are even more recent and where there are fewer mechanisms for identifying transferring and/or scaling innovations from elsewhere.

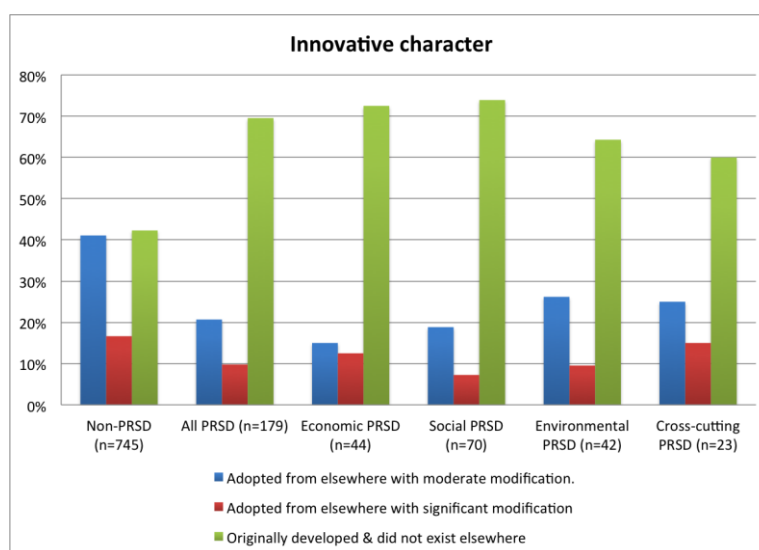


Figure 11: The innovative character of the social innovation.

Also of interest in **Figure 11** is that moderate rather than significant modifications when social innovations are adopted from elsewhere are consistently much more important. This is likely to be because such adoption is easier, quicker, less resource demanding and produces more rapid and predictable results, given the fact that other examples have already proved their worth. Amongst the PRSD sub-groups, the economic and the cross cutting cases are most likely to deploy significant modifications, although still less than moderate modifications. In the former case, this may be due to the highly different economic infrastructures in different localities which thus require more thorough modification of a good practice from elsewhere. With regards to the cross-cutting sub-group, there are fewer good practices to copy as such integrative approaches are both highly recent and much more difficult to implement, the latter perhaps demonstrated by the fact that this sub-group has the lowest incidence of successful original innovations than other PRSD types.

6 RESOURCES, CAPABILITIES AND CONSTRAINTS

This chapter summarises some of the main characteristics of the resources and capabilities deployed by both PRSD and non-PRSD social innovations in terms of people and budgets, as well as examining funding sources. It also looks at the drivers and barriers faced by social innovations.

6.1 PEOPLE AND FUNDS

The data in **Figure 12** shows the total numbers of different types of personnel (as opposed to organisations as shown for example in **Figure 9**) which directly support both PRSD and non-PRSD social innovations, reveal quite stark differences. Non-PRSD cases have a more overall balanced array of personnel between regularly paid employees, volunteers, others (such as in-kind direct support from the users and/or beneficiaries themselves, funders and researchers) and external advisers. Although there is a low proportion of the latter, it is still significantly higher than for PRSD social innovations. It might be argued that the other six SI-DRIVE policy field cases are more mainstream having generally been implemented earlier and more widely, as well as comprising more specialised and often professional cases.

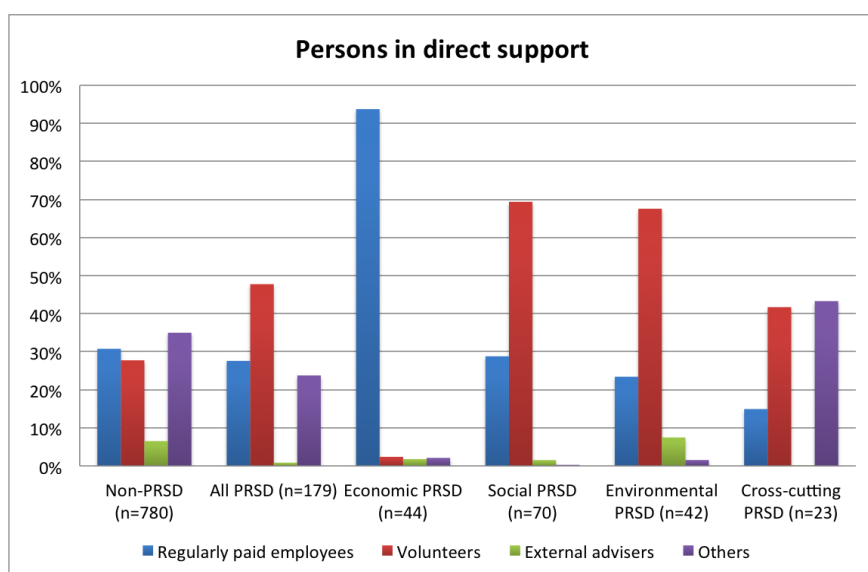


Figure 12: The number and types of persons directly supporting social innovations

In clear contrast, the PRSD cases show much greater variation, with even fewer external advisers but relying much more on volunteers, which can likely be explained by PRSD social innovations generally being less well established and professional as well as with higher representations from developing and emerging economies than non-PRSD initiatives. Moreover, this variation is compounded by even larger differences between the different PRSD sub-groups. Of high significance is the almost complete reliance of the economic sub-group on regularly paid employees, which is very likely the result

of the need for more professional personnel within a more demanding economic framework, than in the other sub-groups, subject to greater internal scrutiny as well as regulatory and external monitoring and supervision. Thus, in the

economic sub-group there are also very few volunteers, in stark contrast to the other three sub-groups which thereby better represent the set of PRSD social innovations overall. These three are themselves quite similar with a basic staff of regularly paid employees supported by two- to-three times the number of volunteers. However, the environmental group does deploy some external advisers, probably because it has some quite specialist requirements, Further, the cross-cutting sub-group uses a significant number of other personnel, probably in-kind direct support from the users and/or beneficiaries themselves who tend to get more directly involved in co-creating and running such initiatives given the need for these to be highly personalised around the unique integrated needs of an individual or a small group, as also seen in *Figure 23*.

The budget sizes of both PRSD and non-PRSD social innovation initiatives are indicated in *Figure 13*, and again depict clear contrasts between the two groups. As above, the non-PRSD cases display a much more balanced array of budget sizes, probably for similar reasons as above. However, perhaps also because the sample is much larger than for PRSD cases, although both are large enough for robust conclusions to be drawn, notwithstanding the methods used to take the samples (see also section 4.1). The typical non-PRSD case, apart from being quite balanced across the different

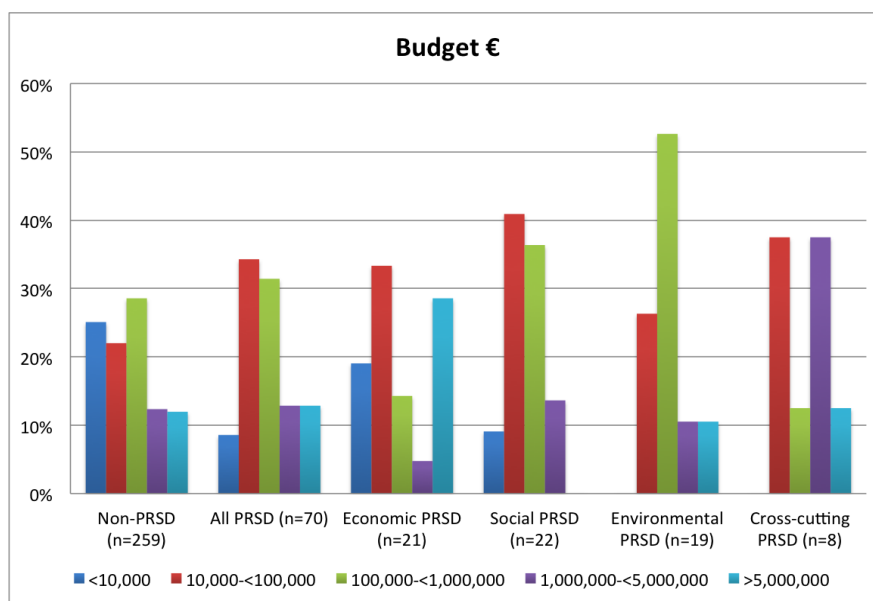


Figure 13: The size of the budget for social innovations

budget sizes, tends to have a bias towards the lower budgets, probably because social innovations overall do tend to be at the low budgetary end compared to other types of project funding, such as for technology or business innovations. In some contrast, the PRSD cases tend to exhibit a more bell-like normal curve structure which also, in fact, indicates a different type of balanced distribution in which both quite large and quite small budgets are less common than those around the mean. This might show that the PRSD sample is a good and fair one from amongst all the 1,005 social innovation cases collected by SI-DRIVE, a postulate probably supported by this sample's much greater geographic range than the non-PRSD cases alone.

Looking at the different PRSD sub-groups, it is clear again that there are very large differences between them. The economic sub-group resembles most the non-PRSD cases, perhaps given its more professional and specialist nature as already noted, whilst the cross-cutting sub-group cases exhibit no very small budgets, although a large proportion of small budgets, but much greater than average large and very large budgets. This may reflect the fact that the nature of the cross-cutting integrative and more holistic cases tend to be more comprehensive and complex requiring greater financial resources.

With regard to the sources of funding, *Figure 14* emphasises the wide array of sources drawn upon, as well as important differences between the different types of case. In both types of case, the most important funding sources are own and partner contributions, but national public, private company and private individual funding are also significant, as is the sale of products and services. In terms of comparisons between non-PRSD and PRSD social innovations, the former are more likely to draw on EU funding, probably simply because a higher proportion are based in Europe, whilst in contrast donor funding is significantly less given that donors focus much more on poverty and sustainable development in developing and emerging economies.

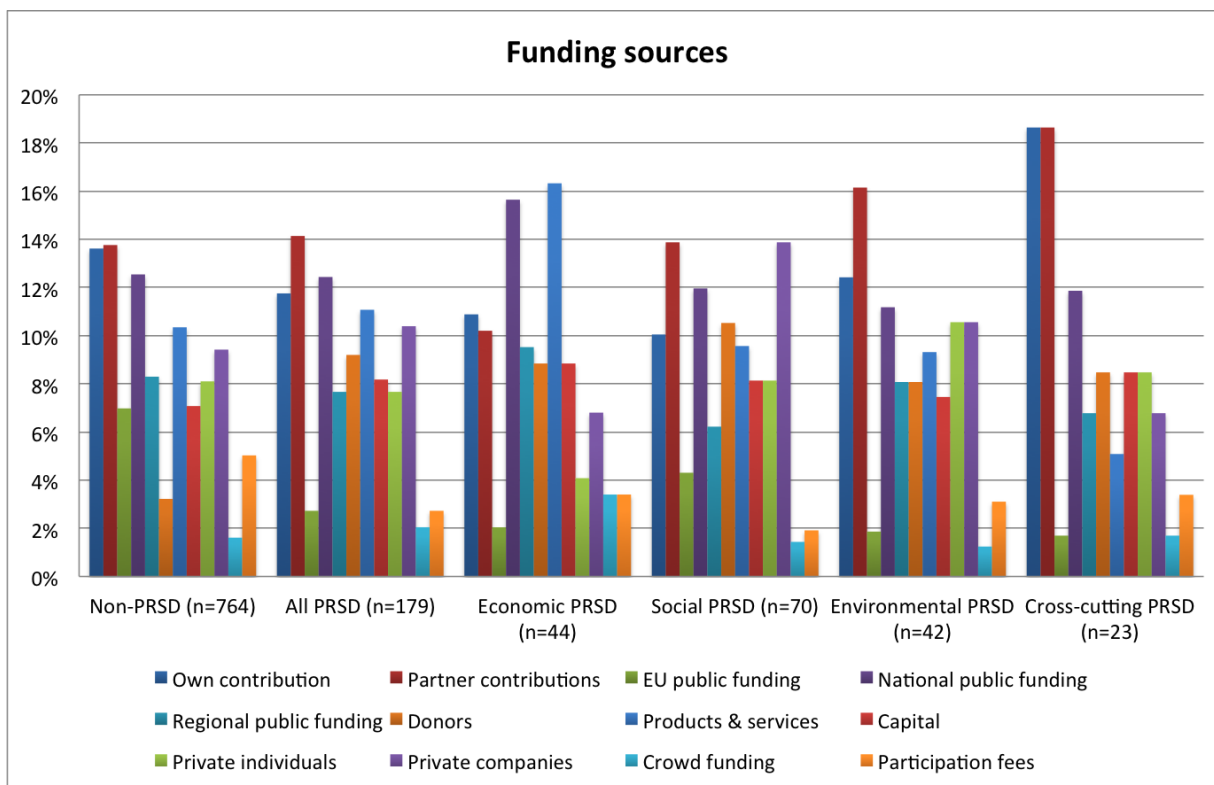


Figure 14: Sources of funding for social innovations

Examining differences between the PRSD sub-groups shows that economic cases have higher than average national funding as a secure source, as well as the sale of products and services, and are more likely to use crowdfunding, all of which could be expected. In contrast, social cases have relatively high private company funding, perhaps in the context of corporate social innovation which is becoming more common, whilst environmental cases have the highest proportion of private individual funding. This might possibly be because PRSD social innovations are more prone to individual small scale initiatives, including households generating their own energy and growing their own food, compared to the more mainstream non-PRSD environmental initiatives involving large innovations and relying less on bottom-up contributions. The cross-cutting sub-group is distinguished by being dominated by own and partner contributions, perhaps again reflecting the more personalised and integrative nature of such social innovations.

