

# The growing importance of Social Innovation

By Oxford Business School

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The results of social innovation are all around us. Self-help health groups and self-build housing; telephone helplines and telethon fundraising; neighbourhood nurseries and neighbourhood wardens; Wikipedia and the Open University; complementary medicine, holistic health and hospices; microcredit and consumer cooperatives; charity shops and the fair trade movement; zero carbon housing schemes and community wind farms; restorative justice and community courts. All are examples of social innovation – new ideas that work to meet pressing unmet needs and improve peoples’ lives. This report is about how we can improve societies’ capacities to solve their problems. It is about old and new methods for mobilising the ubiquitous intelligence that exists within any society. We see the development of social innovation as an urgent task – one of the most urgent there is. There is a wide, and probably growing, gap between the scale of the problems we face and the scale of the solutions on offer. New methods for advancing social innovation are relevant in every sector but they are likely to offer most in fields where problems are intensifying (from diversity and conflict, to climate change and mental illness), in fields where existing models are failing or stagnant (from traditional electoral democracy to criminal justice), and in fields where new possibilities (such as mobile technologies and open source methods) are not being adequately exploited. There is no shortage of good writing on innovation in business and technology, from such figures as Everett Rogers, Christopher Freeman, Rosabeth Moss Kanter, William Baumol, Eric Von Hippel, Bart Nooteboom, Clay Christianson and John Kao. Yet there is a remarkable dearth of serious analysis of how social innovation is done and how it can be supported, and in a survey of the field we have found little serious research, no widely shared concepts, thorough histories, comparative research or quantitative analysis.<sup>2</sup> This neglect is mirrored by the lack of practical attention paid to social innovation. Vast amounts of money are spent by business on innovation to meet both real and imagined consumer demands. Almost as much is spent by governments – much of it to devise new methods of killing people. But far less is spent by governments or NGOs or foundations to more systematically develop innovative solutions to common needs. And not one country has a serious strategy for social innovation that is remotely comparable to the strategies for innovation in business and technology, although some, for example in Scandinavia, are rapidly coming to recognise that future growth and well-being depend as much on social innovation as they do on a continuing stream of new technologies.

## What is Social Innovation?

Innovation is often given complex definitions. We prefer the simple one: 'new ideas that work'. This differentiates innovation from improvement, which implies only incremental change; and from creativity and invention, which are vital to innovation but miss out the hard work of implementation and diffusion that makes promising ideas useful. Social innovation refers to new ideas that work in meeting social goals. Defined in this way the term has, potentially, very wide boundaries – from gay partnerships to new ways of using mobile phone texting, and from new lifestyles to new products and services. We have also suggested a somewhat narrower definition: 'innovative activities and services that are motivated by the goal of meeting a social need and that are predominantly developed and diffused through organisations whose primary purposes are social.'<sup>4</sup> This differentiates social innovation from business innovations which are generally motivated by profit maximisation and diffused through organisations that are primarily motivated by profit maximisation. There are of course many borderline cases, for example models of distance learning that were pioneered in social organisations but then adopted by businesses, or for profit businesses innovating new approaches to helping disabled people into work. But these definitions provide a reasonable starting point (and overly precise definitions tend to limit understanding rather than helping it). Our interest here is primarily with innovations that take the form of replicable programmes or organisations. A good example of a socially innovative activity in this sense is the spread of cognitive behavioural therapy, proposed in the 1960s by Aaron Beck, tested empirically in the 1970s, and then spread through professional and policy networks in the subsequent decades. A good example of socially innovative new organisations is the Big Issue, and its international successor network of magazines sold by homeless people, as well as its more recent spin-offs, like the Homeless World Cup competition in which teams of homeless people compete.

## Who does social innovations?

There are many lenses through which to understand social innovation. For much of the last century it was understood within much broader frameworks of thinking about social change, industrialisation and modernity. Small innovations were seen as reflections of big dynamics. In the contrary approach advocated by Karl Popper and others, social innovation was the incremental and experimental alternative to the errors of utopian blueprints and violent revolution (our reflections on theories of change and their relevance to social innovation are contained in this endnote A, p50). Today most discussion of social innovation tends to adopt one of three main lenses for understanding how change happens: individuals, movements or organisations.

