



Multi-stakeholder Social Innovation to Face the Social Challenges of Latin America and the Caribbean

MATÍAS BIANCHI, FLORENCIA CODA AND SOFÍA SANTAMARINA
ASUNTOS DEL SUR

SOCIAL COHESION
learning
Series

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(in Latin America) ... we face many barriers, to improve our quality of life, to be able to exercise basic rights, to improve the life of society and the planet, we are obliged to adapt, to develop capacities to be able to find solutions. Social innovation is a response to these barriers

(Interview with Cristina Yoshida Fernandes, Disruptive Design Collective)

I. Introduction

After a decade of poor economic performance and little progress in social rights, Latin America and the Caribbean (LAC) in the post-pandemic situation find themselves in a critical situation of exacerbation of inequalities and setbacks in terms of extreme poverty, with similar levels to those of the turn of the century (ECLAC, 2021).

- A third of Latin Americans (181 million people) live in poverty, but this increases to 42.5% among the child and adolescent population, and exceeds the average among women, the indigenous population and people living in rural areas (ECLAC, 2023).
- 6.3%, nearly 37 million people, are multidimensionally poor ([UNDP](#)), a value that reaches 11%, according to ECLAC extreme poverty measurements (2023).
- Between 36% (in South America and Mesoamerica) and 60% (in the Caribbean) of the population suffers from food insecurity (UN, 2023).
- The income of the middle and low sectors has not managed to recover since the pandemic (World Bank, 2022) and 1 in 2 employed people are in the informal sector, with incomes below the minimum wage, without labour rights or social security.
- Women's employment rates remain well below those of their male peers (52% to 74%, respectively) (ECLAC, 2023).
- Less than 50% of the LAC population has fixed broadband connectivity, substantially below the average for OECD countries, and only between 5% and 15% of adults have computer skills (World Bank, 2021).

As a corollary, poor growth is projected for the coming years – ECLAC (2023) projects GDP growth rates close to 1.5% – which will coincide with structural development

agendas linked to the green transition, climate change mitigation, digital transformation and persistent violence. For these reasons, **digital transformation is an opportunity to improve productivity, promote inclusion and promote sustainability.**

Unfortunately, **social spending has fallen** from the maximum invested in 2020, with an even sharper adjustment among the countries in the Caribbean (ECLAC, 2023). In some countries, despite the strong social investment made, multidimensional poverty continues to increase due to structural problems, dual productive structures and poor directionality of said investment (Red/Acción, 2022).

Given the complexity of these multidimensional, structural and intertwined social challenges marked by high uncertainty and with profound and diverse impacts, **social investment needs to be innovative.** These types of problems cannot be resolved unilaterally, from the partial perspectives of a single government or a particular community (Emerson and Nabatchi, 2014; Cyr et al. 2021), but on the contrary, they demand the collective intelligence of society's various stakeholders.

Faced with delegitimised States, with multiple outstanding social debts (Latino-barómetro, 2023; International IDEA, 2023), budgetary restrictions and rigid, strongly hierarchical public agencies, multi-stakeholder collaborative governance is presented as an attractive approach which has the potential to gather the economic, institutional and legitimacy resources dispersed within society.

For these reasons, this work puts forward *Multi-stakeholder Social Innovation (MSI)*, understood as the intersection between collective intelligence and collaborative governance, as a tool to address the social challenges facing the region in a sustainable, adaptable and scalable way. As will be demonstrated, in recent years social innovation in LAC has been focused on approaches dealing with the fight against poverty, with a lack of a comprehensive view that encompasses intersection with other current challenges. On the contrary, MSI applied to digital transformation and green transition issues is a tool to address interrelated challenges in a comprehensive and long-term manner.

The European Union's Global Gateway Investment Agenda (GGIA) focuses on key strategic areas that provide solutions to the various challenges of the current geopolitical context, prioritising 5 sectors: 1) Digital: with the aim of reducing the digital divide and supporting partner countries in integrating the global digital ecosystem; 2) Climate and Energy: to contribute to climate mitigation and resilience and promote the use of clean energy; 3) Transport: global infrastructure investments that create sustainable, smart, resilient, inclusive and safe networks; 4) Health: prioritising the strengthening of health capacities, as well as strategies to face possible pandemics and endemic diseases still in many countries (malaria, yellow fever or HIV/AIDS among others); 5) Education

and Research: quality education from an inclusive approach, so that vulnerable groups also have access, and reinforcing cooperation in research and innovation.

Taking advantage of the GGIA's investments, social innovation initiatives can be developed in these sectors and the MSI can be a strategy/tool to create associations with a 360° approach, in which investments contribute to the benefit of all, with the participation of non-governmental, private and public agents.

This work is organised as follows. Firstly, the fundamental elements of social innovation are identified, through the systematisation of the definitions that the literature, particularly that of multilateral organisations, has provided on social innovation. Secondly, the specific natures and trends of the social innovation agenda in LAC are characterised. Following this, the work outlines some priority agendas for the green and digital transition that need to be addressed by multi-stakeholder social innovation so that they are fair and sustainable transformations. Next, an intervention model is put forward to identify how to promote multi-stakeholder social innovation in the region. Finally, recommendations are given for addressing multi-stakeholder social innovation in LAC.

II. Elements of Social Innovation

In the early 2000s and after the crisis of the neoliberal reforms of the time, multilateral and international organisations began to give greater relevance to social innovation, through systematisations, supporting it from different perspectives and incorporating social innovation within its programmatic guidelines (Nicholls et al., 2015).

Although there are many definitions of social innovation, there is no general consensus on its defining elements. For this reason, different definitions of Social Innovation (SI) given by multilateral organisations that intervene in Latin America and the Caribbean were firstly reviewed to analyse certain highlighted aspects.

Table I - Definitions of Social Innovation given by multilateral organisations

Institution	Definition
IDB, 2013	This offers a scalable solution to a well-defined social problem. Social innovation involves new solutions to challenges faced by people, whose needs are not resolved by the market and which have a positive impact on society. They have to be carried out through an inclusive process, bringing in the beneficiaries to adequately define the problem and using public-private-citizen alliances to develop the solution. It must design instruments that allow marginalised people to communicate their challenges and needs.
ECLAC, 2010	New forms of management, administration, execution, new instruments or tools, new combinations of factors aimed at improving the social and living conditions in general of the population of the region.
CAF, 2015	Ideas, products, services, processes and models for the development of useful and sustainable solutions to social challenges (human development and poverty alleviation).
OECD, 2021	Design and application of new solutions that involve conceptual, process, product or organisational changes, whose ultimate objective is to improve people and community well-being.
European Union, 2011	New ideas, institutions or ways of working that meet social needs more effectively than existing methods.
SEGIB, 2021	A new, more effective, efficient, sustainable and fairer solution to a social or environmental problem.

Source: work of the authors.

The **Inter-American Development Bank (IDB)** considers that the SI is an instrument to improve equity. Its definition highlights two central elements: 1. the population affected by the problem to be addressed must be involved and mechanisms must be designed to facilitate this; and 2. multi-stakeholder cooperation and collaboration are essential.

The SI is therefore a space of intersection between a community that shares a problem and those who have the knowledge, resources and networks to solve it. In this regard, it starts from a bottom-up approach from which the focus must be on serving citizens and including the affected groups (Guaipatín and Humphreys, 2014). The involvement of affected people is essential at all stages, from problem definition, design, monitoring and evaluation of the proposed solution. Their participation ensures that the solutions are relevant and sustainable (Ojanperä, 2014; Cyr, et al., 2021).

Regarding the notion of “the new” in the social response, this can be problematic if it does not involve the ideas of adaptation and replicability of already existing policies, which can be adapted to the context. The proliferation of “new” innovations can lead to isolated instruments, instead of scaling, improving or adapting what exists. This is especially relevant in Latin America and the Caribbean, where there is a general context of high inequality, urgent needs and limited resources.

In contrast to this notion of the *new*, **ECLAC** places the emphasis on *adaptation*, that is, “innovation” that is not limited only to totally new ideas or those never previously implemented. In turn, adaptation is closely linked to sustainability and replicability, so that an SI initiative must be replicable, have the capacity to adapt and be sustainable over time.

