Embedding Social Economy and Social Entrepreneurship in Smart Cities

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Overview

- My disciplinary orientation and relevant theoretical frames
- Key terms
- Policy taskforces
- Stakeholder engagement and establishing Social Enterprises in Smart Cities
- Key challenges

Disciplinary Orientation

- My research is at the intersection of: human resource management, strategy and innovation in for-profit and social enterprises, domestic and MNEs
- Specifically focusing on knowledge intensive firms and issues of inter and intra-organisational collaboration and cooperation from an HR, Strategy, Innovation and human capital formation
- My orientation is ideally suited for exploring and sharing insights from one disciplinary traditions to another to create a rich tapestry of understanding across multi-sector, multi-geography studies above.
- I am optimistic though a number of colleagues prefer to stay committed to one disciplinary theoretical lens

Theoretical Lenses for Shared Smart Cities

Numerous theoretical lenses are relevant here:

1. Transaction cost economics, institutional theory, culture studies and agency theory are critical for analysing hybridity in governance in the traditional and third sector firms, which Smart Cities rely upon extensively

2. Similarly, the resource-based view and entrepreneur's orientation (e.g. prosocial motivation) and other attributes such as emotions and personality type that can affect hybridity in logic

3. There is also lessons to be learnt from theories of regional and national innovation system and from Triple through Quadruple to Quintuple Helix formations for managing growth in a region or geographical locale.

4. Within this stream of research certain micro (relationship, leadership, trust, power equations) and meso-level (capabilities and strategic intent) do have an impact

Key Terms

- Social Economy
- Sharing Economy
- Smart Cities
- Social Enterprises

Key terms- Social Economy

A set activities undertaken by **institutions, enterprises or a collective** of stakeholders, with a major focus on delivering a **social good** for a society.

Approaches in social economy vary in **ownership** establishment of different legal entities such as through co-operatives, not-for-profits, mutual societies, NGOs, charities and social enterprises that where social value creation is a major focus, not undermining the need for economic sustainability

High focus on a **democratic, independent, inclusive community involvement** and feedback with **re-investing surpluses** for further social good activities

Often also described as the **third sector** of mixed capitalist economies and different from the public and private sectors (Nitsch, 1990)

Key Terms- Sharing Economy

- Sharing – focuses on the assumption that by **moving away from ownership mindset** to sharing to increase ecological, social and economic sustainability.
- Many forms and approaches to sharing exist

- A sharing economy therefore relies on **cooperation** between **citizens** and a **wide range of stakeholders** in an ecosystem

- Examples include Airbnb, P2P, Crowdfunding, **Smart work hubs, social hubs**, etc and several other forms of temporary use and re-use of resources rather than creating an economy that relies of ownership through renting, borrowing, sharing etc.

The Concept of Social Entrepreneurship

Social Entrepreneurship has been defined as “a set of innovative and effective activities that focus strategically on resolving social market failures and creating new opportunities to add social value systemically by using a range of resources and organizational formats to maximize social impact and bring about change” (Nicholls, 2008, 23)

Dual mission firms with a focus on social and economic value creation leading to managing the tensions inherent in such hybridity (Doherty et al., 2014; Pache & Santos, 2013; Tracey, Phillips & Jarvis, 2011)

Definitional foci of Social Enterprises

Various **definitions of Social Entrepreneurship** emphasize attributes like:

1. Satisfying unmet needs (Thompson, Alvy and Lees, 2000);
2. Social welfare activities (Leadbeater, 1997);
3. Problem solving ability (Bornstein, 1998);
4. Balancing moral principles with profit motives (Boschee, 1995);
5. Innovativeness, pro-activeness and risk management within the constraints of environment, sustainability and social mission (Weerawardena and Mort 2006);
6. Balancing the interests of multiple stakeholders to create social value (Peredo and McLean, 2006);
7. Catalysing social change (Mair and Marti, 2004);
8. Maximising social impact (Nicholls, 2008); and
9. Social value creation through market-based activities (Bacq and Janssen, 2011).

