

SOCIAL INNOVATION IN CHILE

In a country characterized by high economic growth but huge inequality, a diverse social innovation ecosystem has emerged, with the public sector playing a pioneering role in fostering social innovation.

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1. CHILE – A COUNTRY BETWEEN GROWTH AND INEQUALITY

According to the UNDP's Human Development Index, Chile is Latin America's most developed country. Together with Argentina (ranked seven positions below Chile) it is the region's only country with "very high human development" [1]. At the same time, the Chilean case shows that high economic growth and an increased commitment to social policy 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 [2] as well as a tremendous quality gap between public and private services in such fundamental areas as education and health care. Furthermore, as a country whose economic growth depends to a significant degree on exploiting natural resources, especially copper, Chile has been facing severe environmental problems. In recent years, this has also led to social conflicts.

While common solutions have not been sufficient to meet the major challenges of the Chilean society, academic knowledge on social innovation in Chile is still very scarce [3]. 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 technological innovation. 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 a possible decreasing demand (as a consequence of technological progress) and the finite nature of some of them. Indeed, the Chilean path of economic development

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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 – although there are examples of successful innovation initiatives – technological innovations have not been the key to the country's economic success.

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 (especially in the long term considering the dependence on natural resources). 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" [4] 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.

2. A DIVERSE SOCIAL INNOVATION ECOSYSTEM EMERGING

Like in many countries, the third sector has been the main pillar in development of social innovations in Chile for a long time. Some initiatives, e.g. TECHO or Socialab, have become well-known all over Latin America. There are numerous community-led social innovations and social entrepreneurs, some of them also analysed in SI-DRIVE's global mapping that have successfully introduced new social practices in areas, such as education, health care or

environment. In contrast, the role of the business sector in social innovation in Chile is not very clear. Generally, it is limited to Corporate Social Responsibility (CSR), and while human and financial resources have increased in this area, little is known about business companies' involvement in social innovations. Furthermore, regarding the controversial nature of the CSR concept, the question remains whether the private sector has really assumed its role as one of the players within the Chilean social innovation ecosystem. However, increasing application of the concept of Shared Value (which goes beyond CSR) through development of innovative solutions together with communities and other actors [5] indicates that there is a certain shift towards a more conscious role of business companies regarding social innovation.

In recent years, academia has become an important promoter of social innovation in Chile. Most activities can be found within the third mission, mainly in terms of University Social Responsibility, whereas social innovation activities in teaching and research remain scarce. In 2013, the Network for Social Innovation in Higher Education, NESIS Chile, was founded by universities from different parts of the country. Social innovation initiatives take place in an increasing number of universities. Some universities have already systematically addressed this topic through creation of programmes or even social innovation centres and labs. Their profiles differ a lot: while some focus more on introducing new social practices, such as innovative forms of co-operation, others support introduction of new technological solutions in order to create social value. Altogether, for Chilean universities the concept of social entrepreneurship plays a dominant role in the area of social innovation. Even more, social innovation is often understood as social entrepreneurship. One challenge for Chilean universities is to widen their concept of social

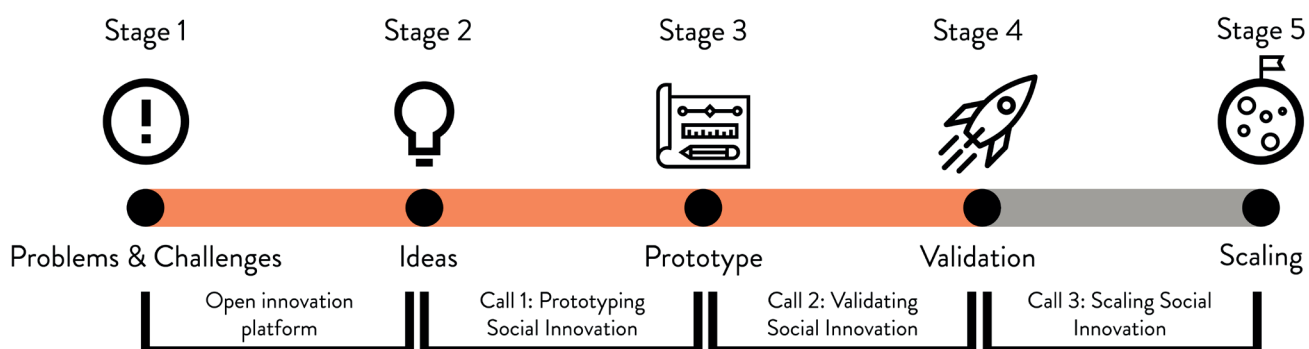
innovation which would go beyond entrepreneurship and technologies. Another challenge has to do with overcoming a top-down approach, which in Latin America is often referred to as *asistencialismo*. Usually, universities' commitment is driven by the ambition to improve the situation of their environment with its communities affected by inequality and other problems. As in many other parts of Latin America, Chilean universities tend to put their problem-solving capacity over the real necessities of the community. They not only deliver instead of co-creating, they also run the risk of missing the demands of the people. Therefore, there is a task of learning to empower communities rather than to make them passive recipients and to facilitate and to moderate processes of social innovation rather than to define and to dominate them.

3. THE PIONEERING ROLE OF THE PUBLIC SECTOR

While all societal sectors have gone through interesting learning processes, recently it has been the public sector probably evolving in the most remarkable way, with the Chilean Government adopting the concept of social innovation in order to face social and environmental problems. Proof of that is the emergence of initiatives, such as the contest Chile de Todos y Todas where non-profit organizations can get funding for their innovative projects (up to \$US 30.000), or the Laboratorio de Gobierno, a lab for public innovation.

In this context, the most important social innovation policy in Chile has been driven by the Chilean Economic Development Agency (CORFO). The Programme for Social Innovation started in 2015 and aims to foster the co-creation of social innovations, through co-financing projects which create new and better social practices. For the Chilean Government, social innovation is

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not just about social entrepreneurship; there are different ways to reach social innovation (public policies, academic projects, etc.). The programme includes five stages: (1) Definition of problems and challenges, (2) Ideation, (3) Prototyping, (4) Validation and (5) Scaling (see illustration).

In the first stage, social and/or environmental problems of a specific territory are identified with the participation of different local stakeholders. Then, challenges are defined (for example, increasing access to water). Stage 2 begins with the launch of a web platform, where innovators can upload their ideas to solve challenges and receive mentoring from experts in different fields. Likewise, workshops are conducted to improve the projects, understand if they fit with the programme objectives, and know how to apply to the next step. Stage 3 consists in a special call for organizations to co-create prototypes with local communities (in a period of 15 to 21 months). Each one of the selected initiatives gets a grant up to \$US 61.000, which represents 80% of the total budget. Stage 4 is a national call to validate prototypes by offering a grant up to \$US 154.000 for each project. The last stage is under construction, but the plan is to support projects to scale up and deliver their solutions to multiple contexts.

CORFO's Programme for Social Innovation is a pioneering policy approach which seeks to shape and foster a new concept of facing societal challenges. The programme itself has been co-created and improved based on different sources of feedback. It has proved its relevance not only through funding and supporting initiatives, but also through creating and propping up social innovation ecosystems in order to develop new social practices.

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