



Die  
Bundeskanzlerin

*Internationales  
Deutschlandforum*

# 2nd International German Forum

## What matters to people – innovation and society

2. Internationales Deutschlandforum

Was Menschen wichtig ist – Innovation und Gesellschaft





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# The International German Forum

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*„Politics must address what matters to people.“*

FEDERAL CHANCELLOR DR. ANGELA MERKEL

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When Federal Chancellor Angela Merkel set up the International German Forum in 2013, she created a new format for international exchange on globally relevant future related issues. In many countries, society is facing increasingly complex challenges such as climate change, scarcity of resources, demographic change, urbanisation and digitisation. It is in this context that experts from the spheres of politics, business, academia and civil society come together at the International German Forum to debate ideas for social, political and economic transformation processes, share their experience and discuss concrete

possibilities for action. The goal of the International German Forum is for participants to learn from one another through interdisciplinary and intercultural dialogue and to establish a network for global learning in the long term.

The idea for the International German Forum arose from the Federal Chancellor's dialogue on Germany's future. Conducted in 2011 and 2012, she discussed the question "How do we want to live in the future?" with the public and with relevant experts.

## Review:

### The 1st International German Forum 2013

On 5 June 2013, around 120 German and international experts from politics, the public and private sectors, academia and civil society convened at the Federal Chancellery in Berlin for the 1st International German Forum, entitled **"What matters to People – Quality of Life and Progress"**. The main consideration in the first forum was how quality of

life all over the world could be maintained and improved for people alive today and for future generations. The forum centred around such questions as what the public, academia and the business world understand by quality of life and how the endeavour to improve it can be made even more of a focus for political action.



# The 2nd International German Forum 2015

## Background Information

The 2nd international German Forum was held at the Federal Chancellery on 19 and 20 January 2015 and was entitled “**What matters to People – Innovation and Society**”. Improving quality of life remains the International German Forum’s overarching goal. The key question of the 2nd International German Forum was “*How do our societies generate innovations that improve wellbeing in a time of complex challenges and digital opportunities?*” Around 120 experts from 30 different countries talked about the capacity for innovation as a key factor in successfully developing solutions for economic, environmental and social challenges. The starting point

for the dialogue was a broad interpretation of innovation, encompassing social and systemic change as well as technological and economic advances.

More information on the subjects, programmes and participants of the 1st and 2nd International German Forum is available on the website <https://dialog-ueber-deutschland.bundestkanzlerin.de><sup>1</sup> as are video recordings of the events.

[https://dialog-ueber-deutschland.bundestkanzlerin.de/DE/30-ID-F/10-Hintergrund/hintergrund\\_node.html](https://dialog-ueber-deutschland.bundestkanzlerin.de/DE/30-ID-F/10-Hintergrund/hintergrund_node.html)



Chancellor Dr. Angela Merkel during a session of the 2nd International German Forum



Minister Peter Altmaier opens the 2nd International German Forum in the German Chancellery

## Welcome and Opening Discussion

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***„Innovation is not an end in itself but a means to carve out a viable future for our societies.“***

FEDERAL MINISTER PETER ALTMAIER

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Federal Minister Peter Altmaier, Head of the Federal Chancellery, welcomed the participants to the 2nd International German Forum. Right at the start of the conference, he emphasised the impossibility of tackling current challenges like climate change, scarcity of resources and digitisation at the national level alone, insisting that they can only be met through global action and cooperative partnership. It was therefore important, he said, to transcend borders – not only the borders between nations and between conventional dialogue partners but also the frontiers between academia and practice, legislators and administrators. “Only interdisciplinary

approaches can account for the complexity of current times,” Altmaier insisted. It was essential, he said, to bring experience from around the world as well as creative thinking to bear in dealing with the challenges of our times. He named diversity, innovation and co-creation – the idea of involving consumers, users etc. as partners in the development and innovation process – as indispensable factors in such efforts. Altmaier made it clear that “We need creative responses,” and also underlined the disruptive effect of digitisation, saying, “We find ourselves not at the end but at the start of a new wave of innovation.”

Three events were held in the run up to the 2nd International German Forum, at the German Embassies in Brasília, London and Warsaw. Participants reported on the different contexts for and approaches to discussing innovation and society in various countries:

**Paweł Świeboda**, President of the Poland based research institute *demosEUROPA – Centre for European Strategy*, reported that Poland, while currently doing better than ever economically, had “*raised imitation to an artform*”. Poland’s capacity for innovation was not yet particularly well developed, Świeboda said, but this had to change if the country was to compete at the international level. He emphasised the need not to rely purely on efficiency but to work on an economic model that gave a higher priority to innovation. This, he went on, would require the spotlighting of flaws – like a weak inclination to invest on the part of the private sector – as well as the identification and promotion of strengths, such as the software industry. Świeboda concluded that redistribution of resources and, above all, strong political leadership would also be needed to make a system like Poland’s more innovation led.

**Hermann Hauser**, co-founder of the UK venture capital firm *Amadeus Capital Partners*, focused his contributions on the difference between evolutionary and revolutionary innovation. He used develop-

ments in information technology as an illustrative example, explaining how, in comparison to the successive waves of development which had previously built on one another, machine learning and the Internet of Things had triggered really revolutionary changes. In contrast to the German model, Hauser continued, the innovative power of the individual was strongly emphasised in the Anglo Saxon world. As Hauser put it, the crucial factor in disruptive or revolutionary innovation were individual entrepreneurs like Elon Musk, whose achievements include founding the electric car manufacturing company *Tesla*, and access to a financial market that allows for the relevant venture capital investment.