Individuals – always taking no as a question In the first social change is portrayed as having been driven by a very small number of heroic, energetic and impatient individuals. History is told as the story of how they remade the world, persuading and cajoling the lazy and timid majority into change.

## Robert Owen, Octavia Hill and Michael Young are three people who embody this view of history.

The most important social innovator from the 18th century was arguably Robert Owen, born in 1771 at the dawn of the industrial revolution. By the turn of the century he had bought four textile factories in New Lanark and was determined to use them not just to make money but to remake the world. Arguing that people were naturally good but corrupted by harsh conditions, under Owen's management the cotton mills and village of New Lanark became a model community. When Owen arrived at New Lanark children from as young as five were working for 13 hours a day in the textile mills. He stopped employing children under ten and sent young children to newly built nursery and infant schools, while older children combined work and secondary school. In addition to schools, New Lanark set up a crèche for working mothers, free medical care, and comprehensive education, including evening classes. There were concerts, dancing, music-making and pleasant landscaped areas. His ideas inspired emulators all over the world, and New Lanark remains a popular tourist attraction. He had an enormous influence on the new cooperative and mutualist movements as well as paving the way for modern management theories.

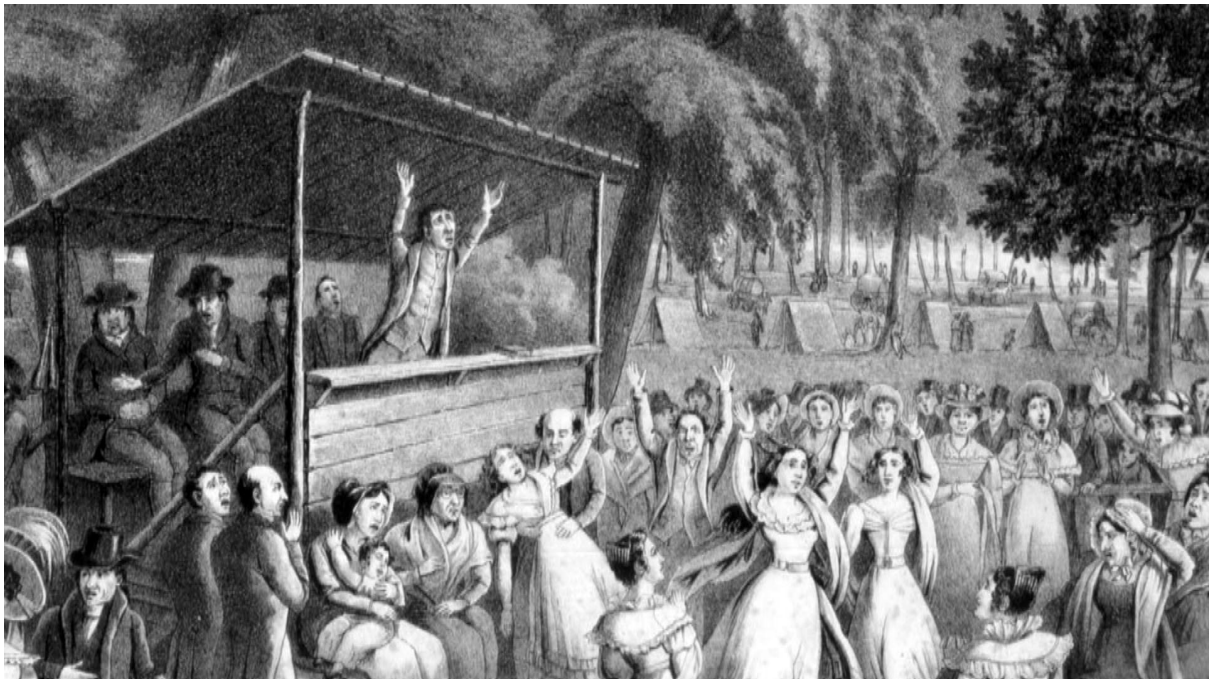
The 19th century produced many more social innovators. A good example is Octavia Hill, who was born in 1838. Her father had been a follower of Robert Owen and as a child she was exposed to an extraordinary range of contemporary progressive thinkers, including Dr. Thomas Southwood Smith, 'father of sanitary reform,' F. D. Maurice, the leader of the Christian Socialists, and John Ruskin. In 1864, Ruskin bought three buildings in Paradise Place, a notorious slum, and gave them to Octavia Hill to manage. The aim was to make 'lives noble, homes happy, and family life good' and her determination, personality, and skill transformed the poverty-stricken areas into tolerably harmonious communities. Communal amenities such as meeting halls, savings clubs, and dramatic productions were encouraged. Her training programmes laid the foundations of the modern profession of housing management and her first organisation, the Horace Street Trust (now Octavia Housing and Care) became the model for all subsequent housing associations. In addition, Octavia Hill was the first advocate of a green belt for London; launched the Army Cadet Force to socialise inner city teenagers; campaigned to create public parks and to decorate hospitals with arts and beauty; and in 1895 created the National Trust (which now has more than 3.4 million members), arguably the world's first great modern heritage organisation.