ECLAC (2010) shares the IDB’s view that community participation in defining the problem is central, due to in-depth knowledge of the area and the possibilities of implementing actions there. For active involvement to promote a feeling of belonging, participation must occur in all stages of SI so that, if an adjustment is necessary, the community is involved and has the knowledge to make the change (Rey de Marulanda, 2010).

SI also involves networking and collaborative work. Each stakeholder has specific knowledge and technical capabilities and contributes to political articulation, which requires political will, vision, and the ability to foster and preserve alliances (Rey de Marulanda, 2010).

For its part, the **Development Bank of Latin America and the Caribbean (CAF)** provides a novel contribution by saying that SI can originate in the public, private or social sector, among citizens, hybrid institutions and/or social movements. Therefore, it is no longer necessary for the affected community to participate right from the definition of

the problem, although it must be involved throughout the development. In this process, multi-stakeholder collaboration makes it possible to capture the global knowledge of all the stakeholders involved and enhance the impact of the initiative. Like ECLAC, it gives importance to the sustainability of innovative initiatives, to meet development and poverty reduction objectives.

The **Organisation for Economic Cooperation and Development** (OECD) promotes innovation in the region as a framework for the design and implementation of public policies aimed at social inclusion, productivity, democratic governance and care of the environment (OECD, 2011). It understands that SI, unlike traditional innovation, has a positive social result. These types of innovations tend to originate locally and begin a multi-stakeholder collaborative process with the capacity for permanent expansion and incorporation of new stakeholders from other relevant sectors (OECD, 2021).

The OECD (2021) emphasises the importance of political frameworks, that is, that multi-stakeholder innovation requires a conducive political framework that supports, encourages and facilitates the conditions for the co-creation and application of socially innovative solutions for public agents, civil society and private stakeholders. The institutional framework is part of the initial conditions that provide the window of opportunity for the emergence and development of the innovation ecosystem.

For the **European Union** (EU), innovation must be social in both its ends and its means, which entails that, in addition to the solution to the problem, it must provide good practices and add value to society. The process, then, takes on special importance.

The EU agrees with ECLAC in two aspects. Firstly, in that it may entail adaptation or replicability. Secondly, in the relevance of multi-stakeholder collaboration in the process of scalability of the response. At the same time, it expresses its concern about the role of the private sector and the possibility of conflicts of interest (EU, 2011). For this reason, a multi-stakeholder collaboration that establishes rules and responsibilities between the stakeholders involved is essential in guaranteeing greater transparency.

In line with what is proposed by CAF, it warns about abusing the bottom-up approach and considering any initiative originating at the community level social innovation (EU, 2011). Despite recognising the central role of the community and the local level in defining the problem, innovation can also emerge top-down, when the political sector, business and/or opinion leaders and academics propose and apply new ways of addressing social problems. In this regard, citizens play a relevant role in the conception of social innovation in the EU and in promoting participatory and empowering processes, but this does not mean that they are the only stakeholder that initiates innovation.

Another warning that the EU highlights is the risk of conceiving SI as a universal panacea (EU, 2011). Therefore, it recommends an in-depth review of the impact and limitations of the innovation in each particular case to be implemented.

For its part, the **Ibero-American General Secretariat** (SEGIB), in its definition, adds the types of problems that social innovation needs to address, whether social or environmental problems. For this institution, innovation is transforming and enables the socio-ecological transition – from degenerative models to regenerative models – that allows the planet’s health and society’s well-being to be sustained. Hence, social innovation is complemented by other types of innovation: public, citizen, technological, ancestral indigenous and natural or biomimicry. Closely related to this, citizen innovation places emphasis on the incorporation of open technologies and methodologies (digital, social, ancestral) in the proposed social solutions. The relevance of these methodologies lies in the idea that citizens are no longer passive recipients of institutional actions, and become leaders and producers of their own solutions.

From this review, we can see a consensus among multilateral organisations on the attributes of social innovation: inclusive, scalable, adaptable and sustainable. Likewise, there is also a consensus on the mechanisms necessary for its operation:

1. it is aimed at solving a *social problem* and therefore at improving people’s living conditions and reducing inequalities;
2. the *involvement of the community* or affected group is essential throughout the entire process to promote the innovation, legitimacy and impact of the solutions;
3. active participation is enhanced if it is *collaborative with other stakeholders from different* sectors that provide complementary visions, resources and capabilities;
 - a. the demand and need for social innovation can arise from the affected community (bottom-up) or be promoted by the public-private sector, academia or opinion leaders (top-down);
4. it requires new management models that promote and facilitate innovation.

Going back to these attributes and mechanisms, in section V, a model of Multi-stakeholder Social Innovation (MSI) is proposed, based on collective intelligence and collaborative governance.

III. What is the social innovation in Latin America and the Caribbean like?

Leaving behind the conceptual review, it is necessary to investigate and delve into the specific features of Latin America and the Caribbean. In other words, its characteristics, the participating stakeholders and how they relate to each other, and what opportunities are presented in the countries of the region for SI.

The Social Innovation Index (The Economist, 2016) measures the social innovation capacity of 45 G20 and OECD countries, according to four indicators: (1) their institutional and policy framework, (2) the availability of financing, (3) their level of entrepreneurship and, finally, (4) the depth of their civil society networks. **The leaders in the region are Chile (18), Colombia (25), Costa Rica (31), Argentina (31), Mexico (32), Uruguay (35), Brazil (36) and Paraguay (44).** In this index, Chile is the country of the region that stands out in 9th place out of 45 in terms of its institutional and political framework, for encouraging innovation through the promotion of start-ups and entrepreneurship. Colombia and Costa Rica have more available financing (from the public, private, international and mixed sectors) in the region. Whereas the ranking of the rest of the countries show no variations in the aforementioned indicators.

The index is relevant to provide clarity on the general state of SI in the region, but it remains to review particular initiatives in depth. Therefore, it is necessary to review specific SI mappings and experiences to identify innovation trends in LAC. Table II reports on this review, which highlights that the last revised mapping dates from 2020, while the specific cases are from 2021. These were included as recognised by multilateral organisations for their excellence in innovation.

To complement the information, in-depth interviews were conducted with experts in SI implementation and management from different sectors (private, public, civil society and multilateral organisations¹).

1. The transcripts of the in-depth interviews are included in the research annex.

The data show that **SI initiatives:**

- **are concentrated in Colombia, Chile and Brazil, while Guatemala and Costa Rica lead in Central America;**
- **co-creation spaces for social innovation work mainly in cities and only 20% work in urban and rural areas** (Hivos, 2020).
- There are **opportunities and potential to address SI in rural areas**, which present greater vulnerabilities: poverty rates (45.7%) and extreme poverty (21.7%) in rural areas are between two and three times higher than in urban areas ([ECLAC, 2019](#)), and are even greater among women and young people.

a. Social innovation trends

Six trends are presented below that highlight the mappings and interviews on SI in LAC:

1. Topics focused on reducing poverty

LAC is the most unequal region in the world, so it is no coincidence that **most of the region's innovation initiatives seek to reduce poverty and inequalities**. According to ECLAC (2008) mapping, of more than 1000 initiatives globally and 52 in Latin America (Social Innovation-Driving Force of Social Change, SI-DRIVE), most address poverty and sustainable development. Similar to a mapping carried out by ESADE (2018) that reviews digital social innovation, which focuses on alleviating poverty, followed by health and well-being, decent work and economic growth, sustainable cities and communities. In Brazil, SI predominates in the south and in the north, and is concentrated on issues of poverty reduction, as in Colombia, according to surveys from the Hilando initiative of 2012 and 2013.

The private sector also tends to lean towards **traditional social problems**, such as poverty and education, generally through actions of corporate social responsibility, and the search for solutions through the incorporation of new technologies. This leads to the predomination of an innovative view focused on technology.

"Especially when it comes to poverty eradication policies, or in the discussion of monetary transfers and in the face of budget limitations, States say that we have to work in partnership with the private sector"².

