

# Colombia's Social Innovation Policy<sup>1</sup>

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## I. Introduction: The background of Social Innovation Policy

Traditionally innovation policy has been understood within a framework of defining tools that serves economic objectives such as productivity and competitiveness. In recent years this paradigm has been changing and innovation is increasingly seen as a valid tool for achieving social objectives and meeting the increasing social needs of developing countries.

In Colombia, the National Development Plan (NDP) 2010-2014 "Prosperity for All", highlights the contribution of innovation to solve economic and environmental problems of individuals and communities and their role in the social processes such as social capital creation and peace building, and introduced the concept of social Innovation (SI) as a key element of the national innovation policy.

In 2012, this new understanding of innovation and its social perspective, led to the structuring of a National Plan for Social Prosperity that included a specific SI strategy that led to the creation of the Center for Social Innovation (CSI) within the National Agency for Overcoming Extreme Poverty. The CSI is the first public institution in Colombia dedicated to promoting the articulation of actors to generate SI solutions that improve the quality of life of Colombians living in extreme poverty. Hence, social inclusion policies have incorporated social innovation as a public strategy to overcome one of the country's most critical challenges: eradicate extreme poverty.

In the second half of 2012, the National Planning Department (DNP), the Administrative Department of Science, Technology and Innovation (COLCIENCIAS) and the National Agency for Overcoming Extreme Poverty (ANSPE) started working together to define a SI policy framed within the ST&I policy and articulated from a systemic perspective with the other key policies such as social, environmental, and business development policies.

In February 2013 the National Node for Social Innovation<sup>2</sup> (NNIS) was created as a space to "promote the collective action of government, citizens, communities and other stakeholders in society around the construction and implementation of policies, programs and SI projects". The NNIS was also the participatory method used to formulate in a collective manner Colombia's social innovation policy to be officially launched in July of 2014. "The creation and consolidation process of the NNIS consists of four stages that are developed under its own dynamics at the national and territorial levels: i. mapping and identification of players, initiatives, and barriers & incentives for SI, ii. definition of a conceptual framework and a common language, iii. cooperation for the creation of strategic initiatives for promoting SI and the design of public policy, and iv. collective action for policy's implementation"<sup>3</sup>.

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<sup>1</sup> Input paper develop by the Science, Technology and Innovation Subdirection of National Planning Department, in the framework of the OECD "Knowledge and innovation for inclusive development Project".

<sup>2</sup> The NNIS developed through four communication instances: National Workshops-format meetings, a collaborative [web platform](#), Thematic Social Innovation Nodes and Regional Social Innovation Nodes.

<sup>3</sup> Frias, Lozano & Aparocio (2013) *Barriers and incentives for social innovation in Colombia: Towards the construction of a public policy in this field*.