Funding sources are also displayed in Figure 15, but here some of the options are grouped and the data are displayed so as to emphasise the fact that most individual cases obtain funds from more than one source (i.e. the percentages sum to more than 100%, unlike in Figure 14 and all preceding figures). Figure 15 also examines only PRSD cases and distinguishes two contrasting large scale geographic regions, namely Europe on the one hand and the developing and emerging economies (DEE) on the other consisting of Asia, Africa LAC (Latin America and the Caribbean).

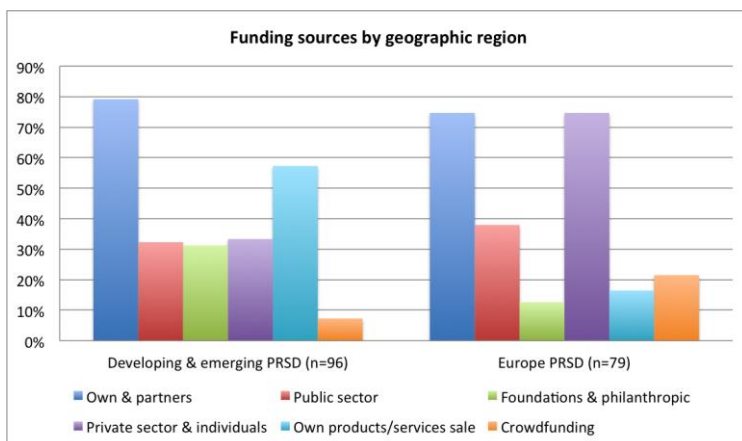


Figure 15: Funding sources by geographic region

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 private sector finance at about 55% overall. 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. 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 marginalised, as clearly this would normally be

counter productive. Data on fees charged to these end users was also collected in the survey but found to be present in only a very small number of 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 15 also shows that there is a significant difference between the DEE (developing and emerging economies) 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 15 also shows that the role of foundations and philanthropic financing is greater in the DEE than in Europe, given that the mission of such organisations is typically directed specifically at these countries. On the other hand, Europe is much more likely to use crowdfunding 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.

6.2 DRIVERS

Social innovation has only recently gained significant recognition by governments and companies, and there is still both uncertainty and contested views about its needed inputs, processes and outcomes. The drivers and barriers to social innovation are therefore particularly important and often highly contextual.

The drivers of both PRSD and non-PRSD social innovations are examined in Figure 16, and show quite marked characteristics. By far the most important across all types is relationships and interactions with individuals, networks and groups which display a similarly consistent score of about 30%, clearly reflecting the importance of this to all sorts of social innovations. Next in importance come both an innovative environment and solidarity. Otherwise, however, similarities are less easy to see. Although non-PRSD and PRSD cases show a somewhat similar profile overall, the former is more driven by governance, probably because this is stronger in their more sectorally based social innovations with a higher proportion of European cases, and the latter are much more driven by solidarity reflecting their focus on marginalisation and vulnerability. Further, ICT and social media are less important as a driver of PRSD cases than for social innovations in other policy fields. Examining the PRSD sub-groups also reveals many similarities although the economic one is less concerned with solidarity but instead focuses more on financial resources. Both the economic and social sub-groups prioritise an innovative environment more than the other two. Interestingly, the environmental sub-group has the strongest focus on solidarity as a driver, perhaps because of the need for communal measures to improve, work with and protect both human constructed and natural environments. The cross-cutting sub-group has the lowest focus on financial resources and on globalisation which does not figure at all, arguably reflecting the personalised and individual nature of its aims.

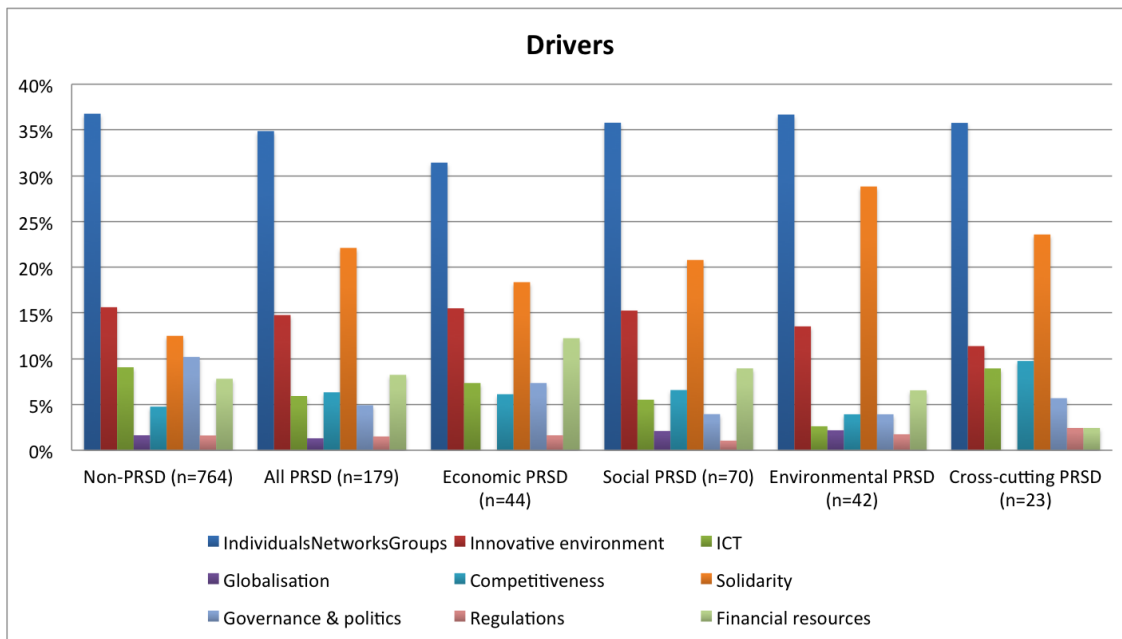


Figure 16: Drivers of social innovation

Another view of drivers is examined in Figure 17 where, like Figure 15, it has grouped some of the options and shows that most individual cases have more than one driver, as well as distinguishing the two large scale geographic regions.

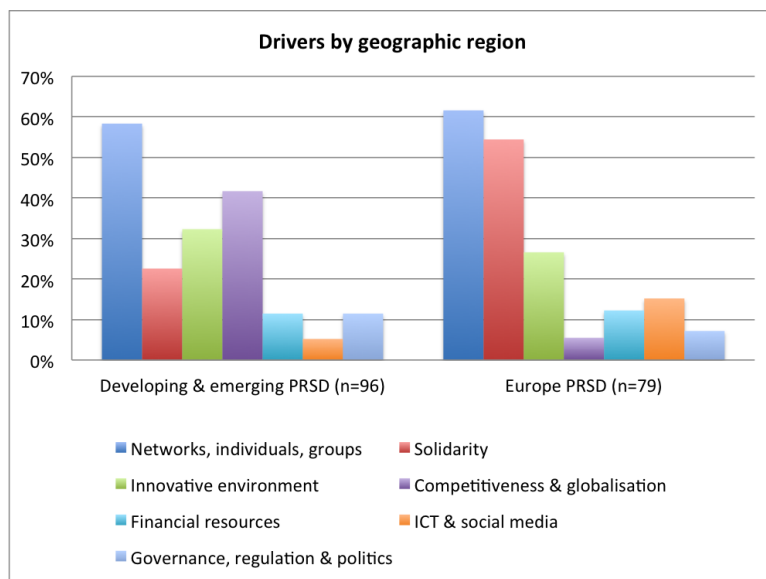


Figure 17: Drivers by geographic regions

Figure 17 displays the most important drivers for PRSD social innovation for both the DEE and for Europe. Overall, 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 drivers, as also evidenced above. 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 their own and partner's monetary and non-monetary resources, such as volunteers and assets in kind typically available locally (see Figure 14).

Figure 17 also emphasises that 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 17, with the former much less characterised by a vision of solidarity, perhaps because of the greater competition for resources and the difficulties in recognising common needs. The impact of competition and globalisation is also significantly greater in the DEE which is likely 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 all PRSD cases) which, although there are important exceptions (such as in Kenya), probably reflects the large access, cost and skill differences between the two groups of countries, particularly when dealing with poor and marginalised people.

6.3 BARRIERS

The barriers to social innovations for both non-PRSD and PRSD cases are depicted in *Figure 18*. As with drivers, the overriding conclusion is one of many similarities between the two, with funding challenges by far the most prominent across all types followed by lack of personnel, whilst most other barriers have similar importance. The main distinctions are that PRSD cases tend to be affected somewhat more by the barriers of knowledge gaps, legal restrictions and missing political support, each of which are clearly more likely to affect issues around poverty and vulnerability as a relatively new focus area of social innovation especially outside the more developed countries.

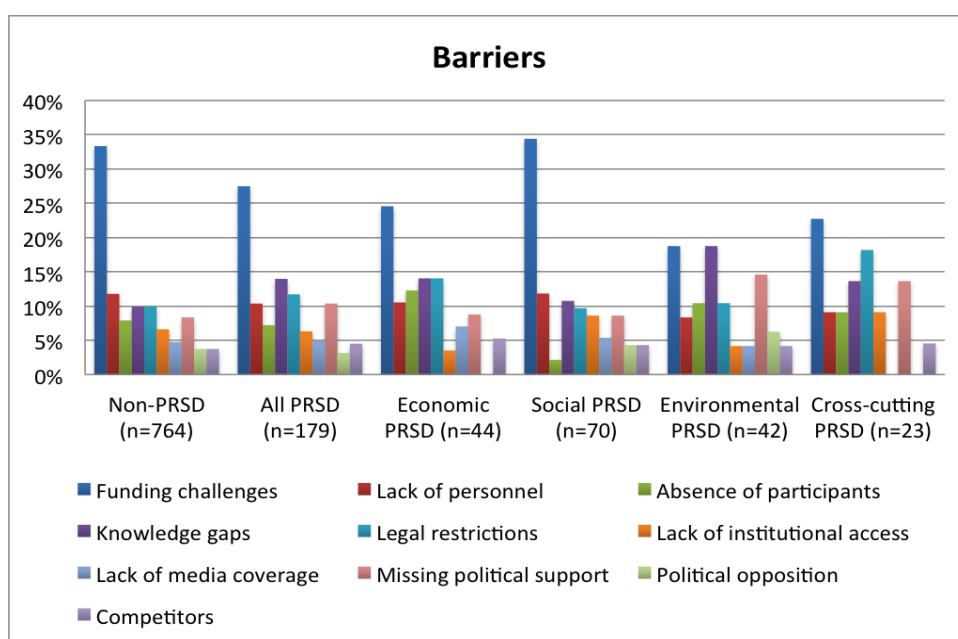


Figure 18: Barriers to social innovation

Examining the PRSD sub-groups in

Figure 18 also reveals some important distinctions. The social sub-group is the most affected by lack of finance, perhaps because of perceptions that concrete impacts are more difficult to achieve and take longer than in other sub-groups, whilst it is less affected by the absence of participants. The environmental sub-group rates knowledge gaps at equal importance to funding challenges, probably due to the more specialised technical and scientific nature of cases, and it is the sub-group most challenged by missing political support. This is perhaps again due to its technical aspects which make it more complex and difficult to comprehend, and possibly also some political controversy and doubt especially regarding the long-term implications. The cross-cutting sub-group is also highly challenged by lack of political support as well as by relatively high legal restrictions, which may be due to the fact that it often requires a whole-of-government response which is often difficult given the siloed nature of many public sectors around the world. The economic sub-group has a very similar pattern of barriers as for all PRSD cases, except that political opposition is largely absent, no doubt reflecting the political support given to such social innovations in relation to jobs, growth and prosperity.

As with drivers, another view of barriers is examined in *Figure 19* which again groups some of the options and shows that most individual cases have more than one barrier, as well as distinguishing the two large scale geographic regions. It is clear that lack of suitable people and knowledge is the more important in the DEE than in Europe, whilst

lack of finance is a bigger barrier 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 compared to the DEE and that in a period of austerity this is felt more strongly. As noted above, such resources in the DEE have always been, and remain, relatively scarce, so there is a tradition of focusing even more on frugal innovation and the use of non-monetary assets. As noted in *Figure 17*, issues directly related to governance, regulation and politics are only marginally seen as drivers when conducive. However, when un-conducive, *Figure 19* 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 the state 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.

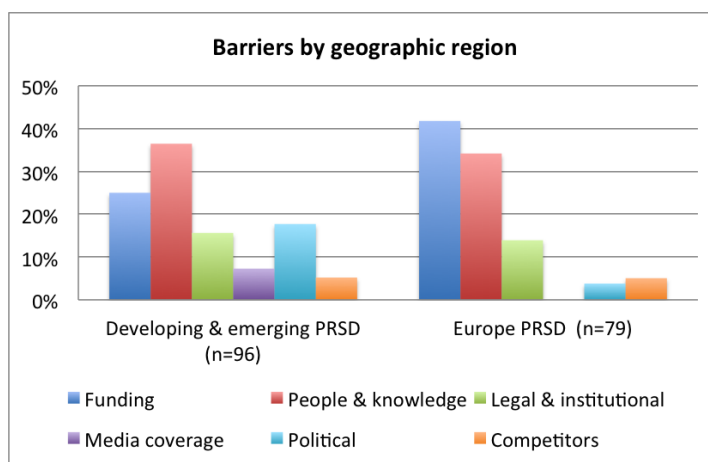


Figure 19: Barriers by geographic region

7 GOVERNANCE, NETWORKS AND ACTORS

This chapter summarises some of the main governance, networking and actor issues, like the functions, roles and sectors necessary for social change and development.

