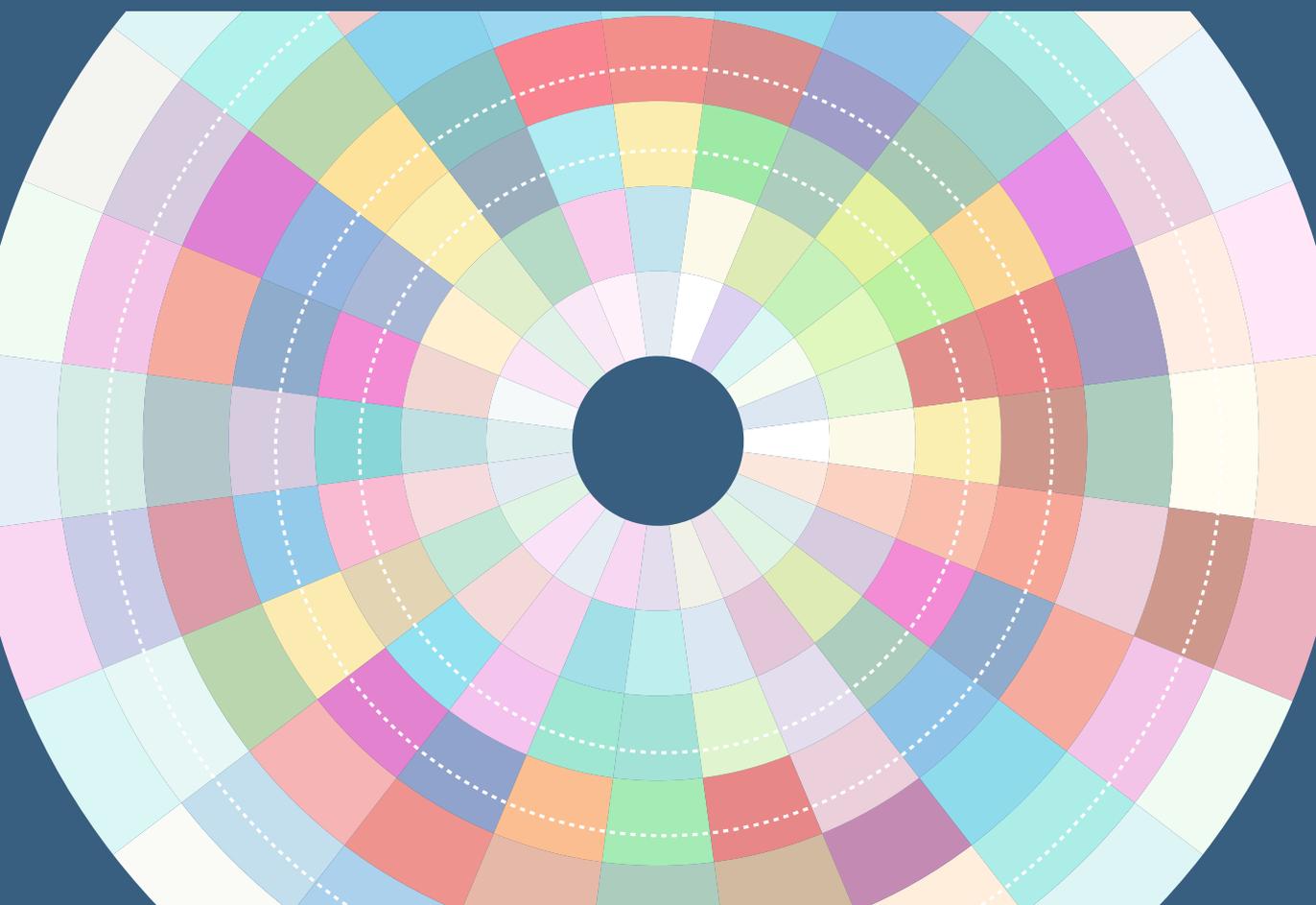


SOCIAL INNOVATION IN LATIN AMERICA: THE CHILEAN CASE

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Resumen Ejecutivo

Chile es considerado como el país más desarrollado de América Latina. No obstante dicho progreso, aún persiste un alto grado de desigualdad social y económica. Si bien en los últimos 25 años su economía se ha caracterizado por un crecimiento superior al promedio de la región, lo cual ha redundado en un considerable aumento del ingreso per cápita, se observa aún una enorme desigualdad en ingresos. Asimismo, existe una gran brecha social en áreas tan importantes como la salud y la educación.

Del mismo modo, al tratarse de una economía basada en la explotación de los recursos naturales, el país se ve enfrentado a graves problemas medioambientales, con consecuencias no sólo en esta área, sino también en la aparición de conflictos sociales. Este hecho pone de manifiesto la necesidad de que los actores sociales y políticos busquen consensos para implementar mecanismos e instrumentos que den solución a los grandes retos que posee la sociedad chilena. En este contexto, surge la interrogante de cómo y en qué medida la innovación social puede contribuir a enfrentar esos desafíos.

Una innovación social es una nueva combinación o configuración de prácticas sociales en ciertas áreas de acción o contextos sociales, impulsada de manera intencionada y focalizada por los propios actores sociales, con el objetivo de responder satisfactoriamente a necesidades y problemas sobre la base de prácticas establecidas. En este sentido, una innovación es social en la medida que es transmitida por el mercado, o bien, por el sector sin fin de lucro, siendo socialmente aceptada y difundida ampliamente a través de

todos los niveles de la sociedad, transformándose en una práctica social de carácter rutinaria e institucionalizada.

Por consiguiente, la innovación social puede ser interpretada como un proceso de creación colectiva, en el cual los miembros de una comunidad aprenden, inventan y establecen nuevas reglas para el juego social de la colaboración y del conflicto, desarrollando nuevas prácticas sociales en las cuales sus protagonistas van adquiriendo las necesarias habilidades cognitivas, racionales y organizacionales. Al igual que con todos los demás tipos de innovación, no necesariamente significa que sea buena, en un sentido amplio y normativo, o socialmente deseable.

La transformación de la sociedad, de una economía industrial a una del conocimiento y de servicios, ha provocado profundos cambios en los procesos de innovación, los cuales no se han quedado tan sólo en lo tecnológico, sino que también incorporan lo social. Es así como los procesos de innovación han permeado la sociedad, extendiéndose más allá de las empresas, las instituciones de educación superior y los centros de investigación y pensamiento; son los ciudadanos quienes haciendo uso de la información y los medios desarrollan procesos de cambios para la solución de sus problemas. Al mismo tiempo, la innovación, a partir de la evolución del sistema económico, se ha convertido en un fenómeno social generalizado que afecta la vida cotidiana de la población. De esta manera, el desarrollo de un nuevo paradigma de la innovación ha ido acompañado por un cambio correspondiente en el objeto de la innovación. Mientras que en la sociedad industrial, las novedades tecnológicas acapararon el centro de la discusión, el nuevo paradigma de la innovación

se caracteriza por la creciente importancia de las innovaciones sociales, que a menudo van más allá del potencial de las innovaciones tecnológicas en su significado y alcance.

Los procesos de innovación social van en aumento en América Latina. Sin embargo, a pesar de esta tendencia, aún existe un bajo conocimiento sobre esta materia. De allí la relevancia de plantearse preguntas que permitan orientar la discusión, entre otras: ¿Qué elementos impulsan los procesos de innovación social en América Latina?, ¿Cuál ha sido el rol de los gobiernos, la sociedad civil, las empresas y la academia en el desarrollo de la innovación social?, ¿Qué tipo de nuevas prácticas sociales pueden ser detectadas?, ¿En qué áreas ha sido posible incorporar innovaciones sociales?, ¿Qué tipo de barreras y factores de éxito se pueden identificar para el desarrollo de la innovación social?

En Chile, la innovación social aún no parece jugar un papel importante dentro de la política de innovación. Las estructuras de innovación existentes centran su atención principal en hacer frente a las necesidades de las empresas y los mercados y escasamente en el desarrollo de iniciativas de innovación social. En ese sentido, se ha considerado apropiado contribuir al debate de las ideas, aportando a la discusión, desde la perspectiva teórica y práctica, mostrando los fundamentos que avalan el concepto, pero a su vez presentando experiencias que resalten el sentido práctico de la incorporación de la innovación social en Chile.

El documento muestra tres ejemplos en áreas que son cruciales para el desarrollo de la innovación social en Chile: el gobierno, la academia y la sociedad civil.

Los estudios de caso que se ilustran ayudan a comprender la aplicación del concepto con un enfoque integral. Si bien los tres casos presentan una diversidad de objetivos y metodologías, se observa que de alguna manera todos combinan objetivos económicos, sociales y ecológicos, haciendo hincapié en la importancia de la colaboración intersectorial e interdisciplinaria para el desarrollo de la innovación social. El análisis de cada caso sigue una misma línea argumental, tomando en consideración las cinco dimensiones claves de la innovación social (conceptos; objetivos y demandas sociales; motores, obstáculos y gobernanza; el ciclo de vida de la innovación social, y recursos y capacidades).

El primer estudio hace mención al significado de las redes de cooperación como factor clave para el éxito de los procesos de innovación social. Se pone como ejemplo el Programa de Alianzas Productivas implementado por el Instituto de Desarrollo Agropecuario del Ministerio de Agricultura. Dicho programa promueve vínculos productivos entre los actores sociales, las empresas y la institucionalidad pública, con el fin de incentivar la inserción de la agricultura familiar campesina en los mercados agroalimentarios más exigentes desde el punto de vista comercial y de la calidad de sus productos. El caso muestra el enfoque de integración existente en las cadenas productivas y su vinculación con las políticas de fomento productivo y de innovación. Del mismo modo, enfatiza la importancia de los actores sociales en la búsqueda de acuerdos de cooperación, de mediano y largo plazo, que aseguren estabilidad en el modelo de alianza comercial propuesto.

El segundo estudio de caso dice relación con el ámbito de la Responsabilidad Social Universitaria. En él se presenta el rol que una universidad pública

cumple en la formación de profesionales socialmente responsables. Esta iniciativa de innovación social, diseñada e implementada por la Universidad de Talca, muestra cómo se puede unir el proceso de formación profesional con la búsqueda de soluciones a los problemas sociales de la comunidad y sus grupos organizados. El caso analizado establece una tendencia en la forma en que las universidades debieran hacer converger el desarrollo de las competencias disciplinares de sus estudiantes con aspectos relacionados a su rol de ciudadanos miembros de una comunidad. El impacto que esta innovación social posee en el medio repercute en la calidad de la formación profesional y en el mejoramiento de la calidad de vida de los habitantes del territorio.

El tercer estudio de caso subraya la importancia de la generación de condiciones de trabajo propicias para las innovaciones sociales. Se analiza el caso de Socialab, una plataforma para emprendimientos sociales que buscan generar soluciones a los problemas relacionados con la pobreza y la desigualdad, siguiendo una metodología de co-creación entre diferentes actores sociales. Este ejemplo pone de manifiesto el papel que juega el liderazgo de la sociedad civil en los procesos de innovación, pero al mismo tiempo, muestra que es necesario fomentar innovaciones sociales a través de la política pública.

