

Ring the bells (ring the bells) that still can ring  
Forget your perfect offering  
There is a crack in everything (there is a crack in everything)  
That's how the light gets in

Leonard Cohen, *Anthem*

## People, places, cracks and light

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There is a widely known song from Leonard Cohen, his "Anthem", whose hook line I put as an epigram at the beginning of this paper. It allegedly refers to a parable told by Jack Kornfield:

*A young man who had lost his leg came to a Buddhist monastery, and he was extremely angry at life, always drawing pictures of cracked vases and damaged things, because he felt damaged. Over time, he found inner peace, and changed his outlook, but still drew broken vases. His master asked him one day: "Why do you still draw a crack in the vases you draw, are you not whole?" And he replied: "yes, and so are the vases. The crack is how the light gets in."*

What does this have to do with social innovation?

First, Cohen's song is a wholesale abdication on definite solutions. It says nothing less than "you will not make it but you have to try it": "*You can add up the parts, but you won't have the sum....forget your perfect offering.*" In a recent study regarding the planetary ecological boundaries and the overall quality of life, the University of Leeds/UK<sup>1</sup> has come to the sobering conclusion that there is no single country on earth which meets the minimum requirements of human wellbeing without transgressing the planetary boundaries (ecological footprint) or, vice-versa, no single country which meets the requirements of sustainability without failing to meet the minimum requirements of social and economic well-being. There is simply no model in sight for humankind to escape that double bind.

Secondly, the Anthem tells us that it is exactly this imperfectness, this deep uncertainty, what makes life worth living, what moves us to improve, to evolve, to *fail better* (to use the words of Samuel Beckett).

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<sup>1</sup> [https://www.nature.com/articles/s41893-018-0021-4.epdf?referrer\\_access\\_token=93EfwvDXODjOmjBhAxcV8NRgN0jAjWel9jnR3ZoTv0NINAtj47DSpAGKNW0NM9VbNO\\_t3SEDceQKKBNfJB06hDmf7kMPBJ36VcrF26Gq-U7zLd\\_TaJW8U1rqpQeE9cZLeH0jQnuZaSH7yBDonyw83MtOCNCcFOPp7crDnoHjyZ5Rcn9IBOUoKTEV6n\\_3UNvgvdCH3oJMp4UG3eN6dgDjQjBkk6FVvBFrmCCaBrkPES9iws67XAzWUZAdG4G\\_vRbV\\_zsI7QNSih6PwOi8msDGQ%3D%3D&tracking\\_referrer=derstandard.at](https://www.nature.com/articles/s41893-018-0021-4.epdf?referrer_access_token=93EfwvDXODjOmjBhAxcV8NRgN0jAjWel9jnR3ZoTv0NINAtj47DSpAGKNW0NM9VbNO_t3SEDceQKKBNfJB06hDmf7kMPBJ36VcrF26Gq-U7zLd_TaJW8U1rqpQeE9cZLeH0jQnuZaSH7yBDonyw83MtOCNCcFOPp7crDnoHjyZ5Rcn9IBOUoKTEV6n_3UNvgvdCH3oJMp4UG3eN6dgDjQjBkk6FVvBFrmCCaBrkPES9iws67XAzWUZAdG4G_vRbV_zsI7QNSih6PwOi8msDGQ%3D%3D&tracking_referrer=derstandard.at)

I define social innovation as the smallest molecular unit of this movement. I don't just talk about a vague notion of change. Change is our destiny. Change happens anyway. Even if we feel standstill, there is change going on, but it might appear too slow to our minds, or going sideways instead of forward. If change is the norm, innovation must be change of change: to accelerate, to brake, to reroute.

But this would be meaningless without a normative judgement on the desired direction of change: what we want, what we value most, what we long for. The very notion of social innovation is bound to a value compass to which our societies, or their overwhelming majority, can agree. To my mind the 17 Sustainable Development Goals of the UN, the Agenda 2030, provide a valuable set of objectives, even though we know that the 100% achievement of one goal would often not be feasible without jeopardizing the achievement of other goals. That refers us back to the paradox of imperfection mentioned above.

Social innovation is usually identified and described at micro level, where groups and networks of people act together to serve – besides pursuing individual goals – the purpose of common wellbeing. On the other hand we have these highly abstract celestial sustainable development goals. However there is something in between which determines the course of things. The theoreticians of the Transition Movement<sup>2</sup> call this the “socio-technical landscape”, the long grown structures and norms, in short: the “regime” which determines how things use to be running in a given sector. The use of the term “regime” has less to do with governments here, but rather with the default processes that shape socio-economic development.

