

## DECEMBER 2013 NEWSLETTER

Welcome to the seventh edition of the TEPsie newsletter – the Christmas edition! Whilst the aim of the newsletter is to provide you with an update on our research and upcoming events, we decided to enrich the newsletter format by giving each partner the opportunity to present the key issues for social innovation in their countries.

This newsletter features the current state of social innovation in Denmark. Read about the leadership gap in Denmark in the editorial written by DTI's center manager Hanne Shapiro, senior consultant John Keller Lauritzen seeks to answer the questions whether social enterprises can deliver, whilst senior consultant Karsten Frøhlich Hougaard investigates where the money is. Finally, John looks to the dark side of social innovation – is the fact that it involves so much unpaid work a threat to the Danish welfare system?

Regarding news from the TEPsie project: It's been a busy second year for the TEPsie team. We wrapped up the first half of the project which was a red line in the sand for our work. It signals the completion of hard conceptual work, work on measurement considerations and the successful development of robust frameworks that will be used during the second half of the project. The now ongoing work streams briefly give a status update in this newsletter. In general, they are collecting evidence from in-depth case studies to exemplify findings and are shifting towards the formulation of areas for further research and recommendations to consider.

As much as TEPsie is a research project it also is a project that seeks to establish a global community around social innovation – both online and offline. We report highlights from our research portal, where team members as well as external expert post their current thinking, report from events we attended and events we ran. Both the research colloquium in Heidelberg and the Social Frontiers conference run in partnership with Nesta and Glasgow Caledonian University in London deserve special mentions.

Happy reading and we wish you an exciting 2014! We will surely be back with more news.



*Gwendolyn Carpenter*  
Senior European Policy Advisor, DTI  
Director of Dissemination, Tepsie

## TRANSFORMING DENMARK THROUGH SOCIAL ENVISIONING



*Editorial by Hanne Shapiro  
Centre Manager  
Danish Technological Institute (DTI)*

Denmark has a strong and internationally renowned tradition of a social welfare state as well as strong traditions in what has lately come to be called social innovation. The “green energy” revolution Denmark, in which the country is a global leader, has a firm grounding in community activism, whilst volunteering is a long-standing tradition in Denmark, just to name two examples. However, in the medium to long-term, developments in demographics will result in a smaller workforce in Denmark as in other parts of Europe, with more people in receipt of social benefits or pensions. In particular, the economic crisis has taken its toll on youth employment opportunities with a high risk of leading to structural unemployment, in spite of a shrinking labour force. So the combination of fewer economically active people, and a larger group of disconnected and perceived not to be labour market-ready, in spite of one of the most generous welfare systems, there are reasons way beyond arguments about cost savings to rethink the welfare society of tomorrow - and social innovation could be one of the core features.

But is the leadership in place and is social innovation a political priority?

### The public sector is a key player

The public sector played a key enabling role that led to Denmark’s global market success – for example the very early deployment, compared to other countries, of the opportunities of ICT-enabled public sector innovation. The public sector could play the same key role in social innovation, if social innovation will be used as one of the key forms of innovation to address the grand challenges Denmark will be facing, through public- private or public-civil partnerships, which could stimulate the growth of new businesses and jobs, via companies with a clear social profile. The public sector equals the Danish welfare model as it is, if you ask most Danes. Hence, it will be a huge mistake to write the public sector out of the equation welfare society @ 2.0.

Statistics and numerous case stories show that the public sector is not the provider of solutions to all social challenges. But if 1+1 is to add up to more than 2 and genuinely lead to systemic change, the million-dollar question is who will take leadership for social innovation?, Is the public sector still to provide a number of core services, act as facilitator for new players and provide the creative environment for business opportunities that social innovation should deliver ?

The arrows in Denmark are in fact pointing in different directions.

Firstly, framework conditions that promote social innovation are needed. This implies that:

- Management that encourages practice and policy experimentation, initiated by frontline staff, citizens, or civil organisations, and systematically learning from these.
- Many municipalities have implemented innovation strategies- much is about more efficient ways of doing things- less about social imagination- what if?
- Experiences from Inno Lab- at Aalborg Hospital shows that frontline employees can drive innovation with remarkable results. The right skills are of course needed, but equally important is work organisation – and leadership practices and incentives.
- Avoiding micro management at the institutional level through rigid quality indicators that may not fully mirror what quality is all about from the end user perspective.
- Provide cultural and time space where frontline workers from the public sector, citizens and civil organisations can meet and develop alternative scenarios around a particular challenge.
- At present the welfare society is mainly debated among policy makers and citizens at times of local elections - changing this can stimulate more on-going debate about the transformation of our welfare society and how we can make ends, needs and aspirations meet.

Secondly, social innovation often works across levels of government and across budget lines. Much more work is needed to break down existing silos and to enable the public sector to actually reap the benefits social innovation could deliver. Whereas some municipalities have taken dramatic steps to rethink their organisations for new and changing demands, part of the public sector continues to be organised and work in silos- also when it comes to the use of financing instruments, which results in inefficient use of scarce resources.