Finalmente, el documento sostiene que es necesario un nuevo modelo de política de innovación que cambie su enfoque desde lo meramente tecnológico hacia la configuración de nuevas prácticas sociales. En este sentido, es importante que el proceso incorpore a los actores sociales y la comunidad, desarrollando así, una nueva comprensión conceptual de la innovación, más inclusiva y colectiva. Del mismo modo, se plantea la necesidad de estudiar los

factores que afectan el éxito de los procesos de innovación social, mediante el desarrollo de investigaciones que ayuden a responder diversas interrogantes relacionadas con la creación, implementación, difusión y evaluación de las innovaciones sociales en Chile.

1. Introduction

Little is known about social innovation¹ in Latin America. ECLAC's report "From social innovation to public policy" (Rey de Marulanda & Tancredi 2010) gives a good insight into multiple initiatives in different areas across the region by showing innovative approaches and methods. However, a systematic mapping of social innovation in Latin America is still missing.² Such a mapping would provide an overview of the situation in different countries and help answering such important questions as: Are there governmental efforts to promote social innovation? What are the roles of business, academia and civil society? Are there many bottom-up solutions coming from what is referred to in Spanish as *la comunidad*?³ Which are the success factors and which are the barriers for social innovations? Depending on a country, main topics on social innovation are not necessarily the same. Such a comparison would help providing an overview of various types of social innovations in different policy areas. Furthermore, by including in-depth and detailed case studies of specific innovations, such a mapping would provide access to a better understanding of the variety of social innovation approaches in different

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- 1 We understand social innovation as "new combination and/or new configuration of social practices in certain areas of activity or social contexts prompted by certain actors or constellations of actors in an intentional, targeted manner with the goal of better satisfying or answering needs and problems than is possible on the basis of established practices" (Howaldt & Schwarz 2010: 26). For detailed description see chapter 3.
 - 2 Currently, most studies are dedicated to Colombia and Brazil as Latin America's most active countries in terms of social innovation initiatives. In recent years, TU Dortmund University has actively participated in a number of social innovation initiatives in Colombia, such as the forum "Unidos por la Innovación Social", social innovation summer courses and different events organized by the country's biggest universities, e.g. Corporación Universitaria Minuto de Dios, Universidad Nacional de Colombia, Universidad Cooperativa de Colombia and Universidad de Antioquia.
 - 3 This term describes citizens which are usually not organized in NGOs or other civil society groups, but still can be relevant as protagonists in social innovation processes.

countries by practitioners, researchers and policy makers. This kind of comparative research would help to analyse and determine the roles and impact of social innovations in different contexts, including (unforeseeable) social consequences and ambivalence (Howaldt & Domanski 2013). In this sense, country-specific reports on social innovation in Latin America with reference to national innovation systems (Edquist 2005) and innovation policies (Lundvall & Borrás 2005) are needed. At the same time, a new model for innovation policy is required that shifts its focus from technological to social innovations and systemic solutions and to a corresponding empowerment of actors, thus complementing the new conceptual understanding of social innovation with a consistent social policy.

Latin America is a very dynamic region. In recent decades, it could be seen as the world's most dynamic region in terms of democratization and social development. In recent years, economic growth has also been significant in a number of region's countries. Regarding all these factors, Chile is frequently mentioned as Latin America's most prominent example. According to the UNDP's Human Development Index, Chile is Latin America's most developed country. Together with Cuba and Argentina (ranked three resp. eight positions below Chile) it is the region's only country with "very high human development" (UNDP 2014: 16). At the same time, the Chilean case shows that all those positive trends do not save a country from being socially and economically almost as unequal as decades before. One of the world's most growing economies is characterized by huge income inequality (OECD 2013) as well as a tremendous gap in such fundamental areas as education (including all phases of education) and health care. Furthermore, as a coun-

try whose economic growth depends to a significant degree on exploiting natural resources Chile has been facing severe environmental problems. In recent years, this has also led to social conflicts (Carruthers & Rodríguez 2009; Urkidi 2010).

It has therefore become obvious that common solutions have not been sufficient to meet the major challenges of the Chilean society. Against this background, the question is how and to what extent social innovation can contribute to meeting those challenges. Academic knowledge on social innovation in Chile is still very scarce. The role of innovation in the Chilean economy became a subject of research not before the second half of 1990s. Since that time, the main focus has been made on the weakness of the Chilean economy in general and its companies in particular in terms of process and product innovation (see e.g. Eyzaguirre et al. 2005). The central argument expressed by a range of academics has been dealing with the risk of the country's economy relying on natural resources due to possible decreasing demand (as a consequence of technological progress) and the finite nature of some of them (ibid.) as well as price volatility (Larraín et al. 2000), although, in recent years, governmental policy has been successful in meeting the latter challenge (Frankel 2011; Korinek 2013). Indeed, the Chilean path of economic development has contrasted remarkably from that of most of developed countries. Low public and private investments in R&D as well as a small share of industrial goods on Chilean exports reveal that – all in all – innovations have not been the key to the country's economic success.⁴

4 However, there are also examples of successful innovation initiatives, such as Fundación Chile, which has been very important for the development of non-traditional export sectors.

Hence, the most discussed question in this regard has been how innovations can be better promoted in Chile in order to enhance the economy's competitiveness in the long term. However, despite of a number of important contributions made on this topic, it seems that the debate has quite stagnated. What is needed is a new discourse in the sense of what we call "the new innovation paradigm" (Howaldt & Schwarz 2010) that is open towards society. This paradigm provides a comprehensive concept of innovation including the increasing role of social innovation in successfully addressing social, economic, political and environmental challenges.

This article seeks to figure out what has been the meaning of social innovation in Chile in order to meet major societal challenges⁵. It looks at the role of different sectors (government, business, universities, civil society) and protagonists in the process of introduction and diffusion of social innovations. The central questions are: Which are the most important characteristics of the national innovation system (NIS)⁶ and the innovation policy⁷ in Chile? Is there a governmental social innovation strategy and which are the support instruments? Which is the role of business, academia and civil society in social innovation processes? Are there new methods and approaches that can be identified? Which have been the outcomes? What kind of drivers on the one hand and barriers on the other hand can be detected?

5 Espinoza (2013) provides an overview of some of major societal challenges in Chile.

6 Understood as "all important economic, social, political, organizational, institutional and other factors that influence the development, diffusion and use of innovations" (Edquist 1997: 14).

7 Lundvall and Borrás define it "as an important form of economic policy where the focus is more on innovation than on allocation" (2005: 612) and – compared to the concepts of science policy and technology policy – emphasis is put on institutions and organizations (ibid.).

To answer these questions we will first take a look at some main characteristics of the national innovation system and the innovation policy in Chile (chapter 2). The predominant strong orientation on technological innovations makes a wider focus and a look on the international debate on the emergence of a new innovation paradigm (NIP) and social innovation initiatives and policies in other Latin American countries necessary (chapter 3). Against this background, some approaches for social innovation initiatives in Chile will be presented and critically reviewed (chapter 4). Finally, we will present three trend-setting examples of social innovations in Chile (chapter 5) and show the conclusions for further scientific and practical work.

2. National Innovation System and Innovation Policy in Chile

Chile is known to be Latin America's country with the highest human development. Also, it has been the continent's fastest growing economy for over two decades. This economic success is mainly based on a development strategy relying on exports. The opening up of the Chilean economy towards international markets began in the 1970s during the military dictatorship and has continued under democratic governments after 1990. It has been characterized by a drastic reduction of tariffs and an introduction of numerous free trade agreements, currently there are 24 such agreements with more than 60 countries in total⁸. After Chile had abandoned the path of the import substitution industrialization (ISI), a profound process of deindustrialization took place until the first half of the 1980s. At the same time, new sectors such as

8 <http://www.direcon.gob.cl/>.

fishery, vine or forestry industry emerged. In this regard, three observations should be made in order to better understand the background of the current NIS and innovation policy in Chile. First, those new, so-called non-traditional sectors represent some of the country's comparative advantages resulting from favourable natural conditions. Second, some of them produce consumer goods which are, in general, not very complex from a technological point of view, though there are some exceptions. This still differs from the main source of Chile's economic growth, mining, which is characterized by exports of primary goods. Third, the non-traditional sectors emerged thanks to governmental efforts when certain corrections were made to the neo-liberal economic development strategy during the dictatorship (Ffrench-Davis 1999).

Since the re-democratization in the year 1990, governmental support for enhancing the innovation capacity of the Chilean economy has increased. In 2005, the National Innovation Council for Competitiveness was founded (Arnold et al. 2009). The year 2013 was declared the "Year of Innovation".⁹ Still, the most discussed question remains the same as in the 1990s: how can technological innovations be better promoted in order to enhance the share of technologically complex products on the country's exports and the economy's competitiveness in the long term? On the one hand, this concern is clear regarding the fact that little progress has been achieved: "Business R&D intensity is low, innovative outputs have been weak and technological progress has suffered from a shortage of qualified STEM¹⁰ graduates" (OECD

9 <http://www.english.corfo.cl/press-room/news/president-pinera-inaugurates-new-science-and-technology-building-and-presents-results-of-year-of-innovation>.

10 Acronym for science, technology, engineering and mathematics.

2013: 8). On the other hand, this view appears to be quite narrow: in light of the new innovation paradigm it has become evident that, first, innovations are relevant for and can happen in all societal areas and, second, both social change and economic growth depend not only on technological, but also on social innovations (Howaldt & Schwarz 2010).

The Chilean path of economic development has contrasted remarkably from that of most of developed countries (which are also OECD member states). Technological innovations have not been the key to the country's economic success. Given this situation, it has been discussed in literature which countries really represent a relevant framework of comparison for Chile, in terms of economic and technological development, implying innovations (Larraín 2006; Tokman & Zahler 2004). Indeed, some doubts may be allowed when comparing the Chilean path of development to those of such successful industrial powers as Japan or South Korea. Over decades, these Asian countries have developed competitive industrial sectors under very different conditions, i.e. protectionism and not an open economy, such as the Chilean one. Comparisons to European countries, such as Germany or Great Britain with their very long industrial traditions, do not seem easy either. Hence, scholars conclude that countries with more similar profiles in terms of significance of natural resources and agriculture on the one hand and relatively new – and successful – efforts in technological innovations on the other hand represent an appropriate framework for Chile. While Atria et al. (2013) refer to Malaysia (ibid.: 308), according to Tokman and Zahler (2004), experiences from countries such as Canada, Finland, Australia or New Zealand show that it is not necessarily about taking a completely new path of economic develop-

ment, but rather of fortifying and deepening those already existing advantages – based on natural resources – through innovation (ibid.: 4).

In Chile, a need for a strong NIS in order to achieve the goal of fortifying existing advantages through innovation is recognized among most political parties. Such a system would help improving the innovative capabilities leading to technological change which is considered to be the main source of long-term productivity growth (Larraín 2006: 1). As the OECD (2013) points out in its Economic Survey on Chile, “total factor productivity (TFP) growth was stagnant during the 2000s”, which “contrasts with the average TFP growth of other large emerging economies” (ibid.: 34). While there are “some tentative signs that TFP might be picking up” (OECD 2013: 34f.), innovation’s role in productivity remains small. “R&D intensity and innovation spending more broadly are the lowest in the OECD [...]” (OECD 2013: 35).