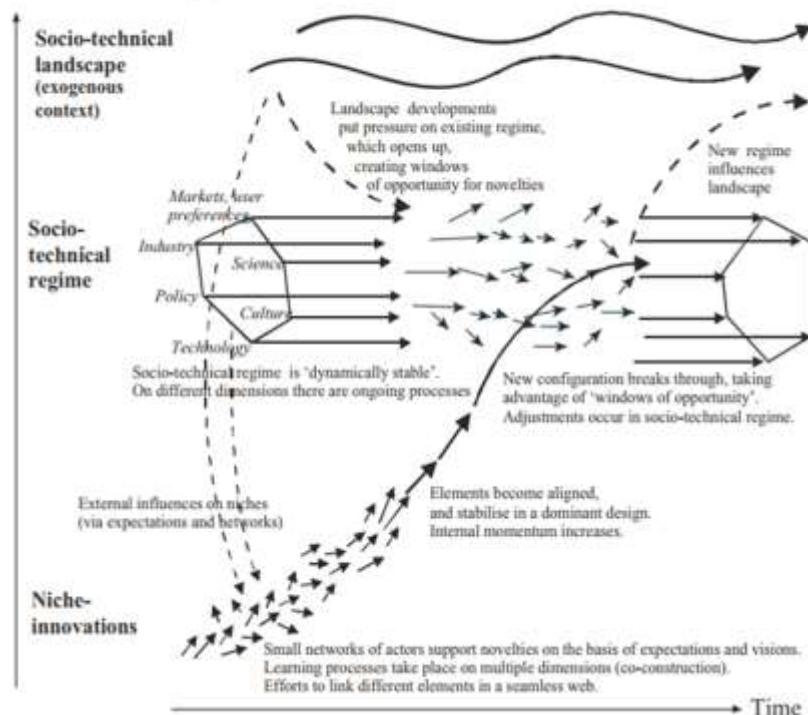
**Fig.1: Multi-level perspective on transition<sup>3</sup>**

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<sup>2</sup> <https://www.sciencedirect.com/science/article/pii/S2210422411000050>

<sup>3</sup> Frank W. Geels (2011): The multi-level perspective on sustainability transitions: Responses to seven criticisms. In: Environmental Innovation and Societal Transition 1 (2011) 24-40.

Increasing structuration  
of activities in local practices



Following the diagonal trajectory shown in figure 1 at the bottom left corner, social innovation emerges with experimental variants of new practices, gradually converging toward the more viable ones which eventually nest in the social fabric, changing the socio-technical regime. Subsequently, the altered regime will impact on the context, the encompassing socio-technical landscape.

This model-like trajectory of social innovation is encapsulated in the definition of social innovation according to the EU Research Project SIMRA<sup>4</sup> paraphrasing social innovations as *“the reconfiguring of social practices, in response to societal challenges, which seeks to enhance outcomes on societal well-being and necessarily includes the engagement of civil society actors”*.

The term ‘societal challenge’ has to be understood in its widest meaning here. Not all actions of social innovation get triggered by manifest crises. They may as well, as it is often the case in prospering regions, originate in mere joy of life, visionary capacity and serendipity. However in retrospect they will only survive as ‘social innovations’ if they ultimately add something to common well-being, or in other words leave the society with more options to act than in the counterfactual case (in which the action did not take place)<sup>5</sup>.

The trajectory shown in figure 1 can be captured in terms of the Darwinian triad model of evolution: Variation – Selection – Stabilisation. The analogy goes even deeper if we look at the decisive role of geography, the reliance on the specificity of places. In a seminal working paper<sup>6</sup>, a group of European experts has identified, in the late nineties, three types of “territorial innovation”:

<sup>4</sup> EU Research Project (Horizon 2020): Social Innovation in Marginalised Rural Areas. <http://www.simra-h2020.eu/>

<sup>5</sup> It is the task of evaluators to make valid judgements on this (mostly hypothetical) juxtaposition.