7.1 GENDER AND TYPES OF PARTNER

Although the differences are not large, it is of interest that the gender gap across non-PRSD social innovations is greater than amongst PRSD cases, as illustrated in *Figure 20*. This is perhaps understandable given the latter's concern for the poor and marginalised across many aspects of their lives, whilst the former tend to be somewhat more specialist and sectorally focused in nature, as illustrated in *Figure 7*. Overall, however, the gap is smaller than for many other types of innovation, for example technology and business innovations.

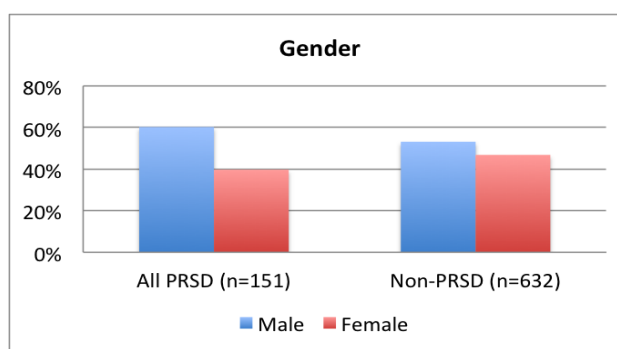


Figure 20: Gender of social innovation main case contact

An examination of the partners of social innovation cases has already been briefly undertaken in *Figure 9*, where the highlight differences between non-PRSD and PRSD cases were noted. In particular, there is more of less equal participation between public, private and civil actors in non-PRSD social innovations, coupled with a much less important role for other types of actor. This contrasts with the PRSD social innovations, where both other and civil sector actors tend to dominate over public and private sector actors. This pattern is more or less replicated amongst the PRSD sub-groups, with the exception that in the cross-cutting sub-group the role of private actors is even less than the average for PRSD.

As above, another view of partners by sector is also offered this time in *Figure 21* which again shows that most individual cases have more than one partner type as well as a distinguishes geographic regions, but unlike *Figure 9* does not have data available to examine 'other' types of partner. *Figure 21* shows the relative involvement of the main sector actors in the 179 PRSD cases across the four continents contributing cases, as well as comparing these to the non-PRSD cases, and the contrasts are again striking. First, there is clear variation in the involvement of actors in the PRSD cases compared with non-PRSD cases, with civil society actors generally more heavily engaged, and the public and private sectors generally less so. Each actor type also often includes more than one individual actor indicating a strong networking effect. 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 characterised by variable and dynamic ecosystems and constellations of actors depending on the particular practice field and context.

In *Figure 21*, 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, Latin America and the Caribbean as well as Europe do demonstrate this although to a lesser extent. On the other hand, the data for non-PRSD cases shows a relatively even balance across the actor types at about 70% involvement each. This reflects the fact that the majority of 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.

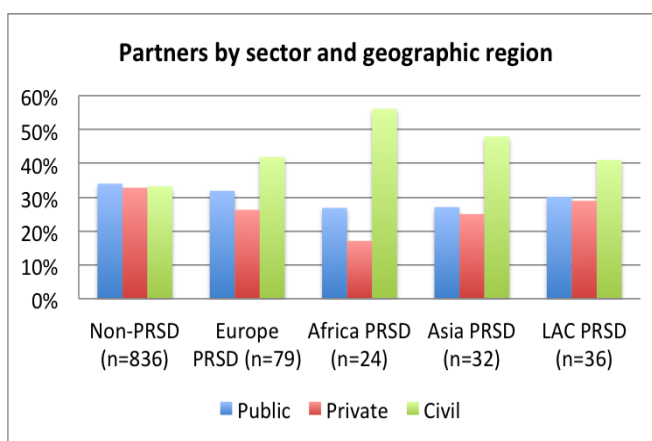


Figure 21: Partners by sector and geographic region

7.2 TYPES OF PARTNER SUPPORT AND BENEFICIARY INVOLVEMENT

Partners contribute with different types of support, as shown in *Figure 22*, which clearly demonstrates distinct differences between non-PRSD and PRSD social innovations. Although the idea development and funding roles are the most important for both, *Figure 22* shows that idea development is even more important in the latter, which also emphasises 'other', i.e. more wide ranging, roles even more. This is perhaps because PRSD social innovations tend to be relatively more recent than other types and, as noted above, are much more likely to need a richer and diverse ecosystem of actors and inputs. PRSD cases also show a somewhat more important role for (almost) all types of partner support, which perhaps reflects their more multi-varied character and that their ecosystems tend to be more diverse, rich and broad, as indicated in section 5.1. Within the PRSD cases, the environmental sub-group has the most prominent role for idea development, maybe reflecting the increasing urgency being placed on good ideas to counter climate change. The idea development role is also very prominent for the social sub-group, as noted above perhaps because of perceptions that concrete impacts are more difficult to achieve and take longer than in other sub-groups, so that the onus on innovative ideas is great. The economic sub-group has a greater role for dissemination than other types, possibly linked to the perception of funders that successful innovations should be transferred and scaled as rapidly as possible to help meet economic goals, often perceived as the most important in tackling poverty and inequality. In some contrast to other types of social innovations, the funding role is seen as the most important for the cross-cutting sub-group maybe due to the typically complex and comprehensive nature of such initiatives.

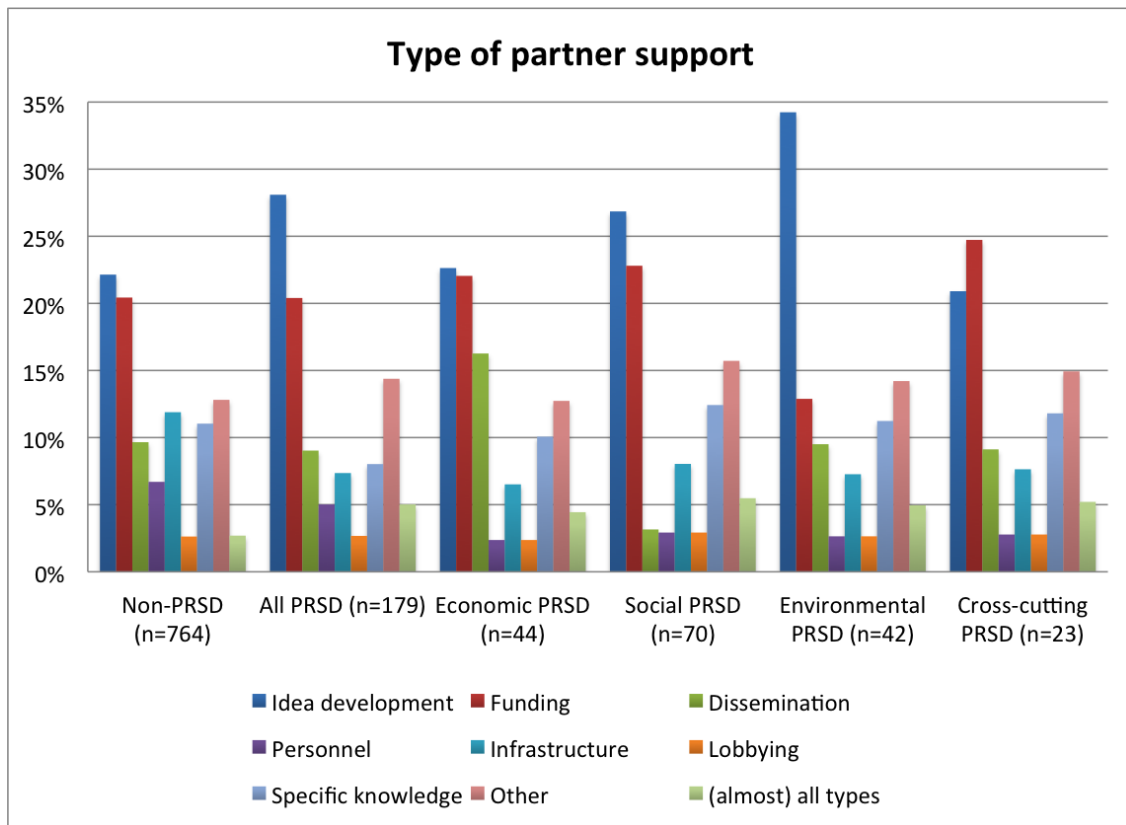


Figure 22: Type of partner support

An important characteristic of social innovations generally, that is in some contrast to more technology and business focused innovations, is their very strong emphasis on involving the beneficiary as much as possible in both designing and implementing the innovations that will directly affect their lives. This is reflected in *Figure 23* which shows that, indeed, 66% of non-PRSD social innovations have direct beneficiary involvement, but that this proportion is increased to 74% with PRSD cases. The clear conclusion is that PRSD social innovations, targeting the poor, marginalised and vulnerable, focus even more than other social innovations on the direct involvement of beneficiaries.

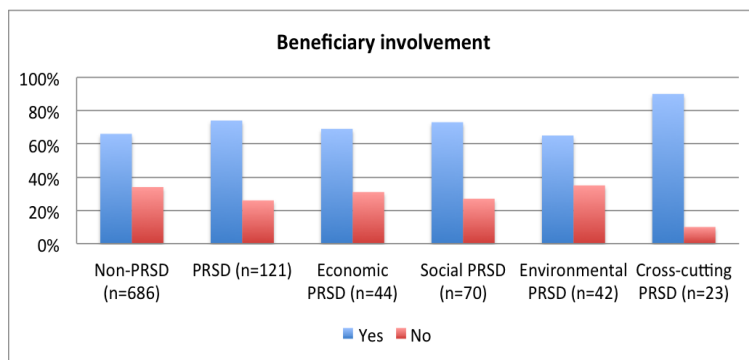


Figure 23: Direct beneficiary involved in social innovation²⁵

It is also clear from *Figure 23* that, although the other three PRSD sub-groups closely reflect the overall PRSD pattern, the cross-cutting sub-group is much more focused on involving the beneficiary given that 90% of such cases do so. This probably refers to in-kind direct support from the beneficiaries themselves who tend to get more directly involved in co-creating and running such initiatives given the need for these to be highly personalised around the unique integrated needs of an individual or a small group.

²⁵ Data only taken from cases which answered yes or no, with absence of answers disregarded.

8 PROCESS DYNAMICS

This chapter summarises some of the main issues regarding the process dynamics of PRSD social innovations, particularly related to their motivations and triggers, their current project stage, as well as whether, how and by which mechanisms they are transferred and scaled. These aspects of process dynamics provide good evidence of the extent to which social innovations have impacts in wider society.

8.1 MOTIVATIONS AND PROJECT STAGE

Data on the motivations and triggers of both non-PRSD and PRSD social innovations is provided in *Figure 24*. This clearly shows the predominance across all types of social innovations of the social demand and societal challenge levels, with non-PRSD cases marginally more likely to be motivated by the meso level of societal challenges and PRSD cases by the micro level of social demand, as already noted and examined in section 4.2. Also important triggering mechanisms are new ideas, more so for PRSD cases than non-PRSD cases, probably because of the more recent nature of the former and thus the relative dearth of existing good practices to learn from and/or adopt, as noted above. New technologies are also important for triggering, this time marginally more so for non-PRSD cases where especially ICT and social media are more widely used, also as noted above. As regards the PRSD sub-groups of cases, these generally reflect the overall PRSD pattern, with a few exceptions. Policy incentives are relatively more important in the cross-cutting sub-group, perhaps because of the more complex and comprehensive nature of such cases than many others, and which often require good cooperation from the public sector through cooperation across government entities and policies which enable more personalised services and treatments. The environmental sub-group is also more likely to be triggered by a social movement than other social innovations, which is probably related to the need for widespread bottom-up pressure to change attitudes and government actions related to issues like climate change, pollution, food quality and similar. This need for a more societal wide perspective is also reflected in the environmental sub-group as the only PRSD sub-group which is more likely to be motivated by societal challenges than social demand.

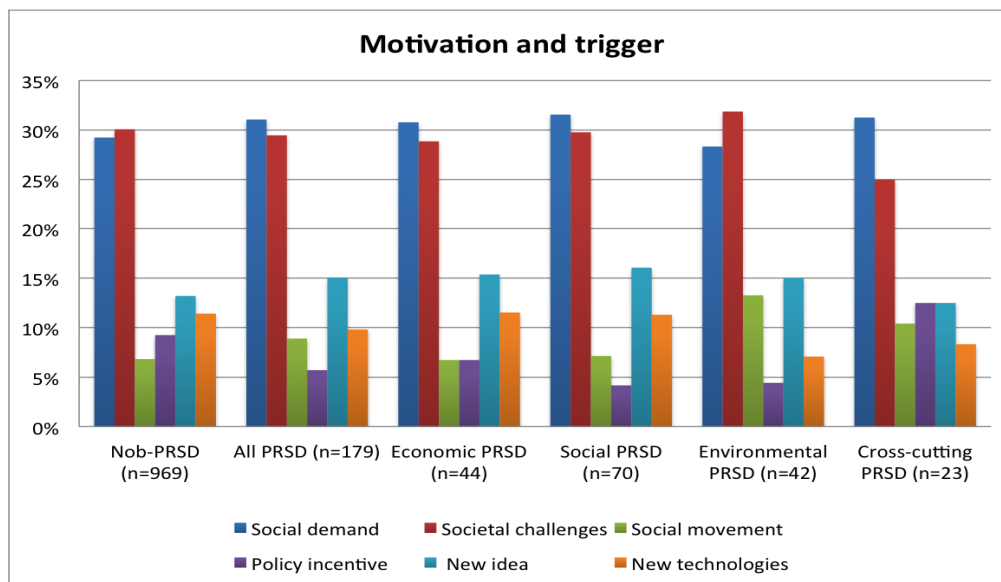


Figure 24: Motivations and triggers of social innovations

The current development stage of social innovation projects is indicated in *Figure 25* which shows that, although the most common is the more advanced impact stage (and indeed SI-DRIVE cases were selected to be as advanced as possible while still obtaining a wide and diverse sample), many more non-PRSD cases are at the impact stage than are PRSD cases. As referred to above, PRSD cases tend to be more recent and thus less developed and advanced than more 'mainstream' social innovation, and this fact is clearly reflected here. Amongst the PRSD sub-groups, there are also important distinctions, so that the least advanced are the social cases, perhaps because of the sheer variety of such cases and the challenges they face in tackling poverty, marginalisation and vulnerability which are, first and

foremost, social issues. In contrast, the economic sub-group is perhaps the most advanced of the PRSD cases towards achieving impacts given that such cases have typically a longer pedigree and have had greater government and donor focus, at least until recently.