There is a **tension** in social enterprises in **balancing social value and purpose with economic value creation and purpose**.

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Forms of Hybridity

1. Hybridity in Governance – Organizational forms combining traits and features from discrete modes of markets, firms or public hierarchies. E.g. public-private collaborations; pharmaceutical firm-NGO partnership providing low-cost vaccines in under-developed countries.

2. Hybridity in Organizational Logics – Organizations that combine distinct organizational logics and as a consequence need to accommodate the tensions emerging from such distinct logics. E.g. social enterprises.

A distinction between these two forms of hybridity is necessary since both these forms are related, but not perfectly correlated concepts (Quelin, Kivleniece and Lazzarini, 2017).

Key Terms- Smart Cities

Smart city is about a mix of education/training, culture/arts, and business/commerce and a hybrid mix of **social enterprise**, **cultural enterprise**, and **economic enterprise** (Nam & Pardo, 2011)

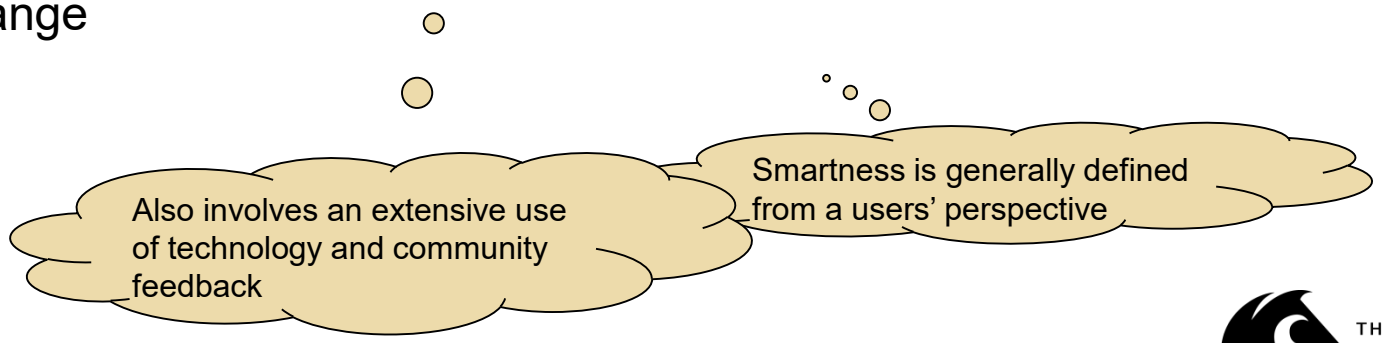
Smart City
Policy Examples From Australia

- National Cities Performance Framework
  - Population demographics- diversity, density, growth rates,.
  - Jobs and Skills- income and skill profiles, employment,
  - Housing – ownership, rented, mortgage; median prices
  - Infrastructure – public transport, journey to work quality
  - Liveability- expectancy, well-being, open spaces, safety, crisis and support
  - Innovation- innovation, digital economy,
  - Planning- governance and population demographics

Source:
https://smart-cities.dashboard.gov.au/all-cities/planning

Smart City Projects- A Sample

- Digitised choice-based letting for the ACT public housing portfolio
- **The Smart Beaches Project**
- Illawarra-Shoalhaven Smart Water Management
- Integrated Smart Parking System: Emerging and Shared Approaches
- **ChillOUT: Smart Social Spaces Creating Connected Green Places**
- Coogee Smart New Technologies at the Beach
- Flooded Roads Smart Warning System (FRSWS)
- Smart Urban Irrigation Project
- Smart Technologies - Reinventing Neighbourhoods
- Northern Melbourne Smart Cities Network, enabling data to drive change



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Key themes- Across main concepts

- Collaboration, connection and co-learning
- New business models & citizen-centric design
- Leveraging global, regional and local networks
- Cooperation, teams, inter-functional & multidisciplinary
- Digital, data-driven, efficient, disruptive technologies
- Three core dimensions: Technology, People, Power
- Local & Federal Government, Funding, Private and Public Sector