The OECD’s report generally confirms the most important findings on the Chilean NIS made almost a decade before by such authors as Larraín (2006), Tokman and Zahler (2004) or Lederman and Maloney (2004) and therefore the fact that only little progress has been achieved over the years. Larraín (2006) described little integration and lack of co-ordination as the main characteristics of the Chilean NIS (ibid.: 2). First, he claimed that companies were poorly linked to universities in terms of research (Larraín 2006: 16f.). Not only that applied research is still generally low in Chile, but it is not usually in the companies where it is carried out: in contrast with the most innovative countries, R&D expenditure is “heavily concentrated in the publicly-funded university sector” and business sector participation is “exceptionally

low [...], with around 350 firms stating that they routinely invest in R&D, a figure which has increased little over time” (OECD 2013: 35f.). Also, production of intellectual property remains low (OECD 2013: 36). Regarding the number of patents per year Chile lies far behind the world’s most innovative countries (OECD 2012: 88). Low investment in R&D is explained partially by the fact that the Chilean economy is specialized on sectors which are not intensive in R&D (but still successful). Actually, this kind of specialization would not contradict to a higher R&D investment rate. Even such sectors intensive in natural resource can have – and as Larraín (2006) points out should have – higher investment rates than in Chile (ibid.: 15f.). In their recent book on Chile’s further development beyond neoliberal development strategy Atria et al. (2013) also stress the necessity for selective industrial policies. They recur to various examples of different Asian countries which have all benefited from such kind of measures. The authors emphasize that it is not about copying but rather about consciously learning from successful experiences (ibid.: 302).

Second, lack of co-ordination and redundancy in functions make the already small effort even less effective (Larraín 2006: 17). For instance, there is no leading institution which would co-ordinate efforts in innovation policy in order to improve the efficiency of the Chilean NIS. Examples from countries such as Israel or Finland demonstrate the importance such an institution can have (Larraín 2006: 29). Tokman and Zahler (2004) also point out at the role of governmental institutions as they can be very important in making a country more innovative. The authors criticize the absence of a central institution in Chile that would coordinate different measures in innovation policy.

They argue this could help to improve communication among many different stakeholders and reduce overlaps (Tokman & Zahler 2004: 20). This is also the position of the OECD which recommends the creation of such an institution: “Co-ordination among the various policymaking agencies could be improved by establishing the Ministry of Innovation [...]” (OECD 2013: 9).

The main governmental effort in supporting innovation consists in co-funding innovation activities in companies (or pools of companies) and research entities through direct subsidies. Most of them come from CORFO¹¹ and CONICYT¹² (Tokman & Zahler 2004: 10) There are mainly two public sources which support technological innovations. The first one consists in financing the so called technological institutes, e.g. in the area of agriculture or forestry. The second one is about technological funds such as FONDECYT (the National Fund for Scientific and Technological Development) and FONTEC (the National Fund for Technological Development). Some of the funds are administered by CORFO, while others are more scientific and less market-oriented and therefore belong to the domain of CONICYT (Larraín 2006: 23f.).

The OECD (2013) emphasises in its report that there are several well-designed innovation promotion programmes. However, “programme scale and take-up has not been large enough yet to make substantial impact. In fact, less than 1% of companies in the formal sector have applied and received support from these programmes, and the low R&D figures and innovating outputs (patents, trademarks and copyrights) reflect their small scale” (ibid.: 37).

11 Production Development Corporation.

12 National Commission for Scientific and Technological Research.

Furthermore, scarce availability of qualified human capital can be detected as one of the major deficiencies of the Chilean NIS: “Despite some efforts to increase the number of Masters and PhD students domestically and internationally, Chile still lacks sufficient quantities of advanced human capital in key science, technology and engineering management (STEM) fields” (OECD 2013: 3). As Tokman and Zahler (2004) notice without high-skilled human resources it would be impossible to become a significantly more innovative country (*ibid.*: 19). According to Larraín (2006), at the same time, workplace innovations are needed in order to improve the efficiency of the use of skilled workers (*ibid.*: 30).

When presenting the results of their analysis on the lack of effectiveness of the Chilean NIS, Lederman and Maloney (2004) recognize that it was possible to detect some reasons (insufficient co-operation between companies and universities, lack of high-skilled human resources), but not to explain the phenomenon as a whole. The authors insist that only a major analysis would help understanding the sources of the weakness of the Chilean NIS (*ibid.*: 8f.).

To sum up, the development of the Chilean economic policy since the military dictatorship is reflected in the country’s current NIS. As Tokman and Zahler (2004) conclude, Chilean innovation policy is very much influenced by ideology as is true for the whole economic policy. As a consequence, there is no tradition in supporting and privileging certain industries. Investing significantly more resources in the most promising sectors would imply a shift towards a more pragmatic attitude. It is also for ideological reasons that the state prefers not to operate as founder and owner of companies and therefore

does not participate in innovation oriented companies either (Tokman & Zahler 2004: 20).

At the same time the question is how the government can better stimulate the private sector's innovation activity (OECD 2013; Arnold et al. 2009). Tax policy has been the most discussed issue in this regard. In 2008, a tax benefit for R&D expenditures in order to promote private participation in R&D investment was implemented. A further reform was introduced by the right-wing government (2010-2014): "A modification to this tax benefit in 2012 made in-house R&D activities eligible for the tax credit. Other important changes to the Law include: a threefold increase in the annual tax ceiling for the benefit, to USD 1.2 million; and a lifting of the (15%) cap as a share of gross income" (OECD 2013: 36). Although, after this modification the flow of the new applicants increased five-fold, the "programme is still most relevant for larger-sized firms, since the credit is only redeemable against profits" (OECD 2013: 36). At the same time, according to a CORFO executive, the tax law has been a necessary incentive, but there are more: especially a harder competition for Chilean companies due to the evolution of the exchange rate and challenges regarding energy supply. Therefore, being innovative is becoming a necessity rather than just an option.¹³ The OECD's Economic Survey on Chile concludes that "[p]olicy settings have become more supportive of innovation", but "there is scope to further expand the innovation system, improve existing programmes and strengthen institutional coherence" (OECD 2013: 8).

13 Interview with a CORFO executive, Santiago de Chile, March 22nd 2013.

3. Social innovation in Latin America and the new innovation paradigm

3.1. The new innovation paradigm

The description of the Chilean NIS reveals that it is not systematically developed compared to the NIS of most other OECD member states.¹⁴ Also, social innovation does not seem to play an important role within innovation (and national) policy (Matus 2012). The few existing innovation structures mainly focus on addressing the needs of companies and markets and rarely on the development of social innovation initiatives. Considering the international debate on a fundamental shift in the innovation paradigm in the light of the societal change from an industrial to a knowledge and service society and the far-reaching changes to economic and social structures of modern society that this entails this is one of the main weaknesses of the Chilean innovation policy. One major feature of these changes is the opening up of the innovation process with respect to society (FORA 2010). The stakeholders in the innovation process now extend beyond companies, higher education institutions and research organizations. Citizens and customers are no longer merely suppliers of requirement information (as was traditionally the case in innovation management), but instead make their own contributions to the process of developing new products for the solution of problems (Howaldt &

14 Against this background, the interest of Chilean co-operation partners within the DFG and CONICYT funded project (Social Innovation: Synergies and Interactions of Actors as Sustainable Social Practice) became very evident regarding organisation of technology transfer and promotion of such activities in Germany.

Schwarz 2010: 23).¹⁵ At the same time, innovation – starting with developments in the economic system – is becoming a general societal phenomenon and increasingly affecting and penetrating every aspect of life.

Technology both facilitates and accelerates a permanent cycle of development, implementation and distribution of sometimes entirely new products, services and ways of doing things, with the result that there is an increasing trend of expansion and replacement across all established practices and routines relating to interaction, transaction, distribution and communication sub-systems. This affects the social practices and the forms and dimensions of the social network under market conditions equally seriously and visibly as it does those in the production and service sector, in research and development, in education and academia, in the world of employment and in everyday life (Howaldt et al. 2011).

The social innovations that arise in this context, for example the enormously successful open-source movement, go way beyond the potential of technological innovations in their significance and outreach. In this case, the innovation lies in the fact that users organize themselves and collaborate to define problems, communicate, offer solutions, test, optimize, market and document. “Many of today’s most successful computer applications, including Apache, Linux, and Firefox are open source projects that are managed by self-organizing communities of volunteer programmers” (Piller & Ihl 2009: 29). The significance of this novel approach extends far beyond the new software and other products

15 Terms and concepts such as open innovation, customer integration and networks reflect individual aspects of this trend.

and services that are developed. Rather, the central issue here is essentially the systematic, targeted, economically successful disintegration of the traditional manufacturer-user and amateur-professional dichotomies – or, in other words, “the amazing rise of the do-it-yourself economy” (Roth 2005) – and hence a comprehensive social innovation in the true sense of the word.

The formation of a new innovation paradigm is therefore accompanied by a corresponding change in the object of innovation. The innovation paradigm for the industrial society is centred on technological novelties in the sense of product and process innovations that are becoming “styled as the (almost) sole ray of hope for societal development” (Gillwald 2000; translated by authors). Non- technological and “social innovations, however, are topics that are rarely explored and are almost unknown phenomena, despite the fact that they occur everywhere and all the time in social systems” (Gillwald 2000; translated by authors). This in no way insulates them from enormously high expectations when it comes to solving problems, in the sense that problems such as mass unemployment, erosion of social security systems and intensification of ecological risks cannot be tackled without implementing social innovations (Howaldt & Schwarz 2010: 24). In the face of climate change, raw materials shortages and the extensive, on-going financial and economic crisis, society is being confronted with some profound changes. Against such a backdrop, it is becoming increasingly clear that there is a lack of understanding as to how these changes progress and how they can be shaped. It is also clear that it is social innovations, in the sense of changing behaviour due to comprehensive transformations in mainstream culture and the social practices of commerce and consumption, that will determine “the kind of world that the next gener-

ation of inhabitants of free societies will live in” (Dahrendorf 2009; translated by authors).

Moreover, there is also a convincing body of evidence as to the growing importance of social innovation with regard to organizational and management-related research. Given the growing significance of innovation to society and the economy and the quickening pace of innovation, both research and practice are beginning to focus more sharply on the issue of adequate innovation management (Lawrence et al. 2014). The discussion amongst researchers looking at the field of management centres on the conscious organization of the innovation process in the sense of “making innovation a part of everyday routine” (Blättel-Mink 2006: 81; translated by authors) with a view to replacing or complementing the role of the entrepreneur.

This development can also be interpreted as an expression of a paradigm shift in the innovation system. As such, new sectors and branches of the economy have increasing influence on the shape of society and the economy and are able to change the modes of production and innovation. “The structure of the innovation process in the industrial economies was transformed after 1945. Global scientific leadership shifted decisively from Western Europe to the United States. A new set of industries, focused on ICT and biomedical innovation, grew rapidly” (Bruland & Mowery 2005: 366).

