HOW CAN CITIES SUPPORT THE DIFFUSION AND SCALING OF SOCIAL INNOVATION?

REPORT ON THE ONLINE CHAT SESSIONS ORGANISED ON THE 3 OCTOBER 2014

Moderated by Edina Vadovics (GreenDependent Institute, Hungary) and Matt Gott (Innovation Unit, UK).

Topics covered

In the first part of the chat session we have talked about upscaling and diffusion in a more general sense and discuss :

- what we understand by the term 'scaling up' in relation to social innovation
- what the most important issues in terms of up scaling practices are, including the main barriers
- failed attempts of up-scaling with the key lessons learned
- how governance (the specific style or culture of governance) be a lever or hurdle to up-scaling social innovation.

After this, we moved on to discussing issues related to the diffusion of social innovation between and across cities:

- we looked at scaling-up of social innovation through cross-sectorial diffusion
- how cities can facilitate diffusion and up-scaling
- to what extent cities can start their own process in getting inspired by or copying existing models
- how different cities can learn from one another (poor and rich, big and small, Eastern, Western, Southern and Northern, etc.).

Participants

The following people took part in the chat:

- Eivind Sto, SIFO, National Institute for Consumer Research (NO)
- Judit Molnár, Ecotrend Association, Élő Szövet Alapítvány (Living Web Foundation) (RO)
- Matthew Horne, Innovation Unit (UK)
- Róbert Bíró, Pogány-Havas Microregion, Pagan Snow Cap Association (RO)
- Tracey Wheatley, Transition Wekerle (transition town initiative in Budapest) (HU)

Summary of discussions

<u>The diffusion imperative</u>

Without clear strategies for scale, innovations stay locked at source, preventing local innovation from having widespread, deep and sustained impact. Most innovation work starts with ideas development and sees implementation and diffusion sequentially, with the development of adoption and diffusion strategies too often an afterthought. Working at scale requires a breadth of vision to unpick how local systems fit together, and how to get things done; it requires senior buy-in to create the space

for disruptive change to happen; it requires local leaders capable of generating powerful local energy to persevere with the work; and it requires the honesty and self-reflection to hold on to the recognition that the status quo is not good enough.

Public sector innovation is hindered by the lack of a consistent and proven approach to scaling. A wide variety of approaches continue to be used that we know simply do not work. Standard methods are ineffective and inefficient. The most popular is through dissemination of information, despite considerable evidence that information alone does not translate into widespread adoption or adaptation. This can lead to central 'insistence' on adoption through statutory frameworks, guidance notes and audit, de-motivating professionals and failing to build sustainable, systemic adoptive capacity or innovation capability. In addition, innovation strategy can be too focused on supply: stimulating the generation and development of innovative practice.

<u>Barriers to upscaling and diffusion</u>

Chat participants, building on their varied background and experience, mentioned different barriers to the upscaling and diffusion of social innovation.

One of the most important barriers that was discussed during the chat is to do with innovators or groups of innovators (e.g. individuals, NGOs, SMEs) and municipalities **working in different time frames, following very different institutional and administrative procedures**. The most important difference lies in the time needed to adopt something new: innovators typically have very quick reaction times and thus are able to adapt to changing environments and expectations fast, while municipalities are a lot slower to act, partly because they need to follow specific protocols and procedures, which are often very bureaucratic, and partly because they are over-burdened or lack the capacity and skills to change things. Things are often made worse by bad organization and incompetence. Participants in the chat mentioned that the time lag is often as long as 7 years in adopting a new approach.

> Example for time lag and too slow acting by municipalities *(Tracey W.)*:
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> A community in Budapest was inspired by a community garden they saw in another district of the city. However, they had to wait 18 months for the municipality decision that allowed them to proceed with organizing the garden.

'Institutional reluctance' was also mentioned as an important barrier: municipalities have to work within existing policies and an existing budget, and thus are reluctant to introduce and adopt novel ways of doing things. An example of slowing down and even stopping change is when municipalities demand evidence that the new solution will work, or claim that the evidence presented to them is not convincing enough and demand new studies.

> Example for institutional reluctance *(Tracey W.)*:
>
> A cost - reducing green waste program was created and operated by an NGO in Budapest on a small scale without the council's support. A study was prepared on the potential of the initiative for the municipality, but their attitude was to obstruct any change by emphasising the report's weaknesses.
> This allowed the council to say they needed further research and planning work done, which they had no capacity for...

A barrier to innovation can often be linked to the leader of the municipality, the mayor. If **the mayor is not open-minded enough** to ideas that are coming from outside of the council, or even outside his or her own smaller circle. It is counter-productive to innovation and positive change **if ownership is exclusive to the mayor or a party within the council**. In situations when the innovation is perceived to be counter to the governing party's interest, its progress is often obstructed.