Meanwhile the **least-addressed** problems, according to ESADE (2018), **are gender equality, clean water and sanitation, underwater life, terrestrial ecosystem and**

2. Interview with Sara Nogueira, Social Inclusion, OAS.

climate action. For its part, the mapping by ECLAC (2008) shows that the topics least addressed by SI are **education and employment, and lastly health and social assistance.**

2. Lack of government support

Both the mappings and experiences reviewed, as well as the people interviewed, agree that **public sector participation in SI is low.** When it does happen, it mainly comes **in the form of involvement at the local level** in the execution phase: *“with local governments you can achieve faster results and easier or earlier access”*³. In general, **national governments engage in SI initiatives at advanced stages,** when they are already under way and show relevant results. This central stakeholder, *“before getting involved in something that is going to become a permanent expense, has to be very sure and see the results”*⁴. In any case, the interviewees have mentioned that **when there is a government area,** albeit an office or direction **of innovation, projects are more successful** and impact on more people.

According to a mapping by SEGIB (2016), **not all SI projects manage to influence public policy, despite this being a main objective, but a large part are generally consulted for consideration** by the State. This mapping reports that 58% of the initiatives have been considered pilot experiences of national programmes, and 42% have failed to generate any type of impact.

Those responsible for the implementation of innovation highlight that **political will affects the possibility of institutionalisation of SI** in a public policy: changes in government, the difference between political times and public administration, the difference between the approach to innovation and the traditional one, generate extensive difficulties in formalising social innovation. In Mexico, for example, changes in government make the continuity of some projects difficult (Cepeda-Mayorga and Palavicini, 2019). Since innovative initiatives usually take several years, ruling party changes have led to some programmes being undervalued and questioned. In this regard **there is a demand to develop tolerance, empathy and dialogue as part of SI culture.** In the interviews it was mentioned that, *“Sometimes it is difficult to bring a new way of doing things, of developing projects, responding to problems or reinventing oneself, so being able to develop a culture of innovation within institutions and organisations is obviously also a barrier on social innovation”*⁵.

According to SI implementers (Hivos, 2020), there is little consideration by public stakeholders for SI work to contribute to modifying public policy or generating

3. Interview with Lucía Lloreda Mera, AFE

4. Interview recovered from <https://www.pagina12.com.ar/diario/sociedad/subnotas/157246-50419-2010-11-21.html>

5. Interview with Cristina Yoshida Fernandes, Disruptive Design Collective.

information spaces for decision-making. This is to be expected given that government participation in the initiatives is low. In any case, the data reviewed (ESADE, 2018; SEG-IB, 2016) show that **the participation of the public sector is key, since support from this stakeholder exponentially increases the probability of achieving a high impact**, the possibility of scale with a social perspective and continuity given the budget to continue in operation.

“One of the most important challenges we have in the region is that we have an institutional culture in Latin America and the Caribbean that is precisely not a culture very open to innovation. This is because the institutions have bureaucratic processes, in some cases they are well-established and although there is a desire on the part of the technicians to do things differently, on a day-to-day basis they need the authorisation of the minister, who indicates that they must follow law, policy and their regulations”⁶

3. Leadership of civil society as initiator of SI

Civil society organisations are those which implement SI the most in LAC according to **the vast majority of the mappings reviewed** (ECLAC, ESADE, SEGIB, Hilando). This seems to be associated with the fact that such organisations have the technical knowledge to implement it and that, due to their objectives, they are strongly rooted and trusted by the area, so they have methodological tools to involve the communities. They also tend to have more agile processes with less bureaucracy, which also enhances trust and territorial ties. They are generally bottom-up processes, where community participation is developed in all parts of the process, but especially in the diagnosis.

“Methodologies and tools must be created adapted to the environments [...] Participation processes matter in the process of designing innovation.”⁷

Only one mapping (HIVOS) mentions that the majority are private initiatives (64%), followed by civil society (35%) and only 6% are government initiatives.

4. Active community participation and appropriation

The vast majority of the mappings highlight the fact that **community participation is an enhancer**, adding legitimacy to the innovative initiative, but that **there must be leadership assigned from the beginning to ensure the flow of communication**. A certain degree of community organisation is necessary.

In cases where they found a community without organisational structures, there was also investment in building leadership in the community. For example, in

6. Interview with Sara Noguera, Social Inclusion, OAS.

7. Interview with Cristina Yoshida Fernandes, Disruptive Design Collective.

Peru, in an initiative that sought to create a Solidarity Credit Fund, in order to reactivate the economy of rural communities, training skills were provided to grass roots organisations, with a special focus on women, so that they could be the “leaders of their community development.”

Knowing the needs of the community facilitates both the formulation and consolidation of the initiative, since it allows us to respond to problems and encourage community participation and interest. This breaks with welfare practices and awakens a feeling and perspective of full citizenship with rights and duties.

Notably **in cases of projects that involve indigenous communities, it is essential to work on strategies and methodologies to achieve synergies between ancestral and traditional knowledge**, to be able to make the innovation and for the community to take ownership of it.

5. Training and education in technical and soft skills

The vast majority of SI initiatives include training or capacity building. These focus both on **providing tools to address the issue of innovation (technical training) and on interpersonal skills (soft training)**. For example, in the Amazon region of Brazil, communities have difficulties accessing the traditional market, as they suffer pressure and abuse from large business groups, which is why SI initiatives were complemented with skills workshops. leadership, autonomy projects and training for the development of technical business skills.

In this regard, innovation requires *“two elements: first to agree and know how to speak. And the other thing is to do. In this regard, there is a responsibility to democratise innovation, that the people involved understand these concepts and begin to create a different structure of thought”*⁸.

6. Alliances that enhance SI

Both in the interviews and in the mappings, the **importance of alliances in SI for:**

- **Financing and sustainability of the project:** in the region, the largest source of resources comes from agents beyond the implementers. At the same time, it requires long-term investments that can be patient in returns that take time to arrive. To achieve this, alliances between the government, the private sector and international stakeholders provide financing that makes it possible to design longer-term projects, guaranteeing the sustainability of their implementation.

8. Interview with Diana Arenas, Sand Box Foundation.

- **Scalability and projection:** alliances and articulations between the educational and productive sectors are fundamental for the project continuity and the objective of job placement. A similar thing happens in digitalisation projects. Alliances between the public and private sectors, civil society and other stakeholders strengthen the network of replication and scalability processes.
- **Building bridges:** alliances build bridges *per se*, and in turn they are intermediaries in achieving other alliances. For example, the participation of State institutions at different levels is difficult, therefore, alliances with key stakeholders can encourage their participation. In this regard, multilateral organisations can serve to build bridges between civil society organisations and State institutions to find consensus.

In general, a feature of SI initiatives is that they promoted the formation of alliances with multiple stakeholders, including governments, civil society organisations and the private sector. Each has strengths and weaknesses that can become enhancers or barriers when implementing social innovations.

Table II - Social Innovation Mappings

SI case studies	Year	No. of cases	Countries/ region	Topics	Public sector participation	Implementing stakeholder	Community involvement	Training	Relevance of collaboration between stakeholders	External or own financing	Source
ECLAC - Si-Drive	2008	52	Argentina, Chile, Brazil, Colombia, Bolivia, Costa Rica and Haiti	Education, employment, environment and climate change, energy, transport and mobility, health and social protection, poverty reduction and sustainability.	Lack of government support Local level participation	Mainly NGOs	In defining the problem Relationship with ancestral knowledge	Soft training	Scalability and projection	Not mentioned	Link
Unesco	2008	24	Mexico, Peru and Colombia, Argentina, Bolivia, Venezuela and El Salvador	Training for work	Lack of local government support	Cooperative	In all stages	Technical and soft training	Financing and sustainability	Not mentioned	Link
Spinning	2012 - 2013	614	Colombia	Overcoming extreme poverty	Not mentioned	Not mentioned	In all stages Relationship with ancestral knowledge	Technical and soft training	Resources for sustainability	Not mentioned	Link
Bid-Lab	2013	N/A	Colombia, Ecuador, Chile, Argentina, Brazil, El Salvador, Bolivia, Guatemala, Nicaragua and Peru	Inclusive communities, access and inclusion, job security, health	Not mentioned	Multilateral	In all stages	Technical training	Sustainability of the initiative	Internal	Link

