Rediscovering Social Innovation

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The Fieldstone Foundation
San Diego Grantmakers
May 7-8, 2009
The Proliferation of “Social” Stuff

• Penetration of business ideas, management practices, and market principles into the world of and nonprofits and government

• Juxtaposing private sector concepts with the word “social” as a modifier
  – social entrepreneurship
  – social enterprise
  – social venture
  – social capitalist
  – social innovation
Limitations of Social Entrepreneurship

• The Parable of the three blind men and the elephant
Limitations of Social Entrepreneurship

• Can the Nobel prize Committee be wrong?
  – Muhammad Yunus
  – Grameen Bank
  – Microfinance
Limitations of Social Entrepreneurship

The Big Picture

Social Enterprise
Social Ventures

Social Entrepreneurship

Social Capital
Market

Social Innovation

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Limitations of Social Entrepreneurship

• Focus on individual level attributes & traits
  – Boldness, accountability, and risk-taking
• Emphasizes the creation of new organizations
• Typically limited to nonprofit entities
Limitations of Social Entrepreneurship

• But isn’t focus a good thing?
• In this instance, No! because…
  – Underlying concern is the creation of social value by solving social problems
  – Social entrepreneurship is not the only, and certainly not always the best way to achieve these goals
The Meaning of Social Innovation

• “Innovation”
  – Novelty
  – Performance improvement
  – Magnitude
  – Implementation/Adoption
• “Social”
  – Social needs or problems
  – Social value
  – Balance in creation and capture of value favors the public
• Any novel and useful solution to a social need or problem, that is better than existing approaches (i.e., more effective, efficient, sustainable, or just) and for which the value created (benefits) accrues primarily to society as a whole rather than private individuals.
Examples of Social Innovation

• Microfinance
• Fair Trade Products
Mechanisms of Social Innovation

- Exchange of ideas and values between public, private, and nonprofit sectors
  - Socially Responsible Investing
- Shifting roles and relationships between business government and nonprofits
  - Emissions Trading
- Blending of market-based principles and mechanisms with public and philanthropic support.
  - Affordable home ownership and secondary mortgage market

“Dissolving Boundaries”
Implications For Thought Leaders

• Develop conceptions of the phenomenon that are clear and precise

• Distinguishing the processes through which social innovations emerge, diffuse, and succeed (or fail)
  – These need to be seen as distinct rather than conflated with our definitions
Implications For Context Shapers

• Nurture and support policies and practices that foster the flow of ideas, values, capital, and talent across sector boundaries
  – “Dissolving boundaries”
Implications For Social Innovators

• Importance of understanding, embracing, and leveraging these cross-sector dynamics and interaction
Postscript: A Victory for Social Innovation

• President Obama’s Office of Social Innovation
• Congress’ Edward M. Kennedy Serve America Act 31 March 2009
  – Social Innovation Funds Pilot Program
Objectives

- Leveraging Federal investments to increase State, local, business, and philanthropic resources to replicate and expand proven solutions.
- Increasing private and public investment [to] allow [effective] organizations to replicate and expand proven initiatives or support new initiatives;
- Seeding experimental initiatives focused on improving outcomes
- Strengthening the infrastructure to identify, invest in, replicate, and expand initiatives with effective solutions to national and local challenges.
Some Friendly Amendments

• Social innovation fund, explicitly limits its scope to "social entrepreneurs and other [italics added] nonprofit community organizations"

• This constrains the sources and kinds of innovative solutions to social problems we can produce
• There are those who believe that social entrepreneurs should by definition be nonprofit. I don’t share that view. Many people in traditional larger nonprofits have taken offense at the notion that you are a social entrepreneur only if you’re new. In truth, a lot of people have committed themselves to social change and have done great work. They should all be celebrated and seen as partners in the larger struggle.

– David Gergen, in SSIR September 2009
References

References

References