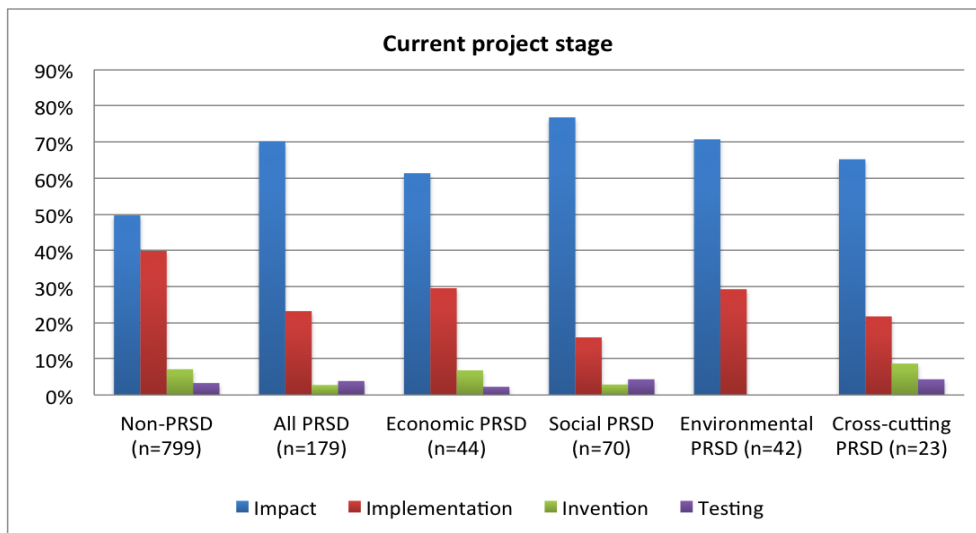


Figure 25: The current stage of social innovation projects

8.2 TRANSFER AND SCALING

The transfer and scaling of social innovations provide some of the best direct evidence of successful case outcomes and impacts, given that, although cases can of course have great impact in their specific context even if not transferred or scaled, the fact of transference and/or scaling is a clear sign of success because this normally only makes sense if good impacts are being achieved. Evidence for geographic transfer is given in Figure 26 which shows that although PRSD cases are more likely to be transferred geographically than non-PRSD cases, they are much less likely to be transferred over a greater distance.

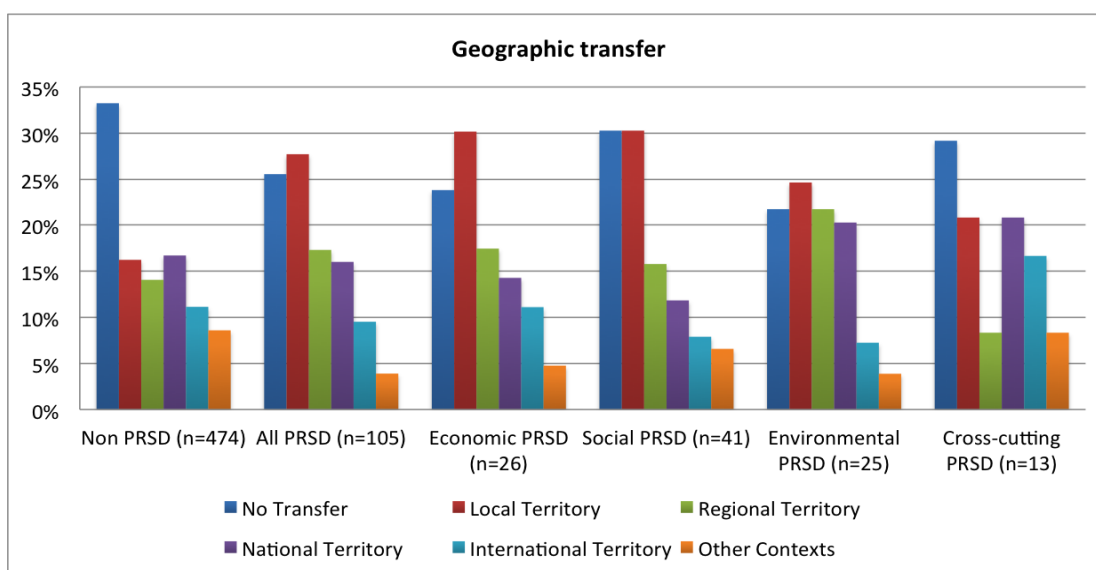
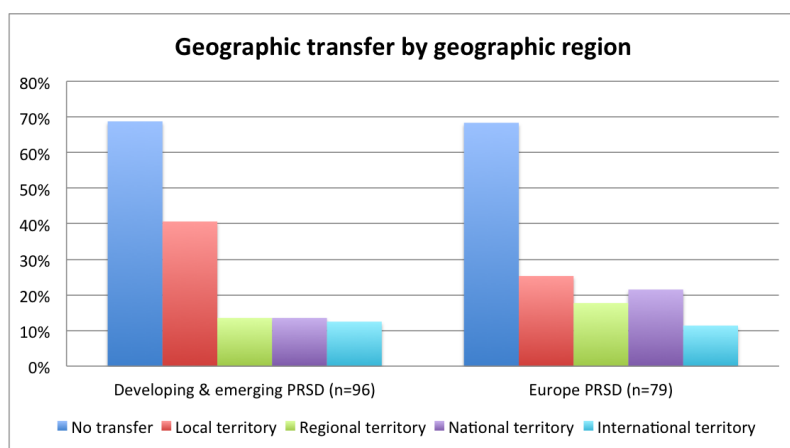


Figure 26: The geographic transfer of social innovations

This is probably because non-PRSD cases tend to be, as noted above, more specialised and sectorally focused than PRSD cases so are only transferred if highly similar needs and conditions arise elsewhere. However, if they do arise elsewhere with the necessary specialist and sectoral conditions, transfer can take place over considerable distances, although of course this tails off when it comes to international transfers and other contexts where, by definition, the basis for transfer is typically significantly different. In contrast, PRSD social innovations, being relatively more recent and less advanced than other social innovations, are nevertheless more likely to be transferred simply because there is rapidly growing demand for them from increasingly aware communities of policy-makers, funders and civil organisations. However, PRSD social innovations tend also to be much more contextually sensitive than other types of social innovation as they are more grounded in very particular societal conditions and much more likely to be focused on several rather than single issues at the same time given the nature of poverty and vulnerability. Thus, they also tend to transfer over shorter distances than other social innovations, given they are more sensitive to changing contexts over geographic space. The only exception amongst the PRSD sub-groups appears to be the cross-cutting cases which do seem to be able to transfer over greater distances. This is perhaps because it is the model of a comprehensive and integrative innovation, bringing together diverse partners and interests, which can be transferred, rather than, as more likely in the other PRSD cases, a particular contextually sensitive focused solution.



Another perspective on geographic transfer is presented in *Figure 27* which shows how this varies across the PRSD cases between the two main geographic regions, as well as emphasising that some individual cases can fall into more than one category. This emphasises again that transfer is not always easy, although this may also be due to the fact that many PRSD social innovations are relatively recent.

Figure 27: The geographic transfer of PRSD social innovations by geographic region

As shown in *Figure 27*, European PRSD cases are more likely to spread at these greater distances, but there is not a marked difference compared to the DEE. However, more important than distance are both the constraints as well as the benefits of context. Context for all types of social innovation is extremely important, given that the end beneficiaries in their own lives and localities are typically themselves directly active in the initiative: 74% for PRSD cases and 66% for all cases where the data is available. 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 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 27*, given that it is clear there are significant difficulties in transferring and scaling 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 for PRSD, as shown in *Figure 5*, and their initiation, implementation and impact through the social innovation lens, is a new rich way to understand processes, involve the beneficiaries and deploy resources, especially in support of sustainable development.

Evidence for the mechanisms of transfer is given in *Figure 28* which shows some clear distinctions between non-PRSD and PRSD social innovations. The latter are much more likely than the former to be transferred by project partners themselves and less likely to be taken up by a new group of users. This almost certainly reflects the fact that PRSD

cases tend to be newer and less advanced and thus more likely to be known and appreciated only by a narrower group of actors, particularly of course the project partners themselves. As regards the PRSD sub-groups, these very largely reflect the overall PRSD pattern, with the exception of the social cases where new users are the second most important mechanism, similar though less marked than for non-PRSD cases. The likely explanation is that the social sub-group is perhaps more linked into broadly-based user and community networks, compared to the more specialised economic, environmental and cross-cutting policy networks, so the dissemination of successful cases is more likely at that level.

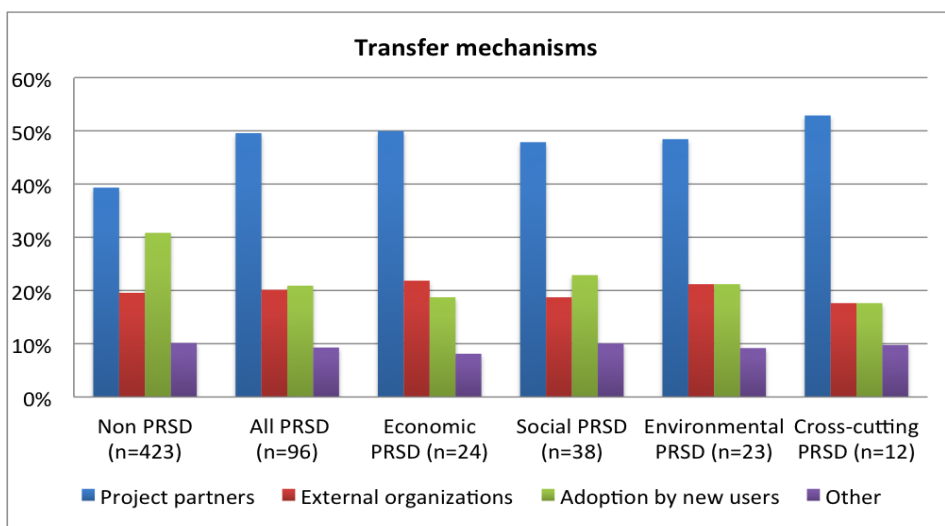


Figure 28: The transfer mechanisms of social innovations

Scaling, as opposed to transfer, refers to a social innovation initiative growing in situ, i.e. when its own governance and organisation grows organically and thereby itself serves an increasing number of users and beneficiaries. Figure 29 shows a high degree of concurrence between the non-PRSD and the PRSD cases, with increasing the target group reach, having a network of project partners and organisational growth the most important. This is apart from a small but interesting tendency for non-PRSD cases to be more likely not to scale compared to PRSD cases, the likely reasons for which are articulated above in relation to Figure 26.

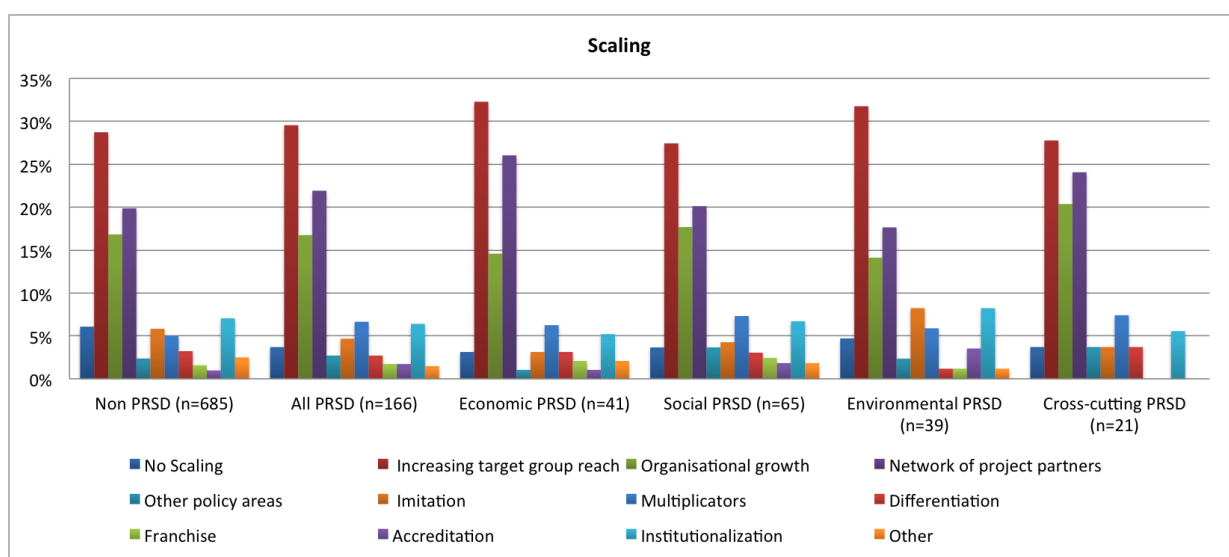


Figure 29: The scaling of social innovations

There are, however, a couple of noteworthy distinctions amongst the PRSD sub-groups, specifically the importance the economic sub-group gives to its network of project partners for project scaling. This is probably because these cases are by and large those with the longest pedigrees and that are more advanced than other PRSD cases, so their networks are likely to be more developed and extensive. This also applies to some extent to the cross-cutting cases where the explanation is more likely to be these cases' greater diversity of partners, given their cross-sectoral nature, so they potentially have more partner channels to work with.