The growing economic importance of the service sector, just like the growth of the social economy, could also contribute to the dissolution of what may be the primary cause for the shadow existence of social innovations in compari-

son to technological developments in the natural sciences. With its mounting importance in expanding the economic production capabilities of companies and regions and their potential to “move from a responsive filling of the gaps left by the private market, to generate an economic dynamic of its own” (Murray et al. 2008: 9), the interest in social innovation will rise significantly in the coming years.

Even today there are numerous examples of social innovations that can be named in the area of services that are similarly incorporated in economic marketing processes as technological innovations. Gillwald (2000) cites fast food chains as an example in her examination.¹⁶ A whole host of other instances for the economic significance of social innovation can also be found in the interim report of the service impulse circle (2005). Greenhalgh et al. (2004) provide a systematic overview of the state of scientific discussion on innovation in the area of healthcare-related services. They define service innovations in this context “as a novel set of behaviors, routines, and ways of working that are directed at improving health outcomes, administrative efficiency, cost effectiveness or user’s experience and that are implemented by planned and coordinated action” (Greenhalgh et al. 2004: 1).

Whilst the changes to and intensification of social and economic problems identified through recent public discourse are increasingly prompting a call for extensive social innovation, the topic continues to remain a largely un-

16 “The major innovation of McDonald’s lay in the technically undemanding combination of ready made food, self-service and marketing, and yet this fast food company changed the world” (Fischermann & Heuser 2009; translated by author).

der-explored area in both the social sciences and governmental innovation policies. Nevertheless, some recent world-wide trends¹⁷ indicate that this situation is changing and the “relatively undeveloped” (Mulgan et al. 2007: 3) field of social innovation is moving from margins to the mainstream. Through a number of international conferences on social innovation the issue of the new innovation paradigm has become more evident not only throughout the scientific community, but also among practitioners. For example, the Vienna Declaration on the most relevant topics in social innovation research has been considered by the European Commission for its research, innovation and science policy. The Vienna Declaration (2011) points out “that the technology-oriented paradigm – shaped by the industrial society – does not cover the broad range of innovations indispensable in the transition from an industrial to a knowledge and services-based society” (ibid.: 1) and therefore stresses the need for the inclusion of social innovations in a paradigm shift of the innovation system (ibid.).

3.2. What makes an innovation a social innovation?

The substantive distinction between a technological innovation and a social one is the immaterial, intangible structure of the latter. The innovation does not occur in the medium of technological artefacts, but rather at the level of social practice. “A social innovation is new combination¹⁸ and/or new configuration of social practices in certain areas of activity or social contexts

17 The European Union has enhanced research funding in social innovation, a series of governments have opened social innovation offices (e.g. USA, Colombia).

18 The term relates to the Schumpeterian definition of innovation as a new combination of production factors.

prompted by certain actors or constellations of actors in an intentional, targeted manner with the goal of better satisfying or answering needs and problems than is possible on the basis of established practices. An innovation is therefore social to the extent that it, conveyed by the market or “non-/without profit” community, is socially accepted and diffused widely throughout society or in certain societal sub-areas, transformed according to circumstances and ultimately made routine or institutionalized as new social practice. As with every other innovation, “new” does not necessarily mean “good” or, in an extensive and normative sense, “socially desirable”. Depending on the actors’ practical rationale, the social attributions of social innovations are also generally uncertain” (Howaldt & Schwarz 2010: 26).

In this sense, social innovation (borrowing from Crozier & Friedberg 1993) can be “interpreted as a process of collective creation in which the members of a certain collective unit learn, invent and lay out new rules for the social games of collaboration and of conflict or, in short, a new social practice, and in this process they acquire the necessary cognitive, rational and organizational skills” (Crozier & Friedberg 1993: 19; translated by authors)¹⁹.

Social innovations, like technological innovations, are (possible) prerequisites or components of social change, but are not identical to it. Social change is that which, from a socio-technological perspective preceded by technological innovations, accompanies or follows them. In contrast, the actual strategic ob-

19 This process of the development of a new social practice is, as always, focused on the interests of the specific actors, and hence is also about power and the distribution of social opportunities.

jective, subject matter and ‘business segment’ of social innovation are shaping the sub-processes and elements of social change on the micro, meso and macro levels (Howaldt & Schwarz 2010: 32). With regard to their invention, development and spread, social innovations are clearly distinct from technological innovations. Due to their specific process and product dimensions (Moulaert et al. 2005: 1972), social innovations generally arise outside the realms of corporate and academic research departments. They “admittedly do not come primarily from science; transdisciplinary concepts from science, research and innovation [...] can however play a large supporting role” (ZSI 2008: 28; translated by authors). Accordingly, it is not just market use and market-induced incentives that are relevant for social innovations. Their genesis and diffusion really occurs primarily through the medium of “living experiences” (Moulaert et al. 2005: 1972) and change-oriented “capacity-building” (ibid.).

It applies in every case that an invention can only be considered an innovation when it has achieved a notable and comprehensible level of dissemination. Technological innovations are described as such by virtue of their market success. For social inventions, it can be said that these only become social innovations “when introduced into a new setting” (Conger 2003), when they are widely accepted and used and so become practically effective as a “major adoption of an innovation in a social system” (Gerber 2006: 13; translated by authors). The decisive criterion for a social invention becoming a social innovation is its institutionalization or its transformation into a social reality through planned and coordinated actions (active dissemination) or the implementation and dissemination of a new social fact or social state of affairs

(Durkheim 1984) through unplanned diffusion (Greenhalgh et al. 2004)²⁰. In the case of social innovation, social groups and/or actors take on more of the role that is played by the market in the case of technological innovations. The institutionalization of social innovations “cannot be [achieved] by a societal agent acting alone” (Gerber 2006: 12; translated by authors), but rather requires them to be diffused or disseminated, which in turn is rooted in the evaluation and acceptance of the effects of the new social practice by target groups and those affected. In this regard, social innovations are much more context-dependent and more specific in their actual form than technological innovations. As they can be neither patented nor copyrighted²¹, they must be considerably more attuned to the specific social context or field and gain social acceptance within these. The chances of a social innovation diffusing are usually the highest where established institutions are not active or are only marginally active, or fall short with regard to solving a certain problem, including problems in the areas of domestic upkeep, environmental friendly behaviour, sustainable consumption, active aging, and socially responsible business practice (Howaldt & Schwarz 2010: 35).

Social (in contrast to technological) inventions can have different yet usually closely linked paths of diffusion and/or dissemination. They can assume their form and be disseminated via markets (for example, new services, business models, supply and utilization concepts), technological infrastructure (web-based social networking), social networks and social movements (gender

20 “Diffusion, in which the spread of innovation is unplanned and active dissemination in which the spread is planned, formal, etc.” (Greenhalgh et al. 2004: 15).

21 Although, there may be some exceptions, e.g. see franchising.

mainstreaming), via governmental guidelines and funding, via intermediary and self-organized institutions such as foundations, in inter- and intra-organizational processes, via the affect of charismatic individuals or social entrepreneurs (Dees 2007; Illouz 2008; Mumford 2002), through ‘living experiences’ and a diverse array of forms of communication and cooperation and through change-oriented ‘capacity-building’ (Moulaert et al. 2005: 1972). In the process of diffusion, social innovations generally come into competition and conflict with prior practice and routine to the extent of their “creative destruction” (Schumpeter 1964; translated by authors).

Recent studies refer to the relation between social innovation and social (Howaldt et al. 2013) and system (Westley & Antadze 2013) change as one of the key research issues. They show that diffusion of social innovations needs to be studied very carefully in order to understand the way from a social invention to social and system change, with social innovation being at the centre of this process. In this regard, emphasis is put on such topics as the laws of the practices of imitation (Howaldt et al. 2013) and scaling up of social innovations (Westley & Antadze 2013).

3.3. Social Innovation in Latin America

Meanwhile, the importance of social innovation successfully addressing social, economic, political and environmental challenges of the 21st century has been recognized not only within the Europe 2020 strategy but also on a global scale.²² Thus, “in recent years, social innovation has become increasingly in-

22 See the manifold contributions in Harrisson et al. 2009, Franz et al. 2012 and Moulaert et al. 2013a.

fluent in both scholarship and policy” (Moulaert et al. 2013b: 1). However, despite this growing awareness of the significance of social innovation, there is still a lack of sustained and systematic analysis of social innovation, its theories, characteristics and impacts. A plethora of vastly diverging subject matters and problem dimensions as well as expectations for resolving them are subsumed under the heading “social innovation” without making distinctions between different social and economic meanings, the conditions governing its inception, its genesis and diffusion, and without clearly distinguishing it from other forms of innovation (European Commission 2013).

Latin America is a world region which has a long tradition of social innovation initiatives. Rey de Marulanda and Tancredi (2010) emphasise that the region has gone through a “veritable explosion of innovative social projects” (ibid.: 45), arising from the search for effectiveness in such fundamental areas, as health care and education. While in a number of countries economic growth helped reducing poverty, it did not lead to more equality (Schoepp 2011). Generally, the quality of health care and education also remains low for broader parts of the population. Against this background, the need for new concepts is obvious²³ and, in the meantime, social innovation is on the rise in Latin America. However, despite this consciousness little is known about it. Currently, there are more questions than answers: Which are the drivers of social innovation in Latin America? Which has been the function of governments, of civil society, of communities, of business and of academia? What has been achieved in terms of social innovations, established as new

23 E.g. Esguevillas Ruiz (2013) stresses the importance of social innovations in order to achieve more social coherence in Latin America (ibid.: 45).

social practices? Which have been the main areas to introduce social innovations? What kind of barriers and success factors for social innovation can be identified? A systematic mapping of social innovation in Latin America would provide an overview of the situation in different countries and help answering all those questions. By including in-depth and detailed case studies of specific innovations it would facilitate knowledge of various types of social innovations in different policy areas and give access to a better understanding of the variety of social innovation approaches in different countries by practitioners, researchers and policy makers. This kind of comparative research would help to determine a hitherto inexistent comprehension of the roles and impact of social innovations in different contexts, including (unforeseeable) social consequences and ambivalence.

While the body of literature on social innovation in Latin America is still very limited, ECLAC's report "From social innovation to public policy" (Rey de Marulanda & Tancredi 2010) provides a lot of entirely new information. It can be seen as a milestone in making social innovation visible as an important issue in Latin America. The report gives a good insight into multiple initiatives in different areas across the region by showing innovative approaches and methods. Supported by the W.K. Kellogg Foundation, ECLAC identified and reviewed 4,800 social innovation experiences of Latin America and the Caribbean, gleaned in five years competition cycles. The Selection Committee conducted on-site visits, evaluated the projects and chose 25 winners it considered the most innovative and that had the greatest impact on the region's social development. The authors describe the objective of the report as placing "these innovations and, above all, their capability for improving

living conditions for every inhabitant of the region, at the service of broader groups of the population” (Rey de Marulanda & Tancredi 2010: 5), a target that should be achieved through mass application of the experiences, thereby contributing to the fulfilment of the Millennium Development Goals (ibid.).

