



Social Innovations as a Tool of Corporate Responsibility of the Company

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What is Corporate Responsibility?

European Commission: The responsibility of enterprises for their impact on society.

This is important for the **sustainability, competitiveness and innovation** of EU enterprises and economy.

Brings benefits: **risk management, cost savings, access to capital, customer relationships and human resource management.**

Companies can become socially responsible by:

- Following the law.
- Integrating social environmental
- Ethical.
- Consumer and human rights

This concerns into the business strategy and operations.

Why is CSR important?

- **In the interest of enterprises** - CSR provides important benefits to companies in risk management, cost savings, access to capital, customer relationships, HR management, and their ability to innovate.
- **In the interest of the EU economy** - CSR makes companies more sustainable and innovative, which contributes to a more sustainable economy.
- **In the interests of society** - CSR offers a set of values on which we can build a more cohesive society and base the transition to a sustainable economic system.

European Commission Strategy on CSR

Encourages enterprises to adhere to international guidelines and principles. The EU's policy is to support this approach. Includes:

- Enhancing the visibility of CSR and disseminating good practices
- Improving and tracking levels of trust in business
- Improving self and co-regulation processes
- Enhancing market rewards for CSR
- Improving company disclosure of social and environmental information
- Further integrating CSR into education, training, and research
- Emphasising the importance of national and sub-national CSR policies
- Better aligning European and global approaches to CSR.

European Commission Tools

The European Commission provides many tools that map, monitor and assess the EU's performance in different innovation areas. The information provided helps policy makers and practitioners at EU, national and regional levels to benchmark their performance and policies and to learn about new trends and emerging business opportunities that can inform evidence-based policy making.

What are social innovations?

Social innovations are new ideas that meet social needs, create social relationships and form new collaborations. These innovations are good for society and environment and enhance society's capacity to catch goals.

The innovations can be products, services or models addressing unmet needs more effectively.

Objectives

- Promoting social innovation as a source of growth and jobs
- Sharing information about social innovation in Europe
- Supporting innovative entrepreneurs and mobilising investors and public organisations.

Implementation Process

Changing Minds & Creation of a smart specialisation Strategy

Step 1

Learn about Social Innovation and put pieces together

Step 2

Streamline the actions on Social Innovations (goals)

Step 3

Get insider Knowledge: Track, Spot and anticipate

Step 4

Develop a Smart specialisation STRATEGY and Plan including Social innovations

Actions on Accelerating Implementation

Step 5

Develop collaboration tools with socially engaged community. Develop auditing, innovation training and workshop activities

Step 6

Transition Innovation platform

Step 7

Incubation trajectory specifically targeted at Social Innovation

Step 8

Social Innovation Cluster/Laboratory

Scaling-up, Cross-Regional Exchange and Systemic change

Step 9

Social Economic Zone for Social Innovation

Step 10

Cross-Regional and International Trade and Exchange of social innovation within the Innovation Union Framework

Positive Impact

Micro-level impact: improve quality of living, employment and growth innovations, competence, self-confidence, investing in skills

Middle-level impact: develop third sector, build public institutions and markets, provide better policy and services

Macro-level impact: participation on political processes, democratic legitimacy, change economical system

Role of the EU Private Sector in Social Innovation

“Social innovation is understood and practiced by the private sector as a tool to pursue at the same time economic and social returns, ensuring long-term access to all the resources necessary to companies' success, from human capital to natural resources.” (SIC)

Benefits

Allow to investigate new dimensions of social innovation, particularly at product and process level

Highlighting the contribution that social innovation can make to foster companies (competitiveness and positive social impact)

Support social innovation initiatives (finance, expertise and capacity)

Shared Value Model

Introduced in 2011 by Harvard University Review article: *Strategy & Society: The Link between Competitive Advantage and Corporate Social Responsibility*.

Business is criticized for causing social, environmental, and economic problems.

Michael Porter and Mark Kramer redefined this: Companies must create economic value in a way that also produces value for society by addressing the challenges.

3 ways to create it:

- by reconceiving products and markets
- by redefining productivity in the value chain
- by enabling local cluster development.

This must be at the core strategy of the business, not only as philanthropy or CSR.

Roshan Case

Roshan is the Afghanistan leading telecommunication provider. Founded in 2003

Provides with over 6.5 million active subscribers

In 2015, it was named as “The World’s Top 10 Most Innovative Companies of 2015 in Social Good by Fast Company”

This list includes prominent international corporations like Apple



Why did Roshan award this?

Ethical business practices and work on social and economic development across Afghanistan.

They include in their business plan the development of different areas in Afghanistan with:

- 4 hospitals across Afghanistan with best and most modern equipment.
- Development of e-business in the society
- Solar power e-business schools in rural areas
- Building playgrounds
- Interested in built mobile infrastructure in East Africa

Conclusion

Any company can be social responsible, but a firm who can impact in a positive way the world adding new ideas has more external value from the society.

The firms can change ideas, impact lives and improve the style of life a community has.

Nowadays we live in a world where innovation is a fundamental element for the development, so innovation from corporates in social responsibility.

Resources

<http://www.foretica.org/wp-content/uploads/2016/01/Innovation.pdf>

[https://www.researchgate.net/profile/M_Rosario_Perello-](https://www.researchgate.net/profile/M_Rosario_Perello-Marin/publication/301452538_Corporate_Social_Responsibility_as_a_tool_for_Social_Innovation/links/5790eacb08ae4e917d046721/Corporate-Social-Responsibility-as-a-tool-for-Social-Innovation.pdf)

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<https://www.siceurope.eu/network/corporate-social-innovation/corporate-social-innovation>

<https://hbr.org/2011/01/the-big-idea-creating-shared-value>