9 DEVELOPMENT PATHS AND MECHANISMS OF SOCIAL CHANGE

As with the examination of process dynamics in chapter 8, an examination of the development paths and the mechanisms of social change of social innovation also provides good evidence of the extent to which social innovations have impacts in wider society. A detailed examination of these issues in the PRSD policy field reveals three types of development model, each represented by a number of the cases studied in depth during the global mapping 2 stage²⁶:

1. Continuous growth: is related to relatively large stable government and/or other funding within a conducive policy structure and where the case objectives overall are meeting their intended outcomes.
2. Step-by-step or stage model: is typically characterised by two to three main stages separated by slower or no growth, or sometimes even by short-lived retrenchment. This tends to be due to financial, political or other serious problems, albeit short-lived, where there is little or no direct support from policy structures at least during the slow-down, but where the case objectives overall are meeting their intended outcomes.
3. Up and down, wavelike, alternating success and failure: is mainly due to very fast changing dynamic contexts directly affecting the social innovation and which the social innovation is attempting to address. In these cases the policy structures may be neutral or benign but normally are not hostile at least over the longer term, and where the case objectives overall are meeting their intended outcomes.

These three basic models can also directly contribute to what can be termed a 'formal-structural' typology of social innovation for PRSD, which possibly also applies to many if not all social innovations given that PRSD cuts significantly across all other types examined by SI-DRIVE (as evidenced by *Figure 7*). These can be summarised as:

4. Highly formal-structural type: typically quite stable, robust and relatively top-down, closed and embedded in policy and regulation, relatively efficient and can be effective, often characterised by incremental innovation. The main PRSD example is the income support practice field (see section 4.1).
5. Semi formal-structural type: mixing both top-down and bottom-up, typically quite stable at the macro level but less so at the micro level, both relatively open and closed, generally robust, relatively effective and can be efficient, often characterised by a mix of incremental and disruptive/radical innovations. The main PRSD example is the community capacity building practice field.
6. Weakly formal-structural type: less structured, bottom-up and small scale, typically quite unstable due to fast changing conditions, more subject to tensions and is shock sensitive, relatively open, can be both relatively effective and efficient but also the reverse, often characterised by both disruptive (if not radical) innovation and 'innovation on the go'. The main PRSD example is the displacement, refugees and good governance practice field.

These social innovation development path and formal-structural models are also directly related to the mechanisms of social change examined by SI-DRIVE. Results from the examination of the PRSD cases²⁷, show that the mechanisms of social change can be placed into three overall groups for comparison and synthesis purposes: i) input and process

²⁶ In I-DRIVE deliverable D10.3.

²⁷ In I-DRIVE deliverable D10.3.

mechanisms; ii) driver mechanisms; and iii) outcome and structural mechanisms, with the following rationales and relationships to the three models above, arguably thereby underpinning the robustness of the models:

9.1.1 Input and process mechanisms

Input and process mechanisms consist of the inputs and basic processes PRSD social innovation needs to address societal needs and challenges and thereby effect social change: learning, variation and selection.

Learning mechanisms include the development of new learning processes for the acquisition of new knowledge and lessons how to use social innovation to effect social change, as well as highlighting the mechanisms of social change themselves. This also involves the absorptive capacity of actors and the extent to which they are empowered and their capacity is built. There are clear contrasts between the formal-structural models of PRSD social innovation:

1. Highly formal-structural type: tends to deploy learning within a top-down framework mechanism but which is also receptive to bottom up learning and its transmission throughout the system to other areas and levels. This is a well functioning system but relatively regulated and systematised which has both benefits, such as the quick and efficient transmission of knowledge, as well as possible disadvantages, such as possibly being less receptive to different or external ideas and findings, making it more difficult to learn beyond the framework. Bottom-up activity, being furthest from the centre, does create a lot of local empowerment and capacity building for both beneficiaries and other actors.
2. Semi formal-structural type: is in contrast a much more bottom-up and open mechanism, so may lack some learning impact on a more systematic broader scale, though has the advantage of being more amenable to lessons from the ground which can be used in situ more rapidly as well as more easily and flexibly adapted elsewhere. Given this micro focus, empowerment and capacity building are central tenets which are well geared to increasing the agency of the beneficiaries.
3. Weakly formal-structural type: as noted above, learning and knowledge generation, as well as empowerment and capacity building, are highly variable depending on the particular case, its context and specific challenge. This can lead to learning tensions, which might both inhibit innovation by blocking opportunities, but might also stimulate fresh thinking. This is compounded by fast changing situations, but does mean that successful cases (as are those analysed in this report) are able to generate and apply 'learning on the go'.

Variation mechanisms involve innovation from difference and diversity, both tangible as different projects and resources and intangible as different beliefs, cultures, attitudes and behaviours. The type and scope of this diversity can help determine whether innovation is incremental and/or more radical. There are clear similarities across the PFs, for example all three are dependent on high levels of variation implemented in a large variety of contexts. There are clear contrasts between the formal-structural models of PRSD social innovation:

1. Highly formal-structural type: tends to be more formal and tangible types of variation, given the more systematised framework in which it operates, such as through and within ministries as well as large national level NGOs, where incremental innovation is more likely, such as improving existing models.
2. Semi formal-structural type: tends to be combinations of both formal and tangible variations (related to the importance of public bodies and public policies), together with more informal and intangible variations at the community and small NGO level. The latter can lead to more radical innovations from the grassroots that take a long time to transmit but which can have quite transformational impacts over the long term.
3. Weakly formal-structural type: is similar to the community PF, but also requires that the innovations be implemented and have effect more quickly given the rapidly changing contexts and challenges it confronts. This can lead to tension between the variable elements, which might inhibit innovation by blocking opportunities, but also can lead to radical innovations. The result might be highly variable variation as 'variation on the go'.

Selection mechanisms concern the innovation processes of adoption, diffusion and imitation, including how these processes delineate the growth, decline and death of initiatives. There are clear contrasts between the formal-structural models of PRSD social innovation:

1. Highly formal-structural type: tends to involve more formal and structured processes designed to respond to and deliver policy programmes under relatively stable conditions. Thus decline and death might be either determined more by policy change than real experienced need and impact, or by implementation errors, which the system might then attempt to correct.
2. Semi formal-structural type: tends to be combinations of both formal and more informal selection processes, the former coming from more ingrained but stable public bodies and public policies, and the latter determined more by local community processes, preferences and traditional ways of operating. These two sets of processes can both work together if operating within the same culture, or be in conflict if the cultures are different. Moreover, both can be challenged, overlain and/or side-lined by other more radical processes introduced by an outside innovator.
3. Weakly formal-structural type: is similar to the semi formal-structured model, but again processes are likely to be put in place and changed much more quickly and in relatively unstable conditions given the rapidly changing contexts and challenges it confronts. This can lead to tension between the variable elements, which might inhibit innovation by blocking opportunities, but also can lead to radical innovations. The result might be 'selection on the go'.

9.1.2 Driver mechanisms

Driver mechanisms consist of the drivers social innovation needs to produce the outcomes needed to address societal needs and challenges and thereby to effect social change: conflict, tension/adaption, competition and cooperation.

Conflict mechanisms can be basic drivers of social change, for example between groups, interests, places, etc. The struggle between these can lead to new social practices. There are clear contrasts between the formal-structural models of PRSD social innovation:

1. Highly formal-structural type: shows no significant conflicts in this relatively stable, well-regulated framework. However, seemingly minor conflicts can be important in the short term and their outcome in the longer term can determine the course and outcome of the innovation.
2. Semi formal-structural type: given the mixed formal-informal nature of this model the importance of conflicts often depends on whether it emanates externally (more formal, perhaps top-down and significant) or internally (more informal, perhaps bottom-up and less significant).
3. Weakly formal-structural type: in the rapidly changing contexts and challenges it confronts, conflicts tends to be more serious given that even small ones can tip an unstable arrangement, either leading to more and better innovation or curtailing innovation altogether, at least in the short term.

Tension/adaption mechanisms are often the result of conflict or at least strains and inconsistencies in a system, a structure or an operation. They may be caused by fast-changing technology or other mismatches between the elements making up society in which an innovation takes place. According to the PRSD evidence, one commonality between the three models is that there are no tensions resulting from new technology. The main commonality, however, is that tensions and subsequent adaptation mechanisms tend to arise from conflict, so their character reflects the incidence and importance that conflict has in each model. There are clear contrasts between the formal-structural models of PRSD social innovation:

1. Highly formal-structural type: shows no significant tensions in this relatively stable, well regulated framework. However in the cases examined, there are instances of tensions arising from lack of trust and conflicts of interests between actors at the local level, which appear to be ongoing and unresolved, although not having serious consequences.

2. Semi formal-structural type: given the mixed formal-informal nature of this PF, the importance of tensions typically depends on whether they arise externally (more formal, perhaps top-down and important) or internally (more informal, perhaps bottom-up and much less important in the long-term).
3. Weakly formal-structural type: in the rapidly changing contexts and challenges it confronts, tensions tends to be both more variable and serious given that even small ones can tip an unstable arrangement, either leading to more and better innovation or curtailing innovation altogether, at least in the short term.

Competition mechanisms introduce some aspect of marketisation in which the most effective and efficient innovation succeeds whilst others fail. However, this is not necessarily measured in monetary terms but instead can be evaluated on any agreed and relevant measure of value. There are clear contrasts between the formal-structural models of PRSD social innovation:

1. Highly formal-structural type: shows no significant evidence of competition, at least at the relatively stable, macro policy framework level. However, at the micro level where beneficiaries and their immediate networks operate, there can be important competition between new providers and the incumbents, and competition can be encouraged in the form of the entrepreneurial skills that beneficiaries should acquire in order to secure better sources of income over the long-term.
2. Semi formal-structural type: also shows no significant evidence of competition. Where competition might be found is more at the community level in order to participate in local markets, perhaps through entrepreneurship schemes to encourage economic activity and prosperity.
3. Weakly formal-structural type: shows some evidence of competition between different alternative solutions in order to cope with often rapidly changing contexts and challenges. There is a danger, however, in the relatively unstable situations many cases in this model find themselves, that speed and expediency might overlook or cut-off potentially good innovations that need more attention and longer term application.

Cooperation mechanisms are in many ways the lifeblood mechanism of innovation in PRSD. Cooperation is ultimately based on trust as well as solidarity, sometimes even altruism, and is perhaps the best mechanism for building the capacities and agency of target groups. Leadership can be important in fostering good cooperation. The main commonality between the three models is that cooperation is very high and important in all three, and tends to take place in networks of different types and at different levels, for learning, professional expertise, resource inputs, etc. The three models also share the characteristic that inspirational leadership is much more important than charismatic leadership as the latter can lead to path dependent thinking and perhaps even corruption. There are clear contrasts between the formal-structural models of PRSD social innovation:

1. Highly formal-structural type: cooperation takes place in relatively stable, large, top-down frameworks, which also link in to local networks, so is generally quite formal and rule-bound.
2. Semi formal-structural type: cooperation takes place both between actors at the local level and between different levels, with external actors sometimes more important than domestic governments.
3. Weakly formal-structural type: cooperation takes place in relatively unstable, fast changing, bottom-up arrangements, which also link in to broader networks, so is generally quite formal and, although rule-bound, sometimes needs to adapt or create on-the-ground working rules 'on the go'.

9.1.3 Outcome and structural mechanisms

Outcome and structural mechanisms consist of the wider structural changes social innovation needs to address societal needs and challenges and thereby effect social change: diffusion and complementary innovation, planning and institutionalisation of change.

Diffusion innovations mechanisms, including where relevant innovation enabled or driven by new technology, science, as well as beliefs and values, is one of the success outcomes of PRSD. The wider and deeper into society an innovation reaches, the greater its impact and the more likely it is that the mainstreaming of new social practices will take place

leading to systemic change. There are clear contrasts between the formal-structural models of PRSD social innovation:

1. Highly formal-structural type: tends to involve more formal and structured diffusion at regional and national levels within the relatively stable national policy and regulatory framework undertaken by initiative partners, making imitation and copying relatively easy. The necessary actions are the proper use of the formal structures available, including for raising awareness and exploitation purposes. The role of new technology is low.
2. Semi formal-structural type: tends to be combinations of both formal and more informal diffusion at local, regional and international levels, although less so at national level due to oftentimes tensions with national governments when many external actors are involved. The necessary actions include communication for awareness raising and advocacy, local sourcing as much as possible, as well as tackling cultural and societal prejudice. The role of new technology is low.
3. Weakly formal-structural type: is similar to the semi formal-structured model, but often at much lower levels due typically to fast changing and relatively unstable conditions in which most if not all efforts need to be focused on the initiative in hand rather than elsewhere. However, some national and international diffusion takes place, often when public or philanthropic organisations can assist. The necessary actions include careful location decisions due to possible opposition in some places, and the need to institutionalise the initiative if it is to diffuse. Diffusion might be said to be in the form of 'diffusion on the go'. The role of new technology can be useful, but more for use by the initiative itself and its beneficiaries, including for awareness raising and obtaining 'diffusion on the go'.