III. What is the social innovation in Latin America and the Caribbean like?

SI case studies	Year	No. of cases	Countries/ region	Topics	Public sector participation	Implementing stakeholder	Community involvement	Training	Relevance of collaboration between stakeholders	External or own financing	Source
SEGIB	2016	27	Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, El Salvador, Guatemala, Mexico and Dominican Republic	Youth, education, entrepreneurship	Generally low Key participant for impact and scalability	NGO	Not mentioned	Technical and soft training	Replicability, scalability and enhancement of other collaborations	Not mentioned	Link
ESADE	2018	100	Latin America and the Caribbean	End of poverty, health and well-being, education, decent work, and sustainable cities and communities	Generally low Key participant for impact and scalability	NGO and secondly private sector	Not mentioned	Technical training	Replicability and scalability	External	Link
Atlas of Social Innovation	2019	20	Brazil	empowerment; demographic change; gender, equality and diversity; information and communication technologies and social media; and social entrepreneurship and social economy, social enterprise	Local government	NGO	In all stages	Technical and soft training	Sustainability of the initiative	Not mentioned	Link
Atlas of Social Innovation	2019	N/A	Mexico	Technology for social change	Generally low	Not mentioned	Not mentioned	Not mentioned	Financing	External	Link

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SI case studies	Year	No. of cases	Countries/ region	Topics	Public sector participation	Implementing stakeholder	Community involvement	Training	Relevance of collaboration between stakeholders	External or own financing	Source
Hivos	2020	66	Guatemala, Costa Rica, Colombia, Mexico, Peru, Argentina, Ecuador, Bolivia, Chile	Creative industry, women's empowerment, sustainable food, renewable energy, freedom of expression, diversity and LGTBI rights, sexual and reproductive rights, transparency and accountability	Generally low	Mainly private	In all stages	Not mentioned	Sustainability of the initiative	External	Link
Winning initiative for CAF	2021	1	Peru	Poverty reduction and sustainability	Local government	NGO	In all stages	Technical and soft training	Resources for sustainability	External	Link
Winning initiative for CAF	2021	1	Peru	Climate resilience	Not mentioned	Cooperative	In all stages	Technical and soft training	Not mentioned	External	Link
Winning initiative for CAF	2021	1	Mexico	Employment	Provincial/State government	Public sector	Not mentioned	Technical training	Sustainability of the initiative	External	Link

Source: work of the author.

Note: cases are presented according to their date of completion/publication.

b. Social innovation challenges

About the challenges, multi-stakeholder social innovation initiatives in LAC present the following challenges:

- **Little involvement of the central government** (although there are experiences of local government participation), which hinders their success.

The State, with its resources, its territorial reach and its unique powers to guarantee rights, implement public policies and distribute public goods, is a relevant stakeholder and a key partner of social innovation, to expand the impact of innovations at any scale (Rodríguez Herrera and Alvarado, 2007).

"More specific projects that do not have a part from the government are very difficult, even if they have partners outside or are the best in innovation, if there is no government counterpart that is interested it is very difficult"⁹.

- **Lack of funding and overdependence on philanthropy**, which often prevents promising initiatives from growing and expanding;

Those who implement SI initiatives consider that their greatest need, to meet the objectives, is financing and human resources (HIVOS, 2020). Financial stability is one of the main problems of Mexican projects, since here, despite the existence of different private institutions and international financial organisations, there is a need for an efficient administrative and financial framework for project sustainability.

The **private sector is central to addressing this challenge, since it invests 2 to 1 more than the government** in OECD countries (IDB, 2007) and comes forward as a promoter and investor in the region's innovation processes.

- **Poor scalability once implemented**

As mentioned above, civil society is the stakeholder that most implements SI initiatives, but has difficulties in scaling the promoted projects, which are generally strongly focused at the local level. By failing to scale, the initiatives enter into no dialogue with others, hindering the replicability and adaptation of innovative processes. This is related to the previous challenges: the lack of resources and/or the difficulty of accessing international or private sector financing and the obstacles on influencing public agencies due to the lack of capacities, networks or difficulties in being heard.

"I think doing social innovation as a social organisation is three times more difficult, because when you have a position, people listen to you, but when you don't have a position, people don't listen to you."¹⁰

9. Interview with Cristina Yoshida Fernandes, Disruptive Design Collective.

10. Interview with Diana Arenas, Sand Box Foundation.

The challenges can, in part, be met by linking and articulating the different stakeholders that participate in MSI, because the lack or weakness of one can be complemented by the strength of another.

The **loss of confidence** on the part of public institutions can be compensated through the involvement of civil society with its thorough knowledge of the area, as well as by multilateral organisations that have legitimacy as neutral stakeholders.

A similar thing happens with **the lack of resources** from civil society, a situation that can be overcome through coordination with the private sector and/or multilateral cooperation organisations. The risk aversion of the private sector can be mitigated with the participation of multilateral organisations that provide certainty to the project.

Referring to **scalability**, given the difficulties on the part of civil society and a State that gets involved in advanced stages when there are already positive results from social innovation initiatives, it may be efficient for innovation to implement a pilot programme to show results and attract other stakeholders early. Multilateral organisations can also contribute with their long-term investments.

Acting separately or in specific one-time and temporary initiatives is not enough for social innovation to meet the requirements of sustainability, scalability, adaptability and inclusiveness. In this regard, the review of mappings and interviews show the importance of articulation and collaboration between diverse stakeholders, to enhance their qualities given the possibilities of social innovation that LAC offers.

The new EU strategy, Global Gateway Investment Agenda (GGIA), pivots on a multi-stakeholder governance model as an innovative approach to enhance sustainable development. Within the framework of the GGIA, for Latin America and the Caribbean, it is expected to mobilise around €45 billion in investments as Team Europe until 2027. Based on this, the following section focuses on two priority agendas that demand social innovation.

IV. Two priority agendas for the region that require multi-stakeholder social innovation: the green transition and digital transformation

For sustainable, fair and democratic economic development, the LAC region must address green and digital transformations with a social and innovative perspective. As the GGIA suggests, both are interrelated and have profound impacts on multiple areas and sectors of the population. Therefore, the region needs to outline its own agendas and an action plan that places the social issue and human development at the centre.

a. Green transition

When it comes to climate change, LAC finds itself in a paradoxical and challenging position within the global panorama. Despite accounting for only 10% of global greenhouse gas emissions, the region is among those most affected by the effects of global warming: 13 of the 50 countries identified as the most affected by the climate emergency are located in the region (OECD, 2022). In turn, 68% of its citizens recognise that climate change is a very serious threat to their country over the next 20 years, a higher percentage than in other regions (OECD, 2022).

Furthermore, the region faces structural problems such as its weak social protection systems, low productivity, fragile institutions, persistent technological dependence and a development model that is not environmentally sustainable, due to its productive matrix, and export basket, based on natural resources (Southern Affairs, 2023b).

Given these data, the urgent need arises to carry out a **green and fair transition**, in other words, to fight against climate change and prioritise people's well-being, currently aggravated by high rates of poverty and inequality (IDB, 2024). A transition of this type is also an opportunity to **enhance the region's economic growth and development** to allow for responses to social debts. In this regard, the GGIA will invest in the development of clean infrastructure, resistant to climate change and aligned with the paths towards net zero emissions. This is intended to provide an opportunity to transform economies, create jobs and strengthen energy security.

Below are some priority agendas to innovatively address the social issue.

1. Decarbonisation and electrification

- **Decarbonisation depends on electrification** from different economic sectors, but still 17 million people do not have access to electricity, particularly in rural areas (OECD, 2022).

