Now is the time for a visionary leader to step forward in the North East

Paul Benneworth says the new North East Mayor offers a real chance to mobilise local talents and enthusiasm to deal with our deep-seated problems

I’ve been visiting Vienna this week for a conference on ‘social innovation’. Social innovation involves citizens actively developing their own solutions for the problems they face and is currently building into a global hype.

A famous example is the Grameen Bank, offering tiny short-term loans to Bangladeshi farmers. These loans allow farmers normally shunned by traditional banks to invest in their farms, break the poverty cycle, and let Grameen turn a healthy profit too.
But social innovation is not just something for the Global South. With Europe still reeling from the crisis and austerity, our policy-makers are looking to social innovation to cheaply solve society’s pressing problems.

Food banks made the headlines here before the election when Tories criticised them as removing people’s incentives to work. But they have become a vital part of many working families’ survival strategies: one Italian food bank is shipping 80,000 tonnes of food annually, good for feeding 30,000 families per year.

With poverty rates in the North East at heights unknown for a generation, we certainly need to find creative ways to offer a decent life to all our residents. So just how can social innovation help us solve Tyneside’s pressing social problems?

Social innovation offers solutions to almost every social problem conceivable. Anywhere where the system says ‘no’, citizens are coming together to refuse to allow others to be excluded from the services that the rest of us take for granted.

But Professor Arnoud Lagendijk, who worked four years at Newcastle University, didn’t mince his words here. Services for poor people quickly become poor services.

These alternative social services that social innovators provide often lean heavily on enthusiastic, committed volunteers. These people believe something is wrong in society: helping clients to meet their basic needs is those volunteers’ contribution to putting things right.

But voluntarism is a capricious beast, and in a democratic society you can’t order people to donate food, save with credit unions or babysit for other people’s children.

Social innovation may be inspired by admirable sentiments, but they’re not sentiments shared by all. So relying on social innovation risks creating a poverty postcode lottery. So how can we shape all this voluntary activity to really address social exclusion?

Vienna had to deal with this problem a century ago. As the Great War’s losers, they faced having to house 300,000 ethnic Austrians refugees despite losing a generation of workers in the war and being saddled with vast reparation debts.

But the city creatively used this crisis to also tackle the city’s disgraceful tenement slums. In 1919 it launched a huge building programme creating innovative new apartment blocks offering high-quality housing for the neediest.

It partly funded the building programme with taxes on land, rental income, and traffic along with a luxury item tax on domestic servants, champagne and cigars, alongside. Those taxes might seem like political suicide today, but boy was it effective.

In ten years, Vienna City built 60,000 flats housing 220,000 residents, totally solving the housing problem. It was an incredible social innovation, making housing accessible to Vienna’s most needy citizens with a long-term legacy still visible today.

The key social innovator was the city government: they brought the money together with visionary architects and unemployed builders. And likewise today, it’s only the public sector who can guarantee that social innovations will build a better North East for all.

The new North East Mayor offers a real chance to mobilise local talents and enthusiasm to deal with our deep-seated local problems.
Now’s the time for a visionary leader to step forward as Mayor to harness social innovation’s potential to collectively build a better future North East.

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