Source: <http://kph-projects.dk/>

Thirdly, if social innovation is to become a feature in our way of conceptualising and approaching innovation, it will have to build on recognition of mutual strengths and complementarity. Systematic practice experimentation shaped bottom-up can enable this as can learning from internationally promising practices that have successfully been scaled. Social innovation cannot be dictated top-down through committees and task forces, however much Denmark might need to cut social costs. Social innovation occurs through transformative practices, and enabling frameworks that allow for social envisioning and experimentation.

#### A political priority

However, promoting social innovation starts with a policy decision. It is a political job to prioritise where the public sector to a larger extent could invite or leave room for non-public players to develop and implement solutions to social challenges. Moreover, it is a political task to define how the social services provided by non-public players can be quality-assured and who is ultimately responsible for the services. Further, and at the "harder end" of politics, legislative frameworks will likely have to change in some areas.

So far, Danish politicians have mainly focused on social enterprises - primarily social enterprises employing hard-to-place persons. The Danish government has established a task force that has come with a number of recommendations in the late summer. The reality on the ground is that currently there are about 120 social enterprises, so as such they play a minor role in current initiatives for a more inclusive labour market, where it is worthwhile pointing also to the efforts of the network for corporate social responsibility in Denmark. The question therefore remains whether the money spent on forming and running a task force on social enterprises was wisely spent. To help build the broad vision and transform Denmark through social envisioning, the Danish national government should have considered

building on a broader platform to genuinely pave the way for the next generation Danish welfare society, Version 2.0. If we are to move social innovation to Denmark on a large scale, a wider range of potential players needs political focus and a national strategy. It is time to roll up our sleeves and get the work done.

### CAN SOCIAL ENTERPRISES DELIVER IN A DANISH CONTEXT?



*By: John René Keller Lauritzen, Project Manager, DTI*

One of the hottest topics among Danish policy makers these days is that of social enterprises. This September, a committee of experts delivered their recommendations for national policy directed specifically at creating better framework conditions for social enterprises. At local government level, strategies for growing and attracting social enterprises are being formulated at a steady pace. And with over 20% of Danes between 15-64 years of age receiving public welfare, expectations for the societal impact of these enterprises are enormous. Not only are they seen as alternative ways to addressing social challenges, they are also believed to be shortcuts to growth and job creation. But just how realistic are these expectations?

A recent study conducted on behalf of the expert committee concludes that there are currently around 292 social enterprises in Denmark and that these on average employ what corresponds to 12.4 full-time employees. We are in other words, talking about a rather small group of organisations. Another study indicates that the Danish social enterprises are not significantly better than their for-profit counterparts when it comes to integrating marginalized groups into the labour market and keeping them off public welfare support. One could reasonably argue that they have not lived up to the hype – not yet, at least.

So, what will it take to grow the number – and not least the social impact – of social enterprises in Denmark? What seems to be missing rather urgently is a stronger knowledge-base on which to build legislation, strategies, initiatives and even the enterprises themselves. On this point, the focus in the national studies conducted in the field has primarily been on analyzing how many social enterprises there are, what they do and who they employ. What is still missing is an answer to the fundamental question: What are the key ingredients that can make social enterprises emerge, thrive, grow and maximize their social impact in a Danish landscape?

Closing this knowledge-gap might just be the missing piece of the puzzle, with many other key factors pointing in the right direction: There is substantial political will at national and local level, foundations are getting in the game by sponsoring initiatives to test and scale new innovative business models, and social entrepreneurs increasingly seem to be emerging to kick-off their social ventures. The future might after all still look bright for social enterprises in Denmark, but building a stronger knowledge base seems to be a necessary ingredient.

## CASESTUDY: COPENHAGEN PROJECT HOUSE (KPH)

The Copenhagen Project House (KPH) is a creative hub for innovative startups and small businesses working with social, cultural and environmental initiatives. KPH, which is situated on Enghavevej in Copenhagen now houses over 50 innovative initiatives, all working to bring innovative social and cultural ideas into action. Copenhagen Project House is an example of a municipal-created intermediary that helps innovators with knowledge, networks and concrete assistance in relation to financing.

*Read more in our upcoming case study report on barriers to social innovation. (Expected late January 2014).*

## WHERE IS THE MONEY? FINANCING SOCIAL INNOVATION IN DENMARK



*By Karsten Frøhlich Hougaard, senior consultant, DTI*

In general, there are relatively few financing opportunities for social innovators in Denmark, and they offer relatively limited funds for social innovation purposes. This is the short story. Of course, the reality is more complex and nuanced. This article looks into the financing of social innovation in Denmark and argues that the catch-22 problem must be solved before social innovation funding can be scaled.

### The funding schemes for social innovation in Denmark – a brief overview

In Denmark, it makes sense to divide the market for social innovation funding into two types of funding. The first type of funding is directed at the early stages of the innovation process. This is typically when a social innovator has an idea but lacks financing for a specific prototype or project. The second type of funding is directed at the later stages of the innovation process, where an initiative, a project or a company exists, but where there is a lack of financing to support consolidation and scaling.