<sup>6</sup> Gilda Farrell e.a. (1997): Innovation and Rural Development. The Observatory Technical Dossiers No. 2/1997, AEIDL, Bruxelles. <http://ec.europa.eu/agriculture/rur/leader2/rural-fr/biblio/inno/innov.pdf>

- **Mobilising actions**<sup>7</sup>: Actions which stir up the creative spirits of an area by bringing together hitherto fragmented actors and resources, break crusts of isolation and cloaks of silence. This type of actions invests into the variety (diversity) of actors, perspectives, responses to challenges. This type corresponds to the swarm of little arrows on the lower left side of fig. 1.
- **Structuring actions**: Actions which reduce variety and bundle forces, betting on the solution appearing to be the best one to meet a particular challenge. This type of action leads to an alignment of actors, to new organizations, to a streamlining of individual activities towards common goals. This type corresponds to the “regime change” in the center of fig. 1.
- **Consolidating actions**: Actions which lead to the extension and up-scaling of the “reconfigured regime”, ultimately impacting on the political, economic and cultural context. This type corresponds to the dotted arrow on the upper right side of fig. 1. This section of the trajectory may take a long time, as the incorporation of a new regime into the existing socio-technical landscape is much more an incremental than a disruptive process. It has to do with cooperation, institutionalization and mainstreaming. With this type of actions the innovation cycle moves toward completion....thus providing the context for new innovation cycles.

One thing must be clear by now: We would have failed to understand the essence of social innovation if we just looked at the micro level. Social innovation is also relevant at the level of governance, with the public authorities in the leading role. This is a statement against a blinkered concept of social innovation as just a micro-level phenomenon.

I emphasize this to avoid a misleading interpretation of social innovation as the response to cutbacks and disassembly of governmental policies to prevent poverty and reduce inequalities. In this type of discourse, the dismantling of social policies would be beneficial to awaken the entrepreneurial spirits of former allowance receivers; or, to apply this school of thinking to territorial policies, just let lagging regions alone instead of fruitlessly investing in expensive infrastructures for dwindling populations, and let the people flock to the growth poles in metropolitan areas where they may make their luck....or not<sup>8</sup>. No, I want social innovation to be the sign of new life and not the jerks of death throes.

So, to take up the topic of the conference, the very notion of social innovation requires an institutional environment which is at least not punishing deviating behavior. This is the absolute minimum condition. But what interests us here is the gentle hand of government, the ways in which public policies can foster social innovation. This requires innovation capacity also at the level of governance.

Talking about Europe where I come from, one of the notable innovations at governance level in the last decades has been the **CLLD/LEADER method for local development**. It started as an EU Community Initiative in 1991 destined for lagging rural areas under the name LEADER<sup>9</sup>; after many years of reissuing and gradual mainstreaming it is, since 2014, applicable to all types of rural, urban and coastal areas under the name CLLD<sup>10</sup>. The method is based on **eight operational principles**<sup>11</sup>:

<sup>7</sup> In French: „Actions d’animation“. Unfortunately, the English version of the working paper translates the French „animation“ by the English „coordination“ which does not really capture the essence. “Mobilisation” would be more appropriate.

<sup>8</sup> A blatant example of this - to my mind – dubious school of thinking is the World Bank’s *World Development Report 2009*: <https://openknowledge.worldbank.org/handle/10986/5991>; the OECD publication from the same year: “*Regions Matter: Economic Recovery, Innovation and Sustainable Growth*” provides cogent arguments against this stance and in favor of a proactive and highly differentiated support to regional development.

<sup>9</sup> Acronym for Liaison Entre Actions du Développement Economique Rural.

<sup>10</sup> Acronym for Community-Led Local Development.

<sup>11</sup> [https://ec.europa.eu/agriculture/sites/agriculture/files/publi/fact/leader/2006\\_en.pdf](https://ec.europa.eu/agriculture/sites/agriculture/files/publi/fact/leader/2006_en.pdf) ; also see <http://www.elard.eu/>

