

## **Don't Stop**

### **Social silicon valleys: what social innovation is, why it matters and how it can be accelerated**

**Geoff Mulgan**

#### Summary

1. Social innovation – new ideas that work to meet pressing unmet needs - is all around us. Examples include distance learning, patient-led healthcare, fair trade and restorative justice. Many social innovations were successfully promoted in the past by Michael Young and the Young Foundation in its previous incarnations (such as the Open University, extended schools and phone-based health services).
2. In the last two centuries, innumerable social innovations, from kindergartens to Wikipedia, have moved from the margins to the mainstream. As Schopenhauer put it ‘every truth passes through three stages. First, it is ridiculed. Second, it is violently opposed. Third, it is accepted as being self-evident.’
3. These processes of change are sometimes understood as resulting from the work of heroic individuals (such as Robert Owen or Muhammad Yunnus); sometimes they are understood as resulting from much broader movements of change (such as feminism and environmentalism). Many innovations progress through a similar series of stages: from the generation of ideas through prototyping and piloting, to scaling up and learning. Some of the same patterns can be seen as in other fields of innovation: the importance of imagination and play; the value of trying to design for the most difficult users; new methods for involving users in every part of the design process; the importance of hybrids and combinations of apparently distinct elements.
4. In some cases innovation starts by doing things – and then adapting and adjusting in the light of experience. In all cases innovation involves some struggle against vested interests; the ‘contagious courage’ that persuades others to change; and the pragmatic persistence that takes promising ideas into real institutions.
5. Social innovation is not unique to the non-profit sector. It can be driven by politics and government (for example, new models of public health), markets (for example, open source software or organic food), movements (for example, fair trade), social organisations (for example, microcredit) and academia (for example, pedagogical models of childcare). Many of the most successful innovators have learned to operate across the boundaries between these sectors. In the economy about half of most nations’ investment in R&D comes from government (and public funding was decisive for innovations like the microchip and the World Wide Web). Successful social innovation is also likely to depend on a combination of concerted public investment, independent finance and widespread

entrepreneurialism, and past experience suggests that it thrives best when there are effective alliances between small organisations and entrepreneurs (the ‘bees’ who are mobile, fast, and cross-pollinate) and big organisations (the ‘trees’ with roots, resilience and scale) which can grow ideas.

6. Nobel prize-winning economist Robert Solow estimated that some 80% of added value in the economy comes from innovation and new knowledge. There is no reason to believe that society is any different. Innovations in different fields complement each other. The spread of new technologies like the car, electricity or the Internet, and advances in healthcare, depended as much on social innovation as they did on innovation in technology or business. But there are signs that social innovation is becoming increasingly important for economic growth: some of the key barriers to lasting growth (such as climate change, or ageing populations) can only be solved with social innovation, and increasingly the public is demanding qualitative growth as well as material growth.
7. We believe that all societies now need to direct energies towards social innovation that are comparable to the huge investments made in business and technological innovation. All societies face acute challenges that are not amenable to traditional solutions: these include ageing, climate change, rising incidence of chronic disease, and conflict. That is why we advocate the development of what we call ‘Social Silicon Valleys’ – places and institutions that mobilise resources and energies to tackle social problems that are comparable to the investments made in the world’s first silicon valley and its equivalents around the world.
8. This is likely to require major changes amongst governments, foundations, NGOs and business, including:
  - New sources of finance focused specifically on innovation, including public and philanthropic investment in high risk R&D, targeted at the areas of greatest need and greatest potential
  - New kinds of incubator for promising models, along the lines of the Young Foundation’s Launchpad programme (which is developing new business models in fields such as health, schooling, neighbourhood governance and the law), and what we call ‘accelerators’ to advance innovation in particular areas sectors such as chronic disease or the cultivation of non-cognitive skills
  - New institutions to help orchestrate systemic change in fields like climate change or welfare – linking small scale social enterprises and projects to big institutions, laws and regulations
  - New approaches to innovation for individual nations, cities and regions that cut across public, private and non-profit boundaries, including cross-national pools to develop and test new approaches to issues like prison reform or childcare

- New institutions focused on mining new technologies for their social potential – such as artificial intelligence, grid computing or GPS
  - New ways of cultivating the innovators themselves – drawing on experiences from organisations like the School for Social Entrepreneurs.
9. Over the next year the Young Foundation is helping to bring together a global network of organizations working in this field – linking research and action, linking businesses, governments and communities, and helping to accelerate social innovation primarily through our direct work in designing, launching and scaling up new enterprises and new models. Under Michael Young, the Foundation was unique in combining ideas and enterprise in this way. We believe that there is a greater need than ever before to fill this gap between public policy, social entrepreneurship and innovation.

**For more information – and the full text of ‘Social Silicon Valleys’ see [www.youngfoundation.org](http://www.youngfoundation.org)**