Looking at the early stages of the innovation process, there are a few relevant funding schemes in Denmark. For-profit initiatives, typically social enterprises, can make use of the same financing offers as 'ordinary' start-ups. Innovators can borrow money from a bank or find other private investors. However, there are no earmarked funds for start-ups with a social profile. The challenge here is to convince investors that making a profit out of the investment is realistic. This is a great challenge. To many investors, profit and the social area seem to clash. However, Merkur Cooperative Bank is one investor that stands out. The bank is an ethical bank and is Denmark's foremost financial institution in sustainable banking.

For those initiatives that are not-for-profit or non-profit, there are a few relevant private funds. The most important funding scheme for non-profit initiatives in the early stages is the special pool for the social area (Satspuljen).

When we turn to the later stages of the innovation process, it is important to emphasise that if the initiative is sustainable in itself, which it should be, only financing for scale-up is necessary. The day-to-day operations should not need outside financing. The Social Capital Fund is the only fund that supports social innovation in the later stages, and it has rather limited funds. Furthermore, the Social Capital Fund only focuses on social enterprises. Consequently, when scaling up not-for-profit or non-profit initiatives, the options for funding are very limited.

#### The catch-22 problem of financing

The driver for many social innovators is personal commitment to a social cause. It is not easy, but not impossible either, to get funding for a social project in Denmark. 'Satspuljen', mentioned above, is one of the sources for financing such social projects. Financing is typically provided for a set period (2-3 years). The problem occurs if the initiative turns out to be successful and needs scaling. On the one hand, the profile and content of the initiative are still too social to attract venture capital, even if the initiative is ready for scaling. On the other hand, public funds and some private foundations are not willing to finance a scaling process. Thus, the project is too social to attract venture capital and too commercial for social project funds! This is the essence of the catch-22 problem for financing social innovation. And here lies the problem and the solution for financing social innovation in Denmark.

#### How can we increase the capital flow for social innovation?

There are several ways to increase the capital flow for social innovation in Denmark. Three low-hanging fruits are:

1. Changing the legislation is one option by allowing public funds to finance not only the initiation of social projects but also the scaling of promising social initiatives. This implies that the long-term perspective is taken much more into account at the expense of the 2-3 year project cycle, when public funds are used for social innovation initiatives.
2. Social innovators have to become better at demonstrating the (social) return on the investment. The business case – social and financial – is crucial. In Denmark, there has been a tendency only to look at the potential social effects and then set up a 2- or 3-year project to test the idea. When the funding runs out, the project usually 'dies'. If social innovators increase their ability to demonstrate a good business case, it will be much easier to attract long term investment from venture capital
3. Finally, we have to create more intermediaries in Denmark. This is particularly important for the early stages of the innovation process. Denmark needs

intermediaries who can provide small-scale start-up capital and are able to bring social innovators and investors together. On the one hand, many social innovators look for small donations or loans with no specific conditions attached in the start-up phase, e.g. € 15,000 to € 30,000 or even less. On the other hand, most foundations do not accept applications from individuals with a good idea, as they are concerned about transparency and outcome. Hence, they usually support large-scale projects from well-known players in order to reduce the administrative burden.

To sum up, increasing the capital flow for social innovation is primarily about solving the catch-22 problem. In addition, action is needed from politicians, private investors and the social innovators. Let's get started.



Source: <http://www.kolding.dk/>

## CASESTUDY: THE SOCIAL ECONOMIC CENTRE IN THE TRIANGLE REGION

The Social Economic Centre in the Triangle Region is a broker between social entrepreneurs and social enterprises, on the one hand, and the public sector on the other. At the same time, the centre functions as the single point of entry for social entrepreneurs to the Municipality of Kolding. This means guiding social entrepreneurs and representatives from the social enterprises to the right department in the municipality for assistance. The centre is also able to address the issue without involving two or three different departments in the municipality. One example could be assistance to understand the rules concerning employing people under special conditions, where the social enterprises normally receive financial support from the municipality. Another example could be entrepreneurial counseling – tailored to social entrepreneurs.

The centre is operated by Kolding Social Venture and is expected to become an important instrument in implementing the municipality's strategy for social enterprises. The main objectives of the centre are:

- Collect and compile knowledge and expertise about the social economy in the Triangle Region in one place
- Provide inspiration for social entrepreneurs
- Make social enterprises visible and accessible
- Develop the market for social enterprises in the Triangle Region
- Involve the financial sector and increase the sector's knowledge and interest in the social economy
- Influence policy makers, procurement managers and companies and make them focus on the social economy and create partnerships.

The centre also functions as a communicator of requests and suggestions between (potential) entrepreneurs to the municipality.

*Read more in our upcoming case study report on barriers to social innovation. (Expected late January 2014).*

## SOCIAL INNOVATION: A THREAT TO THE DANISH WELFARE SYSTEM?



*By: John René Keller Lauritzen, Project Manager, DTI*

Although the field of social innovation is gaining leverage in Denmark, it is not applauded by all. Denmark is characterized by a strong welfare system where addressing social challenges has traditionally been the prerogative of the public sector. By definition, social innovation is about involving actors in society in creating and driving new social solutions.

Therefore, it can be regarded as a potential threat to the current division of labour between the public sector and civil society. The main fear is that social innovation initiatives involving e.g. volunteers, relatives and social enterprises in addressing challenges in areas such as education, senior care and child care, can cost the jobs of frontline employees on the public sector payroll who traditionally have been paid to address the same challenges.