2. Decarbonisation and the Social Question

- **Promoting a new sustainable social contract:** decarbonisation through lithium and copper extractive projects brings **socio-environmental conflicts and puts environmental defenders at risk. For this reason, negotiations must be established with multiple stakeholders to protect their livelihood.**
- Advancing in the implementation of the **Escazú Agreement**¹¹, as a significant legal framework to improve transparency and inclusion in decision-making. The Regional Action Plan on human rights defenders in environmental matters was approved in April 2024, at the Escazú Conference of the Parties (COP3). This guide establishes strategic actions that the States must fulfil to effectively protect environmental defenders, but **given its recent approval, there is still work to be done in disseminating and training for its implementation.**
- **Including citizens** – through public hearings, popular consultations, oversight committees, collaborative reviews of studies, digital platforms, citizen assemblies, among others – in environmental impact assessment processes, to make transparent and effective decisions, as well as to foster responsibility and shared commitments towards environmental sustainability.
- Protecting the **communities and indigenous peoples**, that play a fundamental role in safeguarding the region's biodiversity. Latin America is becoming a dangerous region for environmental defenders: in 2022, 88% of cases involving their murder occurred in this region (Global Witness, 2022).
- Exploring and harnessing the potential of **digital social innovation** to empower communities to protect their resources through measurement and data management tools, which is an under-explored field (Buckland et al., 2018).

3. Green employment

- **Renewable energies and green jobs:** investments in green hydrogen, the blue economy (linked to oceans and bodies of water), renewable energy,

11. The Escazú agreement is the first international treaty in Latin America and the Caribbean that deals with the environment, and the first in the world that includes legal provisions on the rights of environmental defenders. The agreement was made at the United Nations Conference on Sustainable Development in 2012 and was adopted in Escazú (Costa Rica) in 2018.

energy efficiency, waste management, sustainable agriculture, nature tourism, green infrastructure, the health industry and the circular economy, among others, in addition to boosting productivity and developing new sectors, can potentially create employment.

The region is already **above the world average** regarding the participation of renewable energies in national energy matrices.

The ILO considers **green employment** as that which combines the contribution to environmental protection and the green economy with respect to **workers' rights and decent work**. According to ECLAC and ILO estimates, sustainable sectors could create up to 20 million jobs by 2030, a net increase in employment of 10.5% in the region (OECD, 2022; Southern Affairs, 2023b).

- **Green employment needs social policies** directed at workers and their families. For example, cooperative sectors dedicated to waste recovery and management highlight the challenge of how to formalise and make more green a source of work that contributes to the environment, but does not meet decent work standards.

4. Tax policy

- **The green and inclusive transition involves resources:** global warming could cost the region between 1.5% and 5.0% of its GDP between now and 2050 (OECD, 2022).
- **A green and inclusive tax policy:** governments must act and implement environmentally related taxes and financial instruments, such as debt-for-nature swaps, natural disaster clauses, catastrophe bonds and green, social, sustainable and sustainability-linked bonds.
- The **financial institutions for development and the private sector** are fundamental for green financing, but this requires developing appropriate regulatory tools.

The green transition is urgent for the region and this requires active policies to mitigate and adapt to climate change, along with social policies that tend to reduce inequalities. In this regard, the green transition goes hand in hand with the **digital transformation**.

b. Digital transformation

In a region where one in five people live in informal settlements in poverty, ICTs offer great opportunities for the fulfilment of the Sustainable Development Goals (SDGs), by allowing the acceleration and scaling of social development initiatives and opening new avenues for innovation, participation and efficiency (Buckland et al., 2018).

Digital technologies not only have the potential to transform market dynamics, but also to simplify the relationship between public services and citizens, and to promote productive development and sustainable economic growth. For example, the initiative *GGIA* of the European Union that plans to invest €180 billion in technology and digitalisation is expected to increase the LAC GDP by one percentage point, and close to two and a half million quality jobs should be created (Balmaceda et al., 2024).

A first challenge of the digital transformation agenda are the **digital divides**: 40% of the Latin American population does not have access to the internet, and even more so in lower-income sectors, popular districts and rural areas (ECLAC, 2022). This contributes to the fact that education, children and producers in areas without connectivity continue lacking access to valuable information and resources for their development, which should also be green.

In any case, digital transformation is not only connectivity, but also has a central social dimension. It is about seeking a change in the productive model that mitigates negative impacts and enhances positive; among others, the creation of quality employment, the reduction of digital divides from an inclusive and gender approach, as well as the improvement of the quality of public services by digitalising them from these same approaches, and the protection of the environment. In this regard, the *GGIA* stands out for the incorporation of a notion of broad digital transformation, which enhances these positive impacts at a social level that affects the creation of quality employment, the narrowing of gaps between citizens and governments, through digitalising and improving the quality of public services and improving respect for the environment in the process.

To close *digital divides*, and deal with *structural inequality* while thinking about the *green transition*, it is necessary to innovate in several arenas:

1. **Internet for everyone**

- Increase **connectivity**: it is estimated that US\$100 billion would be necessary, that is, with public resources alone it would not be possible, “for every dollar that the public sector puts in, the private sector has to put in two”¹². There are still 230 million people (35%) in the region who do not have access to mobile internet <https://es.statista.com/estadisticas/1067800/poblacion-total-de-america-latina-y-el-caribe-por-subregion>
- Greater access to **devices** to use and take advantage of that connectivity. Less than two-thirds of Latin American households have access to these connections, which are necessary for transactions, video calls for work or study.

12. Interview Ángel Melguizo, ARGIA Green, Tech & Economics consultant.

- **Investment** is needed to connect the most remote areas: the existing digital social innovation initiatives are still young and have slow market penetration (Buckland et al., 2018).

2. Ensure substantive connectivity

Digital gaps in access and use have an impact on the development of countries:

- they limit citizen participation in innovation processes, which can translate into less representation in productive initiatives or activities with high potential;
- they facilitate misinformation and manipulation, promoting polarisation;
- they deepen social inequalities by limiting opportunities for access to and permanence in quality education, employment, financial resources, among other resources for the development of people's lives.
- they inhibit the development of the community's economic potential

To avoid this negative relationship and promote substantive connectivity, it is necessary to develop strategies in two directions:

- a. **training in digital skills and abilities;**
- b. **technology governance** to avoid bias and to guarantee the protection of users' personal data and other human rights.

3. Training in digital skills and abilities

- Digital social innovation is paying special attention to education but needs **investment** and **infrastructure**.
- **Generate and offer content adapted to users:** there is little content of local origin and in the language of the population, and most of this digital content in the region is focused on entertainment (Buckland et al., 2018).
- **Develop user-friendly content and applications,** based on friendly interfaces for people with disabilities.
- Training in the new **skills that the current world of work demands,** recognising non-traditional knowledge or knowledge acquired outside the formal educational system.

4. Promote ethical and inclusive artificial intelligence (AI)

Artificial intelligence offers various opportunities and options to provide solutions in multiple areas such as adapting and personalising public services, planning with more accurate predictions, experimenting and testing solutions through simulations of complex operations, optimising mobility and energy consumption, and

other types of activities that promote economic activities with social benefits (Asuntos del Sur 2020). However, the region has a marginal participation in the development of AI-based technologies. According to the report of the United Nations Conference on Trade and Development (UNCTAD, 2019), China and the United States control 90% of the main digital platforms, 78% of patents in artificial intelligence, 75% of patents in blockchain technology, 50% of global spending on the internet of things and 75% of the cloud computing market. Likewise, the regulation of this technology and the use of ethical principles is not very far-reaching in the region. This low participation and development means that voices, needs, cultural practices and biases are not adequately represented in the development of these technologies. This is why it is necessary for social innovation to be attentive to some concerns raised by the use of AI to ensure that they are inclusive and ethical tools:

- a. Avoid biases;
- b. Protect personal data;
- c. Make the process, model and use more transparent;
- d. Ensure effective community dialogue and participation;
- e. Adhere to legal frameworks;
- f. Pay attention to their environmental impact.

In this regard, alliances for digital governance are essential, since LAC seems to be at a disadvantage compared to the great powers that monopolise global digital technology.

5. Attract the private sector

- **Legal and regulatory measures that encourage investments** in digital infrastructure, cybersecurity, 4.0 industries and 5G technology, Artificial Intelligence (AI) for private and public services and green technologies (Carolina Foundation, 2023).
- Generating the conditions for an **attractive and accurate market for long-term private investments**. This involves rules that remain stable in the long term, that do not depend on changes in government and establish equal conditions to compete: "A balanced and relatively certain field, that is, not with so many changes in government, is very important for investments, because they are investments that do not pay off for up to 10 years"¹³.
- **Integrated and dynamic markets:** LAC needs to strengthen the integration of its markets, especially the largest and most thriving economies, to attract large multinational companies and facilitate the link between them and young local small and medium-sized companies with development potential for the future.