- **Area-based approach:** Local project funding is based on a local development strategy which takes account of the specific needs and potential of a territory within the range of 10.000 to 150.000 inhabitants, bearing particular traits and identities, but also of the inherent diversity of geographical and historic features, people and ideas. The local development strategy is devised for seven years and regularly updated in accordance to the evolving context.
- **Bottom-up approach:** The perception of local needs and potential and of the strategic orientation of developments emerges from a collective effort which includes the broadest possible range of viewpoints, actors, stakeholders and competencies. Participation is paramount, from situation analysis to strategy building, implementation to monitoring and evaluation; the approach is genuinely inclusive.
- **The local partnership** named Local Action Group = LAG, the pivot of the CLLD method: a local association in whose decision-making bodies no single sector holds the majority of votes, be it public, private or non-profit. The LAG is the trustee of the local development strategy. It is the LAG which manages development funding. Individual projects are funded on the basis of the decision of the local partnership applying the criteria laid down in the local development strategy. Apart from strategy implementation and project support, the LAG has a pivotal role in sensitization, mobilization, local cooperation management and networking. The local partnership also represents the area vis-à-vis the outside (funding authorities, other LAGs etc.) in what regards local development issues.
- **Innovation:** The strategic orientation and the solutions proposed should be new to the local context, in a sense that they open up new development options, to enable more new things to happen. This notion of innovation is very broad. CLLD projects may include economic or technological innovation, but when we look at most local development strategies, we certainly fathom how strongly most LAGs are committed towards social innovation.
- **Multi-sectoral approach:** The strategic orientation is supposed to be cross- and inter-sectoral, seeking to (re-)connect what was fragmented or divided before and to create synergetic effects through these new links. Actors federate around particular themes (such as a value chain, a specific competence, a particular challenge, an attractive feature, a cultural trait...) and build coherent strategies which include public and private action, a broad variety of resources and actors from different economic sectors, also minorities or specific groups.
- **Networking:** Embracing local diversity implies opening up to global networks, in order to gain access and harness knowledge and skills, and seeking exchange with peers. Publicly funded networking hubs at EU and Member State's level assure the free flow of communication, information and experience exchange among the approximately 3.000 local action groups in the EU28.
- **Territorial cooperation:** There is a proper fund for projects planned and implemented by groupings composed of different local action groups, not only from the same country, but from any European countries and even worldwide<sup>12</sup>.
- **Decentralised management and financing**<sup>13</sup>: This principle of the CLLD/LEADER method assures that, once the (national/regional) funding authorities have accepted the local action group and the multi-annual local development strategy, the local partnership sits in the driver's seat when it comes to implement and constantly review the local development strategy and to fund local projects in its area of concern which should be small enough to allow for vivid personal relationships and interactions among key stakeholders, but large enough to build up critical mass through social and economic cooperation.

<sup>12</sup> With the restriction that the partner LAGs from non-European countries have to cover their own cost.

<sup>13</sup> In most publications, this (eighth) feature is not mentioned, as it is seen as being embodied in both the bottom-up and the partnership principle. However shortcomings in real implementation (mostly stemming from bureaucratic governance and political influencing) seem to make it necessary to emphasize that principle separately. Actually, there is still room to improve on this principle in most EU countries.

Summing up, CLLD/LEADER is just one, but quite brilliant example of social innovation at governance level. There are many factors which hamper its functioning and undermine its effectiveness, but I don't want to go in these details now. Let us go back to social innovation at the local and regional level and take a look at its possible range.

**Fig. 2. The range of social innovation in territorial development**

- Social innovation often emerges as a response to a sudden crisis or to a slow degradation process, but this is not a necessary condition.



What does figure 2 show us?

- First of all, social innovation starts with a challenge. This challenge may occur as a disruptive change (e.g. the closure of a big employer, a rapid demographic change such as the influx of migrants, or a natural disaster). However in most cases the challenge comes along as a long-term process of decay, a slow burner, e.g. due to persistent out-migration and demographic aging. Finally, the trigger for action does not need to be a problem in the first hand. It may arise from the mere joy of life and productive ennui (the way how many cultural festivals got started) as we stated above. In short, there has to be a need or at least an untapped potential. Innovation starts at a trigger point (symbolized by a spark in fig. 2): demographic losses may have been going on for decades without being felt as a menace, but the closure of the elementary school, the kindergarten or the last local drugstore could turn out to become such a trigger.
- The three terms: *(technical) feasibility* – *(economic) viability* – *(social) desirability* are borrowed from the Design Thinking Method<sup>14</sup>. They outline the probability space in which social innovation may catch on and assert itself in the long run.
- The wide range of social innovation is represented by the blue arc whose left side is market and profit oriented and whose right side is oriented towards solidarity and justice, with all possible combinations populating the space between the poles. Among these we find revived old approaches (co-operatives) and rather new phenomena (community-supported enterprise); some are more outcome-oriented (social enterprise) and others more process-oriented (cultural initiatives). Figure 2 just provides a few examples.

Finally: single actions may inspire copycats and emulators. Eventually they form a network, on national, continental, even global scale. Network innovations are typical for “consolidating actions”, making the success of single actions more probable; they kind of co-create their own space to thrive.