**Maria Teresa Diniz**, executive coordinator at the Brazilian centre for innovative urban management solutions *USP Cidades*, highlighted the key significance of cities in Brazilian efforts to tackle issues with particular relevance to the future. She explained that, given how around 80% of the population of Brazil live in cities, confronted with challenges that require creative responses, all stakeholders are constantly called upon to be innovative. Brazil being a relatively young democracy, Diniz went on, it was indispensable for the (primarily urban) public to understand processes of transformation and play a part in shaping them. According to Diniz, what this would require in Brazil was knowledge of political processes, cooperation between the relevant stakeholders and a boost to interdisciplinary action and ways of thinking.



Panel on the 1st day of the International German Forum





Networking innovators

### Thematic Groups

The overarching question of the 2nd International German Forum – *“How do our societies generate innovations that improve wellbeing in a time of complex challenges and digital opportunities?”* – was discussed in five parallel thematic groups with different focuses on the first day of the conference:

- **Thematic Group 1:**  
**Societal prerequisites for the capacity for innovation**
- **Thematic Group 2:**  
**Social innovation as an opportunity for society**
- **Thematic Group 3:**  
**Importance of digitisation for the capacity for innovation**
- **Thematic Group 4:**  
**The future needs integrated solutions**
- **Thematic Group 5:**  
**The role of politics in the cooperation of players**



## Thematic Group 1: Societal prerequisites for the capacity for innovation

The success of innovations – whether of a technological-economic or social nature – is based on the will and capability of individuals and groups to initiate change as well as the readiness to accept the resulting changes and to integrate them into their own actions. The roles of players directly or indirectly involved in innovation processes are fundamentally different, depending on the social, cultural and value systems in which they find themselves. For instance, a society's capacity for innovation compared to that of other societies can be interpreted and assessed differently when it comes to identifying solutions for social challenges.

### Key questions in Thematic Group 1:

- How does the capacity for innovation differ between societies and their different political, economic and social orders? How much importance is given to it by politics and society?
- What are the sources for the capacity for innovation and which social conditions are conducive? What starting points are there to shape it?
- Who are the different players and what roles do they play? What form does cooperation of these players take? How do they learn from each other?

### Hosts of Thematic Group 1:

- Dr. Christoph Beier  
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
- Nicolás Shea  
Cumpló and Start-Up, Chile

### Report

by Dr. Christoph Beier and Nicolás Shea

Most of today's challenges are complex and transnational in nature, highly dynamic and they often lead to ambiguous results: urbanisation, migration and demographic change, dwindling natural resources and climate change – to name just a few. They all have tremendous impacts on our lifestyle and the quality of life. And they have another commonality:

Neither technological innovation can solve them alone nor unaided political intervention.

At the same time, ongoing digitisation penetrates deep into our personal lives, changes our habits and the way people communicate with each other. Internet-based social networks cross borders, bridge cultural divides and ease access to information and peer groups – an ideal breeding ground for cross-cultural innovation.

But for all that societal change still takes place in the real, the analogue world. Change processes and innovation need risk-takers within our communities, visionaries who share their narrative of the future and ignite others. In short: societal change needs an environment of trust and confidence – currencies that are traded face-to-face not through social media networks.

Against this backdrop, Thematic Group 1 dealt with the question of how societies enhance their capacity for innovation to prepare themselves for an uncertain future. The following enumeration may serve as a rule of thumb and apply virtually to any society:

#### 1. Create an ecosystem for innovation

A bottleneck in the creation of environments that enhance innovation is the availability of talents. While there is a global competition for the best and the brightest there is a huge, yet untapped potential for knowledge in highly educated youth, civil society groups and in migrant communities. These groups are per definition ecosystems for innovation and entrepreneurship. One of the greatest obstacles to attracting these groups is restrictive immigration and visa policies. The role of the public sector in creating fertile ecosystems for innovation therefore lies in the reduction of Red Tape and in 'clearing the road' for entrepreneurs through smart regulation.

#### 2. Open up sources and guarantee access to big data

In a data driven society a level playing field – free access to data and information – is essential for social innovations. The sharing of data on any governmental level and in both directions – top-down and bottom-up – opens up a massive po-

tential for social innovation and solutions for common problems.

### **3. *Engage in behavioral change and accelerate innovation through venture capital***

Ecosystems for innovation can hardly succeed within a culture that does not accept failure as an ingredient of learning. The same applies to venture capital: investing risk capital is a prerequisite for innovation and societal change but it also entails the danger of total loss. Progress therefore comes with a price – and it should be borne by society collectively not by individuals only.

### **4. *Social innovation as a co-creative process***

Genuinely new solutions for complex societal problems demand non-linear, cross-sectoral approaches. Treating social, economic and technological aspects not as separate issues but as interlocking drivers for change call for co-creative, evolutionary methods in innovation processes. In this regards, the role of arts and social science provide insight and experience in the management of fuzzy arrangements and between different creative ecosystems. Creative chaos and the self-organising principle of complex systems is a highly underestimated source for (social) innovation.

### **5. *The inspirational effect of cross-cultural fertilization***

We do not have to re-invent the wheel within every society over and over again. Also, lab-based science and research not always lead to low-cost, pragmatic and scalable solutions for societal problems. Especially in developing countries daily need is often the biggest driver for innovation. The dotcom revolution in East Africa tells this story powerfully. Reverse innovation South to North is a widely undervalued driver for change and innovation.