13. Ibid.

6. Government digitalisation:

- Directing public services towards digitalisation to improve the quality of services that are offered to citizens and make their processes more effective and efficient. At the same time, investment and training in cybersecurity. Digital public services must be accompanied by security in sensitive data.

With the Covid-19 pandemic, the digitalisation processes of local governments that began in the 1990s are strengthened and gain definitive momentum. (Grandinetti et al., 2023).

The digital ecosystem of Latin America and the Caribbean is located in an intermediate position (49.9), surpassing Africa (35.05) and Asia Pacific, and behind Western Europe (71.06), North America (80.85), Eastern Europe (52.90) and the Arab States (55.54) ([CAF - Development Bank of Latin America, 2020](#)).

For example, a recent study (Belmonte and Bianchi, 2023) on digitalisation capabilities shows that the digital infrastructure of local governments in Argentina is deficient: the main challenge in this field is linked to the training levels of technology personnel, where 8 out of 10 governments consider that the level of training of their personnel is not adequate and, in turn, the limited security parameters increase the risks of the daily operation of the administrations and the guarantee of the information they generate.

7. Leveraging digital social innovation for the green transition

Digital social innovation (DSI) in Latin America has an important social impact, especially in education, health and financial inclusion, by covering access to certain basic services that were not covered or lacked the required quality (Buckland et al., 2018). However, in issues related to the environment and climate actions, DSI is further behind and there is a huge window of opportunity for intervention. Briefly, based on a mapping of more than 100 DSI initiatives (Buckland et al., 2018) we know that:

- Regarding **water and sanitation**, the few initiatives that exist focus on resource mapping and sharing good practices on digital platforms.
- **Pay As You Go technologies** to facilitate access to renewable energies are still in the incipient phase, while the most developed ones focus on responsible energy consumption.
- **There is still a lot to be done regarding “climate actions”** (SDG 13): although there are ecosystem monitoring initiatives, they are not yet part of public environmental policies.
- In **sustainable consumption and production**, there is greater development of digital technologies, especially **marketing platforms** for sustainable products and **platforms of approach and interaction** between producers, consumers and, in some cases, regulators. **The food sector is a fertile field of digital social innovation and there are many opportunities for replication.**

- Technologies that contribute to clean energy, water sanitation and environmental protection today face significant challenges regarding financing sources.

However, we must not ignore that just as digital transformation can help reduce resource consumption and greenhouse gas emissions, it also contributes to the increase in energy and resource consumption and in generating electronic waste.

8. Digital transformation for financial inclusion

Financial inclusion is strategic for both unbanked people and SMEs. Digital social innovation initiatives, through financial inclusion platforms and the fintech sector, are showing positive results in facilitating access to credit, investment and other financial services that SMEs need. In turn, the reduction in transaction costs and the flexibility of new financial models are allowing financial services to reach more people (Buckland et al., 2018). However, **financial inclusion remains a challenge for the poorest and most remote populations**. More innovative initiatives are required that take into account the intersectionality of needs and populations in vulnerable situations.

9. A digital transformation with a gender perspective

Women and men use technology differently. Women tend to use fewer digital services than men and are less confident in using the internet (OECD, 2018). Male adolescents with mobile phones use them for a wider range of activities, from playing games to accessing on-line financial services, while female adolescents tend to use only basic functions, such as making phone calls and using calculators (UNESCO, n.d.¹⁴).

The green transition and digital transformation must have a gender perspective. Although gender equality is an issue with an increasingly strong agenda and presence in the region, there are few digital social innovation initiatives with this focus (Buckland et al., 2018). While those that exist focus on girls and youth, leaving out a multiplicity of women with specific needs and agendas.

Both priority agendas are only achievable through SI, for whose governance the strategic participation of the private sector and multilateral organisations is necessary, in collaboration with communities, civil society, academia and think tanks.

The State plays a prominent role regarding regulations to guarantee opportunities and regulatory frameworks that provide predictability and long-term stability to encourage the active participation of the private sector and guarantee a dynamic market. The State is required to be a promoter of the double fair transition (green and digital) which, leveraged on new technologies and data intelligence, is aimed at

14. <https://en.unesco.org/ld-blush-if-i-could>

providing citizens with **quality services**, i.e. services that are more agile, open, innovative and efficient. For this, it requires **political will and leadership**. An example of political will and leadership is Paraguay, which aims to be the digital hub, for which it is working with universities to train human capital and the private sector to support with resources¹⁵.

Academia, think tanks and civil society are key stakeholders in training human capital. This involves digital literacy that enhances capabilities for better inclusion in the jobs market; training for civil servants, training in digital skills in general and specific skills aimed at private entrepreneurs.

Meanwhile, **the private sector, multilateral organisations and development banks complement digital skills training through their investments in digital development** and green economies.

Based on the relevant topics neglected in the green transition and digital transformation, an intervention model is presented below.

15. Retrieved from: <https://www.lanacion.com.py/negocios/2024/02/26/pena-en-espana-paraguay-esta-com-prometido-a-convertirse-en-un-hub-fisico-y-digital-de-clase-mundial/>

V. Towards a model of Multi-stakeholder Social Innovation (MSI) in Latin America and the Caribbean

The innovation experiences implemented in LAC show that it is necessary to promote spaces that encourage, motivate and incubate initiatives of this kind. So that the stakeholders who today act in isolation or are linked sporadically, have an environment where they can exchange resources, knowledge and ideas, learn from each other and receive the necessary support to test and experiment with solutions whose success is not assured in advance, to call other stakeholders.

A key component of SI is governance. That is, paying attention to the way in which decisions are made, the incorporation of diverse perspectives in the processes, and the synergies between social stakeholders. For this reason, we propose an intervention model called **Multi-stakeholder Social Innovation (MSI)** consisting of two instances:

1. the construction of an institutional framework of the ecosystem through **multi-stakeholder collaborative governance** and
2. the creation of innovation spaces that operate with standards based on **collective intelligence** as a methodology for implementation.

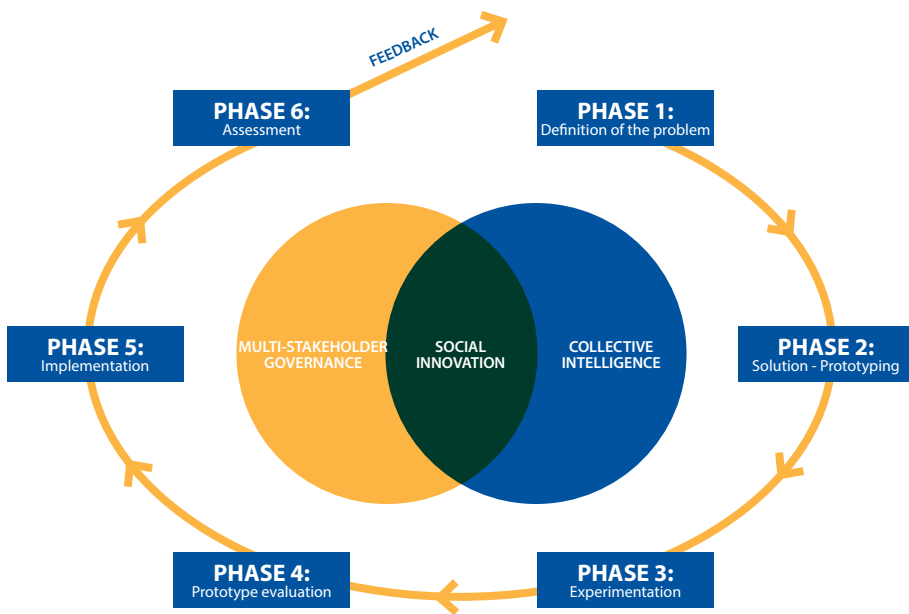
That is, on the one hand, the **rules of the game** in which the ecosystem operates and, simultaneously, the specific **work rules** with which innovation occurs. Both instances are closely related and are a necessary condition for the emergence of an **inclusive, sustainable, scalable and adaptable innovation process**. When both instances are connected, they strengthen the ecosystem and give rise to the formation of social innovation clusters.