Complexity…

Complexity, change and Improvements

*See , building a chip of **a billion transistors is complex**. Take for example, if every year you have to build a city of the size of Bangalore- you have to plan the housing, roads, building sewage, schools, shopping complex, electricity, communications CBDs, etc, so you may have a template but your competitor is also building a city which promises to be better than yours and with more features. So you have **to do this better every 18 months.** The problem is that you cannot afford a **single power cut** …a customer like Apple will send all the products back. That's a $5000 cost for Apple and they will really get mad with us and so as a result we have to accomplish something with that level of complexity with precision every 18 months and when we do that **each of the disciplines need to be 100% engaged** and show that level of discipline. The soak time for chip development is huge. These are very complex machines and have long gestation periods and complexity. ….So it's a **bandwidth and a learning issue**. There are complex machines o build.*

Gestation period, learning and value

Interview Quote

A Technology Leader -Large US Semi-conductor & Microprocessor MNC)

Community / Ecosystem's Capacity

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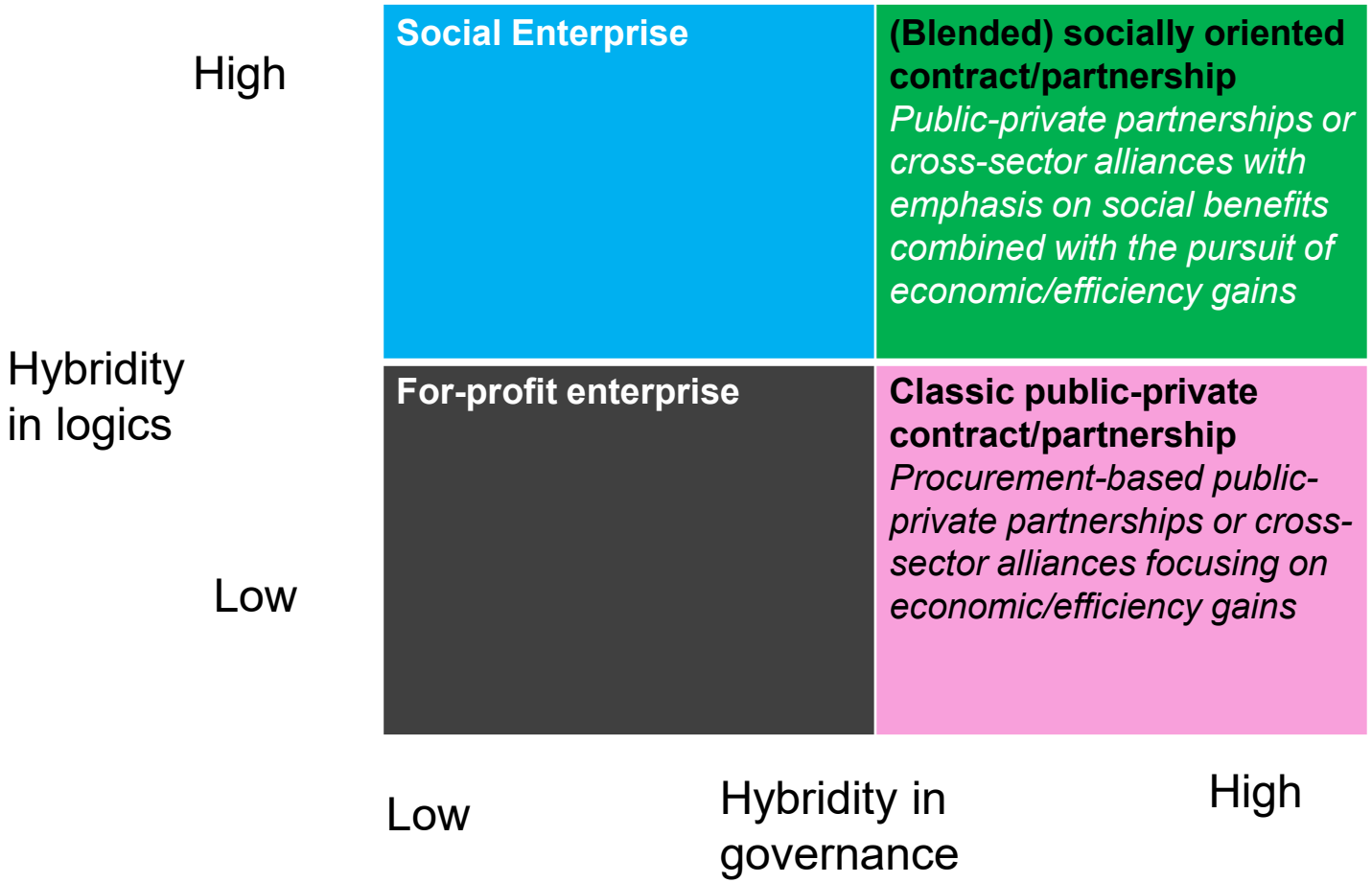
Embedding SEs in Sharing Smart Cities