Complementary innovation mechanisms show an important success outcome, i.e. when social innovation can influence or exploit other innovation mechanisms and/or use them to boost its own diffusion. There are clear contrasts between the formal-structural models of PRSD social innovation:

1. Highly formal-structural type: tends to involve more formal, structured and systematic exploitation of basic and existing (as opposed to new) technology innovations, scientific and open methods for research and evaluation, as well as comprehensive integrated solutions. There are also various complementary innovations at the local level depending on the specific circumstances of each.
2. Semi formal-structural type: tends to be combinations of both formal and more informal exploitation of basic and existing (as opposed to new) technology innovations, focusing on professionalisation and training and self-awareness. There are also various complementary innovations at the local level depending on the specific circumstances of each.
3. Weakly formal-structural type: is similar to the semi formal-structured model for local and more informal innovations, but here are typically undertaken at speed in fast changing and relatively unstable conditions in which most if not all efforts need to be focused on the initiative in hand. This includes organisational innovations and agile decision making to keep it functioning, rather than on other complementary innovations unless they can directly and immediately contribute. Complementary innovations do include, however, new but simple and cheap technologies, especially ICT, which can support both the organisation and the beneficiaries.

Planning and institutionalisation of change mechanisms: the institutionalisation of an innovation, and its incorporation into the planning and policy making system, is the mark of a successful outcome as this is also likely to institutionalise beneficial social practices and thereby achieve more widespread systemic change across society. There are clear contrasts between the formal-structural models of PRSD social innovation:

1. Highly formal-structural type: tends to involve planning and institutionalisation at formal, structured and systematic levels, normally in the state apparatus as well as in large philanthropic organisations, which is typically a long-term process. This needs to incorporate changing mindsets and ways of working to be successful. Not very locationally sensitive.
2. Semi formal-structural type: tends to be combinations of both formal and more informal institutionalisation and planning. This includes in international relations and structures, whether or not domestic governments are

involved, as well as at local levels. In the latter, the process is more informal and focused mainly on institutionalisation in the ways families and communities act and in the roles they play. Quite locationally sensitive.

3. Weakly formal-structural type: shows mixed and variable forms of institutionalisation and planning, given the wide variety of contexts and rapidly changing, sometimes unstable, conditions. Institutionalisation is especially important for financing in order to ensure at least medium term operational survival, but this often also depends on highly flexible and rapid responses which might be described as 'institutionalisation on the go'. Locationally very sensitive.

10 CONCLUSIONS AND RECOMMENDATIONS

This chapter summarises the main conclusions as well as some policy and research recommendations arising from all the SI-DRIVE work on PRSD social innovation.

10.1 HIGHLIGHT FINDINGS OF SOCIAL INNOVATION FOR PRSD

Some of the broader lessons of the PRSD policy field to the concepts and understanding of social innovation can be summarised as follows. First, PRSD social innovation requires a long term (non-political) policy, regulatory and financial commitment. Enabling regulation is needed, for example multi-stakeholder collaboration is critical but often constrained by conflicting and incompatible rules and regulations, in order to ensure that the all-round needs of people are met rather than their siloed needs. PRSD social innovation often takes place when the state withdraws, as in Europe, or is not even there, as oftentimes elsewhere. The latter can sometimes lead to hostility from and conflict with government, for example because social innovation initiatives often do what the state should do, or do it much better. Thus, poor and marginalised people often get caught in the gap between centralising and decentralising tendencies, and this is made worse by the fact that they tend to have least (political) power and are often stigmatised, even in Europe.

Thus, PRSD often needs governments as well as large external organisations including donors, to commit to the long-term, and these actors are often essential to scale and transfer projects. The problem is that funding cycles are often just 2-3 years, but longer is needed for maximum impact and to ensure that government incorporates the innovation into policy over the longer term. In most areas and for most topics, there is no longer a need for a large number of short-term demonstration projects as there is very robust evidence already for what works. Exceptions might be for new innovations or mechanisms when experimentation is needed to tackle new challenges. There is no short-term silver bullet; long-term commitment is required, often as much as 10-20 years. Given the long time scales often needed, PRSD social innovation is subject to very rapidly changing policy environments, both at national as well as international levels. Examples of such changes include the recent focus on so-called 'wicked problems', the 2015 Paris agreements on the 2030 Sustainable Development Goals and on Climate Change, as well as the rise in political power of large cities often globally connected. Especially in developing and emerging economies, but also increasingly in Europe, social innovations are being shaped by environmental stress and climate change, which need to be taken much more seriously including in topic areas that do not ostensibly focus on environmental issues.

A clear conclusion is that social innovation is very widely used for PRSD, but especially in developing countries it is rarely recognised as such or as a coherent approach. This sub-optimises both much relevant knowledge, and the tools that go with this, as well as the opportunity to learn from others. What also emerges is the need to put a duty on governments to tackle poverty, disadvantage and marginalisation by institutionalising this rather than seeing it simply as something nice to do. Thus, in all relevant situations, governments (as well as other service providers) should be cast as 'duty bearers' and the target group beneficiaries as 'rights holders'. (This is without denying that the latter group, as do all members of society, should also be subject to clear and specific obligations and duties.)

Given its wide remit, in principle across all aspects of sustainable development, PRSD for social innovation overlaps with other types of innovation, such as with open, inclusive and frugal innovation. The latter, for example, typically attempts to develop high quality products and services accessible to poor people at a price they can afford and in a

form that suits their needs, also increasingly using nature as a source of (social) innovation as in the quintuple helix approach mentioned in section 2.1. This is also reflected by PRSD social innovation being the SI-DRIVE policy field most interlinked with other policy fields, as evidence by *Figure 7*.

Other findings include the fact that successful PRSD social innovation needs to be self-reflective regarding, for example, whose societal needs and challenges are being met by traditional practices and structures. It is more bottom-up and civil society led than other social innovations, and this is even more so in developing countries. In addition, there is often a successful balance between top-down and bottom-up. In this context, PRSD social innovation is par excellence typically context-dependent and thus more difficult to transfer and often also to scale than many other social innovations. Thus it is often significantly affected by cultural, ethnic, and religious issues, both in terms of the challenges and the social innovation solutions required, as well as by the behavioural consequences of this. These issues also play out spatially across rural and urban areas. Despite 'context being king', learning, scaling and perhaps transfer can take place through ambitious but also operational practice fields which are able to be successful in different contexts

Moreover, it is important that specific and often non-traditional monitoring and evaluation frameworks are deployed by PRSD social innovators, in addition to the more traditional, often quantitative, measures and logic models. Some of the techniques and approaches often deployed successfully by the international development community are already being used by a few PRSD social innovations, but could be successfully deployed much more widely. These might include: the Theory of Change (ToC) which attempts to get away from path dependent thinking and traces the process of how change actually happens; Appreciative Enquiry which focuses not on solving a 'problem' but on the capacities already available, or easily developed and how these can be used to effect beneficial change; Outcome Harvesting that examines all actual outcomes, whether planned or unplanned, and then traces these back to see how they arose; and Key Lines of Enquiry that focuses on monitoring key/desired issues like gender, capacity building, etc.

Assessing social innovation is, at base, about assessing both impact and social change. Implicit in this is that the impact of a social innovation should be seen in meeting a social need in a new way which is better than existing ways, and which importantly also empowers the beneficiaries, rather than just doing something to them. In order to maximise win-win situations, all stakeholders should benefit of course, but the beneficiaries with a social need that needs tackling must be the prime objective. In this context, therefore, social innovations should produce impacts that both a) create value for individuals, communities and societies in relation to a social need, but equally should also b) empower these actors so that they are in a better position to create and/or mediate such value for themselves in future. According to the TEPSIE project, b) is a critical component of social innovations as they "engage and mobilise the beneficiaries and help to transform social relations by improving beneficiaries' access to power and resources."²⁸ This implies the need to monitor and assess both improvements in value creation (economic, social, environmental, etc.) as well as improvements in empowerment and agency²⁹, for example actor competencies, behaviours and associated practices.

Although there can be invaluable 'quick wins', sometimes it is difficult immediately to show improvements in value creation and in empowerment / agency because social innovation is a long-term investment. For example, conducive behavioural changes might only be seen after many years and in combination with other factors. The examination of the social innovation PRSD cases shows the critical importance of self awareness raising, advocacy and building communities and social movements taking place over a number of years as a precursor for long-term success in value creation. Traditional impact assessments tend to give primacy to direct value creation only, and treat the practices part only as a means to this end, so that their role is assessed purely in relation to how they operate in creating such value, but beyond this have little intrinsic importance. Social innovations insist that both value creation and the practices of empowerment and agency that produce this value are equally important impacts. In fact, it could be argued, that such practices are important examples of value creation in their own right.

Although PRSD social innovation focuses strongly on the short-term more local and often pressing social needs of the poor and marginalised and that this is clearly important, it often does at the expense of the longer term more systematic changes needed in society which might alleviate these social needs in the first place. Many of the PRSD social innovation initiatives studied are, in essence, concerned only to meet immediate social needs without

²⁸ http://www.tepsie.eu/images/documents/practitioner_report_final_web.pdf

²⁹ According to Wikipedia, agency is the capacity of individuals to act independently and to make their own free choices: [https://en.wikipedia.org/wiki/Agency_\(sociology\)](https://en.wikipedia.org/wiki/Agency_(sociology))

recognising that typically these are merely the symptoms of more structural root causes, which are hardly considered let alone addressed. For example, SI-DRIVE partners agree that an important characteristic of PRSD social innovation is the attempt to improve the agency of vulnerable people so that they can increasingly address their own social needs in future, whilst tending to ignore the wider societal structures which produce these social needs in the first place. In the former context, capacity building, which also incorporates awareness-raising and advocacy within the poor or vulnerable communities themselves, is an example. In the latter case, an example is recognising that time poverty is often more significant than income poverty given that recent research shows that the poor in any society have precarious structures within which to live and work so that they typically expend all their effort simply surviving from day to day or week to week, and don't have sufficient time or energy to plan for and invest in their own, their family's or their community's future³⁰. This is not the traditional 'poverty trap', normally thought of as a self-reinforcing mechanism which sees the individual sink further into hopelessness through their own lack of effort to change their lives because of laziness or low intelligence. Instead, it recognises that poor people more than others in society typically have to contend with a highly complex and unpredictable social and economic environment.

According to this recent research, structural readjustments, laws, regulations, cross-agency and non-government collaborations, etc., are needed, designed to make the poor's lives as easy and as simple as possible so they can focus on solving their own problems of scarcity rather than grappling with a complex system that is often not contextually embedded. This approach often involves creating a customized 'cockpit' of information, controls and supports for the individual. Examples might include the recent employment tribunal ruling in the UK that Uber no longer has the right to classify drivers as self-employed but instead as employees who have the right to receive the national living wage and holiday pay, with likely implications for gig economy. This legal change considerably simplifies drivers' lives and provides them with more long-term security. An Indian example is the use of ICT to promote the financial inclusion of the poor by simplifying and linking up contextual structures and supports around them through the world's largest bio-metric ID system. This means that the pre-existing complex system of subsidies and benefits for the poor are now being provided through a one-stop shop with simple identification, both raising awareness of what the poor are entitled to and making it very easy to access their rightful benefits.

Many of the above conclusions generated by SI-DRIVE's work on PRSD social innovation can be synthesised through the three main messages illustrated in *Figure 30*.

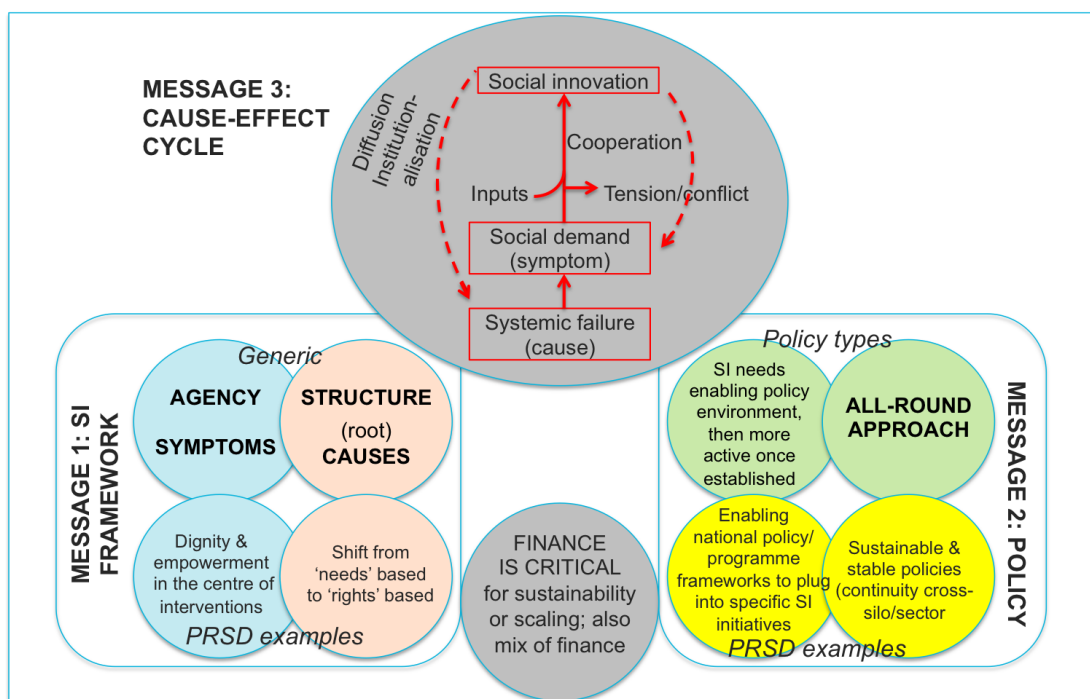


Figure 30: Three main messages from SI-DRIVE's work on PRSD social innovation

³⁰ Mullainathan, S., Shafir, E. (2013) "Why having too little means so much", Allen Lane, Penguin Group, London.