Another argument used is that it threatens the whole DNA of the Danish Welfare system, which stands for high-quality and equal services to all (and not just to people with resourceful relatives, volunteers or social enterprises around them). The national and local government leaders and institutions aren't the ones making the noise, however. They generally perceive the involvement of non-public actors to be a necessity under the current circumstances, where they struggle to find the money to finance even the most basic services. It is the unions representing the front-line staff of the public sector that seem to feel most threatened. Although they do not explicitly mention social innovation as a threat, they speak openly against initiatives giving volunteers increased responsibilities in meeting social demands.





Source: Participant at the Next Frontiers Conference in London, 14th-15th November

Having volunteers or other non-public actors read to children in kindergartens, do the groceries for senior citizens or assist vulnerable children in the schools, has frequently been criticized by the unions. But should frontline staff and the Danish welfare system feel threatened by social innovation?

There have been examples of public sector institutions with, on the one hand, mobilizing an army of volunteers while, with the other, laying off low-skilled employees in the name of innovation. Although such instances have been few and far between, the fear is, of course, that more examples will appear if the unions stop fighting the battle. On the other side of the debate, mainly public sector leaders, social innovators and researchers argue that new ways of mobilizing non-public resources in welfare provision can supplement rather than threatens the existing system.

New concepts for e.g. involving grandparents in kindergartens, private enterprises in the social inclusion of vulnerable youngsters and social enterprises in creating employment for mentally and physically disabled citizens is not likely to lead to lower quality services or public sector lay-offs, they argue. It will, on the contrary, lead to better services and to improvements in the working conditions of frontline staff by relieving them of some of their current work load.

Regardless which side of the argument you stand on, it is evident that social innovations which mobilize non-public actors in addressing social challenges raise a number of questions. How do we for instance install mechanisms to ensure that the quality of the services provided remains at a high level? How do we hold these new actors accountable if they do not live up to their increased responsibilities or if things go wrong? And how do we ensure that social innovation is not being used as a fig leaf for budget-cutting exercises by the public institutions in times of crisis? The debate is certainly relevant and will likely increase in intensity in the coming years as new social innovation initiatives find their way into the Danish welfare state.



Source: Participant at the Next Frontiers Conference in London, 14th-15th November

## RESEARCH UPDATE

### Reporting on casestudies into key barriers soon (work package 3)



*Eirini Kalemaki, Atlantis Consulting (GR)*

TEPSIE's third work stream is dedicated to getting a deeper understanding of the challenges that impede the development and scale of social innovation around Europe and, therefore, provide solutions on how to overcome them.

Given that existing research on challenges to social innovation is very generic, we focus on a specific set of challenges and how they manifest themselves in specific contexts (on a country level).

Hence, the most pressing challenges identified in the partner countries participating in the TEPSIE project (DK, UK, DE, PT, and GR) – ranging, among others, from the inability of small organizations to secure funding in Germany to the lack of knowledge, skills and competences for the development of social innovation in Greece and the silo effect that exists in the Portuguese public sector which acts as a main deterrent to the development and scale of social innovation in the country- have been selected and are being analysed in depth. For the identification of the specific challenges, our approach is based on a specific typology

of the challenges to social innovation.

The insight gained from this research will thus give us the opportunity to prepare a scientific paper to be produced as a final step of this work package.

### Check out the policy paper on feasibility and opportunities of using various instruments for capitalizing social innovators (work package 4)



*Gunnar Glänzel and Gorgi Krlev, Centre for Social Investment, University of Heidelberg (DE)*

Social finance is an emerging and increasingly important field across Europe. Responsible investment has emerged in commercial markets and reflects a shift towards social responsibility and sustainability.

Even though the profit motive remains central, social criteria have become more important to firms and investors. Social innovation adds a new dynamic to the field of social finance. It enhances the emphasis that lies on the social aspects, which is connected to the ever more intense discussion of the outcomes or impacts that organizations in the social sphere are producing.



The TEPSIE report on the “Feasibility and opportunities of using various instruments for capitalising social innovators” (available soon) opens a rather new debate, including the question how can social innovations that are not necessarily able to generate financial returns benefit from (new) streams of finance? This debate has to take into account factors such as alternative proofs of concept, and the role of risk or of non-financial (supplementary) support.

The report merges insights from interviews with members of the still very small group of social investors across Europe and 444 responses gathered in an online survey about the funding needs of social innovators. It furthermore investigates the needs and demands of investors and investees, and thereby identifies gaps to be closed for the social finance market to work efficiently. Current trends in the field, such as Social Impact Bonds (debt capital) or initiatives advocating the foundation of a Social Stock Exchange, have been used to develop scenarios on the Social Innovation-Social Finance nexus.

The scenarios have also been assessed against different types of actors and fields of social innovation to derive key policy recommendations. These focus on four specific aspects: (1) the financing mix to be promoted; (2) the social innovator spectrum to be considered; (3) outcomes as a key funding criterion; and (4) non-financial forms of support. If you are keen to learn more about the current state of the social finance landscape and its future direction, please consult the TEPSIE report!