Probably the most important conclusion from the report is the following: “A key to success and the potential for sustainability over time lies in the active participation of the beneficiary community. Active involvement transforms the community from a passive receiver of benefits into a protagonist of its own welfare. In some cases, participation is gradual in a project’s initial stages but emerges and grows during implementation, generating the indispensable feeling of belonging and proprietorship” (Rey de Marulanda & Tancredi 2010: 5). Although participation of the community might be a success factor for social innovations all over the world, it has a different meaning for Latin America than for Europe and other regions with a very high level of human development. The reason is to be found in fact that over centuries the tradition of the so-called *asistencialismo* (Alayón 2008) became one of the main features of development policies in Latin America. The essence of this concept lies precisely not in empowering and enabling the community in order to meet challenges with bottom-up solutions, but rather in hierarchically organized schemes of delivering goods and services to the community which just has the function of a passive receiver.

Asistencialismo not only seems to be less democratic (even though top-down measures are often taken by democratic governments or the so-called developed countries as part of their development co-operation policies), it also

appears to be less effective when it comes to satisfying needs of the population. It may consider the needs and the problems of the community as well, but only from perspectives outside the community (e.g. government, NGOs), hence leaving room for doubts whether the measures taken correspond to the real necessities. Furthermore, broad community participation can be a process of training and learning for its members: “A key lesson to be learned is to recognize the merits and importance of determining the costs associated with each stage of the process and the consequences of ignoring them” (Rey de Marulanda & Tancredi 2010: 46).

Another important finding from ECLAC’s report confirms the meaning of network (Howaldt et al. 2011; Moore & Westley 2011) and cross-sector co-operation (Phills Jr. et al. 2008) as success factors for social innovation: “Groups that develop social impact projects form alliances with community members, other communities, civil society organizations, the private sector, and interest groups of the markets in which they participate. And, especially, they form alliances with the State at the local, intermediate or national level” (Rey de Marulanda & Tancredi 2010: 6). Therefore, this conclusion also indicates that there is a new role for governments to be defined. It seems that it would be much more a role of a partner (e.g. coordinator) than of a dominant decision-maker. The authors of ECLAC’s report emphasise that “[r]egardless of the value of NGO and other private sector entity participation [...], it is also important to bear in mind that problems of poverty, inequity, discrimination, exclusion and failure to respect economic, social and cultural rights in Latin America and the Caribbean can hardly be overcome without State involvement” (Rey de Marulanda & Tancredi 2010: 46). For example, gov-

ernmental efforts can help replicating a successful initiative and facilitating its broader diffusion, thereby transforming an isolated project into “a program that becomes public policy“ (Rey de Marulanda & Tancredi 2010: 46).

Besides ECLAC’s report, a number of recent publications reveal some of the key issues for social innovation in Latin America (e.g. Fernandes et al. 2013; Dubeux 2013; Cipolla et al. 2013; Frías et al. 2013). Gordon et al. (2014) focus on the question “how to balance the creativity of social innovation with the pool of capabilities and power of the State (including purchasing power, regulations, justice)” (ibid.: 11). The authors emphasise “the importance of the role of State as catalyzer of systemic change in certain context while at the same time reinforcing societal challenges in others” (ibid.: 1). According to Bernal (2013), scaling-up of social innovations through governmental programmes in Latin America is indispensable in order to achieve significant impact (ibid.: 22). For this purpose, political will is required as well as involvement of the community, but also support from international organizations active in the region (Bernal 2013: 33). Madsen’s (2013) findings from a study of social entrepreneurs in Colombia, Chile and Brazil suggest that “there is demand for national initiatives to connect social entrepreneurs. Governments and other organizations wanting to support social enterprise might optimize their efforts in this arena building platforms that focus on networking and information sharing” (ibid.: 27). Need for better knowledge on social innovations – especially regarding scaling-up of successful initiatives – is also emphasised by Paz et al. (2013) when exploring new opportunities for rural population in Latin America (ibid.: 11).

While the initiatives presented in ECLAC's report are still relatively new and will need more time in order to achieve impact on a broader scale, there are examples of social innovations from Latin America that have been successfully diffused throughout the continent. One of them is TECHO, a non-profit organization that mobilizes youth volunteers in order to construct transitional housing for people living in poverty. Founded in Chile in 1997 by a Jesuit priest, it is operating in 19 Latin American countries and has constructed houses for more than 86,000 families.²⁴ Also worth mentioning is the model of Conditional Transfer Programmes. It was developed in Brazil in the middle of the 1990s, then replicated in Mexico and finally almost all over Latin America. The core of the model is about delivering monetary and non-monetary resources to families with minor children living in poverty or extreme poverty. The condition for the support is that the families meet certain requirements concerning improvement of their skills (Bernal 2013: 20). While both examples presented show some patterns associated with *asistencialismo*,²⁵ the concept of participatory budgeting seems to be much more a social innovation in the sense of what ECLAC's report is calling for. Originally developed and implemented in the Brazilian city of Porto Alegre, this concept of community participation in decision-making over the municipality's spending became particularly successful in Peru and was later replicated as a kind of best case in other countries (Bernal 2013: 18).

24 <http://www.techo.org/en/>.

25 One should mention that more participative methods with goal of social inclusion have also become part of TECHO's work.

Against the background that the region “still faces the challenge of transforming these successful initiatives into public policy to fight against poverty and to affirm respect for economic, social and cultural rights” (Rey de Marulanda & Tancredi 2010: 5), currently, Colombia is probably Latin America’s most active country (besides Brazil²⁶, as shown above) in terms of cross-sector initiatives and particularly public policy in social innovation (Frías et al. 2013; Pulford et al. 2014). Under the administration of president Santos (since 2010), the Colombian government has started to incorporate social innovation as an alternative and supplementary instrument of economic and social policy (Frías et al. 2013). There is a governmental Social Innovation Centre which is part of the National Agency for Overcoming Extreme Poverty (Currea Dereser 2013). This is especially remarkable, as only few countries in the world have opened a national social innovation office. Also a cross-sector network for social innovation was founded in 2013, seeking to design social innovation policy by integrating the Colombian society as a whole.²⁷ Furthermore, regional authorities and universities all over the country have realised activities in social innovation. One of Colombia’s biggest universities, Corporación Universitaria Minuto de Dios, is developing a scientific park for social innovation.²⁸

26 For recent developments see e.g. Fernandes et al. 2013; Dubeux 2013; Cipolla et al. 2013.

27 <http://www.politicadeinnovacionsocial.co/>.

28 <http://www.uniminuto.edu/web/sede-cundinamarca/-/academia-y-empresa-unidas-en-foro-de-innovacion-social>.

4. Social Innovation Initiatives in Chile

As already mentioned, the NIS and innovation policy are very much technology oriented in Chile. Nevertheless, during recent years, social innovation has become more visible, also within public policy. At least, several efforts can be detected in order to support the creation of social innovations. As for the government, social innovation has been put on the agendas of a series of institutions. A study by the School of Administration of the Pontifical Catholic University of Chile (2012) shows that while different organizations concentrate on the topic of social innovation, there is no transversal action. The authors explain this situation by the fact that the phenomenon of social innovation still is not fully understood and there is not enough conscience regarding its importance. Therefore, the government has tended to satisfy the demands of the ecosystem of social innovation from different perspectives and through various institutions, such as CORFO, SERCOTEC, FOSIS, INJUV and DOS (Escuela de Administración PUC 2012: 174).

CORFO belongs to the Ministry of Economy and its mission is to foster entrepreneurship and innovation in order to achieve more productivity in Chile. It has introduced a series of programmes which also seek to support social innovation, e.g. the Programme for Local Entrepreneurships, CORFO Credit and Global Connection. The committee InnovaChile was founded by CORFO and is coordinating its activities in the field of innovation. It fosters the values of entrepreneurship and innovation, supports businesses with economic and social impact and facilitates access to tools that promote a culture of innovation in companies and organizations. InnovaChile supports entrepreneurs, non-profit organizations, research centres as well as governmental organizations. It is mainly financed by CORFO and the Min-

istry of Economy but also by other organizations such as the Ministry of Energy (Escuela de Administración PUC 2012: 175). Furthermore, CORFO introduced the Entrepreneurship and Innovation Ecosystem Programme (PAE)²⁹ which has funded several social innovation initiatives.

Another relevant public organisation is the Technical Cooperation Service (SER-COTEC). Its mission is to help micro and small enterprises improve their competitiveness and particularly the entrepreneurs' management skills. Therefore, SER-COTEC offers services, such as access to financing and those related to business development. There are also programmes for training, business formation and product diffusion (Escuela de Administración PUC 2012: 175).

The Ministry of Social Development coordinates all social policies in Chile. It has the Fund for Solidarity and Social Investment (FOSIS), a public service which focuses on overcoming poverty and supporting the most vulnerable sectors. FOSIS offers some programmes that foster social innovation. They include consulting and training for entrepreneurs, organizations or local groups in order to develop and foster their ideas and businesses. The Institute for Young People (INJUV) is responsible for designing policies for persons from 15 to 29. In 2011, it introduced the programme P.A.I.S. Joven seeking to promote social entrepreneurship among young people by delivering financial and technical support. INJUV has also created the Office for Juvenile Social Entrepreneurship (Escuela de Administración PUC 2012: 176).

29 <http://www.english.corfo.cl/programs/programs/entrepreneurship-and-innovation-ecosystem-program-pae-from-its-spanish-acronym>.

The Division of Social Organisations (DOS) has the task to improve the link and the communication between the government and social organizations as well as to contribute to better awareness of governmental programmes in order to stimulate social integration and develop programmes that foster civic participation. DOS also supports the new category of Organizations of Public Interest and therefore is responsible for the Fund for Fortification of Organizations of Public Interest (Escuela de Administración PUC 2012: 177).

Furthermore, a number of ministries have been involved in social innovation through different programmes. For example, the Institute of Farming Development (INDAP), which belongs to the Ministry of Agriculture, supports the development of small agricultural producers with the goal of overcoming poverty and achieving sustainability. One of INDAP's programmes, Productive Alliances, is presented in a further chapter. The National Tourism Service (SERNATUR) belongs to the Ministry of Economy and develops programmes in order to promote entrepreneurship in tourism. Social innovation is considered to be one of the tools which could help enhancing the impact of SERNATUR's programmes seeking to foster competitiveness and the participation of the private sector as well as improvement of touristic offers (Escuela de Administración PUC 2012: 177f.).

Another attempt in order to promote social innovation in Chile was the creation of the Laboratory of Social Innovation and Entrepreneurship (LEIS)³⁰ at the end of 2009. The project was funded by InnovaChile. As Monge (2012) points out, "this

30 LEIS was led by the Public Policy Center of the Pontifical Catholic University of Chile (CPP UC) in association with the "ForoInnovación", a non-profit organization that promotes innovation in Chile (Monge 2012: 10).

source of financing was not created to back social subjects, but the importance of promoting these subjects allowed the LEIS proposal to be accepted” (ibid.: 10). LEIS was coordinated by an executive team and supported by the sector advisory which included representatives from the public, private and academic world and from the so-called third sector, interested in promoting social innovation projects. LEIS was comprised of two areas, editorial and communicational publicizing and publicizing through activities and events. The first one was done through a website with news, interviews, columns, papers, studies and a newsletter, so that the population could inform itself and participate. The second one was about interdisciplinary dialogues between different relevant players of the subject (municipalities, social innovators, academics etc.), as well as a contest to reward the best initiatives in projects and social innovation, and a seminar to address this subject from the viewpoint of experts and agents of change (Monge 2012: 10). However, with the end of public funding in 2012, LEIS was closed.