Michael Young (after whom the Young Foundation is named) was one of the 20th century's outstanding social innovators. As Head of Research for the Labour Party in 1945, he helped shape the welfare state and saw the power of the government to change people's lives, not least through radical social innovations including the National Health Service and comprehensive welfare provision. He became concerned, however, about the risks of the government becoming too powerful and moved out to east London to approach change

through a very different route. His approach involved stimulating argument and he wrote a series of bestsellers that changed attitudes to a host of social issues, including urban planning (leading the movement away from tower blocks), education (leading thinking about how to radically widen access) and poverty. He also pioneered ideas of public and consumer empowerment in private markets and public services: NHS Direct, the spread of after-school clubs and neighbourhood councils can all be traced to Young's work.

There are countless other examples of similar social innovators from around the world – leaders of social innovation have included politicians, bureaucrats, intellectuals, business people as well as NGO activists. Some are widely celebrated like Muhammad Yunus, the founder of Grameen, Kenyan Nobel Prize winner Wangari Maathai, or Saul Alinsky the highly influential evangelist of community organising in the USA, or Abbe Pierre whose approaches to homelessness in France were copied in some 35 countries. There are also many less well-known but impressive figures, some of whom are described in David Bornstein's book on *How to Change the World*.

These accounts include the stories of Jeroo Billimoria, founder of the India-wide Childline, a 24-hour helpline and emergency response system for children in distress; Vera Cordeiro, founder of Associacao Saude Crianca Rensacer in Brazil; Taddy Blecher, founder of the Community and Individual Development Association (CIDA) City Campus, the first private higher education institution in South Africa to offer a virtually free business degree to students from disadvantaged backgrounds, and Karen Tse, founder of International Bridges to Justice. Their individual stories are always inspiring, energising, and impressive. They show just how much persistent, dedicated people can achieve against the odds and they serve as reminders of the courage that always accompanies radical social change.



## 10 world-changing social innovations

1. The Open University – and the many models of distance learning that have opened up education across the world and are continuing to do so.
2. Fair trade – pioneered in the UK and USA in the 1940s-80s and now growing globally.
3. Greenpeace – and the many movements of ecological direct action which drew on much older Quaker ideas and which have transformed how citizens can engage directly in social change.
4. Grameen – alongside BRAC and others whose new models of village and community based microcredit have been emulated worldwide.
5. Amnesty International – and the growth of human rights.
6. Oxfam (originally the Oxford Committee for Relief of Famine) and the spread of humanitarian relief.
7. The Women's Institute (founded in Canada in the 1890s)– and the innumerable women's organisations and innovations which have made feminism mainstream.
8. Linux software – and other open source methods such as Wikipedia and Ohmynews that are transforming many fields.
9. NHS Direct and the many organisations, ranging from Doctor Foster to the Expert Patients Programme, which have opened up access to health and knowledge about health to ordinary people.
10. Participatory budgeting models – of the kind pioneered in Porto Alegre and now being emulated, alongside a broad range of democratic innovations, all over the world.