In sum, the capacity of societies for innovation lies in its capability to dwell on the technological, economic, social and cultural factors within our own and foreign societies. In the final analysis, cultural diversity and widely varying perspectives and experience are a crucial source of innovation, inspiration and life-quality-enhancing change.

This hints at a completely different role of governments: The public sector should provide for an enabling environment for innovation. And it can play a positive role in nudging behavioural change.

## Thematic Group 2: Social innovation as an opportunity for society

Increasing attention has been paid to “social innovation” in the last few years. At the same time, society’s understanding of innovation has widened. In contrast to technological innovations, which are mainly driven by science and business, civil society players are often the prime initiators of change when it comes to social innovations. Often, social and technological innovations are also directly linked to each other. What social innovations can achieve and the complementarity of material and immaterial changes are increasingly recognised as key factors influencing the capacity for innovation of society as a whole.

### Key questions in Thematic Group 2:

- **What solutions do social innovations offer for the challenges our societies are facing? What contribution can they make in particular to improving wellbeing?**
- **Who are the drivers of social innovations? What motivates them? How do they succeed?**
- **How can the emergence, success, acceptance as well as dissemination of social innovations be fostered?**

### Hosts of Thematic Group 2:

- Prof. Dr. Johanna Mair  
Hertie School of Governance
- Grace Sai  
The HUB, Singapore

### Report by Professor Dr. Johanna Mair and Grace Sai

Social innovation can be broadly defined as the process of finding novel solutions to persistent or newly created societal challenges. The discussion in our group centred on 1) the face of social innovation; 2) the factors that promote social innovation; and 3) the enabling conditions for social innovation to improve wellbeing and changes at the societal level.

We benefited from a broad range of participants from different geographical and cultural backgrounds: entrepreneurs from Israel, Canada and

India; intermediaries from Ghana and Egypt; civil servants from the European Commission; and academics from Germany and Denmark.

First, our conversation revealed that across the different geographies social innovation makes use of social and physical technologies at hand. In all the initiatives we discussed the innovation at play involved new ways of organizing and communicating as well as harnessing technological advances and the opportunities opening up through digitalization. In many countries, such as Israel, technological advances related to the internet are providing the backbone of new products and services that can improve the wellbeing in the respective country but also serve as a means to ensure the scalability of such services and products to other countries and regions.

Second, our dialogue surfaced that in all the geographical contexts represented in the group communities around social innovation are forming. The communities of social innovation exert an important enabling role and intermediaries that provide space – physical and social again – assume a critical role. Also governments play an important role in facilitating these communities. Yet their role differs across contexts: for example, in the UK the government is an active participant, if not instigator of communities on and around social innovation. In other countries, such as Israel or Ghana, the communities are being formed parallel to the government, very much independent and emphasizing their independence from government. In other countries, the government is seen as the first or preferred customer of social innovators. But, what is really striking is that in all countries spaces are created that allow for interaction among unusual players, players that come to social innovation with different motives, with different rationales, perhaps also with different incentive systems.

Intermediaries such as the Impact Hub, Ashoka, the Schwab Foundation and others are very important to build these communities as well as “communities of communities”, but also academia and universities have an important role. We heard examples where science is actively brought into the discussions on social innovation as well as the actual process of innovating – the doing of innovation. Finally, aca-

demia has an important role in developing a repository of knowledge and an important mandate in educating a next generation of social innovators. Educators can “normalize” societal challenges as entrepreneurial opportunity spaces – opportunities for entrepreneurs that might become business entrepreneurs, but also policy innovators.

Third, we discussed conditions for social innovation to live up to its promise to improve the wellbeing of citizens and/or provide solutions to sticky and complex societal challenges. One of the foremost challenges still lies in raising the level of awareness for and acceptance of social innovation in society. Again, education obviously provides an important lever to form what we value in society, but also how we evaluate in society. But we also need to understand how to increase awareness and acceptance among a broader population. This is important! Not only for the sake of increasing the supply of social innovation – increasing the supply of novel ideas.

It is also important for our societies and the capacity of societies to absorb social innovation. For this we need to make a bigger effort to increase awareness and go beyond the communities that are currently being formed and enlarge those communities. This is particularly important as we think about scaling an innovation and the ability to transfer an innovation across regulatory regimes. In Europe – probably more than other geographies – we ob-

serve a limited potential for markets to take up social innovation developed in other countries. A fact that can be traced back to historically grown institutional arrangements that relate not only to markets, but also to how we organize our social welfare systems. The limited capacity to absorb innovations from abroad on one side and the potential inherent in a more global “market place” for social innovation on the other require us to constructively interrogate and improve the regulatory and legislative apparatus for social innovation.

In addition to the above, the group discussed the role of government in creating ecosystems for social innovation and entrepreneurship. It was shared by ecosystem builders that the government can play an important role in the early stages of an ecosystem – in signalling through nationwide programs and funding for start-ups, using mass media to message the importance and popularity of being a social entrepreneur and creating simple policies to ease the start of doing business (e.g. corporate tax exemption for start-ups below 2-3 years old, tax subsidies for social enterprises and impact investors). The role of government is again needed when the ecosystem matures and where actors within that (ventures, incubators, intermediaries, service providers, research agencies) are able to partner, do business with and scale their impact with the government.