<sup>14</sup> [www.ideo.com/pages/design-thinking](http://www.ideo.com/pages/design-thinking)

Let me finish with a few examples of social innovation from European countries.

### **Example 1: Sustainable Food in Urban Communities**

Many cities want to improve rural-urban relations and put sustainable food systems in the foreground of this endeavor. One of the projects dealt with establishing a healthy and affordable short distance food chain. It was supported by a EU network programme called URBACT in which 10 European cities in 10 different countries have participated, among them capitals like Brussels and Athens, but also middle-sized towns such as Gothenburg in Sweden, Amersfoort in Netherlands and Messina in Italy. In each city an inventory was made within the public administration and, the food sector and related sectors (such as transport, education, health) to gauge the potential for improvements. To take one example, that of the Dutch town of Amersfoort, a number of interlinked projects sprung up from this participatory analysis: a local food bank for the poor, a city market hall, regular farmers markets, food-related start-ups such as a home-delivery service, a community-based city farming project coupled with educational initiatives, an interactive food map and the assignment of neighborhood contact persons for a host of more local initiatives....URBACT has put together and collated the rich experiences of the 10 cities in a Sustainable Food Handbook<sup>15</sup>.

### **Example 2: Otelo (Open Technology Laboratory) Co-operative**

It started with experimental local initiatives in Austria which used abandoned space to establish a hub for self-employment and low-threshold technology support to local people. The underlying sociocratic philosophy and facilitation method and site management encouraged unemployed and job-seeking, mainly young people to try out and set up their own creative businesses, individually or in teams. Local repair shops and media labs emerged, eventually followed by 3-D printer-based production units, local mobility coordination centers and other start-ups inspired by the idea of a sharing economy. When the model multiplied and eventually leaped to other countries, a network-like co-operative was created to support the local initiatives which are organized as non-profit associations. There is no difference between entrepreneurs and employees. Making gains is inseparably tied to contributing to common well-being. The co-operative does not only help the existing initiatives, but also assists municipalities and local groups elsewhere to set up similar initiatives, thus letting the Otelo Co-operative grow into a larger, inter-national, highly diverse family. This type of growth is quite similar to those of the so-called Impact Hubs<sup>16</sup>, the frontrunners of co-working space, which since their first appearance in London 2005 have spread world-wide in the meanwhile. By the way, the consultancy firm I work with and co-own, the ÖAR GmbH, has its head office in the Impact Hub of Vienna.

### **Example 3: Social Farming**

Social farming, or care farming as it is also called, defines short or long-term activities that use agricultural resources to promote and generate social services in rural areas. Examples of these services include rehabilitation, therapy, sheltered employment, life-long education and other activities that contribute to social cohesion. The first initiatives having rather been based in Nordic countries, social farming is quite a recent phenomenon in Italy; pilot projects date back to the 1970s there, but social farming is today considered a reliable system of social care. For instance, the “Learning-Growing-Living with Women Farmers” social cooperative for educational services was founded in 2006 in South Tyrol, Italy, to provide on-farm care services to local families living in rural, sometimes poorly accessible, mountain villages. The co-operative provides childcare by women farmers or other family members and encouraging interactions with nature in an area which can be considered marginalized due to both its physical geography and its infrastructural features. At a later stage, the

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<sup>15</sup> Website: [urbact.eu/sustainable-food-urban-communities](http://urbact.eu/sustainable-food-urban-communities)

<sup>16</sup> <http://www.impacthub.net/>

social co-operative expanded its social farming services offering elderly care. With this service, the providers directly react to the steadily growing number of old people in South Tyrol.

#### **Example 4: Time Bank**

*Time Bank (Zeitbank) 55+* is an exchange system of services among members of a local association in an Austrian rural area. The currency for the calculation of services is solely the time someone spends for serving others' needs, irrespective of the content or the result of the service. If a member uses a service, the compensation does not necessarily return directly to the service provider but can also be accounted for to other members of the time bank. It is a system of indirect reciprocity. According to the needs of the people, the association provides services and assistance in all areas of life support in household or gardening, pet care, assistance in correspondence and dealing with the authorities, shopping trips, joint leisure activities, etc. At present the association covers its administrative costs with a small membership fee and the insurance contribution for the members is paid. Upon joining, a member can share his or her skills and knowledge. Although having started as an association for older people, it has eventually expanded its purview to younger people and families, covering a wide range of services that used to be part of the extended family in earlier times. Elderly people support young couples for instance in childcare, cooking or in the garden. In return, younger people can, for example, help out with their repair or maintenance skills, carry out errands or offer driving services. The initiative has inspired copycats. There is now a network of around 60 Time Bank 55+ associations with a total of more than 1000 members in three countries.