- Social enterprises (SEs), public and for-profit enterprises are an integral part of any Smart Cities ecosystem and SEs play an important role in enabling sharing
- However, this is contingent on a number of variables:
  - Degree of Hybridity
  - Intensity of Hybridity
  - Entrepreneur's attributes

The Two Forms of Hybridity and Social Value Creation



Adapted from: Quelin, B. V., Kivleniece, I., & Lazzarini, S. (2017). Public-private collaboration, hybridity and social value: Towards new theoretical perspectives. *Journal of Management Studies*, *54*(6), 763-792.

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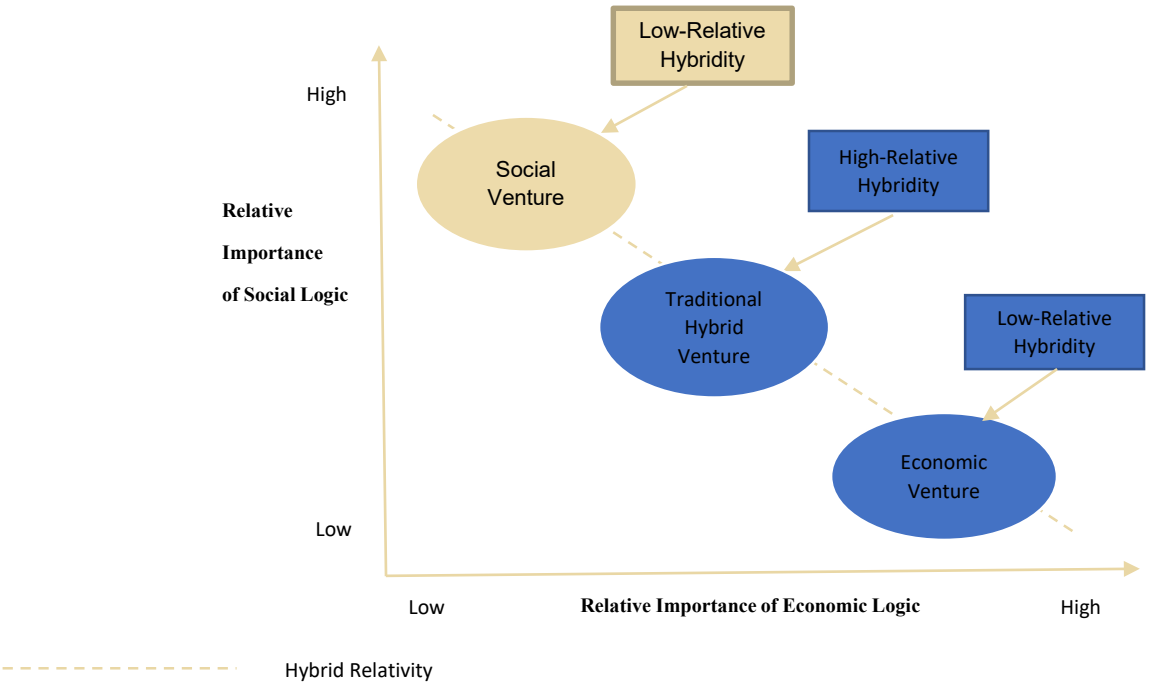
Hybrid Relativity