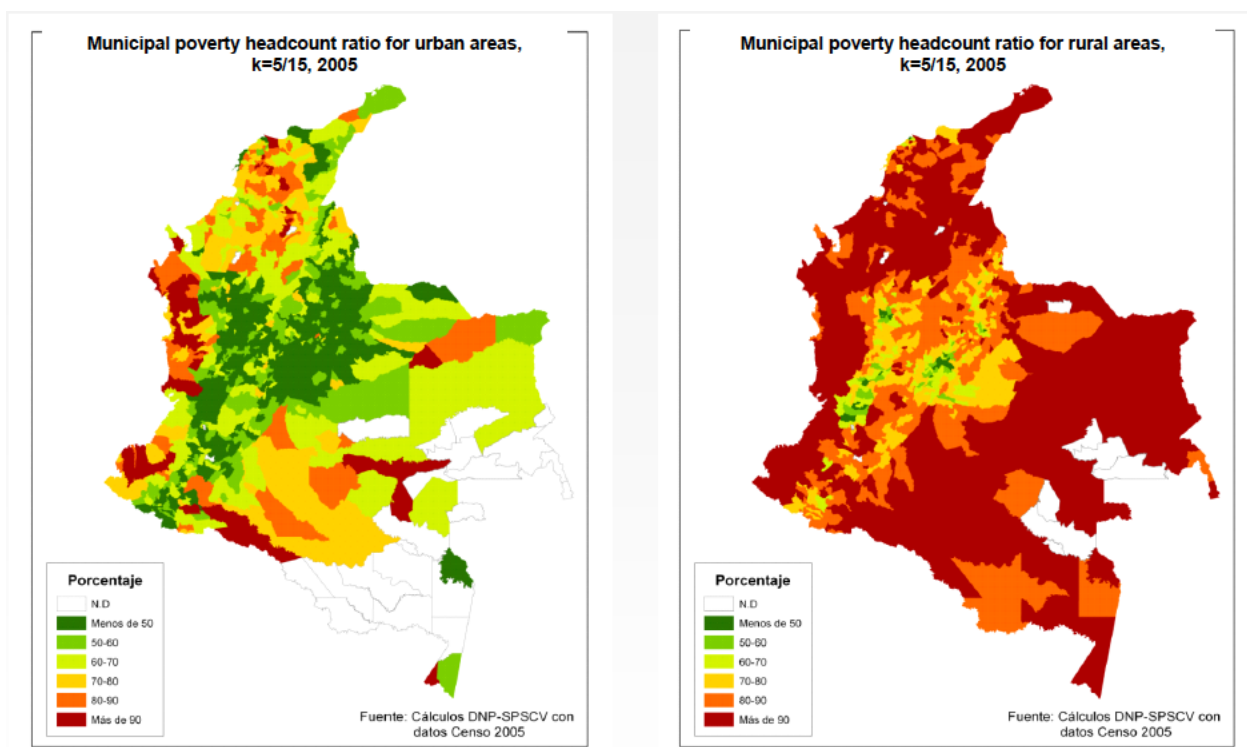
This document presents the main components of Colombia's SI policy in the following four sections. The second section briefly discusses the main reasons that gave rise and justified to the formulation of the SI policy. The third section explains the conceptual approach developed for the policy and its strategic implication. The fourth section outlines the six policy guidelines defined for policy implementation, and the fifth section presents some final consideration related to some of the questions defined in the policy framework of the OECD *Knowledge and innovation for inclusive development* project.

## II. *The need for a Social Innovation Policy*

Despite Colombia's improving economic performance in the last few years, the magnitude and complexity of its social challenges require new public policy approaches to achieve significant progress in overcoming them. In this sense, aligning its economic development to its social development is required to achieve an equitable, inclusive, prosperous and peaceful society. In turn, these new policy approaches should articulate the economic and social development to unleash the potential of citizens, communities, companies and other society sectors, to solve critical socioeconomic problems collaboratively.

Throughout its history, Colombia has faced deep inequalities, one of the most troubling being the rural and urban gap. With a diverse and vast territory, Colombian economic development has great gaps between prosperous urban settlements in the Andean region and far-off rural areas that depend, mainly, on agriculture. For example, this has been reflected in a large variation in poverty incidence indexes along the Colombian territory (see Figure 1). These type of regional gaps need to be addressed when designing inclusive policy.

Figure 1. Urban and rural poverty incidence



Territorial inequality has been further deepened by an armed conflict of fifty years which has imposed great costs, not only in terms of human suffering and its associated social costs, but also in terms of its impediments on economic development.

Furthermore, from a strategic perspective this policy finds roots in the need for conceptual and programmatic linkages between business development policies, particularly, ST&I policy, entrepreneurship policy, and social and environmental policies. Therefore, one of the key elements to build these linkages is the definition of SI, as it sets the framework of government action and enables the definition of cross-sectoral strategies.

### **III. The conceptual approach to SI and its strategic implications**

The development of conceptual links between business innovation and SI is a prevailing academic and policy challenge critical to design policies that generate both social and economic value through innovation. In this sense, Colombia's SI policy conceives innovation as a unified concept that includes both types of innovation, which have in common aspects such as the incorporation of knowledge to create new goods or services to the public.

Colombia's SI policy propose a definition of SI that reclaims the **social and structural nature of innovation**. SI is defined as:

*The process through which value is created for society through innovative practices, management models, products or services that satisfy a need, take advantage of an opportunity and resolve a social problem in a more efficient and effective way than the existing solutions, producing a favorable and sustainable change in the system in which they operate. Social Innovation is characterized by having scalability and replicability potential; being sustainable and promoting greater levels of community empowerment and generating partnerships across different actors.*

The policy also defines the five necessary characteristics of innovations that are considered SI: novelty in regard to a specific territorial or thematic context; social value generation; sustainability from the social, economic, and environmental perspective; citizen/community engagement and generation of alliances (social capital).