### Shifting our gaze to social impact assessment (work package 6)



*Ioanna Garefi, Atlantis Consulting (GR)*

The sixth work stream aims to identify and map the various methods used to measure the social impact of social innovation projects. The research focuses on social innovation projects developed and implemented by third sector organisations, given that they are considered as the most important providers of social innovation solutions, in three specific EU countries (United Kingdom, Germany and Denmark) and specifically in the field of employment, given that this is one of the main objectives of the Europe 2020 Strategy.

The identification and mapping of the different available methods will enable us to examine those that are being used for measuring the impact of social innovation projects in the specific policy area and highlight the most relevant criteria and tools that could be incorporated into a more coherent impact measurement approach.

More specifically, the different stages of this work package include, first, a broad review of current approaches and methods for assessing the impact of social innovation projects (‘what is there?’); second, what particular tools are currently being used and which will be analysed in more depth, looking specifically at employment programmes in the three countries and also at some of the EU wide employment programmes (‘what is used?’); and finally, based on the results of the previous stage we will find out what has worked well and what has been challenging as a means of developing specific guidelines for how to think about impact measurement for social innovation (‘what works?’).

**Call for casestudies for using online networks to maximum effect (work package 8]**



*Gwendolyn Carpenter and Jeremy Millard, Danish Technological Institute (DK)*

Social innovators are inventing new technologies and using existing technologies to solve the world's problems – disease, malnutrition, pollution, and illiteracy – to name just a few. But it takes more than a fancy new gadget to make life better and it takes more than fancy gadgets to run a social enterprise, reach out and maintain a necessary movement, or scale from an idea to a impact-oriented solution. A good example of how powerful technology can be is the overview provided by the Social Tech Guide launched with the Nominet Trust 100 which is a list of inspiring ventures that use digital technology as a tool for social change.

The overall objective of our research in workpackage 8 is to examine the extent to which, how and why, online networks and Information and Communication Technology (ICT) are substantially changing the character of communication; relationship building; collaboration platforms; information access and data usage; social choices; service models; financing and much more.

In our previous report, published last summer (and available on our website), we have identified three complemented perspectives taking their point of departure respectively in the technology, in communities and in networks.

We are currently working on a case study report. We have chosen a theme-based approach focusing on important European challenges in major societal sectors to which social innovation either is or potentially can make a big contribution and where ICT is or potentially can support social innovation in doing this. Key focus areas within the 6 themes are:

- **Employment** - Jobs creation, entrepreneurship, focus on SMEs, incubation physical spaces, focus on unemployed and hard-to-reach groups
- **Health** - Campaigns/awareness/information/self-organising shift from reactive healthcare to preventive healthcare, service innovation, welfare technology

- **Education** - Open education, social mobility, poverty alleviation, skills, lifelong learning
- **Community / local development** -Local activism (can include local data etc. plus global networking), sustainable and coherent local communities, smart cities / communities / neighbourhoods, participation, inclusion, ecological citizenship, participatory budgeting
- **Environment** - Better resource use, the circular economy, the community action low carbon social innovation movement, smart cities, crowd-mobilisation (participation, funding)
- **Economy** - Sharing economy, moving from an ownership to a sharing society, changed economic dynamic between common ownership (free-rider problem and over use) and private ownership (right to exclude others, hence threat of under-utilization), changed business models and value chains to harvest advantages from this change dynamic in scale, environmentally sustainable production and consumption.

We are currently collecting examples across Europe and will be showcasing approaches taken in countries across Europe as from elsewhere. The report will be available in spring 2014.

**If you are working on similar issues, and have insight to share, please do contact us.**



Source: Participants at the Next Frontiers Conference in London, 14th-15th November

## REPORTING BACK

In this section we share a few reflections about events we attended or organised on behalf of Tepsie:

### 5th International Social Innovation Research Conference, 2-4 September 2013, Oxford, UK

The 5th International Social Innovation Research Conference was this year hosted at the Saïd Business School at the University of Oxford.

Although the conference was much smaller than the previous year's event, there was still a wide range of topics covered in both the plenaries and paper presentations. The conference was divided into seven key streams:

- Social investment and financial innovation
- Social impact and performance measurement
- Policy and politics
- Governance and stakeholder relationships
- Hybridity and organisational innovation
- Creating shared value and corporate social innovation
- Critical perspectives on social innovation

The conference has its roots in social entrepreneurship and this is reflected in the contributions which tended to focus on social enterprises. One of the most interesting and clearly presented papers was by Ines Alegre of the Universitat Internacional de Catalunya. Ines' recent work has involved using quantitative methods to better understand where consensus is moving with regards to definitions of social enterprise. She collected definitions that appeared in journals in 2011 and what other definitions they cited in order to make a citation map.

Using clustering analysis she was then able to identify some distinct clusters of definitions that have high levels of linkages between them. Ines was able to show that over time definitions that stress shared governance (for example the EMES network definition) have declined in use while those that emphasise entrepreneurial orientation combined with social objectives have been used more often. She therefore argues in contrast to received wisdom, if we look systematically at the literature, we do in fact see a consensus emerging on definitions.

The Tepsie team was also well represented at the conference. Gunnar Glänzel from the CSI at Heidelberg along with his colleague Thomas Scheuerle kicked off the conference with a plenary presentation of a paper on the barriers and potentials of impact investing in Germany.