Altogether, the presented institutional frame includes similarities to some international examples of social innovation institutions that show the potential of the Chilean case. To a certain degree, FOSIS is similar to the Centro de Innovación Social in Colombia, since they have the same focus. Both have the goal to reduce poverty through social innovation. However, FOSIS has not integrated the civil society in its work in the way the Colombian centre has done. Furthermore, DOS could develop its activities analogue to Social Innovation Europe, although the former works on a smaller scale and focuses on the national and merely social context. The initiative Social Innovation Europe puts social innovation first and coordinates the activities of different organizations that work on economic, social or environmental topics. This could be an example for the work of DOS. Both examples show that in

Chile there are spaces and organizations where processes of social innovation can be used as a tool in order to foster efficiency, creativity and collaboration in finding solutions for social problems (Escuela de Administración PUC 2012: 179).

At the same time, one of the main weaknesses of the current system is the division of governmental social innovation activities and the lack of transversal action. In the Chilean institutional frame every organization put its focus on a different goal. So every organization has a different idea of social innovation and works only on one aspect of the ecosystem. In this context, an institutional transversal strategy, a kind of national plan that includes all governmental stakeholders who indirectly or directly affect the ecosystem of social innovation could lead to more effective social innovation policy. Such a plan would not address only certain target groups, but rather correspond to the diversity of the Chilean society as a whole (Escuela de Administración PUC 2012: 179ff.). Similar to a series of scholars in the case of the Chilean NIS, the authors from the Escuela de Administración PUC (2012) advocate the creation of a leading institution which would co-ordinate efforts in social innovation (ibid.: 179). Once again, there seems to be an example from another country which could serve as a model: The Australian Centre for Social Innovation (TACSI), a public-private institution functioning as a laboratory for social innovation initiatives. At the same time, the authors indicate that according to various experiences from other countries it would not be enough just to rely on such an institution in order to assure a successful functioning of a national system of social innovation. They stress the importance of integrating the topic of social innovation in other governmental institutions and adjusting the already existing programmes to it (Escuela de Administración PUC 2012: 180f.). Such a process of restructuring social innovation policy would imply a good portion of political will as well as a series of compromises. It would mean redistribution of powers and possibly more regulation, the latter being a

very controversial issue in Chile's recent history. In this sense, some criticism has been expressed regarding the idea of a central co-ordinating institution.³¹

With an even more integrated concept in mind, Monge (2012) proposes “the creation of a National Social Innovation System that gathers all the relevant players in this subject, with the objective of solving social problems, generating collaborative work through a network that avoids competition, creates funds and support instruments and evaluates impacts as well as certifying the quality of the innovations” (ibid.: 10). The author notes that it would not be a part of the Chilean NIS, “since although they share common elements, their objectives are not the same” (Monge 2012: 12). In a similar manner as the already existing National Innovation Council for Competitiveness, a “Social Innovation National Council” could be created, an entity comprised of representatives and experts from all sectors, “seeking to advise the president of the republic and his ministers on social innovation policy guidelines, and constantly evaluating the functioning of the system so that it can adapt to the evolution of society” (Monge 2012: 12).

Once again, special attention is paid to the role of the public sector within such a system, as it has to “place at the disposition of the population funds and tools that are specifically oriented towards the creation and application of social innovation. Also, the creation of a regulatory framework and a division specifically dedicated to these subjects is necessary in order to give the system a solid structure” (Monge 2012: 12). Another important feature would be

31 Interview with a CORFO executive, Santiago de Chile, March 22nd 2013.

participation of municipalities³² “in order to relate to the different counties in the country, address their needs and allow the system to be decentralized” (ibid.: 12). This would significantly help in defining target groups with their needs and enabling bottom-up solutions, for “the presumption is that the detection of a need expressed by a group of people (bottom-up) leads to the identification of a social problem that enters the system, and the different players interested in solving it join and develop a collaborative solution that is more efficient and fair than those already in place” (ibid.: 13).

Furthermore, an important role is assigned to the academia³³. Considering the so-called third mission, universities “must lead the economy of knowledge in the social sense since within them there are academic experts on different subjects, students that can learn while helping to solve social problems, volunteer programs, social research, infrastructure and even resources, that situate these institutions in a privileged place to be the engine for this system” (Monge 2012: 12). In recent years, the concept of University Social Responsibility has become increasingly important in Chile. In 2013, the Network for Social Innovation in Higher Education, NESIS Chile, was founded. During the first six months it was joined by eleven Chilean universities³⁴. Another interesting example of the concept of University Social Responsibility implemented in Chile is the Universidad de Talca which opened the Corporate

32 On the role of municipalities, see also Escuela de Administración PUC (2012: 178).

33 While science plays an outstanding role in the field of technological innovations (see e.g. Mowery & Sampat 2005), its potential function in the field of social innovation is rarely systematically addressed (see in contrast Howaldt & Kopp 2012). In this respect, the presented activities in the area of universities in Chile are of great importance and are currently investigated and accompanied in the context of further research activities.

34 See <http://nesis.fen.uchile.cl/esp/actores.html>.

Direction of University Social Responsibility in 2010 (this case is presented in a further chapter).

As for other sectors, while the so-called third sector constitutes one of the drivers of social innovation in Chile (see also the chapter on Socialab), the role of the business sector is not very clear. It seems that generally its role has been limited to what is often referred to as Corporate Social Responsibility (CSR), destining human and financial resources for this (Monge 2012: 12). Regarding the controversial nature of the CSR concept, this leaves room for doubts whether the private sector has really assumed its role as one of the players within the national system of social innovation. A survey of Chilean fruit exporters presented by Klerx et al. (2012) seems to confirm the doubts: “Although some firms have developed formal CSR policies, many seem to implement different facets of CSR haphazardly or merely respond to external pressures” (ibid.: 99).

Considering the landscape of social innovation in Chile, the authors from the Escuela de Administración PUC (2012) conclude that public policy still needs to better include incentives for social innovation. They state that none of the governmental programmes or institutions defines the concept of social innovation. They also point to the lack of information on social innovation activities in Chile as well as the need to create a system of ad-hoc measurements that would allow measuring new social innovation initiatives in an objective way. According to the authors’ recommendations, the question is not whether the government needs to foster social innovation, but rather which role exactly it has to play (ibid.: 187ff.). Monge (2012) underlines that “[d]

Despite the interest of society regarding the resolution of social problems, in Chile there is no social innovation policy that structures, incentivizes, evaluates and regulates the initiatives created by this sector, jointly with the public, private and academic worlds” (ibid.: 11). While both the authors’ criticism and suggestions seem to be fully justified, it is important to note that only few countries in the world have advanced in defining and implementing social innovation policies in a co-ordinated way or have even developed a kind of national system of social innovation. Therefore, Chile can be assessed on a level which is at least not below international standards. Here, the context clearly differs from that presented in chapter 2: in terms of the progress achieved in technological innovation the Chilean NIS lags far behind the OECD average.

5. Examples of social innovations in Chile

Despite evident weaknesses of the Chilean NIS generally and integration of social innovation activities particularly, in recent years, a number of internationally acknowledged initiatives have been developed. One of the most prominent examples is the already described initiative called TECHO. Besides the NIS perspective, a look at such activities allows for important insights regarding emergence and diffusion of social innovations in the respective national context.

Nevertheless, empirical knowledge on social innovation is still very limited, and this is not only true for Chile. Social innovation research is at an early stage. Therefore, such important issues as success factors for social innova-

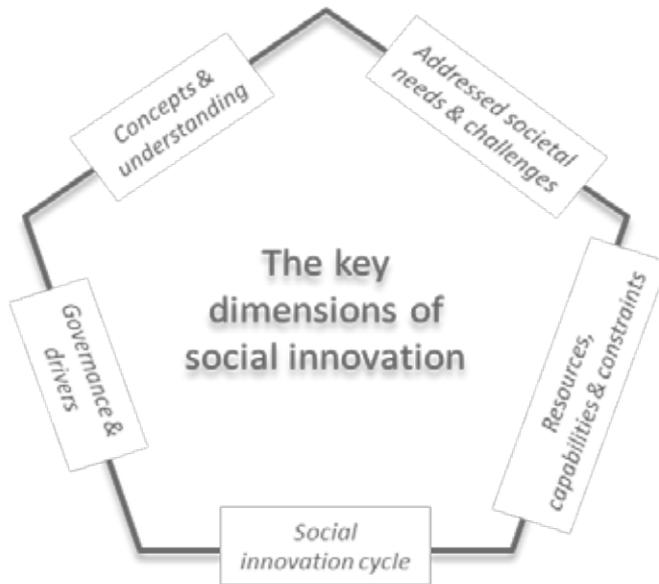
tions have hardly been analysed so far. Furthermore, a sustained and systematic analysis of social innovation and its relationship to transformative social change is required. Our short analysis is oriented towards five key dimensions of social innovation that fundamentally affect the potential of social innovations, their scope and their impact.³⁵ These are:

1. Concepts and understanding of social innovation: e.g. relationship to technology and business innovation; ICT (online networks, social media).
2. Objectives and social demands, societal challenges and systemic changes that are addressed: e.g. policy fields including objectives regarding such aspects as gender, equality and diversity.
3. Drivers, barriers and governance of social change and development: e.g. the role of social entrepreneurship, networks, user involvement, policy instruments.
4. Social innovation cycle³⁶ (prompts, proposal, prototypes, sustaining, scaling up, systemic change): e.g. role of innovation networks and drivers at each stage of the social innovation cycle, cultures of innovation.
5. Resources, capabilities and constraints: e.g. finance and regula-

35 These will be the Key Dimensions of social innovation analysis within the project “SI-DRIVE – Social Innovation: Driving Force of Social Change”, a large-scale research project (2014-2017) funded by the European Union.

36 Murray et al. (2010).

tions of the finance industries, human resources, empowerment, legal conditions, knowledge, scientific research.



In the following, we focus on three examples from areas which are crucial for the development of the topic of social innovation: government, academia and civil society.³⁷ Here, it is about the components of a future national innovation strategy. At the same time, the short case studies give insights into the width of the topic that goes beyond combating (extreme) poverty, still typical for Latin America, and illustrates the potentials of a comprehensive innovation concept. Moreover, the three examples demonstrate the diversity of purposes and methodologies related to social innovation initiatives. They

³⁷ As shown above, the role of the business sector generally has been limited to what is often referred to as Corporate Social Responsibility (CSR) and is therefore less relevant as a case study in this context.

make clear how economic, social and ecological goals can be combined and emphasise the significance of intersectoral and interdisciplinary collaboration for social innovation. The cases are also trend-setting: the Productive Alliances programme points up the meaning of network co-operations for social innovations, the case of University Social Responsibility reveals which role universities could play in 21st century, and the example of Socialab stresses the importance of infrastructures for social innovations.