In a broad sense, a cluster refers to the sectoral and/or spatial agglomeration of a certain activity in which different stakeholders work in close contact. It is not a simple grouping of stakeholders, but seeks greater specialisation and efficiency through complementarity, repeated interaction and joint decision-making (Ramos, 1998; Vera Garnica and Ganga Contreras, 2007; Espinoza Benedetti, 2003). That is, a cluster has positive externalities linked mainly to improvements in the capacity for innovation and

attraction of new alliances to the ecosystem, as well as better access to information, institutions and public goods (Espinoza Benedetti, 2003).

In practice, MSI clusters are spaces that, through the convergence of multiple stakeholders and the encouragement of creative environments, have a **twofold purpose**: on the one hand, the **design and implementation of a solution** to a social problem, and on the other, and in the long term, to cause a **cultural change** with regard to innovation, enabling and redefining trial and error, prototyping, and stimulating greater creativity that improves innovation to provide answers in those cases where individual stakeholders are unable to resolve them.

Intervention model to promote Social Innovation clusters



Source: own production.

a. Multi-stakeholder collaboration and cluster management

Regarding the institutional framework, *multi-stakeholder collaboration* is a strategy that governments, the private sector, multilateral organisations, civil society organisations and other stakeholders can implement to make joint responses, by making their different resources and knowledge available. Unlike coordination, collaboration does not act in a parallel or synchronised manner, but rather **resources and capabilities are made jointly available** under a previously agreed framework. Therefore, a series of requirements must be met that lead to a collective decision-making process (Cyr, et al., 2021):

1. The stakeholders involved have to aim at the same goal;
2. Those who are part of the exchange maintain their own identity and not be externally coerced.

Collaboration between diverse sectors that share ideas, resources and varied knowledge **enhances innovation** to promote creative and legitimate solutions given that:

- it allows the problem to be analysed from multiple angles, involving stakeholders who know the problem first-hand;
- it implements those ideas in a context of trust and mutual respect, with shared capabilities and responsibilities;
- The process of aligning different perspectives means that the responses implemented are of greater scope and impact.

In this regard, collaborative governance, through articulation, allows the strengths of the stakeholders to be enhanced and their weaknesses mitigated, since they can complement each other, as shown in Table III.

Multi-stakeholder construction promotes transparency as certainty in the processes, since if there is transparency in the processes, it is more likely that there will be trust between the stakeholders, and this transparency in turn provides certainty about the actions of the stakeholders involved. Therefore, it will be necessary to create the conditions for the GGIA to promote an investment model based on transparency. The investments made within the framework of this agenda should be open access and propose conditions of participation that seek to alleviate asymmetries for the stakeholders participating in the innovation projects and the beneficiaries of these innovative solutions.

However, the collaborative management of the MSI is not without challenges: the multiplicity of **veto players**, the **asymmetries** between them and the **slower processes** could threaten the effectiveness of these kinds of interactions (Chi et al., 2020). Although stakeholder diversity can inspire innovative solutions and policies, it can also increase tension and dissatisfaction between parties (Ansell, 2022). These **tensions may be paralysing** and prevent the advancement of the multi-stakeholder collaboration process.

The GGIA recognises these challenges, and this would mean that people affected by projects – local communities, businesses and partners – must have a say through appropriate public consultations and civil society participation. It should be ensured that projects provide affordable and equitable access to the services and benefits they will provide, especially for women and girls and people at risk of disadvantage or exclusion, populations that, as mentioned above, are the most vulnerable in LAC.

Table III - Strengths and weaknesses of the stakeholders involved in social innovation

Stakeholder	Strengths	Weaknesses
Status	+ Legality + Territoriality + Resources and infrastructure + Scalability	- Little Legitimacy/Trust - Slowness in processes - Regulatory obligation - Little culture of innovation
Civil Society	+ Legitimacy/Trust + Methodological creativity + Knowledge of the area	- Lack of scale - Resources - Scarce impact
Private Sector	+ Financial resources + Creativity + Corporate Social Responsibility	- Risk aversion - Access barriers: complex processes - Little diversity in investment focuses.
Multilateral Organisations	+ Financial resources + Legitimacy + Networks + Knowledge	- Access barriers: complex processes - Exclusive connection with the State
Academia / Think tanks	+ Knowledge + Human resources + R&D	- Traditional approach - Resistance to change - Research takes a lot of time

Source: Own production

b. Collective intelligence as a cluster operating standard

Just as important as the governance of the ecosystem is accounting for the specific mechanism by which the innovative process works. In this instance, the main engine is **collective intelligence**, which is composed of the **methodologies, technologies and fundamentally, the standards that enable its operation**. An innovation process is considered as such, as long as it adds **public value** – providing an answer to a social problem – **and social value** – that the community is involved in the process – (Bianchi, 2017).

Following Lévy (2004), collective intelligence presents valued and coordinated knowledge in real time, leading to an effective mobilisation of competencies. This implies that **in the process, the citizens involved are given agency** to intervene in public life. Collective intelligence emerges when a group of individuals intentionally address common challenges, through processes that are effective in terms of implementation (Bianchi et al., 2020; Rey, 2022). There must be three conditions for it to exist:

1. A group of individuals.
2. An aggregation mechanism to reach a group conclusion.
3. That a decision is made or a problem is defined collectively.

Collective intelligence benefits from the diversity of knowledge and skills of the participants to find more effective solutions (Asuntos del Sur, 2021).

The starting point of this process is the recognition of existing inequalities and then putting into practice efforts aimed at mitigating them. Actions are required that aim to **reduce unequal distribution of power**, for example, by generating capabilities inside and outside institutions to activate an innovation ecosystem (Asuntos del Sur, 2021). An environment is needed that encourages and promotes innovation, for which it is necessary to train the human resources involved in the process.

For the formation of intervention spaces based on collective intelligence, the Public Innovation 360 model proposes five standards (IP360, Southern Affairs):

1. *Open and transparent*
2. *Inclusive and diverse*
3. *Binding*
4. *Secure*
5. *Aggregative*

These standards seek to guarantee a space where the intervening stakeholders discuss under similar conditions and there is mutual understanding. Collective intelligence serves as a tool for greater fluidity in governance, and this is the reason why the need for an intervention approach arises where both (multi-stakeholder governance and collective intelligence) come together for an MSI that is inclusive, sustainable, adaptable and scalable.

c. The phases of social innovation

Once the institutional management mechanism and implementation methodology are established, and therefore the operating conditions and standards of an innovation cluster, the MSI phases can be developed to design and implement a project of an innovative solution to a social problem.

I. Identifying the problem

Here the problem is identified and defined, with the participation of the beneficiary community. It is also the time to propose objectives, deadlines and a theory of change or image of the future that we seek to achieve after the intervention.

II. Development of a solution

Generating spaces with methodologies that promote creativity is essential to enhance collective intelligence and arrive at innovative proposals with social potential.

III. Experimentation and prototyping

After selecting the innovative idea, it is necessary to **try or test** whether it has the capacity to be a solution with impact, efficient, sustainable and scalable. The **private sector** plays a fundamental role in the conception of the prototype.

Experimenting with a prototype of the solution helps generate the necessary incentives for **the State to be involved from the beginning**, which enhances the initiative without waiting for its full implementation.

It also allows **concrete results to be shown before full implementation** to attract new investments that contribute to the sustainability of the solution and its scalability.

IV. Prototype evaluation

Testing the prototype allows for early identification of failures, needs for change and adjustments, as well as establishing measurement and monitoring indicators for full implementation.

V. Implementation

After the solution has been tested and evaluated on a small scale, opportunities for improvement have been identified and measurement indicators have been proposed, it is time to implement the solution on a full scale.

VI. Evaluation and feedback

The **permanent evaluation** of the solution is essential for the **success, sustainability and scalability of the MSI initiative**.