10.2 RESEARCH RECOMMENDATIONS

10.2.1 Overall research framework

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 elsewhere. 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 elsewhere. As noted above, such resources in developing countries have always been, and remain, scarce, so there is a tradition of frugal innovation focusing even more on non-monetary assets. Thus, these two issues require particular research focus.

It is also clear that successful initiatives can readily grow in situ under a variety of conditions. However, it tends to be more difficult to transfer good basic ideas and practices to other organisations elsewhere, even in the near proximity, and that this gets even harder as the geographical distance increases given that **contextual conditions** become increasingly alien. Research should make greater efforts to attempt to identify **ambitious but also operational 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.

More specifically regarding research issues that need addressing:

- There is a need to think more carefully about **how needs and issues are articulated**, for example what is the role of the **intermediary** being positioned between the innovator and the beneficiary, how actors collaborate, how interactions come about, and how relationships and movements function?
- There is also a need to recognise **the relative powerlessness of poor and marginalised people**, despite being highly resilient in many ways, and this means that **awareness raising, advocacy and mobilisation** at the local/community level is the most common trigger for success. This often starts with self-awareness, local advocacy, building 'agency' and mobilisation.
- Thus a **coordinated, cross-cutting approach is needed**, with capacity building (training, education, on the job, communities of practice, etc.) as the underlying factor. The overall aim is to **nurture and build the agency of the beneficiary** as an existential characteristic of social innovation, at least in the PRSD context. If social innovation is about creating both impact and social change, this implies that the impact of a social innovation should be seen in meeting a social need in a new way which is better than existing ways, and which also empowers the beneficiaries, rather than just doing something to them. In order to maximise win-win situations, all actors should benefit, of course, but the beneficiaries with a social need that needs tackling must be the prime objective.
- Although there can be invaluable 'quick wins', sometimes it is difficult immediately to show improvements in value creation and in empowerment / agency because social innovation is a long-term investment. For example, **conductive behavioural changes** might only be seen after many years and in combination with other factors. This PRSD summary report has revealed the critical importance of how both **awareness raising and advocacy** need to go hand-in-hand. Further, it underlines the need for this typically to start at the individual beneficiary level through self-awareness and self-advocacy, before extending such awareness raising and advocacy into the wider community and society. This is a long-term process.
- The actual, as opposed to the theoretical or assumed, behaviour of the poor in the often highly constrained and sometimes overwhelming **conditions of scarcity and multiple deprivation**, needs to be much better understood. The **'nudge' thesis** has demonstrated that most people do not behave only rationally, but are often driven much more by what their peers do and think³¹. This approach recognises that, although traditional attempts to change behaviour by regulation are of course important, they just as often fail and may even provoke opposite responses. Nudge theory focuses on changing peoples' behaviour without binding regulation or legislation, and has done so

³¹ Thaler RH and Sunstein CR (2008) "Nudge: Improving Decisions about Health, Wealth, and Happiness", Yale University Press

with some success. It directly uses the insight that a very powerful influence on an individual's behaviour is linking this to what other people are doing. Nudge theory thus recognises the **power of social networks and social norms in behaviour patterns**. At base, nudge attempts to observe and map how people make their choices and then test small changes in the way choices are presented to them. In this way, people are nudged into leading better lives by reconstructing their '**choice architecture**'.

- There are many examples of so-called '**barefoot**' **human resources** being used instead of highly trained and expensive professionals brought in from the outside. Examples include teachers, activists, builders, health workers, etc. Thus, the focus is on developing existing human resources, especially in the place where the target group and beneficiaries are located. Such local/community capabilities and skills are extremely important, however meagre these might be, because using them has the double benefit of meeting social needs as well developing in situ capacities and agency to meet needs better in the future.
- Related to this, the **usurping of roles** is quite common, i.e. when a PRSD social innovation takes over the roles and tasks of others, either because they are not meeting their commitments or not doing so well enough. Examples include social innovations taking over all or some basic education, health or income support tasks in poor or disadvantaged areas from the incumbent provider. The term 'usurp' implies taking over without permission, and this can lead to hostility and conflict.
- There is often **less focus on 'problem solving'** as such -- there are too many problems! -- and **more focus on what can be done given the capabilities and opportunities available** with existing assets, and thereby also developing these further. This relates also to '**appreciative enquiry**' (see section 10.1), actively seeking opportunities, as well as developing and pursuing an ambitious but realistic and practical vision (cf. frugal innovation). If there is a need to problem-solve, it is often best to select the ones to tackle after looking at what can be done. This turns societal challenges/problems on their head -- i.e. start with what can be done (appreciative enquiry approach) in order to get away from solutions looking for a problem, by taking an actor (especially) beneficiary perspective.
- This can also be described as a **multi-opportunistic approach** which attempts to exploit specific possibilities as the opportunities arise, rather than simply focusing only on solving the problem of income, education, jobs, etc.
- A '**human condition**' approach is very useful if not essential. This typically requires **understanding the whole individual** as a human being, so that a strong focus on gender, basic human attributes, weaknesses and idiosyncrasies, human 'rights', etc., is also required.
- Related to this, a solution that imparts and supports **the dignity of the beneficiaries** is more likely to be successful than one which is 'rationally correct'. This relates again to understanding better how people actually behave, for example, people generally don't eat healthier food because they are told it is healthy but because it tastes good, looks good, is affordable, and they feel dignified when eating it and get the approval of their peers.
- There is a need to incorporate **ethnographic and anthropological approaches**, especially to help design social innovations that can better take account of significant cultural, ethnic, religious and historical differences, as well as the behavioural consequences of these. **Story telling and narrative** should also be used more specifically in this context.
- The **everyday relationships of poor people** are critical, for example remittances sent home from working in cities or more developed countries to the family left behind. A culture of community and inclusiveness tends to be found much more amongst the poor than amongst the rich, and demonstrates the **resilience** most poor people have, despite (or because of) their 'scarcity' challenges. It is essential to take such relationship bonds (social capital, strong and weak ties, etc.) into account.
- The **problems of the poor often mutate over time**. For example in the past the problems poor people had with food was lack of calories, whereas today in developed economies, at least, the problem is the wrong type of calories.
- Social innovation initiatives should focus more overtly on the value of both **human and natural (biological) assets** as the two prime movers of innovation, rather than on non-living capital assets, like machinery, raw materials,

physical infrastructures, ICT and social media, etc. It is already widely recognised that innovations are driven by 'human capital', but there is increasing evidence that the **living assets and systems of the natural world** are a huge untapped resource. Instead of 'exploiting' people and nature which creates systemic resistance, they should be nurtured. For example, companies that mimic life and natural processes in the production of goods and services perform much better in purely economic terms than companies that do not, in addition to having very low environmental footprints and being socially and psychologically beneficial³².

- Related to this is the need to move from a quadruple helix mindset and approach to a **quintuple helix** mindset and approach as the basic **model of 'sustainable knowledge societies'** by adding the natural environment as the fifth element of the helix³³.

10.2.2 A better 'business model' for PRSD social innovation

Future research is also recommended to develop a better business model for PRSD social innovation. The design and delivery of initiatives should, in principle, have a solid 'business' case before roll-out focusing on its sustainability in political, legal, financial and organisational terms, in addition to focusing on the provision of real positive benefits to the beneficiary, and ideally also for the initiator and for society as a whole. A business model is a useful device for providing a concise overview of the important elements making up a functioning and successful initiative, The purpose. is to assist in the design of such an initiative and to ensure it is sustainable over time. Sustainability here does not necessarily mean (only) in monetary terms, but should also encompass *inter alia* organisational sustainability, human resource sustainability and of course environmental sustainability. The standard business models, such as the 'Business Model Canvas'³⁴ tend only to be useful in traditional market-driven contexts and do not take account of issues like process, culture, social need, etc. Neither does the standard business model canvas take account of a dynamic situation, as it is essentially static without flow or feedback. There is much valuable experimentation on business models catering for these deficiencies, including the 'Rainforest Canvas' for visualising an ecosystem of innovation for a company, organisation, or place³⁵ and the 'My Social Business Model Canvas (MySBM)' for social entrepreneurs to define the economic model of a social project³⁶.

Although very valuable, none of these, however, fully captures the essence of the types of social innovation, especially for PRSD, evidenced in this and earlier reports. Hence the construction of a possible hybrid approach, termed here the 'Living Ecosystem Business Model' as depicted in *Figure 31* and described below. It is labelled a 'living ecosystem' to stress the dynamic interrelationships between elements and their mutual interdependencies. It also attempts to incorporate the idea of flows through the system as well as feedback loops and iterations in the same way as found in living systems.

The main components of the proposed 'Living Ecosystem Business Model' are as follows, starting from the bottom:

Social need: the intention or purpose of the social innovation typically emerges from a specific social need, societal challenge or required systemic change, at respectively micro, meso and macro levels. (See section 4.2 of this summary report.)

Inputs: these are external inputs needed for the initiative to function successfully and be sustainable, and typically include:

- Frameworks: tangible frameworks such as physical and virtual infrastructures, and intangible frameworks such as governance, policy, regulation, institutions (both formal and informal).
- Inspirers: for example other innovations to copy and/or adapt, champions, leaders and role models, good practices, etc.
- Products and services: needed, for example to buy, loan, exchange, use in kind, etc.

³² Bragdon JH (2016) "Companies that mimic life", Greenleaf Publishing, Saltaire, UK.

³³ UNESCO (2016) "Knowledge societies policy handbook", section 4.3.1.

³⁴ https://en.wikipedia.org/wiki/Business_Model_Canvas.

³⁵ https://www.tuzzit.com/en/canvas/rainforest_canvas

³⁶ https://www.tuzzit.com/en/canvas/my_social_business_model

Practice field: a specific practice-based set of social and other practices and processes that focuses on meeting a specific social need, thereby contributing to one or more of the policy goals of the policy field to which it belongs. A practice field is made up of:

- Culture, values, behaviour: these are essential ingredients of any practice field, typically overlooked in the standard business models, and normally consists of intangible drivers, barriers and/or guiding or even controlling frameworks, including mindsets and ways of working. They can be both formal and informal, the latter often being the most powerful.
- Assets: living: people and nature (i.e. organic nature, which is essential to include as a prominent asset of social as well as all other forms of innovation in the context of sustainable development).
- Assets: non-living: both manmade and natural (inorganic) resources.
- Assets: Financial: monetary value which might be needed to purchase or remunerate external inputs and internal assets.
- Practices: actions: specific activities needed.
- Practices: processes: specific ways of working, mechanisms, etc., needed.
- Actors: organisations: as partners, etc., within the initiative.
- Actors: networks: linked to as essential players in the initiative.

Social change: the social change produced or contributed to, which meets the social need articulated at the bottom of the diagram, i.e. derived from a specific social need, societal challenge or required systemic change, at respectively micro, meso and macro levels. (See section 4.2 of this summary report.)

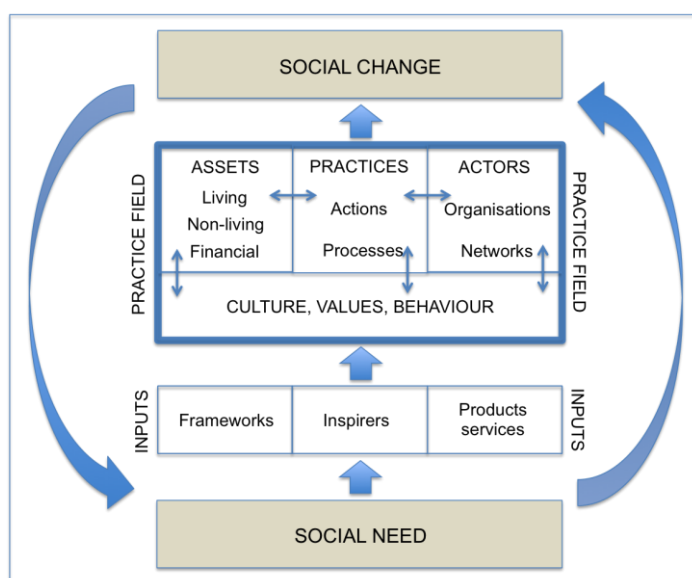


Figure 31: A possible 'Living Ecosystem Business Model'

10.2.3 Research into the mechanisms of social change and the agency-structure dichotomy

Deriving from the conclusions regarding development paths and the mechanisms of social change in section 9, *Figure 32* presents an idealised perspective which requires further research.