5.2. Government: The Productive Alliances Programme (AAPP)

Promoting productive links among social actors, firms and public institutions in order to give incentive to inserting quality agricultural products into the markets is the premise behind this social innovation project which is presented as a case study. It concerns a unique kind of social innovation in Chile that is implemented by the Institute of Farming Development (Instituto de Desarrollo Agropecuario, INDAP)³⁸. The innovation involves providing market incentives for inserting small farmers into export agrifood chains as a tool for improving the productive competitiveness and the welfare of the rural families.

The idea was born in 2007 as part of a reform to the INDAP technical assistance programme, moving from a traditional agricultural extension model to

38 INDAP is an entity of the Chilean Ministry of Agriculture. Its mission is to support the development of small and medium size agricultural producers through financial and productive activities that promote production, directed to the management and strengthening of human capital, that contribute to overcoming poverty and to the sustainable competitiveness of small farming rural families. Through its various programs (technical advisors, financing and production projects) it serves nearly 140,000 small producers in all the regions in the country. This number represents approximately 50% of the Chilean rural families (www.indap.cl).

one that hinged on offering products in demand by the export market channels. Closer business relations among the diverse agents in the agricultural chain were sought to improve the internal degree of articulation and competitiveness. According to Piñones Vásquez et al. (2006) these relationships should influence the evolution of agrifood chains and promote a higher vertical and horizontal coordination. Moreover, productive alliances may facilitate the integration not only of private productive actors, but also of the public sector with private agricultural firms.

From a social innovation point of view, the AAPP promotes collaborative networks and the partnership of relevant stakeholders for rural development such as farmers, firms, private operators (technical advisors), and public sector (IN-DAP) as facilitator. Previous programmes did not explicitly include the participation of firms in agricultural transfer programmes so AAPP enhances a more holistic approach for rural development. In this context, the specific goals of the AAPP Programme are (1) establishing relations between supply-demand parties for achieving transparent and sustainable trade, (2) achieving a high level commitment of parties for safer product trade, (3) improving product quality according to firm and market requirements, and (4) implementing farm investments for improving farm productivity. To achieve these goals, the AAPP Programme is structured in three working components: (1) commercial and quality management, (2) technical advice on primary production and farm management, and (3) complementary physical investments.

Since 2007, nearly 230 productive alliances have been established associated with the various agricultural export products such as berries, honey, wine and

fruit, among others. Productive alliance units are distributed in all country regions with the Maule Region having the highest participation with around 2,400 farmers and 50 firms focused on the production of berries, wines and honey mainly (SEGPRES 2013). Forty per cent of these alliances are made up of productive small farming organizations that market their own products without intermediaries. Currently, more than 6,000 farming men and women participate in the AAPP Programme in the whole country.

Five dimensions related to the social innovation concept presented above are considered in the design and implementation of this AAPP Programme. In the first place, a new social practice of understanding and creating relationships is accepted among the various productive chain agents (small farmers, technical advisors, storage companies and export companies) as well as the public institutions (represented by INDAP): This new way of linking allows providing solutions for technical and commercial problems through dialogue and seeking agreements among the parties. In practice, a synergy is produced by the search for a concrete solution, which results in better agricultural practices and commercial advantages for the farmers through the development of new business opportunities and social undertakings.

In the second place, the AAPP Programme accepts the social demands of the stakeholders from the perspective of inclusion, equality, diversity and type. It is assumed that the solution proposed among the parties brings with it a high social impact affecting positively and directly the community where the project is being developed. In the same way the Programme makes the commitment to improve the welfare of rural families, promoting new relationships and con-

vivial practices between the farmers and the businesses that sell their products.

The third key dimension of social innovation is completely taken on by the Productive Alliances Programme. In fact, it is related to the fundamental aspect of community participation in realizing the business solutions that affect them. It stems from the idea that it is not possible to improve quality of life for people unless it is done by constructing social networks and self-management processes. In this regard, a major issue is the social control that producers have on the business practices developed by the export companies. Related to this, round-table dialogues have been set up among the various members of the Productive Alliance (public and private stakeholders) for the purpose of resolving conflicts and improving the business relationship among the parties. In this way, developing governance from within the alliance is emphasized so that the people who benefit from the programme would be the ones who manage and create their own projects and business relations which gives sustainability to the implementation process of the AAPP Programme.

In fourth place, the Productive Alliances Programme is based on the development of a movement toward local innovation. In this sense, this new form of social innovation in the productive agricultural sector corresponds to a new set of social practices wherein the stakeholders themselves can more satisfactorily seek answers to their needs and the problems that affect them. However, these social practices are not regular and their application is part of the social innovation developed by the programme. In this regard, they still remain to be proved (e.g. depending on the implementation of the programme). Hence, the way in which the farmers, firms and the public institutions are linked

constitutes a good example of social innovation which is socially acceptable and spread out among the productive agents.

A fifth fundamental element in this case study, tied to the model of the five key dimensions of social innovation, has to do with the way in which local knowledge and the producers' idiosyncrasies are taken into consideration by the other actors in the commercial chain. On the one hand, the farming men and women have their own ways of carrying out their agricultural practices according to the knowledge they have acquired while on the other hand the other actors bring with them empirical knowledge developed by business practices and theoretical knowledge. The combination of both types of knowledge is transformed into a unique learning opportunity, and at the same time, permits feedback among the parties.

Finally, it is worth pointing out that the Productive Alliances Programme takes on an unavoidable commitment to the development of rural families. It gives incentive not only to the best agricultural practices for becoming part of the export productive chains, but also contributes to the understanding and social responsibility among the stakeholders in the same territory by promoting social coexistence values and seeking out the common good. In this way the described social innovation is transformed into an opportunity for change so that other institutions (in Chile and Latin America) begin and establish deliberate transformation processes that bring about new social practices in the future.

5.2. Academia: Educating socially responsible professionals³⁹

To unite professional education with finding solutions to community social problems is the underlying premise of this second type of social innovation that is presented as a case study. It involves a unique type of social innovation that is being developed at the Universidad de Talca (Chile)⁴⁰. This innovation gives incentive to the formation of socially active, integrated individuals who view their professional careers in terms of making a contribution to the society.

The idea was born as part of a curricular reform in the educational model at the university moving from a traditional model to one of competency based education. The central objective of this change was based on the need to link the requirements of the social and productive surroundings with a professional education that provided the necessary competence and abilities to function in a highly demanding and changing world of work.

The Universidad de Talca has defined Social Responsibility as one of its basic corporate principles translated, not only, into its relationship with the area it serves, but also, into a distinctive element of the education given to its professionals. As part of the corporate strategy linking it with the area it serves, the Universidad de Talca develops in its students a socially active participation

39 This subchapter was written together with Dr. Álvaro Rojas M., Veterinarian, Professor, President of the Universidad de Talca.

40 The total enrollment (2014) is 10.000 students, of which 84% are undergraduate students and 16% are graduate students; enrollment in first year is at 1900 students. The university has 24 undergraduate programs, 6 doctorate programs and 21 master's programs (www.otalca.cl).

which unites the disciplinary education of the young people with the needs of the society around them.

As part of the curricular reform, a set of 11 general courses was designed to give students a set of competencies (instrumental, interpersonal and civic) which would substantially improve their performance, not only in their university life, but also upon entrance into the work force. One of these courses is Social Responsibility which is taken during the seventh semester of every undergraduate programme in the university. The course itself lasts for 18 weeks (one semester) with the contents being divided into theoretical and practical components. Referring to the practical component, the students develop projects to be carried out in the community to provide solutions to problems identified by the community members.

The methodology is that of in-service learning and consists of the interaction of the four following elements: (1) a real need in the community, (2) the offer of a service by the students, (3) search for a mutually agreeable solution (community project), and (4) solution by means of the student's knowledge (with the aid of his or her professor). There are two main competencies to be developed in the students; first, to establish a relationship of mutual learning and commitment with a specific interest group, and second, to exercise Social Responsibility through carrying out a community service project.

Since the beginning of this intervention methodology (8 years ago) more than 6,000 students have gone through concrete experiences in more than 70 communities (urban and rural). In practice, 1,200 projects have been carried

out to the benefit of more than 20,000 inhabitants of the area served by the Universidad de Talca. The very diverse types of projects can be grouped along the following lines: (a) design of a business plan, (b) development of a marketing plan, (c) project promoting dental health, (d) design of public areas, (e) development of areas of urban intervention, (f) digital literacy, (g) environmental care and education, and (h) education for energy saving.

It is important to point out that each semester the members of the community evaluate the work done by the students by means of a satisfaction survey. It can be verified that the beneficiaries positively value the quality and relevance of the action taken, as well as the degree of the students' social commitment. Without a doubt these projects have an effect not only on the regions and their communities, but also on the fundamental education of the future professionals. Ultimately, the rationale for implementing this social innovation is to contribute to student development, facilitating the use of the understanding of and reflection on their professional activities as tools for making a contribution to society.

Taking on Social Responsibility within the university education model has included the five aspects related to the concept of Social Innovation. In the first place, a new social practice of understanding and relating to each other is assumed among the communities, the students and their professors. These new links allow for solving local problems using dialogue and seeking agreement among the parties. In practice, a synergy is produced for finding a concrete solution which is materialized in a project that is presented as social action or a business model. That is to say, a new idea is converted into a

successful instance of innovation utilizing competence, vision, creativity, persistence, and willingness to take risks.

In second place, the education model previously described deals with the interest groups' social demands from a perspective that encompasses attachment, equality, diversity and type. It stems from the basic idea that the suggested solution brings with it a high social impact that directly and positively affects the community in which the project is to be carried out. Similarly, the model assumes a commitment to poverty relief by taking concrete action in urban and rural communities with urgent needs. To this end, the communities are chosen giving priority to working with those groups with greater privations.

The third dimension of the model is related to a fundamental aspect of community participation in the development of solutions. It is based on the fact that it is not possible to improve the people's quality of life if it is not done through building social networks and self-management processes. The students and their professors fill the role of facilitators, presenting various possible solution alternatives to the communities. It is the communities themselves that choose and elaborate the best alternative and carry out the chosen project together with the students.

An important aspect is that, on many occasions, the solution to the community problems involves the use of instruments of government social policies. In this regard, the projects developed between the community and the students (supervised by their professors) are presented to governmental funding sources to seek the necessary finances to make the idea concrete. It is also rel-

evant to consider the development of internal governance among the participating groups. In this manner, the beneficiaries become the ones responsible for managing their own projects, having previously given sustainability to the implementation and management process of the solution.

In fourth place, the described Social Responsibility model is based on developing innovation knowledge at the local level. A social innovation is a new configuration of social practices in specific fields of action or social contexts where specific stakeholders seek the best response to the needs and problems of a community. In this sense, the way in which the communities, the students and their professors are linked constitutes a good example of social innovation which is socially accepted and widely disseminated throughout the communities. The aim is to have an effect on the behavior of the interest group members through social practices directed at achieving specific social goals to transform the manner in which finding solutions to their problems is confronted.

A fifth fundamental element in the described social innovation model is related to the way the local knowledge is combined with the formal technical knowledge through the students' intervention in the communities. On the one hand, the communities have their own empirical knowledge related to their experience while, on the other, the students bring with them the scientifically based knowledge they have acquired throughout their university education. The combination of both types of knowledge is translated into a unique learning opportunity and, at the same time, permits feedback among the parties.

