

Policy Brief Energy Supply, December 2015

## ***Social Innovation Practices in Energy Supply***

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In the work package Energy Supply firstly a Policy Field Report has been written about social innovation practices found in the policy field of energy supply in various countries. Secondly, an inventory has been made of a large number of social innovation (SI) initiatives. Thirdly, a Foresight and Policy Workshop has been organised to reflect on the results together with the partners involved in this work package. The results of these three research activities are brought together in this policy brief.

### ***European and Global Challenges in the Policy Field***

Expectations are that the worldwide demand for energy will multiply significantly, and that fossil fuels will be unable to meet these growing demands without risking major destabilising economic effects and devastating environmental consequences. Therefore, a thorough revision of the current energy supply mix is deemed necessary, in which preference is given to renewable sources. So far, EU and global policy has been focussed on incentives to stimulate market uptake and awareness and actions by national governments. However, the financial and economic crisis of the latest years has forced many public authorities to retrench and downsize their policy programs and public services. Therefore, it is hoped that the empowerment and enhanced involvement of private stakeholders and civil society might be key in speeding up the transition towards renewable energy and energy efficiency.

*Private stakeholders may speed up the transition to renewable energy*



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*Regulation can function as a driver as well as a barrier to SI*

## **Foresight: Drivers and Barriers**

During the Foresight and Policy Workshop several barriers and drivers for the uptake of Social Innovation (SI) were discussed. Social innovation in the energy sector is prominent at the local level, where energy cooperatives, neighbourhood initiatives and citizens organize new forms of local production and distribution and new ways to promote energy efficiency. Contributing to a sustainable system, the wish to be independent of energy supply companies, the wish to improve liveability in their environment or to join a neighbourhood community are drivers for citizens and organisations to participate. Regulation can be a driver in the case of stimulating local energy initiatives, but it can also be a barrier because existing regulations are often based on the traditional energy system and thus hinder disruptive initiatives. Knowledge and awareness of the importance of sustainability and the new possibilities can stimulate social innovation. Technology is a key enabler as it allows other forms of production of energy and energy efficiency than before, such as solar panels on your own roof. The way the technology is designed determines the possibilities for social innovation to a large extent. Funding can be a significant driver or barrier. Many initiatives are still (partly) funded by a government. Other financial drivers are the aim to reduce energy poverty by lowering energy bills and by fostering potential returns on investments for investors in green energy. This also means however that social innovation is very vulnerable to subsidies drying up, or business cases changing due to fluctuating prices of energy and/or materials.

*Issues stimulating and hindering the upscaling of social innovation*

## **Policy Issues**

As a result of the various research activities of SI-DRIVE, several issues that affect the upscaling of social innovation can be named. Government subsidies can be a huge stimulation for social innovation but also hinder thinking about other creative solutions. Private energy companies could operate as social innovators but also often have interests in fossil fuels. Another thing is that social innovation can have unintended negative side effects such as more social inequality when mostly the already advantaged groups take the profit. Also, the growth of social innovation is still dependent on an awareness shift because the incentive for businesses and citizens to work on a sustainable future is not high enough yet. Next to that, initiatives need to have a certain degree of stability and professionalism to be a trustworthy partner, which many are currently lacking. And lastly, there is a tension that initiatives should not be too small because then they are vulnerable, but also not too big since that might affect their flexibility and local embeddedness.

*Fostering and improvement of social innovation, capacity building, collaboration and electricity grids*

## **Policy Recommendations**

Based on the earlier findings, several recommendations for policy makers can be formulated. Firstly, it is important to recognise the value of social innovation by putting policy in place to stimulate it and provide funding. Secondly, it is important to strengthen initiatives by capacity building, education and establishing platforms. Thirdly it is most convenient to focus on existing collectives when building social innovation and crucial to really engage citizens and other stakeholders in planning processes from the beginning. Lastly, the improvement of the electricity grid is important for many social innovation initiatives on the local level.

*Social innovation in the energy sector contributes to the quality of people's lives*

## **Conclusions**

The results that are derived from experiences with social innovation in energy supply in a diverse set of countries and contexts, seem to hold true for many different forms of social innovation. Social innovation is disruptive in the energy sector, but at the same time it offers many extra benefits, such as improved sustainability and an increased quality of people's lives in many aspects.

**About SI-Drive**

“**Social Innovation – Driving Force of Social Change**”, in short **SI-DRIVE**, is a research project aimed at extending knowledge about social innovation (SI) in three major directions:

*Research objectives*

- Integrating theories and research methodologies to advance understanding of social innovation leading to a comprehensive new paradigm of innovation.
- Undertaking European and global mapping of social innovation, thereby addressing different social, economic, cultural, historical and religious contexts in eight major world regions.
- Ensuring relevance for policy makers and practitioners through in-depth analyses and case studies in seven policy fields, with cross European and world region comparisons, foresight and policy round tables.

*Global partnership*

SI-DRIVE involves 15 partners from 12 EU Member States and 10 partners from all continents, accompanied by 13 advisory board members, all in all covering 30 countries all over the world.

*Seven policy fields*

Research is dedicated to seven major policy fields: (1) Education (2) Employment (3) Environment and climate change (4) Energy (5) Transport and mobility (6) Health and social care (7) Poverty reduction and sustainable development.

*Iterative research approach*

The approach adopted ensures cyclical iteration between theory development, methodological improvements, and policy recommendations. Two mapping exercises at the European and the global level will be carried out in the frame of SI-DRIVE: Initial mapping will capture basic information of about 1000+ actual social innovations from a wide variety of sources worldwide, leading to a typology of social innovation. This will be the basis to examine the global social innovation distribution. Subsequent mapping will use the typology to focus on well documented social innovation, leading to the selection of 70 cases for in-depth analysis in the seven SI-DRIVE policy areas. These case studies will be further analysed, used in stakeholder dialogues in seven policy field platforms and in analysis of cross-cutting dimensions (e.g. gender, diversity, ICT), carefully taking into account cross-sector relevance (private, public, civil sectors), and future impact.

Up to now five key dimensions (summarised in the following figure) are mainly structuring the theoretical and empirical work:

*Five key dimensions*



*Outcomes*

The outcomes of SI-DRIVE will cover a broad range of research dimensions, impacting particularly in terms of changing society and empowerment, and contributing to the objectives of the Europe 2020 Strategy.

**More information: [www.si-drive.eu](http://www.si-drive.eu)**