On the other hand, strong political will can help promote innovative ideas. There are examples (e.g. see Udine) where strong will of the public administration has enhanced the

> Example for strong political will supporting innovation *(Fiorenza D.)*:
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> The experience of Udine in the "Healthy Ageing Project" - where the Mayor of the city has been the first promoter of policy measures clearly oriented to active and healthy ageing – represents an example of how a strong political will can push forward a wide programme of initiatives and intervention, engaging civil society, institutional bodies and citizens.

programme and favoured the concrete realization of new ideas in later ages micro-projects. When the political will is frail, the process of scaling up innovative ideas can be much more difficult.

A related important issue is if the competency of the municipality is reduced and certain **aspects of a council's work are centralised**, as, for example, it has recently been done in Hungary.

A barrier closely related to this is when a municipality likes an innovation, would like to spread and even upscale it - but they **communicate it wrongly and politicise it.** Since municipalities are often associated with a certain political party, the innovation they take up will also be associated with the party, and thus those who do not support the party will automatically be against the proposed innovation - even if it originally came from a non-political group of people who simply wanted positive change.

Related to communication, it is important to mention that for the municipality and the local population **it is not enough to read about social innovation and its success**. They need to experience and see something in order to believe it. So, do not tell people something will work, show people that it does, get them to experience something different. And then create the demand for the innovation. **Raise public expectations and increase public demand**. According to chat participants, this is especially difficult for government officials as it creates risks for them through challenging the existing system, existing policies and budgets.

Budget constraints are an important barrier by themselves.

There are always **vested interests that want to hang on to the old way** of doing things, whether it is food production, driving a petrol car, cycling in a city, or getting treated in a hospital. The key thing to remember is the money. Divert the money from the old way of doing things to the new. It can be done through grants, tax breaks, subsidies, fees, charges, payments or public donations. The most important thing is to **shift money**.

Chat participants pointed out that a social innovation may also be **impacted negatively by its own success**. Municipalities may favour social innovation at the niche-scale; agree on up-scaling and introduce measures to facilitate the process. However, this way the social innovation may become too popular and as a result might put obstacles in the way of further popularization and mainstreaming.

In relation to spreading and diffusing innovation from one country or region to another, the **importance of cultural differences** was also raised. This has an impact on how far it is possible for municipalities in different countries to learn from

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Example for overcoming ownership issues *(Tracey W.)*:

The 'transition approach' to community organising is useful: the initiator of the innovation has long-term goals in mind and acts as a catalyst for the community, and does not 'take the initiative' as his/her own as many in leadership positions do.

Example of bad practice from the UK *(Matthew H.)*:

Municipalities in the UK built large housing estates after the war to provide lots of cheap housing to a growing population, and replaced housing that had been destroyed. Many of these estates were popular and successful for 30 years. But later on they declined and were no longer fit for purpose. 1) they had spread 2) their benefits diminished not deepened 3) they got worse over time 4) people started rejecting them and leaving them.

Examples for social innovation being hit by its own success *(Eivind S.)*:

In Norway, to help spread the use of electric cars, they were allowed to use traffic lanes used exclusively by public transport. As this proved to be popular, it resulted in the lanes becoming congested.

Collective urban-farming may challenge the economic interests of retailers and farmers. If it is upscaled, the question of taxation needs to be put on the political agenda at the national or maybe even the European level.

The same is the case for changes of sharing flats or couchsurfing in European cities. As long as it is a niche phenomenon, the authorities will accept it. But if it starts threatening the interest of the hotel and tourist business, new legislation needs to be introduced.

Example for cultural differences *(Eivind S.)*: A good example is the EU directive on the labeling of organic food. Denmark has only one organic label. It is red and white like the Danish flag; and it is organised and financed as a public-private-partnership. At the same time, Italy has more than 10 different organic labels, regional based. The Danish and Italian solution is built on the same EU-directive. But adjusted to the national and local political culture. Danish consumers trust the national authorities; in Italy their express their trust more to regional than national authorities, thus a number of labels are used.

one another. It was mentioned that some experiences are easy to transfer form on city to another, for example, reducing prices for public transport. For other innovations it needs to be asked whether the example is transferable to other cities/countries or there are changes that need to be made to the innovation to facilitate success. **Prejudices** also need to be overcome, and **prior learning experiences** need to be dealt with - both of which may be different in different countries and regions.

> Example for cultural differences *(Matthew H.):*
>
> In the UK we try and engage the media and generate positive media coverage, and create alliances and networks of support, and minimise conflict and neutralise opposition.
>
> But when we work in South America it is completely different. They see politics as a struggle and they will use their powers to politically crush opposition and overcome forces of reaction in the media and business through political conflict and dispute.