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***„It is also important for our societies and the capacity of societies to absorb social innovation.“***

PROFESSOR DR. JOHANNA MAIR AND GRACE SAI

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Participants at the 2nd International German Forum

### Thematic Group 3: Importance of digitisation for the capacity for innovation

Digitisation is advancing in almost all areas of society around the world. It is fundamentally changing the way in which we communicate, learn, work and cooperate and how we organise ourselves privately, professionally and as a society. Digitisation is making it possible to connect people, organisations and states around the world and is thus facilitating access to and exchange of ideas and knowledge. Cross border interdisciplinary networks, as well as value, work and learning communities with new patterns of belonging, modes of conduct and fields of work are emerging. The possibilities of the digital world offer new opportunities for information and participation, for cooperation and innovation, for individual and global learning.

#### Key questions in Thematic Group 3:

- What possibilities does digitisation offer for strengthening societies' capacity for innovation?
- How can digitally-based instruments and measures be used to increase wellbeing?
- What conditions are conducive to the use of digitisation for social progress?

#### Hosts of Thematic Group 3:

- Giulio Quaggitto  
UN Global Pulse Lab Jakarta, Indonesia

- Dr. Mark Speich  
Vodafone Foundation, Germany

#### Report by Giulio Quaggitto and Dr. Mark Speich

Digitisation sets out the promise of empowering the individual through means of technology. It may turn a single person's eyes into the eyes of the world and it might make a single person's voice be heard by the world. Yet this does not come as an automatism. To tap into the resources of empowerment that are promised by digitisation new and traditional forms of learning and education have to go hand in hand.

#### 1. Opportunities

Digital solutions can be scaled at large at far less costs, this opens up opportunities for Civil Society Organisations (CSO) and individuals to develop bottom-up solutions and services that meet a local demand.

It is particular beneficial for innovators from the Global South; inventing and scaling innovations becomes cheap and easy. Global platforms ease distribution of solutions to a wider audience.

If used wisely, digital technology facilitates transparency, participation and access to power; it offers new forms of community development and public consultation (i.e. U-Report in Uganda).

Fast and new access to information: Potentially data-driven innovations give insights into citi-

zens' needs and preferences and help to make better decisions.

Algorithms cannot be bribed. So innovations based on digital technology (e.g. automatized microcredit lending) might be fairer than traditional systems based on human decisions.

## 2. *Prerequisites and challenges*

In the future the main challenge will be the use of technology not access. We are facing a challenge of a Second digital divide between those who use technology to expand their capabilities and influence and those who merely consume it. Hence, we need to build up capacities, invest in education and create incentives for participation. In this respect we do not just need “smart cities”, but also and more importantly “smart citizens”.

Empowerment has to reach beyond ICT capabilities. Creativity and human empathy and care will still be the key drivers of social innovations in a digitized world. Education systems across all age groups will have to take this into account.

Technology has to leave room for empathy. It is not technology as such that is driving innovation, but human needs. This perspective of human need has to be part of the innovation process from the beginning and all the way through. And some needs are very much bred by local circumstances. This limits the power of scaling.

Many of traditional CSOs (generally those form the link between governments and individuals), do not yet make use of digital technology. Mainly because of a lack of capacity. They need support and training in how to make use of technology, how to use it for their specific mission and also how to use it in a safe way.

Asymmetry between the corporate world, partly governments and CSOs and/or individuals, should be (at least partially) offset by a collaborative ecosystem. Intersectoral and/or multidisciplinary approaches ensure to have people with different background and different sectors involved. That requires creating pockets of adaptability and flexibility in organisations still structured by hierarchies and complex decision making.

CSOs usually lack financial resources to prototype solutions. They need access to low-level funds for more trial and error, i.e. innovation funds. The same goes for individuals – access to financial resources is key to allow agile innovation processes.

A fundamental prerequisite for using technology in a sensitive social context is trust in the way individual data is processed and used. This requires clearly set standards of data security and digital human rights.

Do not fall for Solutionism – Digital Technologies will not save the world and most human needs cannot be solved by “disruption” or “creative destruction”. Structural problems will always hinder positive development. A technical solution might solve a particular question but it will hardly revolutionize a system (see also the Arab Spring).

## Thematic Group 4: The future needs integrated solutions

The challenges of today's world are complex and our patterns of behaviour highly specialised. However, the major changes of the future – for example, climate change, scarcity of resources, demographic change, urbanisation and digitisation – can only be mastered with integrated thinking and actions. To this end, players from different disciplines, sectors, institutions and levels must work together more effectively than hitherto in order to develop complementary technological/economic and social solutions. Given the complex challenges, the readiness, ability and structures to think in an interconnected manner and to embark upon innovative paths of cooperation and joint learning are key to shaping a future worth living.

### Key questions in Thematic Group 4:

- Which structures of interdisciplinary cooperation and mutual learning are promising? How do they develop and what makes them successful?
- How can the initiators of technological, economic and social innovations cooperate to develop solutions for social challenges?
- How can national solutions for global challenges be made known and rendered applicable internationally?
- How can global learning be fostered?

### Hosts of Thematic Group 4:

- Mikko Kosonen, Ph.D.  
Sitra, Finland
- Univ.-Prof. Dr. Marion Weissenberger-Eibl  
Fraunhofer Institute for Systems and Innovation Research (ISI)

### Report

by Mikko Kosonen and  
Professor Dr. Marion Weissenberger-Eibl

Governments and societies worldwide are facing unprecedented problems on multiple levels. They stem from globalization and technology which have made economies interdependent, unpredictable and complex. As a result, stakeholders on all political and societal levels need to re-examine how they operate, incorporating new methods, such as thinking strategically around larger goals over longer time frames, adding flexibility to their policies and actions, and creating new modes of stakeholder collaboration at all levels of society.

