The Relationship between Sustainability and Social Innovation – a Personal View

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The Issues

- What do we mean by "sustainability"?

- What do we mean by "social innovation"?

- How are different interest groups interpreting sustainability and social innovation?

- Can these different interpretations be reconciled?

- How does globalisation fit in given the emerging shift in the balance of world economic power?

Sustainable Development – the Official Line (UK Government)

- Create better products and services
- Improve resource efficiency
- Encourage sustainable consumption
- Develop responsible businesses (CSR)
- "The Government will focus on measures to enable and encourage behaviour change, measures to engage people, and ways in which the Government can lead by example"

Source: http://www.sustainable-development.gov.uk/

Sustainability & Marketing

- Sustainability as a new marketing tool for government and big business?

- A paper delivered by Patrick Cescau of Unilever at INSEAD, May 2007, entitled "Social innovation and Sustainable Development as Drivers for Business Growth"

- "We can create social benefits through our brands and through the impact which our business activities have on society and, very importantly, still make a good return for our shareholders"

- "Developing and emerging markets will be the main source of growth for many multinational companies in the years to come"

- "Heightened consumer concerns about social justice, poverty and climate change are raising expectations that companies should do more to tackle such issues"

(source: www.unilever.com/ourcompany/newsandmedia/speeches/2007)

Eco-Efficiency as a Commercial but Unsustainable Opportunity

- The mainstream socio-technical regime "decouples" economic growth from environmental degradation
- Which government would advocate that we consume less and grow less in economic terms?
- Eco-efficiency in products and services appeals to the changes in consumer thinking/behaviour
- Cars become more fuel-efficient, allowing drivers to consume more, pay less and not feel guilty
- Aeroplanes become more fuel-efficient, costs/prices are reduced, consumption increases

Ecological Innovation or Social Innovation?

- Previous examples have shown changes in consumer perception (and some governmental intervention) driving the environmental sustainability agenda

- Changes in consumer perception/behaviour combined with ecological innovation shouldn't be (wishfully) mistaken for social innovation

- Social innovation is more likely to be grown out of changes in approaches to work and life at a community level

Local Production & Consumption

- Growing mainstream awareness of desirability of local production and consumption (food miles, etc.) – antithesis of globalisation
- Increased awareness of relationship between producers and community consumers
- Increased awareness of mutuality at a local level, as opposed to "laissez-faire" individualism, can influence social change
- Mainstream consumer awareness influences behaviour and perceptions of mutual responsibility and empowerment at a local, community level

The Social Economy

- Can the social economy meet the needs of the "sustainable" consumer?

- "Appropriate scale" of consumption and production?

- Less wastefulness, less focus on growth for the sake of growth

- Therefore, does social innovation start at grassroots level with community initiatives, so creating new precedents?

Innovation from Grassroots

- This is not the mainstream "greening" advocated by government and big business (Seefang & Smith, 2007)
- Innovation driven by committed activists responding to local needs and changing modes of behaviour and interaction
- Also a recognition from government that social economy can deliver local public services and be a catalyst for active citizenship
- Welsh Assembly Government refers to "citizen-centred services"
- BUT there is a possible tension between the traditional power of local authorities in service delivery and devolution of power to the social economy

The Co-operative Model?
(Scott-Cato, Arthur, Keenoy & Smith)

- In a paper exploring the niche in Wales for environmental co-operatives, the Welsh Institute for Research into Co-operatives proposes the co-operative model as an antidote to traditional markets which are designed to maximise capital accumulation and, by extension, consumption:

- "The co-operative is proposed as the ideal form for balancing the needs of the producer and the consumer of goods. Work is to be organised on a community basis: this requires a local scale and self-reliance not only to minimize resource use but also to generate a less alienating form of production."

(Source:Scott-Cato, Arthur, Keenoy & Smith – Welsh Institute
        for Research into Co-operatives)

In Summary

- The mainstream sustainability agenda is mostly about eco-efficiency driven by legislation and consumer demand
- "Greening" consumer behaviour is changing but it should not be mistaken for social innovation
- The social economy is where the real social innovation is taking place
- Greening initiatives and local consumption can lead to changes in local social order
- Opportunity for changes in the way local business is structured (e.g. co-operatives) could meet local production and consumption objectives and also have innovatory effect on social norms