These examples have shown us that the diffusion of innovation is hindered by a number of misconceptions that must be overcome:

> Five Myths:
> - Diffusion is (just) an informational problem
> - The dominant mechanism of diffusion is transfer
> - Innovation and diffusion are separate and sequential processes
> - Increasing the pipeline of innovation will increase diffusion
> - Professionals are the key agents of diffusion.

But we are discovering that…
- Diffusion is NOT (just) an informational problem. Radical innovation requires organisational & behavioural change, for example….
- The dominant mechanism of diffusion is NOT transfer. Radical innovation diffuses through scale, spread & displacement hence sectoral and market regulation is key accelerator (or inhibitor), for example…
- Innovation and diffusion are NOT separate and sequential processes "innofusion": there is a need for re-iteration, this is a social, not a technical process and it is critical to have a diffusion strategy from the outset, for example…
- Increasing the pipeline of innovation will NOT increase diffusion. There can be an over-focus on the supply side and insufficient attention to the demand side.
- Professionals are NOT the key agents of diffusion. It is vital to mobilise the demand side through user networks whilst organisations build alliances between internal (professional) & external (user) networks

Facilitating upscaling and diffusion

Public sector innovation is hindered by the lack of a consistent and proven approach to scaling. A wide variety of approaches continue to be used that we know simply do not work. Standard methods are ineffective and inefficient. The most

> The example of car sharing *(contributed by different people)*:
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> Car-sharing – or car pooling - is a good example of a social innovation.
>
> Often, private companies spot the gap in the market for car use and renting.
>
> The municipality can then facilitate sharing by introducing rules and legislation, e.g. by giving car-sharing priority in the lanes used by public transport. Or it can give planning permissions, licence organsiations, even issue contracts for organisations to set up and run such services.

popular is through dissemination of information, despite considerable evidence that information alone does not translate into widespread adoption or adaptation. This can lead to central 'insistence' on adoption through statutory frameworks, guidance notes and audit, de-motivating professionals and failing to build sustainable, systemic adoptive capacity or innovation capability. In addition, innovation strategy can be too focused on supply: stimulating the generation and development of innovative practice.

In chat participants' experience it is quite common for innovations to come from one organisation or group and then taken up for scaling and/or diffusion by another (e.g. municipality, government, multinational company, etc.). The latter can either spread or upscale the social innovation on its own, or, in the case of a municipality, it is more general to **facilitate upscaling and diffusion through creating the necessary conditions**.

> Example of urban agriculture *(Eivind S.)*:
>
> Local authorities may contribute to this process with opening new lands, parks or sub-urban areas to community gardening.

For successful social innovation, there is **need for a municipality that has for its mission the serving of the local community** - but in certain cities and countries this concept is seriously questionable. For example, in Hungary, over 60 000 inhabitants a municipality is regarded as an arena for party political interests which makes any serious community cooperation tense. At the same time, there are certainly small towns and villages in Hungary where the council does inspire and facilitate change. In smaller communities the division with the municipality and the local community is more blurred, and transformative social change becomes easier to negotiate and manage.

For successful social innovation, there is need for **responsive and courageous governance** that can deal with issues of responsibility, and is not afraid of challenges (but in a lot of cases municipalities decide to 'play safe'). There is an underlying question of social confidence, trust, and attitude to citizenry.

If we have the goal to turn promising cases into mainstream, we definitely need a **dialogue between civil society and the local – or national – political authority**.

Encouraging and facilitating active engagement of citizens in raising problems, defining priorities, finding out possible solutions is very important (e.g. see the "Vancouver Protocol" set up by the WHO and a wide international network of cities, as an example of methodology that could be used at this aim). Municipalities need to **actively encourage, support and facilitate discussion** as well as innovation. Innovation is facilitated by open-minded mayors and municipalities who can spot and recognize social innovation that can in turn be spread and scaled up with support from the municipality. And how can the municipality facilitate? It can:

- provide small grants to support groups;
- provide places to meet ("as people have to meet, discuss and also have some fun along the way");
- raise awareness through, e.g., introducing the group and the innovation;
- give publicity;
- etc.

Visibility is very important, it is needed for good examples to spread and this resulting in the community to start having higher standards and demanding more from municipalities. The generation of positive media coverage and creation of alliances and networks of support is of great importance.

One aspect of scaling up to deepen impact by involving the local authority level is to have a 'leader' council that shows how something can be realised, and the additional benefits this brings to the district. This becomes a source of pride for the council. This needs recognised and communicated.

For maintaining social innovation **local political stability** to guarantee continuity of city government is also important.

Twinning - between towns and cities or innovators and NGOs - may contribute to the successful diffusion of social innovation between different countries. In Hungary, a community project by the Protect the Future NGO currently experiments with **community link-ups and skill-sharing** in the framework of their 'communities in transition' programme. They work together with 15 community groups - roma, eco-village, transition - to create learning opportunities between them.