Today's challenges differ radically from those our ancestors confronted. These challenges are systemic by nature. Systemic challenges are characterised by the high interdependency of a large number of individual factors. Changes to individual factors can therefore have unforeseen consequences. As a result, governments and societies in general find them exceptionally difficult to deal with.

Thus, today's challenges require radically new approaches which are themselves systemic. Simply put, the governance models of most industrialized countries were created to cope with a more orderly and predictable world. Traditional hierarchical organizations and the logic of their policy planning and decision making performed well in the stable socio-economic environment of the post-war decades, capitalizing on reconstruction, steady growth and young and growing populations of hungry consumers moving up the economic ladder. Public institutions could operate with relative autonomy, stable budgets and clearly defined mandates and bureaucratic turf. Unfortunately, in today's turbulent, interdependent, low-growth world, fewer and fewer problems can be addressed via this hierarchical and siloed model. Instead, demand is rising for systemic innovations or integrated solutions that address challenges and problems on different levels. Ideally, they integrate technological and organizational innovations paired with an in-depth understanding of diffusion processes and the logic underlying the actions of different stakeholders.

Thematic group 4 discussed the key questions mentioned above. In his keynote Mikko Kosonen introduced the concept of ‘strategic agility’ as a response to the ‘strategic challenges’ of democratic nation states. The key message of this concept is that wicked cross-societal problems call for integrated solutions that can only be delivered by a strategically agile government. A report co-authored by Mikko Kosonen and Yves Doz provides a conceptual framework and a lot of practical examples on how nation states can enhance their strategic agility.

During the discussion the participants brought up different perspectives and identified several key factors which can contribute to the development and promotion of integrated solutions to address today’s systemic challenges.

### **1. Raising awareness for potentials and chances**

First of all, we need a positive perception of change and the need for change. Today’s challenges won’t allow business-as-usual approaches. Instead, we need to raise awareness for the potentials and chances that lie ahead. To do so, it is important to perceive and understand the perspectives of different players and stakeholders. We can use different starting points for this: We can emphasize positive examples from history. Focusing on the present, we can show how innovative start-up companies are shaping the future and changing the game. In general, we need to push a much broader ‘futures literacy’ in society. People must learn that different futures are possible and that they can help to influence their creation.

### **2. Picturing ambitious goals**

Today’s challenges call for ‘ambitious, almost impossible goals’ in order to get beyond the obvious and known ambitious goals (ref. Kennedy’s ‘put a man in the moon’) force people to seek new solutions from new sources. Interdiscipli-

nary collaboration becomes a must. People need purpose. But, we cannot stop at just describing these goals. We also need to complement them with concrete actions and processes: How are we going to reach these goals? At the same time, we should answer the question about what happens if we don’t reach them. This is also part of the futures literacy mentioned above. Foresight, i.e. looking ahead to possible developments and the consequences of actions is an ongoing task for politics as well as for society. Based on our findings and assumptions, we need to tell people a story – the story of a positive future and a vision that will inspire them to act. This will provide a strong foundation for agility and societal participation.

### **3. Promoting an open innovation culture**

Innovation is not just the responsibility of the well-educated and companies but also the ‘right’ of every ‘man on the street’ and public sector people and organizations. If people see the opportunities and embrace a set of common targets, we will have an excellent foundation for an open innovation culture. But such an innovation culture is much more than this. It is characterized by curiosity. Mistakes are not seen as imperfections, but as a chance to learn and improve. Being willing to take risks is appreciated and failure is accepted. All this requires the ability to criticize and be criticized. But, innovation and cross-disciplinary collaboration (a requirement for innovation and integrated solutions) are not easy in societies where the whole education system has been built for efficiency, not creativity. We should emphasize more in the future these qualities in our education systems. To develop these abilities, appropriate experimental spaces are needed. These spaces provide the opportunity for private initiatives and players from different subcultures to give new and unconventional ideas a go and to build new networks.



#### 4. *Providing platforms for experiments and exchange*

This is why stakeholders from politics, the economy, and society should set up and maintain platforms where people and initiatives can gain and exchange experiences. These platforms can be supranationally, nationally or regionally coordinated, or self-organized and can form the nucleus for merging skills and expertise from different technological and industrial sectors as well as from different social backgrounds. It might even be possible to use them to put established stakeholders and companies in touch with new entrepreneurs and start-ups. Digital technologies could be used to promote such platforms.

#### 5. *Fostering cross-level integration*

Experimental platforms could serve as a role model for the much broader approach needed to address today's challenges. As we are looking for more systemic innovations, we need to be able to integrate different levels of actions and solutions. We need to develop the ability to adopt multi-level perspectives. This does not just mean integrating the perspectives, proposals and underlying logics of actions of politics, science, and the economy, but also that different stakeholders, technologies and resources have to be linked with each other. And, in the end, it means that the prerequisites and consequences of targets and decisions have to be assessed at the same time.

Tackling today's and future challenges is indeed demanding. We need new ways of working (governance and management innovations) to unleash the full potential of innovation. Instead of vertical siloes we need to start thinking and organizing around layers of horizontal (value adding) platforms. We also need to become better at networking as employment will be more around 'projects' in the future. We also need new vocabulary to change our 'industrial era' mental models. We still talk about centralization OR de-centralization in an era where one can have both at the same time. Networks and platforms enable the benefits of centralization and decentralization at the same time. If these prerequisites are met, it seems possible to jointly initiate the transition processes of the 21st century.