Many thanks to all the conference chairs and particularly to Breanne Svehla of the Skoll Centre who did a fantastic job liaising with all the speakers, making sure we had everything we need and generally keeping the conference running smoothly.

**Research Conference and Colloquium - Discussion of findings of the TEPSIE project and future agendas for social innovation research - October 1-2, 2013, Centre for Social Investment, University of Heidelberg**

TEPSIE reached its half-way mark in the summer, so it was time to share the preliminary findings and receive input for the second stage of the project from trusted and highly regarded social innovation researchers from all over Europe. Equally, with a number of other social innovation projects under the Seventh Framework Programme also reaching their half-way mark and new projects set to kick off in the autumn, it was the ideal time to take a step back and address the bigger picture: the overall direction of social innovation research in Europe. We ran the interim conference – a research conference and colloquium – in Heidelberg on the 1-2. October 2013.

We covered:

**Day 1**

- The TEPSIE project – major milestones and look ahead - Jeremy Millard, DTI
- Why does social innovation interest the EU and how are research projects connected? Heiko Prange-Gsthöhl, DG Research & Innovation, European Commission
- Defining social innovation: Towards a common European understanding? Julie Simon, Anna Davies, Young Foundation
- How can we measure social innovation? – potentials and limitations - Eva Bund & Gorgi Krlev, CSI
- Challenges to social innovation and how to overcome them - Eirini Kalemaki , Atlantis Consulting; Americo Mendes, UCP
- Generating capital flows – how to lever social innovation through finance? Gunnar Glänzel, CSI
- Engaging the public – citizen engagement in social innovation - Julie Simons, Young Foundation



Source: The DTI team presenting at TEPSIE Interim Conference in Heidelberg, 1-2. October 2013

**Day 2**

- Social Innovation – from hype to impact – building an evidence-base for Europe? Prof. Dr. Josef Hochgerner, Centre for Social Innovation Vienna
- Knowing what works – evaluating social innovations - Ioanna Garefi, Atlantis Consulting
- Growing what works – the challenge of “scaling-up” - Anna Davies, Young Foundation
- The role of online networks in social innovation - Jeremy Millard, Rasmus Thaarup, Gwendolyn Carpenter, Danish Technological Institute
- And finally a panel debate on Social Innovation Research - Where do we go from here? Chaired by Gwendolyn Carpenter, Senior European Policy Advisor, DTI – Panelists included representatives of all ongoing and upstarting FP7 projects looking into social innovation: Prof Adalbert Evers, WILCO; Prof. Alex Nichols, CRES-SI; Judith Terstrup, SIMPACT; Prof Jürgen Howaldt, SIDrive; Tuur Ghys, IMPROVE; Prof. Alex Haxeltine, TRANSIT; Prof Helmut Anheier, ITSSOIN

The programme was designed to promote dialogue around the main Tepsie themes, so each session included a presentation and a response from a prepared discussant. This created common ground for lively discussions both during Q&A sessions as well as over lunch and dinner.

The programme also included a site visit to social innovation made in Heidelberg: The Heidelberg Dienste gGmbH (HDD) is a social service provider in the city of Heidelberg. They offer support, training and placement service for unemployed people and help disadvantaged youth to take up a vocational training.

The HDD is part of the “Dezernat 16”, a temporary center for the cultural and creative industries, where young entrepreneurs are encouraged in the field of cultural and creative industries. The offer includes cheap and flexible working spaces, an infrastructure for the development of economic and personal networks, regular information and networking events, workshops, exhibitions and other offers.

A full report on Tepsie’s Heidelberg Research Conference and Colloquium will shortly be available on [www.tepsie.eu](http://www.tepsie.eu).





Source: Participants at the Next Frontiers Conference in London, 14th-15th November

### Event: "Hello Impact", 1st and 2nd of November 2013; Athens, Greece

ATLANTIS has participated in the "Hello Impact" event which took place in Athens, Greece at the beginning of November 2013. This event was the second step towards the launch of the Impact Hub Athens, member of the Global Impact Hub Network, which aims to provide a co-working space, networking services, inspiration and collaboration through events, workshops and discussions with distinguished people from all fields of work. Starting with "HUB Yourself" at the end of June, the Impact Hub Athens team presented their intention on bringing the Hub to town.

After three months of hard work, the Impact Hub Athens said "Hello Impact" and thus, created a complete Hub experience. During this two-day event, a lot of interesting issues were presented and discussed. A session on "New opportunities for impact" took place introducing the learning and design programmes around social entrepreneurship, business making and scaling.

Another important session was that on "Exploring impact" whereby different methodologies and valuable content on prototyping and simulating social innovation was presented. Among other activities, successful young entrepreneurs presented five different ways to finance a start-up, whilst four social entrepreneurs, representing Loft2work, Vouliwatch, Eumeleia and Noesi, presented their work and talked about their participation and experience as members of Impact Hub Athens.

### Social Frontiers Conference: the next edge of social innovation research, 14th/15th November, London, UK

After nearly a year in the making, the date of the Social Frontiers conference finally arrived last month. On 14th and 15th November, around 120 researchers working in the field of social innovation gathered at GCU's London campus for two days of paper presentations, keynotes and discussion to help strengthen this emerging community.