Here academia, think tanks and multilateral organisations contribute with interesting, innovative and effective additions in terms of indicators with the capacity to capture quantitative and qualitative data.

In conclusion, the MSI requires governance and an implementation methodology that takes into account the real involvement of citizens, but at the same time the

innovation project needs a series of phases and operating standards. These presented phases take into account the innovation experiences in the region and how they were limited in overcoming them.

VI. Final recommendations

LAC faces a series of challenges related to low productivity, high inequality and structural poverty, added to the growing distrust of its institutions. **Innovative social investment is required that is inclusive, sustainable, adaptable and scalable.** Despite the innovating potential of the region and the vast enriching experiences implemented in social innovation mainly by stakeholders from civil society, projects focused on reducing poverty conditions still predominate in isolation from other important social problems and priority agendas such as green transition and digital transformation.

In this context, the importance of the **Global Gateway** Agenda, promoted by the EU and agreed with LAC, stands out, which proposes an investment plan for addressing social innovation that involves multi-stakeholder governance models in priority development agendas. This agenda presents a window of opportunity towards deepening development in the region, not only because it moves away from the traditional approach based almost exclusively on the fight against poverty to another that integrates current challenges such as the green and digital transition, with gender mainstreaming, but also because it encourages collaboration between various stakeholders.

Based on the conceptual review and the experiences implemented in LAC, a series of necessary elements were identified to implement innovative processes that address the social needs and challenges of the region, to generate real and lasting impact:

1. It is aimed at resolving a *social problem*.
2. The beneficiary community must participate throughout the entire process.
3. It must be scalable, adaptable and sustainable.
4. With a management model that promotes and facilitates innovation.

This work also recognises the high complexity of social development agendas, the lack of resources and of technical assistance and legitimacy on the part of institutions, the institutional weakness among others, which forces us to rethink social innovation strategies.

It is for this reason that **multi-stakeholder social innovation (MSI) is proposed as an intervention model** that seeks institutional designs that generate collaboration between the main stakeholders involved, and, at the same time, establishes mechanisms and work standards that guarantee openness, inclusion and traceability throughout the innovation process. Multi-stakeholder **collaborative governance** allows the problem to be approached from multiple angles and be implemented in a context of trust and mutual respect. **Collective intelligence**, for its part, as an intervention methodology, encourages participation and aims to avoid asymmetries and inequalities typical of societies, by providing the citizens involved with agency to intervene in public life.

Based on the intervention model proposed and the review of mappings, specific experiences and interviews with experts in innovation, a series of **recommendations are presented to implement the MSI in LAC, which we consider to be relevant and should be incorporated by future investments of the GGIA:**

1. To implement multi-stakeholder collaboration, it is suggested (Asuntos del Sur, 2023):
 - **To open and include all stakeholders and sectors** (collective and individual).
 - **To manage asymmetries and times:** political leadership is required, a role in which the State has an opportunity to guarantee collective action, promote the coordination and alignment of objectives, and ensure that the most disadvantaged stakeholders participate on equal terms.
 - **To distribute incentives and keep objectives and future image in view:** The presence of stakeholders must translate into involvement.
 - **To establish operating rules and responsibilities:** from consensus and explicit but flexible and adaptable.

2. **To promote a consensual agenda of priorities that leads to new social agreements and sustainable and inclusive development**, alongside all stakeholders: indigenous groups, local communities, civil society organisations, the private sector, unions, governments, regional and international cooperation. This will not be quick or easy, but requires long-term processes.
 - a. Based on the previous point, **patient and adaptable financial capital is required.** This is because the returns on investments for digital transformation and the green transition may take two or three presidential terms. In this regard, it is recommended to present action plans with a view to the future and adaptable to possible abrupt changes of governments and/or changes in wills.
 - b. To design **strategies and methodologies to generate synergy between ancestral and traditional knowledge.**

3. **To strengthen bridges between social innovation and other agendas** linked to gender equality, the green transition and digital transformation. The social issue is multidimensional and cross-cutting.
 - a. Regarding the green transition, the social agenda must converse with the employment agenda, decarbonisation and defenders of the protection of human rights;
 - b. To put forward digital transformation as a strategic opportunity to reduce inequalities, to digitalise States – to make them more agile, open, innovative and efficient – and to implement climate actions. The social issue cannot be separated from two priority agendas: internet for all and substantive connectivity.
4. **Start at the sub-national level:** involving the national state can be difficult. However, the proximity and accessibility of local governments makes it possible to generate instances of effective collaboration during all phases of social innovation. In turn, showing results at the local level may require the national State to get involved to scale and sustain the SI initiative.
5. Implement **innovation laboratories in different sectors:** controlled and safe environments, to test new ideas and prototype solutions based on collective intelligence. They also encourage authorities to learn from the innovations developed in civil society and communities, and then take them as ideas that feed impacting public policies. The labs, despite being spaces that enhance the innovative ecosystem, are usually focused on digital or technological innovations, on specific and temporary projects. This does not rule out their relevance, but rather they are identified as something to take into account and to not have long-term expectations.
6. Delve into **soft skills training**, as well as technical skills, when implementing innovation. Both in the mappings and in the interviews, the need arose to build a “culture of innovation”, where interpersonal skills, such as communication and socialisation, are required.
7. Design **visibility strategies for projects and initiatives** through tenders, innovation programmes, mentoring and/or investment events. Given the lack of scalability and replicability of innovations in the region, these visibility strategies could be helpful to enhance dissemination and encourage replicability.
8. **Promote an innovative culture** at all levels and sectors, in particular, within the State (institutions and agents). “*Innovation promoters*” are required, but also “*trusted intermediaries*” for the sustainability, scalability and replicability of the MSI. In this regard, it is also recommended **to identify spaces of innovation** (managements, secretariats, etc.) **within public agencies** to work together.

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Appendix I. Guide to interview questions

1. What do you think is the added value of social innovation?
2. How would you characterise social innovation projects in Latin America?
 - a. What benefits have they meant for LATAM?
 - b. What challenges or obstacles are faced?
3. What characteristics or indicators do you think are necessary to evaluate an SI initiative?
4. In a 2017 paper, Domanski, Howaldt & Schröder maintain that “SI in LATAM is still very dependent on the participation and involvement of NGOs and communities”, so
 - a. do you agree with this view?
 - b. What stakeholders do you think are necessary, and with what characteristics, to enhance SI in the future?
 - c. What role do governments play?
5. What role does the private sector play?
 - a. What does it bring?
 - b. How can articulation in collaborative schemes be improved? What incentives? What institutional designs?
6. Social innovation, new model of intervention or talking about the same thing as social development? New label to talk about the same thing
7. What type of governance model requires a social innovation that proposes a digital transformation? What would the articulation between the stakeholders be like?

8. Would you believe that the most important stakeholder is the private sector?
Why?
 - a. How to summon them?
9. What incentives do they have or are needed in the future for them to enter and stay?
10. Would it also be necessary to modify the regulatory environments of some Latin American and Caribbean countries to advance a digital transformation?

Appendix II. People interviewed for the research

All interviews were carried out between February and March 2024 virtually, based on the question guide (Annex I).

- Fernando Peirano, former president of Agencia I+D+i, Argentina
- Daniel Arroyo, former Minister of Social Development, Argentina
- Marta Bekerman, Social Innovation Observatory of the Faculty of Economic Sciences of the UBA, Argentina
- Martín Grandes, Social Innovation Observatory of the Faculty of Economic Sciences of the UBA, Argentina
- Cristina Yoshida Fernandes, Disruptive Design Collective and former director of the Information Society and Knowledge Economy at the Ministry of Innovation, Science and Technology of Jalisco, Mexico
- Diana Arenas, Sand Box Foundation, Colombia
- Lucia Lloreda Mera, Association of Family and Business Foundations, Colombia
- Sara Mia Nogueira, Department of Social Inclusion, OAS
- Daniela Trucco, Social Affairs Officer, Social Development Division of ECLAC
- Amalia Palma Guajardo, Researcher of the ECLAC Social Development Division
- Ángel Melguizo, ARGIA Green consultant, Tech & Economics, Spain

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