Participants at the 2nd International German Forum

#### **Thematic Group 5: The role of politics in the cooperation of players**

Politics can contribute in many different ways to a society's capacity for innovation. Whether it be through innovation within the political system (e.g. new structures and modes of government activity), as drivers or promoters of technological and social innovations (e.g. through framework conditions and incentives) or via values and consensus building in society (e.g. by fostering curiosity, openness to technology and acceptance). And through a range of instruments such as financing and incentives, as well as information and participation, it can ensure the dissemination of societal innovations in the sense of a desirable future worth living. Policy makers thus have a supporting, pioneering and normative function and are themselves called upon to be innovative. For policy makers, too, the following applies: more than ever, innovation requires cooperation among the players in all disciplines, institutions and hierarchies.

#### **Key questions in Thematic Group 5:**

- How do social systems react to new demands and what makes them receptive for innovations and the social impact which is often triggered?
- What role can policy makers play in fostering a modern innovative culture and thus contribute to resolving major social challenges?
- How can the state effectively promote systematic innovative processes?
- How can the capacity for innovation of politics and administration be strengthened?

#### **Hosts of Thematic Group 5:**

- Christian Bason  
Danish Design Centre, Denmark
- Engelbert Beyer  
German Federal Ministry of Education and Research

## Report by Christian Bason and Engelbert Beyer

### Driving Policy through Collaboration

In this forum we are essentially examining the emerging profession of twenty-first century policy design. It's about time we begin to build a glossary of the key terms and key concepts that we need to embrace and understand.

The group discussed the role of politics and policy and the definition of politics. One definition, proposed by the political scientist David Easton, is that politics concerns the authoritative distribution of resources in a society. But another stream of conversation could be: "What difference does policy make"? Instead of asking who gets what, we could ask ourselves what difference the things we are doing make to someone. It raises the question of what that kind of government could look like. What do political institutions and systems look like if they are built not for distribution, control or compliance, but for change, emergence and openness? The group discussed five themes and as a result it has phrased five questions.

#### 1. *The willingness to take risks*

The first theme is the question of risk. There's a lot of worry that there's not enough appetite in government institutions to do what it takes to get social innovation off the ground, to enhance wellbeing and to experiment. Increasingly, modern governments aim to increase wellbeing, create a better economy AND enhance environmental sustainability. That is an extremely tall order. We can't discover ways of doing all three things at the same time without experimenting. One suggestion is that governments need to say: "We are crafting a range of regulations, we are conducting a multitude of programs, and we are making various investments. Some of these efforts will not work. But we will learn rapidly from what's not working, and we will adjust and make it work." The questions are: When is it OK for governments to experiment? What does it take to carry out a legitimate policy of social experimentation?

#### 2. *Innovation skills and capacity*

The second discussion concerns skills and capacities for innovation. One way of capacity building is to build it into the education system. Build innovation as a course into our primary schools and start teaching kids about creativity, invention and change. But do we have the luxury of waiting for that capacity to emerge until the next generation grows up? Can we wait another 20 years, or do we need to do something now? And if we do need to act now, we need a different model of capacity building: What does it mean to rapidly build societal capacity for innovation, and perhaps even to build it through doing?

#### 3. *Freedom versus control*

Next is the related discussion on freedom. This opens up a whole conversation about the role of government. How do we create space and in a sense get government a bit out of the way for civic society actors, businesses and citizens to play their role? What's the right doses of freedom needed? The state makes investments, establishes frameworks and themes for innovation, and the state may act as a moderator. But could it step back entirely from certain fields of innovation activity? This raises questions such as: Will the state ever want to give control away, should it give control away, and what does it actually mean to give control away?

#### 4. *Participation and leadership*

Linked to this is the discussion on participation. Even though governments make massive investments in innovation, in most countries the private sector makes even more. There's no government monopoly on innovation, innovation can come from anywhere in society and should serve society. So how do we create access and take some of the pieces and tools from the traditional innovation systems such as R&D-systems, and shift them into other sectors and fields? How do we take the tools and mechanisms that are proven to work and let them be applied for citizen participation and social innovation, so citizens become creators of their own future? How do governments become platforms for co-designing and co-creating with society?

Government as a facilitating platform sounds very neutral. But of course politics are never neutral, and we therefore need to address the question of leadership, of stewardship, direction and intent. We can all agree that a term like wellbeing sounds nice, but what does it actually mean? What is the direction and how do we know we are getting more wellbeing? Is wellbeing the same to one group as to another one? The question is: How does government convincingly and legitimately put out goal posts in the future that are open enough but still give us a sense of what the future might look like and then brings back the political, brings back the leadership?

### 5. *Insist, persist*

The final point stated in the group session was that societies need to insist more and perhaps be more resilient when pursuing innovations. This goes for government as well as for business and civil society. The questions would be: Do we give up too easily? Are we sufficiently persistent, also for the long run? Are we insisting that we wish to make a real dent in the wickedly complex problems?