The first day began with two excellent keynotes from Frances Westley and Geoff Mulgan, helping to set the scene with a discussion of the past and future of social innovation research. We then ran a participatory session with all participants, where we presented a few different ways of mapping the current field (both in terms of actors and academic disciplines) and fed back what the group had told us about their own backgrounds and research disciplines. We also asked participants to discuss some of the research questions they thought currently present major gaps in the field.

Still in plenary we heard from Jane Jenson, Adalbert Evers and Benjamin Ewert and Carla Cipolla and Ezio Manzini all reflecting in different ways on the relationship between social innovation and state, society and market relations. After lunch we were treated to a stirring speech from Roberto Mangabeira Unger which he used to argue strongly for a 'maximalist' interpretation of the social innovation movement which has 'structuralist' ambitions and consists in a comprehensive plan for society overall, not just parts of civil society. These themes were picked up in many of the sessions and coffee chats that followed.

The afternoon of day one saw the first of our workshop sessions, one looking at the resources needed to support social innovation, a second investigating the link between



social innovation and systemic change and a third examining how social innovations can constitute citizen engagement. Kippy Josphe from the Rockefeller Foundation wrapped up the session for us by getting different attendees to reflect some of the arguments they had heard in the presentations. We ended the day with dinner in the Bishopsgate Institute during which we heard Mariana Mazzucato in conversation with Simon Willis discussing her book, *The Entrepreneurial State*. Here Mariana set out her argument that the common perception of the state as bureaucratic, risk averse and an impediment to innovation is a myth; on the contrary the state has actively opened up, shaped and created new markets through its investments in innovation.

Day two began with a plenary session looking at how governments can support social innovation. We heard presentations from Joanne McNeil focused on developments in Australia, Nazly Frias and Santiago Aparicio Velasquez looking at Colombia and Philip Colligan on the UK context. The rest of the morning was devoted to workshop sessions. Participants could choose from a session looking at the public sector context for social innovation, the role of collective intelligence and the relevance of distributed and local economies to social innovation. On the final afternoon we held two workshops; the first considered some of the challenges in moving from social innovation research to policy recommendations. There was a particular focus on the European Union as an actor here, with presentations from four EU funded projects, TEPSIE, INNOSERV, WILCO and DSI (Digital Social Innovation).

We ended the conference by returning to some of the questions delegates had identified on day one, during a final participatory session. Delegates worked in small groups to reflect on questions that remained from the two days and suggestions for maintaining the momentum of the group and its interactions going forward. We heard about key events being planned for next year that will provide opportunities to bring this community together again, including the SIX (Social Innovation Exchange) Summer School in Vancouver at the end of May, and the 6th International Social Innovation Research Conference (ISIRC) to be held in Northampton in early September.

We will be posting the full conference papers, presentations and videos of the keynote talks at [www.siresearch.eu](http://www.siresearch.eu) so watch this space. You can also view the programme and see a list of attendees at the conference site: <http://social-frontiers.weebly.com/>

Many thanks to our partners in Nesta, Glasgow Caledonian University (GCU) and the Rockefeller Foundation as well as our supporters Social Innovation Exchange, DESIS Network and the Skoll Centre for Social Entrepreneurship at Oxford for helping to put together a fantastic conference.

### **13th Finance, Risk and Accounting Perspectives conference (FRAP), 18. - 20. November 2013 Cambridge, UK**

The 13th FRAP (Finance, Risk and Accounting Perspectives) conference took place at the University of Cambridge from 18. - 20. November 2013. It was a highly international event with speakers from all continents. As its title suggests, it was concerned mainly with questions and issues from the world of finance, being debated from primarily, but not limited to, the perspective of academics in economics and finance.

Under the motto "Innovation, Information and Intelligence in Finance, Risk and Accounting", the conference provided streams in entrepreneurship and management, mathematical finance and risk, accounting and reporting, and organisation and risk management. There was a special stream with a keynote speech by Alex Nicholls and a panel discussion with UHEI colleague Thomas Scheuerle on social finance and crowd-funding. In that stream, Gunnar Glänzel and Thomas Scheuerle presented a paper on impact investment in Germany, based on recent WP4 results as well as on a study conducted for the German development bank KfW (Kreditanstalt für Wiederaufbau).

### **Conference : "Geschäftsmodell Nachhaltigkeit – Wirtschaft und Wirtschaftsförderung in der Transformation", November 20-21, Berlin, Germany**

The annual conference of the Institut für ökologische Wirtschaftsforschung (Institute for ecological economic research) took place in Berlin, November 20-21 under the heading "Geschäftsmodell Nachhaltigkeit – Wirtschaft und Wirtschaftsförderung in der Transformation" ("Sustainability as a business model – The economy and economic stimulation in transformation"). Its focus was on new business models and modes of collaboration capable of addressing the need for more sustainability.

Major themes therefore were: the collaborative economy, open innovation, decentralized production, the sharing economy, renewable and decentralized energy, crowdfunding, social and sustainable investment, and citizen engagement. Gunnar Glänzel of UHEI was one of two presenters in a workshop on impact investment where he presented some extracts from recent WP4 results. He was also one of five discussants at the panel discussion concluding the conference.