#### **Example 5: Integration of Migrants in Fishery Communities**

In Scandinavian countries like Finland, rural areas assume a much more active role in the reception of migrants than in other European countries where newly arrived migrants use to be accommodated in larger cities. Most of these migrants are asylum seekers. Supported by EU funding (CLLD for Fishery Areas), there are a multitude of activities going on to integrate the newly arrived and often traumatized persons into the local coastal and rural communities, for example by growing vegetables in greenhouses, language and craft courses, markets and fairs. As the local fishing communities usually are facing problems concerning inter-generational succession, there is a special emphasis on introducing the immigrants into local fishing methods and regulations, as well as in the preparation of fish dishes. Recipes are also exchanged with migrants having a corresponding background in their places of origin. Apart from cultural exchange and social integration, the local fishing business gets a new boost.

What can we take away from all this? Here I offer a few lessons:

- Social innovation is a key driver for local and regional development. It prevents place-based development approaches from parochial closure and a self-indulgent identity discourse.
- Diversity is paramount. Social innovation is likely fostered in the form of a “flotilla” – i.e. multiple small actions with a (possibly loose) defined common purpose; this could be illustrated by the “let a thousand flowers flourish” paradigm.
- Social innovation is an investment into improving social capital, and its emergence is more likely in enhanced social capital<sup>17</sup>. Social learning/innovation and social capital can be considered as the two sides of bookkeeping. Communities with high social capital are more likely to initiate and organize community actions; specific community attributes like solidarity, cooperation, networks, and mutual support are crucial. Among the factors enhancing social capital we find responsive

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<sup>17</sup> Be aware that it is not just about the strength of social capital. There are communities with strong bonding ties, internal trust, but being highly adverse to social innovation. In order to foster social innovation, social capital has to have certain features (e.g. the diversity of ties, strong and weak ones, a culture of indirect reciprocity (which is not bound to specific persons) and so on. This cannot be elaborated further here.



state/governmental institutions whose permeability and flexibility is decisive for balancing out the local promoters' social and economic risks of social innovation. Social environments in which the skills and acknowledged practices of participation and discursive sensemaking can thrive without existential threats of political persecution can also be mentioned under the heading of 'social capital' whose fundamental fuel is trust and reciprocity<sup>18</sup>. We should not forget mentioning the importance of low-threshold seed capital which may come from public, private, community or crowd sources, to overcome notorious resource gaps until the innovation becomes economically viable or gets funding from regular public budgets – or a combination of both.

- One could ask whether social innovation would lose its spatial relevance due to the footloose world-wide web. The internet allows for scale free networks of communities which do not depend on geographical places or boundaries. Ultimately we don't know how things will evolve, but I tend to agree – and disagree at the same time. I mean that the internet is in fact opening up an additional dimension and does not replace the importance of local bonds. As long as we are physical beings, our chemistry will tie us to one another, and both of us to the places we inhabit.

Let me finish with a quote of David Mitchell from his opus "Cloud Atlas": *"My life amounts to no more than one drop in a limitless ocean. Yet what is any ocean, but a multitude of drops?"*

This quote relates to the decision of a young man in the 19<sup>th</sup> century to drop out from his family business which was slave trade. We all know how many seemingly futile efforts, how many decades of fight it took to abolish slavery, in law and practice. And we know that the behemoth of slavery is not dead, raising its head whenever our awareness dwindles. But nobody can deny that immense progress has been made, over the centuries and in ways that escape the logic of well-crafted plans.

What keeps us moving is rather what is between us, not inside us. It's the spirits we share which keep us moving, travelling far, get into unchartered waters, with phony maps in hands, landing nowhere but helping humankind coming to senses.

Hirzenriegl, 01-03-2018

You can add up the parts  
You won't have the sum  
You can strike up the march  
There is no drum  
Every heart, every heart to love will come  
But like a refugee.

Leonard Cohen, *Anthem*

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<sup>18</sup> See the seminal Nobel Prize winning publication of Elinor Ostrom and James Walker (2005): *Trust and Reciprocity: Interdisciplinary Lessons for Experimental Research*. Russel Sage Foundation.