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***“Increasingly, modern governments aim to increase wellbeing, create a better economy AND enhance environmental sustainability.”***

CHRISTIAN BASON AND ENGELBERT BEYER

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## Conclusions from the Thematic Groups

The participants' intensive discussions in the five thematic groups demonstrated the relevance of the topics and the importance of international dialogue on matters pertaining to the creation of a liveable future. As a result, the groups came up with numerous ideas for expert and political action to boost society's capacity for innovation, in line with the goals of the 2nd International German Forum. Collaborative and focused on the need for solutions, the dialogue in the groups showed how international and interdisciplinary exchange can enable

people to talk openly about social challenges and opportunities and discuss possible approaches and options for action together. Both built on and going beyond the specificities of different countries, sectors and disciplines, such dialogue makes it possible to learn not only about one another but from one another too. The group discussions at the 2nd International German Forum thus laid foundations and opened up avenues for global learning on innovation and society.





Chancellor Dr. Angela Merkel making her opening remarks

### Conversation with Federal Chancellor Dr. Angela Merkel

In her introduction, the Federal Chancellor called for greater openness to processes of societal transformation. In view of the many geopolitical challenges and complex tasks we are facing today, such as climate change, peace related matters and sustainable use of resources – topics which were also discussed at the G7 level – societies around the world needed fresh, innovative solutions, Merkel said. She emphasised the point that capacity for innovation was therefore particularly relevant to advanced industrialised economies like Germany too, given their relatively strong tendency, caused by their experience of success, to stick to the familiar. “Cooperative banks must not remain our last ever social innovation,” she said, pointing out that while there were a lot of good new ideas in Germany, it was often difficult to get them embraced and implemented.

In this context, the Chancellor insisted, innovation also meant “walking new roads” and “breaking out of known circles”. She said this would not least require intercultural understanding and the ability to “look beyond one’s own horizons” to immerse oneself in other countries’ realities and ways of thinking. It

was therefore essential, Merkel extrapolated, to return to the idea of a broader approach to education in the spirit of *Alexander von Humboldt*, in order to have even some understanding of the world. She also pointed out the importance of tolerance and mutual respect. “Tolerance is a great virtue, which is something that probably needs to be learned through social interaction,” Merkel said.

The Chancellor made clear that Germany had good reason to learn from other countries and see what good ideas were on the go around the world. The same was true of Europe, she added: “We Europeans need to learn that the world doesn’t revolve around us alone.” While on the subject, she emphasised the potential for global interconnectivity we enjoy today and the increased chances for sharing ideas and knowledge provided by digitisation. It was important, Merkel said, to use this opportunity productively and responsibly.

Following the Federal Chancellor’s introductory remarks, five foreign representatives presented their various perspectives and approaches in relation to the subject “Innovation and Society”.



John Kao, USA, making his statement

**John Kao**, US innovation researcher and chair of the California based *Institute for Large Scale Innovation (ILSI)*, described current engagement with the subject of innovation as a proto science, saying, “We’ve only seen the first ten minutes of the movie so far.” It was vital, he said, for societies to define as clearly as possible what innovation meant to them and what developments they expected to get out of it. As he put it, if innovation is the big answer everyone is looking for, then we should start off by knowing what question we are asking. Building on that, he went on, each country and each society ought to develop its own narrative and its own strategies. “People need a good narrative, a good story, if they’re going to accept change,” Kao underlined. Moreover, he said, Germany was one of the few countries which possessed not only the strength but also the moral authority to initiate change even beyond its own borders. Kao went on to emphasise how important it is nowadays to educate young people in such a way as to make them active innovators who bring positive change to their societies.

“More than anything else, innovation means problem solving,” said **Juliana Rotich**, founder and executive director of the Kenyan technology firm *Ushahidi*. What was needed to solve problems and initiate social change, she went on, was a culture of openness to innovation and creative spaces – a kind of ecosystem – in which every person could help tackle those tasks. Rotich gave her own business as an example. *Ushahidi* was established as an online platform where people could find information about, for instance, political unrest or natural disasters on digital maps and contribute their own. That process of gathering and processing information, based on open source software, alongside unin-

dered access to information, were crucial to the transformation of a society, Rotich averred.



Juliana Rotich, Kenya, making her statement

Innovation doesn’t necessarily mean complex new advances at the highest level of technological development – as **Suneet Singh Tuli**, founder and CEO of Indian Canadian company *DataWind*, made clear. Tuli develops affordable technology, such as tablets, which enable the world’s three billion poorest people to access the digital world and digital opportunities for education. “I believe that access to computers and the internet should be a fundamental human right these days,” Tuli said, going on to point out that such access was also crucial to the positive development of an innovation friendly society: “A more closely interconnected world will not only promote education and trade, but will also result in a tolerant and stronger society.”



Suneet Singh Tuli, India/Canada, making his statement





Alessandra Orofino, Brazil, making her statement

**Alessandra Orofino**, founder and chief executive of *Meu Rio*, a Brazilian online platform for civic participation in Rio de Janeiro, outlined the potential that digitisation held for processes of social change. In view of the many challenges most particularly facing major cities today, she posited, it was important to get ordinary people involved long term in shaping their environment. Platforms like *Meu Rio* could help here, especially when it came to locally relevant matters like urban mobility, the use of wastelands and the distribution of city budgets, Orofino said. *“My generation’s options for playing a part in public policy are very different to those my parents’ generation had,”* she underlined. Nonetheless, she went on, digital tools of this kind were only aids, not a universal remedy: *“Technology changes politics, but it doesn’t automatically lead to more openness or better policy.”*