In this definition, the structural nature of the IS has to do with its potential to create profound and disruptive changes in institutional and social systems. In turn, the social nature is defined by three main pillars: first, that **the main objective of SI** is to create value for society; second, citizen and community participation is a critical element in the innovation process; and third, that society is the ultimate beneficiary of the value generation.

In relation to the objectives of SI, these are viewed from three interdependent perspectives:

1. The social demands perspective referring to social needs that have not been met by society (public and private sector) and can be addressed by SI.
2. The societal challenge perspective, which means that the boundaries between economic development and social development are blurred so that social problems become an opportunity rather than a restriction to generate social value.
3. The systemic change perspective, which refers to the ultimate end of the SI to generate profound changes in the systems in which they operate

According to this definition, in a broad sense SI is innovation that creates social value for society in general and not specifically for lower- income groups. Even if a considerable number of social challenges identified in the policy affect vulnerable groups, as those are related to issues such as poverty and inequality; it is crucial for a country like

Colombia, where social problems associated to the ongoing internal conflict have impacts across all segments of the population, that SI policy has a broader action spectrum.

On the other hand, the policy defines SI in a narrow sense as the process that contributes to strengthening democracy and social capital, while generating social value by solving a problem with a novel product, service, practice or management model. SI is conceived as a process that fosters citizen and community participation in a way that contributes to increase the collective intelligence of society at large. This attribute of SI creates an essential link to social innovations that contribute to peace building.

#### **IV. Social Innovation Policy guidelines**

The objective of Colombia's SI policy is to develop a favourable environment for SI to tackle Colombia's social challenges, by removing barriers, creating incentives, capacities and conditions for SI to develop at large scale. To fulfill this purpose four critical factors for consolidating this environment were identified: the institutional framework, cultural dynamics, knowledge management and support services. These factors were the basis for the definition of the six strategic guidelines that constitute the core of this policy:

1. Promote **collaborative work** across sectors and actors of society: The generation of substantial changes in any system requires the participation of various stakeholders through continuous dialogue and collaboration processes with a shared long-term vision. Public policy to promote collaborative work under schemes of SI of the utmost importance, given the need to generate higher levels of social capital and economies of agglomeration and scale in the social and productive level. Some of the strategies for this guideline are:
  - Encourage interaction between social innovators, supporting actors, citizens and communities through the development of physical and virtual spaces at national and regional level
  - Promote public-private partnerships, with the participation of organizations of various kinds, along different stages of the innovation process
  - Promote and strengthen networks and initiatives around volunteering and community service IS practices
  - Create and strengthen spaces and mechanisms for citizen and community participation in areas where priority is the development of the SI
2. Development of **regional capacities**: since many of the challenges Colombia faces are at the territorial level, this Guideline will be instrumental in getting the territories to have the necessary conditions and to take advantage of SI capabilities. Some of the strategies for this guideline are:
  - Incorporate SI on the agendas of departmental S&T Advisory bodies and the University-Industry-State Committees.
  - Strengthen Social Innovation Regional Nodes.
  - Build and strengthen capacity to manage the SI at the territorial level.
  - Create units or specialized teams to support the public and private stakeholders in identifying social challenges of citizenship and community.
3. Incorporate SI as a **public management approach**: Government capabilities in terms of holistic thinking, strategic and operational coordination, and provision of better services to citizens are the context in which the use of SI as a public management approach is framed. Incorporating best policies, services and public programs is an ongoing purpose in governance. In this sense, this guideline focuses on strengthening the

capacity of public administration at the national and territorial practices to promote SI. To develop this guideline five strategies are proposed:

- Gradually incorporate the use of practices and methodologies associated with SI, in the formulation, implementation, monitoring and evaluation of public policies.
  - Strengthen Social Innovation Thematic Nodes.
  - Structuring cross-sectoral SI programs to address cross-cutting themes that capitalize on capacity development of Thematic Nodes
  - Form teams or specialized SI units within some public institutions.
  - Implement rewards & recognitions to encourage SI
4. Fostering **cultural dynamics** favorable to the SI: This guideline is aimed at fostering an innovative culture and development of a proactive citizenship as essential elements for the consolidation of a favorable environment for SI. Some of the strategies for this guideline are:
- Incorporate SI within **public initiatives that promote a culture** of innovation and entrepreneurship
  - Incorporate SI within public education initiatives around innovation and entrepreneurship
  - Develop mechanisms to harness the potential of **cultural industries** to act as vehicles for intercultural dialogue and dialogue of knowledge that will be needed to drive the cultural change required
5. Strengthen **knowledge management** around SI: This guideline seeks to strengthen the knowledge management of the various actors involved in SI processes, in order to increase the relevance of ST&I to overcome social challenges, promote the use of traditional knowledge in SI processes, the systematization of SI initiatives and the creation of knowledge networks, among others.
- Incorporate **SI as a subject of study** of the research programs
  - Create networks, nodes and initiatives that promote and enhance the **contribution of Universities to SI**
  - Foster **knowledge management** (creation, transference, dialogue etc.) **between Universities and communities**
  - **Identify and systematize** SI experiences at National Level
  - Developing tools to encourage the incorporation of **traditional knowledge** for problem solving
6. Development of **financial and non-financial services** for SI: This guideline is aimed at developing specialized public and public-private support services for SI, as such:
- **Specialized instruments of public funding SI** that respond to the dynamics and characteristics of these processes and actors involved
  - **Specialized non-financial services** support in areas such as training, coordination, innovation management and promotion of culture, among others

The transversal character of these guidelines respond to the long-term vision of this policy as an instrument to achieve some of Colombia's most prominent social objectives, such as peace, inclusion and equality. Considering that the complexity and cross-sectoral implication of these objectives requires a holistic policy approach that involves various government sectors and vast private and citizen engagement, these guidelines are meant to be implemented in different degrees and with the required adaptations across all government sectors.

The wide support scheme in which these guidelines are framed, respond to the fact that the identified barriers SI faces in Colombia at national and territorial level, include aspects such as poor social capital and insufficient citizen participation in public policy making process, as well as the lack of specialized financing mechanisms.

On the other hand, the territorial dimension of most of the social and economic challenges that this policy will help to tackle, required a particular emphasis on developing and strengthening regional capacities for SI (Guideline 2). In this respect, one of the strategies implemented for the formulation of the policy (Colombia's regional SI nodes) will be key to synergize actions taking place at national level with those happening at local and regional level.

## **V. Final considerations**

Colombia's SI policy has been conceived with a holistic approach both from the conceptual and operational perspective. As a result of this approach, the policy is aimed at promoting collective intelligence across society, removing barriers and creating incentives for SI to develop not only at grassroots level but also at the institutional level in Government, companies and social sector organizations. In the same sense, since barriers and incentives of SI can relate to various policies, ranging from social policy (e.g. Poverty eradication) and business development policy (e.g. Entrepreneurship and ST&I) to ICT and agriculture policy among others, it was crucial to develop transversal guidelines that could be implemented across different government sectors.

In this framework, SI policy relates to Colombia's growth agenda by offering a new perspective on social needs as an opportunity to create new business dynamics. The support and promotion to nascent social businesses that can meet the needs of lower-income groups via market mechanisms will contribute to create new companies and to some extent it will increase the level of innovation<sup>4</sup> of existing ones. In a wider sense, incorporating SI and social business approach within territorial strategies for business development and for social mobility can result in a more inclusive growth in regions. For example, a regional programme can support large companies to develop social spin-offs that address a particular need of an underserved population. In the long term, this policy also considers the need of removing the barriers and adopting the necessary regulations to facilitate the consolidation of an emerging Fourth Sector<sup>5</sup>.

Finally, the overall governance of the SI policy is still one of the priority challenges in the implementation agenda. Designing and putting in place a management and governance model for the SI policy that builds upon the experiences and learnings of the National Node of Social Innovation is crucial to ensure the success of this policy, especially at regional level. The model is currently under construction, and will be inspired in the Open Government Principles<sup>6</sup> and consider elements such as: public-private-citizen governance national body in charge of the overall coordination, measurement and evaluation of the policy; a semi-open systems for the conformation of regional/local

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<sup>4</sup> The capacity of companies to deliver social innovation should result from a general increase in their innovation capabilities.

<sup>5</sup> Comprise of organizations that consciously blend attributes and strategies from all sectors (Government, Private, Non-profit) and thus resist easy classification within the boundaries of the three traditional sectors. These organizations share two common characteristics: pursuit of social and environmental aims and the use of business methods. Source: <http://www.fourthsector.net/learn/fourth-sector>

<sup>6</sup> Collaboration, transparency and participation.

Nodes that respond to the dynamics of each region; and the creation of cross-ministerial SI programmes that articulate the public support offer and initiatives of SI around key problematic areas.

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