URBACT projects can also greatly contribute to the sharing and exchange of ideas and practices.

Finally, here is some experience-based advice from communities in Hungary that wanted to upscale their social innovation through cooperation with local municipalities - advice that other chat participants from different countries agreed with:

1. See past the councillors - their initial offers of help consume too much effort with little reward.
2. Build mutually respectful relationships with council employees. These people bring access to resources and infrastructure that allows communities to deepen their work without actual political support from municipality.
3. Once there is enough community commitment target the municipality at key times: eg now, election time. Get promises, but expect little.
4. Include community goals in the urban development strategy, to allow later follow up and lobbying.

Example for municipalities learning from one another *(Matthew H.)*:

Congestion charging looks like it originated from city governments, and has been copied by other city governments: London hired the head of transport from New York to transform London.

Similarly, London copied the public bicycle scheme in Paris.

Example for diffusion between countries and then upscaling *(from Róbert B.)*:

In Romania there is a municipality called Madéfalva (Siculeni in Romanian). They have an initiative that aims to develop/revive tourism in the area through Tourism Destination Management (TDM). They were the first in the country to think about this and now the whole initiative is growing: the county council started to be involved, but also there are partnerships being born between our area and Hungarian regions

This particular municipality was originally inspired by another region in Hungary who successfully implemented the TDM system. The Hungarian region was in turn inspired by a good example in South Tirol, Austria.

Example for importance of communication and city learning from its own mistakes *(Fiorenza D.):*

In some regions in Italy programmes to launch innovative solutions to housing are starting. Some cities are trying to test very innovative experiences of **self-build housing**. Economic resources have been allocated and some calls for application have been launched. At a first round of these calls, nobody answered. It seemed surprising because this was really a concrete opportunity for families or singles in difficulty, who were not able to access to the housing market, to have a new house, to create a community of neighbourhood to share an experience of life, etc…

Why did it happen? Why nobody had answered the call?

The answers to these questions are multiple.

a) innovative ideas need to be adequately communicated and a strategy of communication and information directed to potential beneficiaries should be promoted. People need to understand the advantages that could come from such an experience; should be put in the condition to choose having clear what does it really mean for them;

b) innovative ideas to be scaled up need to be rooted on solid networks of social agents, or social actors at the local level. Without the cooperation with such meso-bodies, who can reach people and engage them, raising their awareness about opportunities offered by public government of the city, it will be very threatening to reach the goal.

Examples: the two call of the Municipality of Ancona (the first one failed; the second one was a success starting from the lessons learned from the first failure –Paper of Micol Bronzini at the ESPAnet Conference held in Turin last 18-20 September – Session 20)

From the experience of practitioners, it is clear that a range of methods and approaches are necessary to create the right conditions for innovation to spread.

Scaling ingredients:

Further thoughts on facilitating upscaling and diffusion

It came up during the discussion that **open and participative democracy** appears to be essential for enabling social innovation to be successful, spreading and becoming mainstream. The municipality may contribute to this by creating a 'doing' environment and/or supporting the community for creating it. For thriving social innovation, it is necessary to build a community **self-organizing and learning culture**. However, the **learning process needs to be mentored**.

Communities also need to be well-informed and **well-networked**, such as we can see in the transition town network. The network helps increase the ability of communities to influence and to create strong local programmes. Alliances that cuts across NGOs, politicians, government, business, and the public are also needed.

Networks are also need because communities often experience time and competency frustration, so they **benefit from peer support and sharing innovation**. Alliance is important but most communities have severe time constraints and need support to network. At this point it is useful to bring in one of the transition town thoughts - no community can go it alone. The fact that there is **a pool of learning existing in the transition network in the UK** and is articulated in so many creative ways is indispensable. Communities need support. Through networks communities can empower one another, then innovation is pulled into a reluctant system.

Apart from network and alliances, **partnerships** are also important for successful social innovation. Organizations with different skills and capacities that form partnerships for the success of social innovation. And partnerships need good leaders who ensure that the principles of the innovation and working are shared in the partnership.

Finally, it is worth noting that in Europe there is some division between Eastern and Western Europe in terms of social innovation. In the view of chat participants, it is more usual (and accepted?) for the East to learn from the West - even though the East would have a lot to offer, too. And politicians, in our case local councillors, think along the same lines.

Most people agree that the more developed part of Europe (Western Europe) can offer practices and methods for the less developed part of Europe (Eastern Europe). A good example is eco-tourism.

Eastern Europe being less developed and having a higher level of poverty, managed to conserve for example much if it's biodiversity, whereas Western Europe lost a lot of its biodiversity because of intensive farming and industrialization in general.