



Video Transcript

ENTREPRENEURSHIP IN NONPROFITS

The concept of social innovation

[Georg von Schnurbein] When we talk about innovation, we usually think of technological progress. But technology cannot solve all problems, especially not complex societal problems.

Let's take traffic as an example. Worldwide traffic has increased within the last decades. The global economy cannot function without transportation. But private traffic is also very important. Did you know that expenses for travel-related services and goods are the second highest cost factor for European citizens after housing costs?

But traffic has its downsides. Pollution, noise, accidents to name the most obvious ones. Now, technological innovation could create the most efficient, environmentally friendly car. But the problem of traffic jams is not solved if everyone continues to drive in his or her own car. Other innovations that change habits and attitudes are necessary, for instance, carpooling or public transport. Here, innovation goes far beyond technological progress. And that's when we talk about social innovation.

In order to explain the concept of social innovation, I first talk about its definition and then present some key dimensions to you. There exist many definitions of social innovation. I want to present three very compelling ones that really help to understand the term. The first definition by Geoff Mulgan it's as simple as, "Social innovations are social both in their ends and in their means."

The second one by Howaldt and Hochgerner states, "Social innovation is seen as a new combination of social practices in certain areas of action or social context."

The third definition by Phills, Deiglmeier, and Miller says, "A novel solution to a social problem that is more effective, efficient, sustainable, or just than existing solutions and for which the value created accrues primarily to society as a whole, rather than private individuals."

If we take the core issues of all three definitions together, we can say that the first definition highlights new ideas that meet social needs and create new social collaborations at the same time. The second one speaks of new combinations of social practices, which means that it needs collaboration beyond existing fields.

Finally, the last one emphasizes the value creation, which means that social innovations have to create an outcome for the society at large.

Now we can focus on these three key dimensions: origin, organization, and outcome. Origin means that a social innovation addresses a social need. It is not about consumption of individuals or business efficiency, but about needs that are socially recognized. Our initial example of traffic is a social need. Organization means the way that collaboration and inter-sectoral relationships are used to solve the problem. If you think of carpooling as a solution for lower traffic, you need people willing to share their cars, governmental initiatives, such as tax breaks or carpooling lanes, that facilitate the realization, and private or nonprofit initiatives that create carpooling apps or exchange platforms. You might think of even more aspects of relevance.

Finally, outcome focuses on the value created through social innovation. Next to meeting the detected social needs, the value creation can also entail increase of inclusion and empowerment or increase of human capacity of social capital. In our example, a reduction of traffic through carpooling might not only



lead to less cars on the streets, but also to less pollution, less noise, less stress, and better social connection of the people involved.

In the following videos and texts we are going to look at different examples of social innovation in order to give you a better understanding of the concept.