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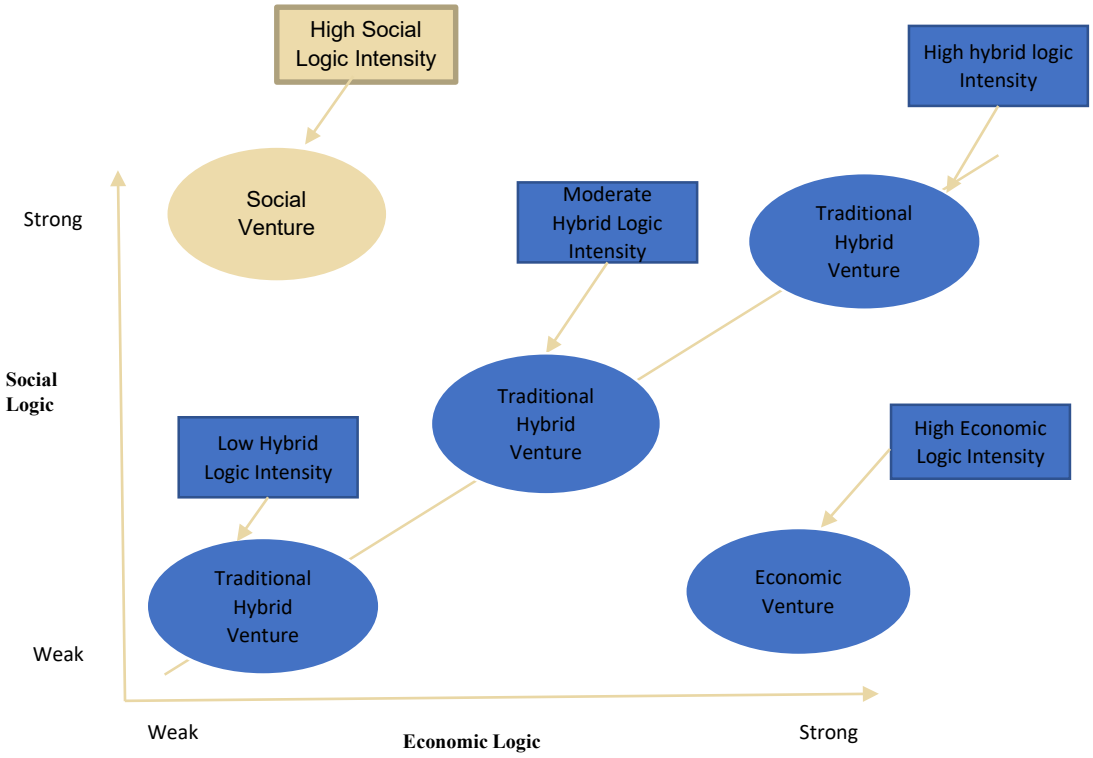
Hybrid Intensity



