



Open loops to economic development models and social innovation

Moving from the technically feasible to the socially desirable

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Katalin Kolosy attended the seminar, ‘New economy models and social innovation: an opportunity for a better Europe’, organised by the European Economic and Social Committee (EESC) and the Global Hub for the Common Good on 16 February 2017 in Brussels.

We live in troubled times and this is probably the first time ever that we need to *‘intentionally change the course of the global economy in order to protect the most vulnerable and improve the life of most of us’*, Christina Figueres wittily observed¹.

In February, the [EESC](#) and the [Global Hub for the Common Good](#) brought together a panel of stakeholders representing emerging models of the ‘new economies of social innovation’ in order to examine the theoretical background behind the practice.

Around 150 participants, including representatives of Ouishare, Fairphone, Blablacar, and many other practitioners belonging to the functional economy, sharing economy, collaborative economy, circular economy, etc., exchanged with their peers and discussed their strategic choices and approaches under the critical eye of academia and members of the EU institutions.

The new protagonist in these emerging models is the citizen, as a “maker” and a producer. For some, this shift from managerial capitalism to crowd-based capitalism is just an opportunity for a more efficient form of capitalism. For others, the aim is to move our productive efforts from what is technically feasible to what is socially desirable.

This ‘ethical compass’ is evident in global movements such as [Fairphone](#), a social enterprise based in the Netherlands, which has been building a movement for fairer electronics since 2013. It currently reaches a community (#WeAreFairphone) of around 115,000 Fairphone owners. Fairphone has helped to raise the profile of the social economy as a whole and engaged with the [B Corporation certification](#) in 2015, as way to promote a new type of company that uses the power of business to solve social and environmental problems.

Another example is the Berlin-based [#refugeeswelcome](#), a digital platform that brings flat sharers and refugees together through micro-donation, crowd funding or bitcoin support.

¹ Former Executive Secretary the [United Nations Framework Convention on Climate Change \(UNFCCC\)](#).

But labour laws remain an issue for some of these social enterprises, and the social inclusion approach cannot provide enough life jackets if the boat is sinking...

During the debate, the risk of widening the digital divide between geographically remote communities (i.e. mountainous areas) and connected hotspots was raised. One of the long-term responses to this issue is to introduce these new economic models in school programmes.

The event also provided an opportunity to hear more about [GABV, the Global Alliance for Banking on Values](#), an independent network of 40 banks and banking co-operatives using finance to promote sustainable development, serving people, communities and the environment. The aim is to refocus on the basic European values of our human societies. Their bottom line: People, Planet and Prosperity.

In theory, the future of these models remains unclear and their effectiveness to reduce social inequalities continues to create controversy. Professor Christian du Tertre, an economist, believes the functional economy could be an interesting alternative to the industrial Fordist model. His thesis is, that to achieve sustainable development, environmental and social components must be integrated into all business decisions. This can only happen through institutional change and innovation, by involving end users / citizens in the loop.

For the EC representative from DG CONNECT, these emerging models represent societal innovation rather than social innovation, moving from 'think tanks' to 'do tanks'. According to him, a new profession is about to be born: "*we need to have bridgers*".

Things are moving fast. The European Economic and Social Committee recently created a permanent study group on Social Economy Enterprises (SEE). In February 2017, the European Commission (DG GROW) launched a stakeholders' consultation in the field of accommodation (Airbnb, etc.). At DG ENV, a study on the net environmental impact of the collaborative economy is ongoing and another study on the labour implications of the circular economy is currently being launched.

Several major events are also being organised before the summer; here is a selection:

In April 2017, [ECOLISE](#) together with several [SIC \(Social Innovation Community\)](#) partners will join the efforts of the [Global Hub for the Common Good](#) in organising the first Global Forum, 'New Economy & Social Innovation' - [NESI](#), to be held from the 19th to the 22nd April 2017 in Malaga (Spain).

In Toulouse (France), in May 2017, the [European FabLab festival](#) will bring together thousands of Makers and Fablabs² from all around the world, to show their projects to the public through exhibition stands, talk-shows, workshops, etc.

In June 2017, the [Open Innovation conference 2.0](#) will be hosted by the municipality of Cluj-Napoca (Romania), under the auspices of DG CONNECT and its [Open Innovation Strategy and Policy Group \(OISPG\)](#), [the European Committee of the Regions](#) and other partners.

As Diego Isabel La Moneda from the Global Hub for the Common Good said when closing the debate: "*If we want to be proud again of being Europeans, we need to bring back our values to our economic system. We need to put people and the planet first. New economy models are not just concepts, they are real people, real entrepreneurs transforming the economy from the bottom-up*".

² Fablabs are hybrid places organised by 'makers' with the aim to generate shared activities in various domains : education and training (hands-on, practice-based learning, open learning, community education), investment (crowd funding and alternative finance), consumption (i.e. circular economy), social inclusion (non-discriminatory, affordable prices). They are also called 'Third Places', 'Maker Spaces', 'Living Labs', 'Media Labs', 'Co-working', etc. The Makers movement is closely aligned with the Do it Yourself and the free and open source movements.

More information:

Press article: <http://www.eesc.europa.eu/?i=portal.en.president-news.41562>

Speakers' contributions: <http://www.eesc.europa.eu/?i=portal.en.events-and-activities-new-economy-models>

In-depth analysis from the European Parliament on 'the collaborative economy: socio-economic, regulatory and labour issues:

[http://www.europarl.europa.eu/RegData/etudes/IDAN/2017/595360/IPOL_IDA\(2017\)595360_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/IDAN/2017/595360/IPOL_IDA(2017)595360_EN.pdf)

The Global Hub for the Common Good



The [Global Hub for the Common Good](#) is a hub - a meeting point - for institutions, companies, organisations and people that believe in a better world. It is a global, independent, innovative, open and participative network of people and organisations throughout the world.

Vision: "Co-creating a new political, economic and social system aimed at the global common good"
Mission: "Connecting". Filling the gap between civil society & business innovation and politics and promoting Governance for the Common Good.

The official launch of the Global Hub for the Common Good took place on November 10th, 2015 in Madrid, Spain. The founder is Diego Isabel La Moneda. The movement is finding its inspiration in the 'Economy for the Common Good' initiated by the Austrian economist and writer Christian Felber.

Sources: <https://www.linkedin.com/company/global-hub-for-the-common-good>

<http://commongoodhub.com/the-global-hub-for-the-common-good-is-officially-launched/>

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