## HIGHLIGHTS FROM THE ONLINE PORTAL ([siresearch.eu](http://siresearch.eu))



*Gwendolyn Carpenter, Danish Technological Institute*

The social innovation research website ([www.siresearch.eu](http://www.siresearch.eu)) continues to feature new contributions from various partners and guest bloggers. Below we provide you with some of the highlights since our last newsletter:

A few weeks ago [Rasmus Thaarup](#) attended TEDxCopenhagen. His favorite TED talk of the day was Hans Jørgen Wiberg's talk on micro volunteering and how it empowers the visually impaired. Hans Jørgen Wiberg is visually impaired himself and got the idea of a volunteer video service for the blind using smartphone cameras. Hans Jørgen Wiberg loves to cook, but after having disturbed his neighbors once too often asking about the content of the canned food from his kitchen shelves, he got an idea. From that idea he founded "Be My Eyes" with the vision of becoming a global micro volunteering platform providing help for the blind, making a video connection between visually impaired and a platform of normal sighted micro volunteers.

Micro volunteering is a huge part of the more innovative, ICT enabled side of social innovation and can be defined as easy quick low-commitment actions that benefit a worthy cause ([helpfromhome.org](http://helpfromhome.org)). It's a task done by volunteers, without payment, typically online, and in small increments of time. Other examples besides Be My Eyes include Help

From Home, Sparked, Microvoluntarios, DuoLingo, Click Workers, ReCAPTCHA and Kiva. Be My Eyes is a powerful example of how online networks enable social innovation and how network effects provide easy scaling and help spread social innovation. It may have solved a problem that potentially could make life a bit easier for blind people all over the world, and may have made a tiny revolution in the world of volunteering by providing vision just for a short moment.

[Rachel Schon](#) reports the story behind MAC-UK. Founded in 2008, MAC-UK successfully engages with some of the UK's most excluded and deprived young people who are most in need of support but least likely to access it. MAC-UK is revolutionising the way mental health services are delivered to young people who offend.

The Guardian newspaper reports mental health treatment goes street smart, and the thinktank "New Economics writes "Making mental health accessible: How MAC-UK co-produces mental health with young people". How do they do it? MAC-UK takes what works in the clinic out onto the streets, to work with young people where and when they need it. What's striking about MAC-UK is how radically different it set up its services by developing an innovative, community based mental health model called Integrate. Read how the founder explained her story at a recent RSA event.

**Rasmus Thaarup** argues that traditional currencies now gain competition from trust-based systems enabled by the internet. This is particularly important for social innovation since most collaborative consumption models, including online communities and peer produced and crowd-sourced platforms, require individuals to carry out online transactions with other individuals they have never met in person, trust between strangers is a prerequisite for success.

Whilst there are certainly many new opportunities arising, Rasmus also investigates some of the pitfalls of internet-enabled trust systems and concludes that what remains is a dilemma between new business models enabling social innovation and trust mechanisms that are prone to erode. Web based trust systems will get you far and enable social innovation in many cases. Yet, we need new and updated enforcement mechanisms, business models and regulations if we want to further harness this new social currency.

We have a series of posts focusing on inspiring examples of social innovation in Eastern Europe – for instance **Ľubomír Billý** reports on the success story of the Košice IT Valley. This is a cluster development in Slovakia based on a knowledge triangle – universities (schools), local government and IT companies. In the six years since its inception, Košice IT Valley can boast excellent results. While the creation of 1,000 new jobs was their initial goal, they've now surpassed that sixfold.

**Witold Kwasnicki** reports on social innovation as municipal activity in Poland. In particular he presents how the sustainable city development leaders of Lodz co-finances activities via Poland's first Social Innovation Fund (SIF). This fund is co-financed by the UNDP, the City of Lodz Office and the Federation of Non-Governmental Organizations in Lodz.

**Daniela Olejarova** writes candidly about social innovation and its uses and abuses in Slovakia. There is certainly more work to be done here.

If you would like to contribute to the portal as a guest blogger or upload your own social innovation research project, please get in touch. You will find our contact details below.



Source: The Young Foundation team presenting at Tepsie Interim Conference in Heidelberg, 1-2. October 2013

## UPCOMING EVENTS



*Anna Davies, The Young Foundation*

One of the things we shared during the final participatory session at Social Frontiers was a list of events relevant to the social innovation research community that are currently being planned for next year. Some of the details for these are still emerging and others will be added, so do watch the Events page on [www.siresearch.eu](http://www.siresearch.eu) for more information.

- Social Entrepreneurs: Have Your Say, 16-17 January 2014, Strasbourg, France
- Final INNOSERV Conference, 29 January 2014, Paris, France
- Final WILCO conference in Brussels, 31 January 2014
- 4th International Symposium CRISES: Social transformation through Social Innovation, 3-4 April 2014, at the University of Quebec at Montreal, Montreal (UQAM), Quebec, Canada
- Social Innovation Exchange (SIX) Summer School, last week of May 2014, Vancouver, Canada
- 6th International Social Innovation Research Conference (ISIRC) early September 2014, hosted at the University of Northampton, UK
- TEPSIE Final conference, date and venue to be announced, likely to be November 2014

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