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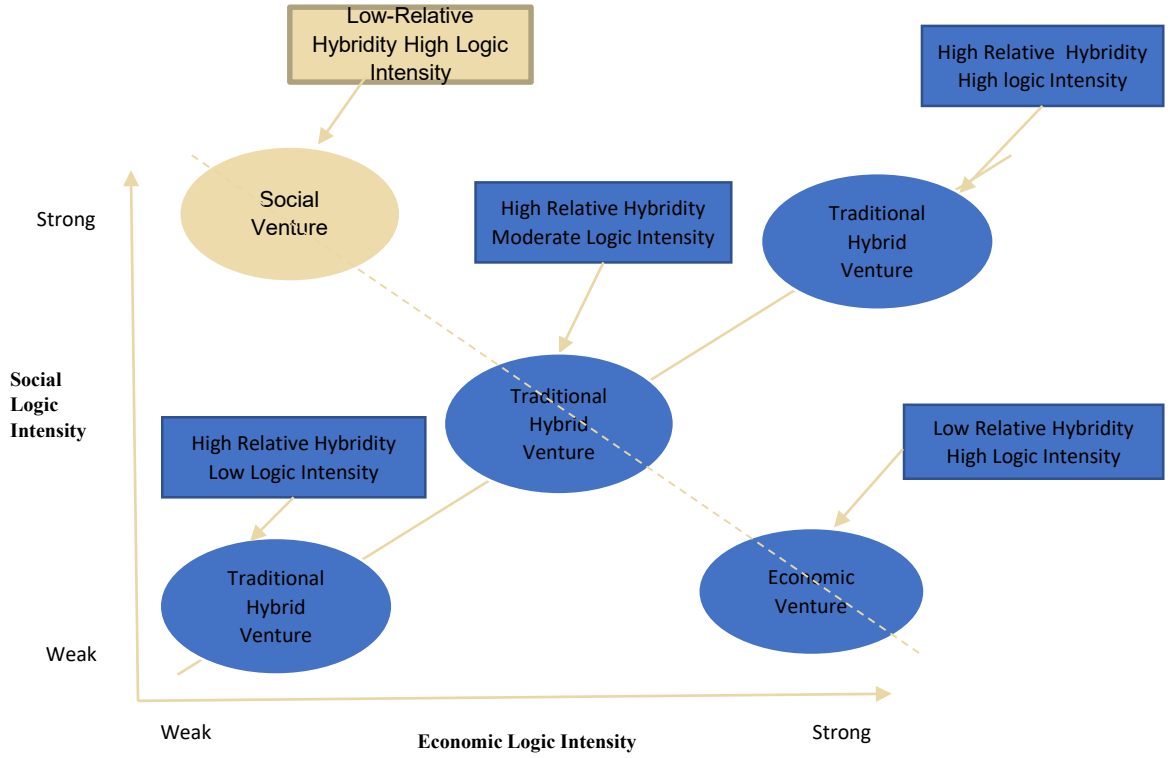
Degree of Hybridity



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Australian SEs in Disability Care

Example case: Australia- home based care packages and consumer-directed care

- **Linen Service**
- **Social Support**
- **Personal Care**
- **Meal Preparation**
- **Transport**
- **Case Management**
- **Respite Services**
- **Gardens and Lawns**
- **Occupational Therapy**

Four Levels of Care:
Level 1 - supports people with basic care needs
Level 2 - supports people with low-level care needs
Level 3 - supports people with intermediate care needs
Level 4 - supports people with high-level care needs

24

Business model innovation focus

- **Value Creation- through**

1. building a perceived ‘family care’ and ‘personalised care’ brand image.
2. No net cost to the client (96% revenues are from one source- accessing the funding approved to consumers)

Value Capture- through

1. Pricing of services
2. Additional throw-aways
3. Engaged users
4. Technology adoption
5. Moving from outsourcing to in-house support

Embedding Social Enterprises

- *Role of Leaders / Entrepreneurs is critical role*
- *A Community of Practice approach can enable social entrepreneurs to share resources to support Smart Cities by:*
  - *Appropriate incentives and motivation*
  - *Building awareness of social problems*
  - *Providing access to resources*
  - *Coordination and Implementation support*
  - *Use of appropriate technology platforms for sharing, learning and action*
- *Depends on perceptions of*
  - *Effectiveness of the social enterprises*
  - *Prevalence of social enterprises*

धन्यवाद

THE WORLD NEEDS NEW

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Thank You for Sharing your Attention

Time Now for

Sharing Your Ideas, Thoughts & Questions

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