**Geoff Mulgan**, chief executive of the UK based non-profit organisation *Nesta* (*National Endowment for Science, Technology and the Arts*), emphasised how important social innovation was to society and advised Germany to prioritise it more. He said that, while Germany had a global reputation as a technological powerhouse, it was not seen as a powerhouse of ideas in the social sphere, such as in the area of social integration. *“I believe, however, that this is exactly what the world would like to see more of,”* Mulgan went on. The conditions for this were in place, he said, including a sound market economy and strong civil society. Mulgan suggested that social innovation now had to be approached just as systematically as technological innovation, with targeted action to translate theoretical knowledge into prosperity and quality of life. It was crucial, he

said, for people with hands on experience and representatives of organised civil society to be involved in that process, since the theory was in fact lagging behind actual practice in many areas. Mulgan also emphasised the fact that such a change also presented a cultural challenge, not least for the government. He summed up the idea with an analogy: *“It’s like training new muscles.”*



Geoff Mulgan, UK, making his statement

**Afterwards, the Chancellor talked to the participants at the 2nd International German Forum about the possible avenues for increasing innovativeness and quality of life.**

One observation was that incremental innovation – step by step change – worked very well in Germany, the automobile industry being a prime example, whereas there was far less readiness to engage in disruptive innovation – fundamental change that massively alters existing rules and systems. **Herrmann Hauser** of *Amadeus Capital Partners* made the point that it was important also to break up existing systems and patterns rather than always do things the way they have always been done before. Germany, he said, needed more openness to that idea and greater readiness to invest venture capital in new areas. Professor of Economics **Han Zheng** of *Tongji University* in Shanghai, China, followed this up by advising openness to risk and a culture of accepting and making productive use of the fact that mistakes happen. Only a small proportion of the attempts made to solve problems actually resulted in success, he said, and usually there wasn’t one right answer anyway. Much greater use was made of the trial and error method in Asia, for example, than in Europe,

he claimed. The Federal Chancellor also affirmed that “*innovation and unknown risk go hand in hand*”. **Christian Bason** of the *Danish Design Centre* underlined the essential need to test new procedures in real conditions, systematise lessons learned, produce prototypes and finally implement and disseminate the new ideas across a broad field if good new solutions are to be developed. We cannot wait for the next generation to develop the capabilities to deal with these tasks, he said; we need to start the process now.

Emphasis was also placed on how important a spirit of enterprise is to innovation – especially in combination with a sense of social responsibility. An innovative society, the view was, needs people who take responsibility for the challenges of the day and initiate change. In analogy to the way Germany took a new direction on energy with its “Energie-wende” (energy transition), **Felix Oldenburg** of *Ashoka Deutschland* proposed a paradigm shift at the social level enabling smaller units to contribute in a decentralised way to improvements and social innovation. Merkel pointed out what this could also mean for established organisations, like Germany’s larger charities: they might step away from familiar paths and engage in discourse about new methods and forms of cooperation at the local and federal state levels.

The idea of making innovation, or an “innovation principle”, part of political decision making processes right from the start and taking it into account more when weighing up risks was also discussed as a possible way of dealing with challenges and developing new solutions.

**Joann Halpern** of the *German Center for Research and Innovation* in New York pointed out how valuable innovation was to modern urban management and described how New York City’s open data policy acted like an innovation competition for entrepreneurs all over the city, triggering many solutions to the challenges facing city administrators.

**Mikko Kosonen** from the Finnish innovation agency *Sitra* expressed his wish that governments – especially in Europe – would not let themselves be guided too much by populist decision and would work yet more intensively on innovation in governance.

After all, he said, for all the great potential there may be among the general public, it was governments which were ultimately responsible for ensuring competitiveness and the wellbeing of their countries’ populations.

The point was also raised that it was very important to make innovation, especially social innovation, more of an integral topic in university teaching. With reference to the declaration on social innovation in Germany “*Soziale Innovationen für Deutschland*”, Professor **Jürgen Howaldt** of *Technical University Dortmund* underlined the need for all forces and players in society, be they political, economic, academic or from civil society, to be actively involved if social innovations are to take hold.

The discussion also covered providing young people with the right education and support to make them capable of developing innovative and viable solutions to challenges. As **Dr Mark Speich** of the *Vodafone Foundation Germany* pointed out, this involved the issue of how adaptable education systems were and how quickly they could implement innovations. In view of the huge changes being wrought by digitisation, in labour markets as elsewhere, it was particularly important for education systems to prepare young people for the new situation, Speich said.

Federal Chancellor Merkel thanked the participants for their ideas and for the lively discussion. She named reforming the education system as one of the areas where Germany needed to take action in relation to its capacity for innovation. Fostering the skills needed to deal with complicated situations and the related risks should, she said, be a core element of the education system. In that context, Merkel also expressed the wish for a generally more positive and constructive approach to unknown risks. She gave the example of digitisation, saying it could, if used well and responsibly, be a fantastic opportunity to connect people and ideas to an unprecedented extent and thereby boost societies’ capacity for innovation.

Germany’s development policy was another area where Merkel saw the need for greater specific engagement with innovations, digitisation and the topic of innovativeness. We had to ask ourselves,



she said, how conventional development assistance could be changed and improved. Strengthening, and cooperating with, civil society in partner countries would be crucial to the success of that venture, she said.

Lastly, Merkel explained her view that innovation seemed to be strongest in those areas where people's responsible freedom was most well protected. That, she said, enabled them to make the best possi-

ble use of their many gifts, skills and talents, to maintain and enhance their quality of life.

In closing the Federal Chancellor underlined the Federal Government's wish to partake in a network for global learning and to discuss matters of relevance to many countries' futures. The International German Forum provides the context for such a network



Discussion at the 2nd International German Forum



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