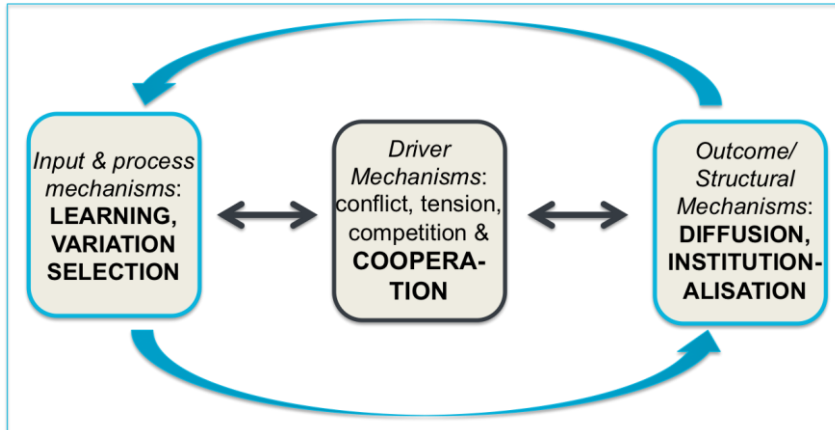


Figure 32: Interactions between the mechanisms of social change in the development path of PESD social innovations

There is clearly a need for iteration between the three groups of social change mechanisms analysed in section 9, which *Figure 32* attempts to capture. This posits driver mechanisms in the centre of the system, pulling in the input and process mechanisms and feeding into the outcome and structural mechanisms. Although such a system seems to be useful in describing and understanding the PRSD social innovations examined in SI-DRIVE, a research question might be whether this is a robust framework, as well as whether it applies more widely to other types of social innovation.

Further, the results reported in this summary report, as well as more widely in SI-DRIVE's work on PRSD social innovation, show that the agency-structure dichotomy is a useful tool for understanding empirical results and thus for future research and analysis. The present conclusions depict a relationship as shown in *Figure 33* which posits the outcomes required by the UN's SDGs and by European policies resulting from social innovations between both agency issues and structure issues which need to be tackled simultaneously. In turn, it is hypothesised that these three factors can be aligned, at least loosely, against the three BEPA societal levels, as well as in relation to the symptoms-(root) causes dichotomy, and to the type of variables involved. Again, a research question might be whether this is a robust tool for understanding, as well as whether it applies to social innovations more generally.

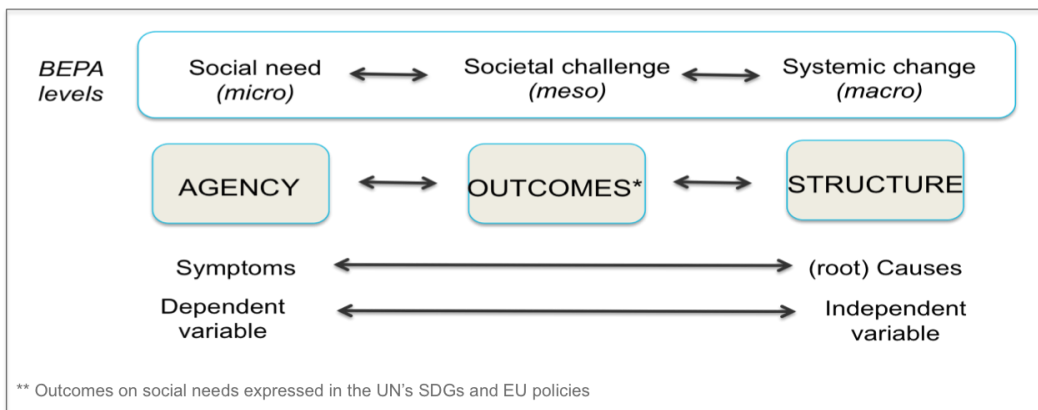


Figure 33: The agency-structure dichotomy in PRSD social innovations

10.3 POLICY RECOMMENDATIONS

This final section of the PRSD summary report provides some overarching policy recommendations drawing on the findings presented here as well as in earlier PRSD reports (as listed in section 2.1).

It is important for policy makers when developing and implementing policy to recognise the distinctions as well as relationships between **different types of policy approach** for different needs, contexts, scales and actors in PRSD, for example:

1. Recognising the duality and interrelationships between **structure** and **agency/advocacy** as providing support for both, as outlined and examined in sections 10.1 and 10.2.3.
2. The **development trajectory** of many PRSD social innovations, which:
 - i) start with envisioning and describing desired outcomes, either derived directly from a perceived/experienced societal need or challenge, or derived directly from existing capacities and desires about beneficiary wishes
 - ii) use social innovation to develop beneficiary agency to achieve the outcomes in i)
 - iii) do this within the existing structural context
 - iv) then attempt to change the structure and further develop agency to maximise the outcomes both for the initiative itself as well as for other (similar) initiatives in the practice field.
3. **Project stage:** for example addressing: 1) immediate humanitarian, crisis or relief needs (including disaster response); 2) basic needs like social inclusion and employment; 3) more longer term needs like education and health, etc. (These can probably be related to the three BEPA levels of social demand, societal challenge and systemic change).
4. Policies which simply provide an **enabling or permissive environment**, on the one hand, as well as policies which are more **active and interventionist**, on the other. Many social innovations for PRSD are successfully being delivered by civil organisations which normally only need an enabling policy environment. For example, not setting up barriers or roadblocks such as legal constraints barring civil organisations from delivering services (providing they are good quality and not exploitative). In the PRSD context as in others, enabling environments can lead to a lot of good social innovation by letting people get on with it. However, it is important that an enabling policy should not undermine the rights-based approach (see below) if such local bottom-up innovations are not able to deliver. In addition, there is also a very strong need for an active policy approach which attempts to directly support social innovation though, for example, funding, setting up support structures and networks, the public sector getting actively involved as partners, directly addressing the lack of suitable people, knowledge, finance, etc., which are typically the biggest barriers to social innovation as evidenced by SI-DRIVE. An example of the differences between enabling and active policies is that civil society typically needs only an enabling policy environment when starting an innovation to address a particular social need, but if successful, it is likely to require an active policy environment to grow, scale and transfer, address a structural issue, etc.

A good example of policies which address both symptoms, on the one hand, and the (root) causes on the other focuses on a **reconsideration of 'poverty' of being primarily about only the lack of money, but much more often about lack of time.** (See section 10.1)

Related to this, policies that change the **'choice structure'** and **'choice space'** of beneficiaries (social innovators, intermediaries, etc.) are needed, e.g. drawing on behavioural, psychological and nudge studies, etc. This involves policy makers attempting to understand **choices made in a deprived situation**. Important goals for policy thus also include the expansion of the choices of individuals, so that how choice is perceived becomes a very important component of free agency.

Policies that recognize and support the **dignity and human condition** of the beneficiaries are important. This is about **policy sensitivity and purpose**. Policy should be designed to consciously take account of **how beneficiary needs and issues are articulated**, e.g. the need for the policy maker in supporting social innovation to be self-reflective, for example, whose needs and who decides? This is necessary, given that marginalised people are often treated as objects to be 'helped' in ways the social innovator or policy maker decides, rather in a way which the beneficiary recognises s/he needs and has at least some control over. Part of this is the need to take on board strong 'human condition' and 'human dignity' approaches which take the real human condition of the poor/vulnerable people directly into account

and to address these holistically. This should be done in a manner that treats the individual with dignity recognising their full value as a human being, something that many are not used to. The policy maker can only do this in collaboration with both the social innovator and the beneficiary.

In this context, a parallel policy goal is to re-conceive the identity of marginalised and vulnerable people by stressing equity and empowerment, as well as dignity. This can also be a highly politicised issue so that identity politics becomes important and it is then important to develop respect for different identities and ways of life. This typically also means changing power relations and building strong actor networks.

Policies are needed which recognise and help build the existing or potential **aspirations, capacities, resources and visions of beneficiaries in order to identify what to do**, for example, by identifying and acting upon their 'possibilities' instead of only the 'problems' they confront. 'Possibilities' and 'problems' can also be combined, for example by starting from a specific problem or social need, and then looking for possibilities through inspirations for solutions in existing aspirations, capacities, resources and visions, using for example appreciative enquiry approaches.

Policies are required that support the building of **social innovation actor and knowledge sharing networks**, including with movements that undertake social innovation but do not use this term or identify with mainstream social innovation activities. This should include policies that address the existing **power and knowledge structures**, which are typically hierarchical and not amenable to the poor and marginalised.

In addition, to help in building social innovation actor and knowledge sharing networks, policy should encourage and support social innovators in developing and implementing **new business models** which can prioritise the specific characteristics, needs and goals of social innovation. In this context, a business model is a model for the sustainability of a social innovation in relation to its financial, organisational, human resources, social and environmental sustainability, at least over the medium term. Such a PRSD business model is likely to incorporate issues related to social need, culture, values and behaviour, as well as realising social change and building in a dynamic element. All these are factors which do not feature in the traditional business model canvas that has been constructed for commercial enterprises. The PRSD research undertaken in SI-DRIVE has suggested a so-called 'living ecosystem business model'.

Policies which are cross-cutting, multi-silo, etc., are needed to tackle the **inter-sectionality and multi-disciplinarity / multi-deprivation** experienced by most poor and marginalised people. Poverty is highly complex and multi-dimensional, typically resulting in multiple forms of deprivation, including being left out of the mainstream and unable to participate in the normal activities of the community/locality even in so-called developed countries. Thus, there is a need to focus on 'all-round' approaches which treat people as whole individuals through joined-up policy responses, for example innovations that integrate cross silos, cross-sectors, between levels, and/or involve multi-actors working together. Clearly, the policy context should attempt to support or deliver this, though it is of course quite hard to do in practice. The evidence, both from SI-DRIVE and elsewhere, indicates that civil organisations are often best placed to orchestrate this, whilst more entrenched public bodies, philanthropies and often companies as well, find it harder. It seems **civil organisations are often more trusted by the beneficiaries, have greater local knowledge and are more nimble -- they act, in effect, as 'trusted third parties'**.

In the context of the urgent need for joined-up policy making, a **nexus thinking approach** should be adopted given that any policy that focuses only on one part of the poverty-deprivation-vulnerability nexus without considering its interconnections risks serious unintended consequences. Nexus thinking focuses on policy linkages, synergies and trade-offs attempting to balance different interests and outcomes, especially when these appear in conflict, in order to seek win-win-win solutions, for example through forms of democratic and open consensus building. However, tools and approaches for operationalising the nexus at different scales require development and testing. It is not clear what a 'successful nexus approach looks like in practice, nor how it can be achieved and evaluated. Policy at all levels should urgently address this.

Further, it is important to recognise that it is **not just a matter of public policy but also the policy of other institutions and organisations** which impacts the condition of poor and marginalised people as well as the sustainable development strategies which should be adopted. For example, the policies of trades unions and employers associations, of chambers of commerce, of donor, private sector and corporation investment bodies, and of foreign governments in the case of overseas development aid. In the latter case, for example, many developed countries' aid

agencies are moving from directly funding or supporting service provision towards community development through agency building and advocacy so local people, organisations and authorities can address their own problems directly.

Policies are needed that do **not dictate the process** of social innovation, but instead aim at specific outcomes/impacts and **open up for process innovation** to find the most appropriate in the specific context to achieve these. This is recommended as long as these processes remain ethical, transparent, not exploitative, not criminal, etc.

Policies should take account of **local cultures and contexts** or have a high risk of being unsuccessful, whilst also attempting the change this context towards a more amenable structure for tackling societal challenges in future. In this context, specific policy provisions should be made to make it easier to recruit, train and deploy **'barefoot' local human resources**, as lightly but effectively trained to deliver basic services in contexts where there are insufficient skilled personnel. Clearly ethical, transparency and quality standards need to be put into place and efforts made to work with, rather than antagonise, professional organisations like trades unions where these exist. This would include moves to steadily upgrade the skills and professionalism of the 'barefoot' personnel in close collaboration with such organisations, including the terms, conditions and remuneration of their work, by seeing such personnel as temporary gap fillers who should as soon as possible be merged into mainstream systems. Thus, as with other policies, there is here a clear distinction between **'agency'** ('barefoot' personnel tackling immediate symptoms), on the one hand, and **'structure'** (professional bodies and systems representing mainstream institutions and establishments), on the other, which when the two become inter-linked and aligned can produce much better outcomes.

Policies at **the local, municipality and city levels** often have most impact, as they are close to the beneficiaries and know the actual contextual situation. **Cities** are the most successful level as they are at the **structure-agency 'sweet spot'**, i.e. they are large enough to have sufficient power and resources but at the same time small enough to be local and contextually based.

Policymakers at all levels need to **shift from a 'needs' based to a 'rights' based approach**, for example through legal or regulatory provisions, standards, training and good practice handbooks, etc. For example, this should demonstrate how governments or other service providers should be seen as 'duty bearers' whilst the beneficiaries should be seen as 'rights holders'.

A prime policy recommendation, needed to achieve the paradigm shift necessary, is to **advocate for relevant policy and funding bodies to develop and issue their own declaration on social innovation**. It is imperative to get such institutions consciously to adopt social innovation policies and strategies, for example, the African Union, African Development Bank, etc., as well as their Latin American and Asian equivalents. Concerted approaches need to be tailored to specific institutions by understanding their focal points in order to target attention by changing the nature of the debate and to share knowledge. This should include aligning SI policy for PRSD directly to **welfare policies** as well as policies for **social protection, social impact investment** and the currently developing re-vamp of the **'Social Europe'** strategy (especially in Europe where such policies are most developed).