The need for National Competence Centers for early-stage social innovation ecosystems in EU Member States

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What is a social innovation ecosystem? Why is it needed? What does it look like in its early stages? And what actions can we take to help it grow and develop? These are some of the key questions to be explored in this article. An article written for the purposes of the FUSE project which believes in the power of social innovation as a key driver for regional sustainable growth. FUSE is one of the six projects supported by the European Commission to establish national competence centers for social innovation ecosystems across the EU.

Although the term social innovation was first introduced during the 1960s, there is still not a commonly agreed definition of what it exactly is, and this creates several misconceptions around its concept. Different stakeholders have different beliefs, which makes it difficult to map out relevant stakeholders of the ecosystem and initiate discussion between them. However, for this article's purposes, it is important to have a clear understanding on what social innovation is, thus, we have decided to follow the term shared by the Forum of Social Innovations. "The key distinction between social innovation and any other kind of innovation is that it focuses on improving the welfare of individuals within a community."[1] " It is an innovation inspired by the desire to meet social needs which have been neglected by traditional forms of private market provision and have been often poorly served by services offered by the government."[2] These include the growing societal, environmental and political challenges that communities are facing. Examples include climate change, youth unemployment, social exclusion and inequality, child poverty, mass urbanization, rapid aging population and many more.[3]

During uncertain periods, like the one we are currently living in, more and more challenges will appear. Social innovation can however make a real difference in "addressing these challenges as a source of fresh dynamic approaches to mobilizing communities and building their resilience"[4]. "The capacity of any society to create a steady flow of social innovations, particularly those which re-engage vulnerable groups, is an important contributor to the overall social and ecological resilience of the place."[5]

By definition, an early-stage social innovation ecosystem is not yet very innovative. Given its complexity, this might be a result of lots of different interdependent variables. So, let's try to break it down and understand why a social innovation ecosystem still belongs to an early stage of its development.

Think of an ecosystem as a system within a specific region. Any system consists of three parts: its components, the relationship between them and their capabilities. Components are the operating parts of the system. In the case of a social innovation ecosystem, these include relevant players such as individuals, social and private businesses, banks and other financial institutions, universities, research centers, public policy agencies as well

[1] Committee for Scientific and Technological Policy (CSTP), *Fostering Innovation to Address Social Challenges*, OECD, Paris, 2011

[2] M Harris & D Albury, *The Innovation Imperative*, NESTA, London, 2009

[3] Nicholls & A Murdock, Social Innovation: Blurring Boundaries to Reconfigure Markets, Palgrave Macmillan, 2012 for a full account of these 'wicked' problems.

[4] TESPSIE, *Growing Social Innovation "A Guide for policy makers",* 2015

[5] F Westley, *The Social Innovation Dynamic*, Social Innovation Generation, University of Waterloo, 2008,
http://sig.uwaterloo.ca/research-publications

as regulatory laws within a region. During its early stages, a social innovation ecosystem usually misses some of these key components which can create gaps on how the system can work properly and develop. An ecosystem is also affected by the relationship between those components. This also represents an ecosystem's governance model which during an early stage, is more likely to be based on a Triple Helix approach, with decisions taken based on a top-down view. The Triple Helix Approach represents the government, businesses, and universities as actors, neglecting the civil society as a key player in the decision making process. A top-down view does not allow strong connections between the players of an ecosystem, including knowledge sharing and feedback mechanisms which are fundamental to innovation. To achieve social innovation, the governance of the ecosystem should become decentralized to include all relevant actors during the decision making stages and should be upgraded into a Quadruple Helix involving all 4 key players: government, business, academia and the civil society as the fourth cornerstone of the innovative society.[6] "Social innovation aims to empower citizens to become active players in the ecosystem and explain the role of the social economy and social entrepreneurs in delivering economic growth and social inclusion[7]. Even more, the attributes of the ecosystem's players are important for its development. There are four types of equally important capabilities for any player. "The strategic (scanning, monitoring, identifying and successful implementation of strategies), organizational (culture, governance model), technical (efficient execution of functions) and the learning capabilities (essential for long-term survival)".[8] These capabilities can help any ecosystem to become more robust and more flexible in responding to new challenges, thus more innovative. In an early-stage social innovation ecosystem, except for the fact that not all players are available and don't have a strong connection between them, it is also very likely that they don't consist of all the required attributes. In such an environment, these players need to support each other so that multiplier-effects can accelerate. Most importantly, they need guidance from an innovative component within the ecosystem which has the potential to lead or facilitate the ecosystem's transformation.

The FUSE project aims to create National Competence Centers to become a key component that will further enhance the infrastructure and support mechanisms of social innovation ecosystems. Their main role will be to improve at a national level the effectiveness of the European Social Fund+, which is the EU's main instrument to invest in people. ESF+'s priority is to support social innovations as they can help repair the economic and social damages brought by the pandemic, in order to kick-start recovery and create new jobs that will address current and upcoming societal challenges. For the period 2021-2027, the Commission proposed that the ESF+ has a budget of more than €99 billion.[9]

National Competence Centers have the potential to make a real long-lasting impact by offering professional training and capacity building opportunities to social innovation stakeholders across government, academia,

[6] TESPSIE, Growing Social Innovation "A Guide for policy makers", 2015
[7] TEPSIE, Defining Social Innovation, Part 1, 31st of May 2012
[8] B Carlsson et al "Innovation systems: analytical and methodological issues", Research Policy 31, 233-245
[9] European Commission website, https://ec.europa.eu/esf/main.jsp?catId=62&langId=en, viewed at 21st of October 2022

industry and civil society. Depending on the level of expertise of each country's social innovation ecosystem, these trainings should aim to improve their key stakeholders' gaps and needs. For example, within an early stage ecosystem, training for public officials should be focused on helping them understand the potential benefits and bottlenecks for ESF+ so that they can develop future policies and action plans with social innovation principles at their core. Even more, National Competence Centers can be learning platforms for ESF+ managing representatives to design more effective calls for social innovation by understanding the real needs of social innovators. For social innovation promoters, especially the smaller social and civil society actors, the NCCs can offer a professional training environment to improve necessary skills and competences to develop and upscale their projects.

These activities will help key actors within the social innovation ecosystem to strengthen and enhance their capacity to act. Above all, the National Competence Centers will encourage networking and cross-sectoral experimentalism for new and collaborative ways between different stakeholders who up until now were not connected with each other. The NCCs will offer a safe space for better interaction between them to explore ideas and create synergies for shared challenges and sustainable growth.