

BUILDS

Chronicles 1



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Social Innovation in Development

Every time someone writes a fairytale story it starts with *"Once upon a time..."* every time we write the chronicles of BUILDS we start with *"In an ever-changing world..."*.

Therefore, in an ever-changing world, the path this change is heading towards its often blurry, in fact our present time is also known as *"The age of Uncertainty"*, we simply need to open the news to find out the reason.

We are surrounded by problems and issues that need urgent responses and actions, problems that range from civil conflicts, refugee crisis to everyday life problems faced both individually and collectively. It is my belief that everyone can act and make a difference in their capacities, think global but act local is the trend that should be preached, because every big accomplishment has small beginnings.

Moreover, if we don't tackle local issues that is in front of our door how can we manage to solve bigger ones? That's where INNOVATION, SOCIAL ENTREPRENEURSHIP AND CHANGE introduces themselves as the new sheriffs in town!

"This is no ordinary lesson" a lecture by LUIGI CORVO

Two concepts: **CHANGE & INNOVATION.**

We can define **CHANGE** as a mean to make or become different, implementing a structural change that replaces or substitutes one thing for another that can be much better than the previous one. **INNOVATION**, on the other hand, is a useful improvement, a progressive change that improves the quality of life and benefits all, in business terms: "the process of translating an idea or invention into a good or service that creates value or for which customers will pay. To be called an innovation and idea must be replicable at an economical cost and must satisfy a specific need". In a social context, innovation helps create new methods to satisfy social purposes, which is a point BUILDS particularly focuses on.

The *median voter theorem* states that a majority rule voting system will select the outcome most preferred by the median voter, meaning to reach the majority in a society you need to reach the vote of the median elector. Translating this into our topic, the issue in mind, is that many have been left out of this system mainly because of the last 10 years of the financial crisis, that consequently lead to a quantitative point of view through the increase of the outsiders (the left-outs), thus presenting us with a gap, a gap of social innovation.

If we take companies that have millions of people on their platforms like Facebook, Airbnb, Blablacar, Uber etc. What especially prevails in them, is the social communication they engage in, highly influenced by consumers needs and in the promotion of new ways to create and consume. However, let's not forget its implications, it's in and out effects (lack of stability, social conflicts and so on).

The challenge is how to generate all in effects by identifying the gaps to lessen the adverse impacts (the out effects). We perform our identification by looking at a local level, the Municipality, and its various gaps which is listed as follows: problems in mobility, housing, public hygiene, civic education, inefficiencies in procedural timing, unused public spaces (sleeping heritages), socio-economic inequalities, security etc. Taking as an example the Sleeping Heritages which are private or public assets that even though full of potential if developed, are abandoned. Consequently, that's where companies like Airbnb takes over to fill in the gaps by becoming, we can say, a digital real estate agent. Their roles derived from the inefficiencies presented by the gaps and they try, more often succeeding, in finding a way to marry the efficient with the sustainability (economic, social and environmental), their success is thanks to the new digital era where in order to create a multi-million businesses you just need to manage your digital network. Their example demonstrates that we can use these social gaps to our advantage, through innovation you turn sleeping heritages into a market.

The greatest innovation presented to mankind is Internet, through this means you have the possibility to achieve success in many fields also in creating business at zero costs, through this innovation you create digital communication that in turn turns into a market by connecting all stakeholders in one single platform.

"Resource for Change is Innovation"

Laws changes slower than the growth society faces, that's why there is a need to regulate these platforms, other business or users affected by the adverse impacts of these platforms have already a solution like for example FairBNB which aims at regulating and ensuring accountability, transparency and more guarantees for users.

Nowadays the trend is to make good and service more economically accessible, by establishing models like the Sharing Economy where it is the most accessible examples of transaction cost reduction. In a Sharing economy individuals, can borrow or rent assets owned by someone else, this model is used when the price of an asset is high and the asset is not fully utilized all time. Other models include the Collective Economy, which is a mean for reducing inequalities, a collective is a group of entities that are motivated by a common issue or interest and work together to achieve common objectives and there are not necessarily focused upon an economic benefit or saving but can be that as well. Another model is the Circular Economy that aims at reducing waste and pollution by design or intention, an example could be where owners rent out things they are not using like houses, cars etc. These models applied in real life take the form of social enterprises like **TIME REPUBLIK, NESTA, SHARE LAB, RETER, ECON** etc.

In conclusion, lets embrace innovation in the development of new business trends that also aim for social purposes and especially for this reason, it will become an indispensable mean to counterattack the effects of globalization and social issues that are still unresolved in our ever-changing world.



Luigi Corvo is currently a professor at the University of Rome Tor Vergata. He graduated with a laurea cum laude and obtained a Phd from the same university. He has an extensive experience in the area of public management and innovation and plays a role in the achievement of many projects and start-ups. He is a very passionate and not your ordinary professor.