As a public university, the Universidad de Talca is committed to a completely integrated education that is of high quality, pluralist, and socially and environmentally responsible. Similarly, as an institution serving the community, the university feels called upon to create new social relationships and new models of collaboration with the various interest groups cohabiting its surroundings. Thus, the proposed social innovation is an opportunity for change in other universities with the purpose of initiating and establishing deliberate transformation processes that are materialized in future new social practices.

5.3. Civil Society: Socialab

Socialab is a platform for – as its team states – “disruptive” social entrepreneurs⁴¹ seeking to generate solutions for problems generally related to poverty and inequality⁴² through methods of co-creation and networks with different societal players. It was founded in Chile in 2012 as the first spin-off of TECHO thanks to the latter’s links to and knowledge about the country’s most vulnerable families. TECHO’s experience therefore allowed for getting acquainted with those people problems on the one hand and opportunities that could achieve social impact through social entrepreneurship activities on the other hand. Further co-founders of Socialab were the Multilateral Investment Fund of the Inter-American Development Bank and the company Movistar-Chile, both providing financial support to the initiative.

41 <http://www.socialab.com/paginas/ver/que-es>.

42 There is a broader understanding of poverty and inequality, e.g. including energy supply, health care, access to drinking water or internet access.

As the organization's name already indicates, Socialab is a kind of laboratory for social entrepreneurs. The team's main task is co-creating social entrepreneurs by sharing its know-how, identifying already existing promising inventions and promoting them. Some of the initiatives supported are technological inventions, which are embedded in new social practices with the target of facilitating the use of new affordable technologies by vulnerable communities. As the main question is how to make new ideas work for those target groups and new solutions need to be tested (e.g. through pilot projects), Socialab not only delivers consulting services to social entrepreneurs, but also provides financial support and workspace at its Santiago office. Further offices were opened in Bogotá, Buenos Aires, Montevideo and Mexico City. The idea is to make sure that even very risky social entrepreneurs get an opportunity for being put into practice if transformative action and social impact can be expected.⁴³

Socialab's premise is that social entrepreneurs have to be self-sustainable and scalable, functioning without donations. According to Socialab's team, the market is big enough and therefore the challenge is how to transform the communities' problems into business opportunities.⁴⁴ Overcoming poverty is understood as social business. Numerically, full year targets reveal the organizations ambitions: e.g. for the year 2014 the goal was to generate 5,000 "revolutionary" ideas, implement 127 of them and finally make sure that at least three of such solutions can be scaled up in order to impact on more than one million people each.⁴⁵

43 Interview with a Socialab director, Santiago de Chile, April 1st 2013.

44 <http://www.socialab.com/paginas/ver/por-que>.

45 <http://www.socialab.com/paginas/ver/por-que>.

How is Socialab related to the concept of social innovation presented at the beginning? Regarding the five key dimensions of social innovation, how can it be assessed? Interestingly, this organization has a double function in terms of social innovation understood as a new social practice. First, a laboratory where social innovations are created, developed and tested is a new social practice itself. Currently, Socialab is only three years old and therefore it is too early to judge whether it has already evolved into a true social innovation and is more than a mere invention. It has been scaled out throughout Latin America and has supported a number of promising social entrepreneurs, thus having proved to be a potential social innovation. Second, it is a platform for further social innovations, as every idea supported by Socialab either has the potential to become a social innovation itself or provides the tools (e.g. by introducing new technologies) that can facilitate new social practices. Projects carried out at Socialab will need more time in order to be analysed as social innovations. With regard to future studies, it would be worth selecting those with the highest impact for detailed analyses. In the meantime, applying the methodology of the five key dimensions of social innovation helps assessing Socialab's potential, scope and impact.

In terms of concepts and understanding of social innovation, technologies seem to play an important role as part of new business models. The key aspect of Socialab's concept is the development of new business models in order to carry out inclusive businesses.⁴⁶ This perspective may appear somewhat limited, as social innovations often occur beyond business activities. However, it

46 In this sense Social Lab helps to develop a new social practice with the goal of better satisfying or answering needs and problems than is possible on the basis of established practices.

can also evolve into a true strength because of a clear focus and the know-how available within the team. Furthermore, taking poverty and problems related to it as an opportunity for social business has already proved to be a successful concept world-wide (e.g. numerous social businesses developed by Muhammad Yunus). As for objectives, social demands, societal challenges and systemic changes that are addressed, Socialab has a flexible model. First of all, it is interested in social entrepreneurship able to achieve high social impact (e.g. an innovation impacting on more than one million people). At the same time, it also provides support to those ideas with less impact, as it is clear that not every social entrepreneurship can have impact on broad parts of the population, although it may offer viable solutions. Concerning policy fields, there is no limitation as far as the idea has to do with combating poverty.

Regarding the drivers, barriers and governance of social change and development, it is obvious that social entrepreneurship is playing a major role. Networks also constitute an important element of Socialab's concept. Already at the moment of its foundation, it was an example of cross-sector co-operation between the NGO TECHO, the Inter-American Development Bank and Movistar-Chile as a major company. On the contrary, academia is not very present. Instead, community involvement is definitely one of the core features of Socialab's work, being at the same time one of the biggest challenges for the laboratory's success. Considering the social innovation cycle, Socialab itself is at the stage of sustaining, while an increasing number of its projects have already evolved into (profitable) companies targeting at scaling up⁴⁷ and even

47 With some companies already successful in scaling up in several countries.

at system change. Culture of innovation is very much related to social entrepreneurship and business innovation, but technologies can also be very important. Finally, regarding resources, capabilities and constraints, the question is how long Socialab can rely on financial support provided by institutions such as the Inter-American Development Bank or the Development Bank of Latin America (CAF). While the former was crucial in order to establish the model, the latter is important regarding scaling up the entrepreneurships. At the same time, the organization has created an important income source by organizing tenders for government and companies. Currently, the model is still dependent on sponsors, but has advanced towards self-sustainability. As for entrepreneurships developed at Socialab, self-sustainability is an important criterion. The goal of self-sustainable social entrepreneurships instead of relying on donations is more challenging, but also more appropriate regarding social impact. In terms of human resources, the office in Chile counts around 15 employees in an interdisciplinary team.

Altogether, Socialab is a promising initiative which responds to the urgent demand for infrastructure and support for social innovation in Chile, but also in other parts of Latin America, addressing “the issue of good conditions for the development and successful implementation of social innovations” (Howaldt & Domanski 2012: 3). Nevertheless, it remains to be seen, whether it can become self-sustainable and how much social impact its entrepreneurships can generate. As a spin-off of TECHO, there seems to be a lot of potential for Socialab, the former having evolved into a true social innovation throughout the continent. However, Socialab’s model is more ambitious and requires formation of a new innovation culture. In a country with a long tradition of

business, but a lack of experience in innovation activities, overcoming poverty through new business models is a true challenge.

6. Conclusion and Outlook

The overview on the national innovation system and social innovation initiatives in Chile presented here shows the weaknesses of the current innovation system, but refers at the same time to the existing potentials. In view of the dynamic of the topic, far-reaching changes can be expected for the next years. In this process, a systematic development of a broader innovation policy as well as targeted promotion of co-operation between academia and business could help to overcome the one-sided neoliberal development strategy of the Chilean economy and to help economic activities evolve into new areas and sectors.

A crucial point for Chile and Latin America in general is to transform successful initiatives into public policy to be able to fight poverty more effectively, to affirm respect for economic, social and cultural rights (Rey de Marulanda & Tancredi 2010: 5) and to achieve more social cohesion (Esguevillas Ruiz 2013: 45). Here, integrative approaches are trend-setting regarding a new innovation policy that should include important societal stakeholders in new projects at an early stage and seek for a balance of interest between all stakeholders involved (case study 1).

The inclusion at an early stage of the social innovation process, in line with a comprehensive innovation concept, can help to work on the apparent weaknesses of the national innovation system as well as to develop impulses for

a broad social renewal beyond neoliberal strategies and to put them into societal practice. Such impulses can arise especially from the development of networks between stakeholders from business, academia, government and civil society. It seems that particularly the potentials of co-operations between universities and (regional) business are hardly tapped. Approaches such as the presented activities in University Social Responsibility can set trends and have even more impact in the future (case study 2).

Altogether, there is particularly a lack of a broad national innovation strategy, with the government assuming a more active role and providing important impulses. Most activities come from the civil society and find only little public support (case study 3). A series of interviews have revealed that innovation culture and social innovation policies are still quite underdeveloped in Chile. Initiatives such as Start-Up Chile have been mentioned as valuable in the OECD (2013) Economic Survey on Chile and may contribute to the formation of an innovation culture. However, the focus is still very much on the creation of economic value and much less on social value. It remains to be seen whether innovation activities are becoming a trend and consciousness about the meaning of innovation as a driving force of economic growth on the one hand and social change on the other hand is increasing throughout society.

The current basis of Chilean innovation policy is mainly focused on addressing the needs of companies and markets. A new policy concept is needed in order to emphasise the potential of innovation to cope with the social and ecological challenges of modern societies. What is necessary is not only the development of specific instruments and institutional arrangements, but also

an integration of the concept of social innovation in Chilean public policy. Only if economic development will be aligned with social development it will be possible to cope with the current challenges in terms of poverty eradication, reduction of inequality and reinforcement of democracy. Thus the Vienna Declaration (2011) states: “The most urgent and important innovations in the 21st century will take place in the social field” (ibid.: 2).

Based on a systematic innovation policy, the conditions to explore the potentials of the natural sciences and to make them usable for society were created in the middle of the last century. Likewise, at the beginning of the 21st century we need such a great pioneering spirit in the search for new social practices that enable us to secure the future and allow people to live “a richer and more fulfilled human life” (Rorty 2008: 191).

The observations made above point out that increased attention has to be paid to social innovation in order to develop the potential for new social practices beyond the hitherto dominant growth ideology. To this extent, a new model for innovation policy is required that shifts its focus from technological to social innovations and systemic solutions and to a corresponding empowerment of actors, thus complementing the new conceptual understanding of social innovation with a consistent social policy.

To make such a policy powerful it is necessary to build infrastructures and institutions that provide support to social innovators. Therefore, it would require combining the social innovation potential in the social economy, civil society, business firms, academia and the state and promoting alliances be-

tween universities, companies, NGOs, communities and the government around social innovation. At the same time, it would be necessary to empower citizens, social movements and communities and include them in the process of social innovation and ameliorate the conditions of participation and self-management.

Considering the scientific debate in the field of social innovation, country specific analyses of innovation and social policies and their ability to foster social innovations will become more important. As mentioned above, a systematic mapping of social innovation in Latin America would provide an overview of the situation in different countries.

It would help to better analyse the decisive factor for successful diffusion of social ideas and inventions, namely the process in which these ideas and inventions spread through existing communication paths in a social system and analyse the success factors for social innovation (Howaldt & Schwarz 2010: 36). This issue takes centre stage within the research project SI-DRIVE⁴⁸.

48 Social Innovation: Driving Force of Social Change, a large-scale research project (2014-2017) funded by the European Union, see www.si-drive.eu.

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