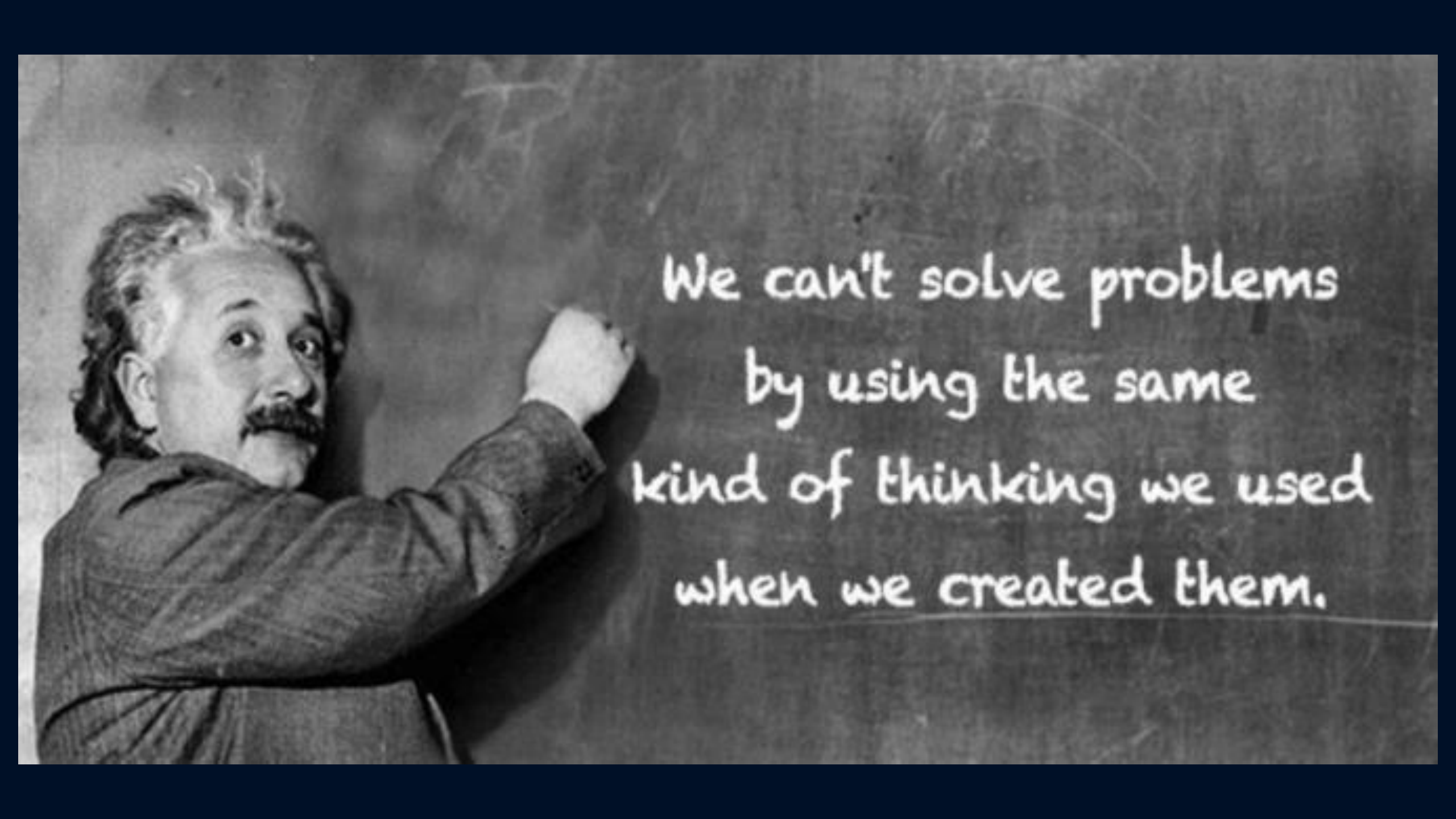


Why the eco-system is a more meaningful unit of analysis for social innovation

IRENE HENRIQUES
PROFESSOR OF SUSTAINABILITY & ECONOMICS
SCHULICH SCHOOL OF BUSINESS
YORK UNIVERSITY



Schulich
School of Business

A black and white photograph of Albert Einstein standing in front of a chalkboard. He is wearing a dark jacket and has his characteristic wild, white hair and mustache. He is looking towards the camera with a slight smile while holding a piece of chalk in his right hand, as if he has just finished writing. The chalkboard behind him is filled with faint, illegible chalk markings. The text of the quote is written in a white, sans-serif font over the right side of the chalkboard.

We can't solve problems
by using the same
kind of thinking we used
when we created them.

Even the latest AMR “From the Editors” argues that we need a new theory of the firm for the 21st Century

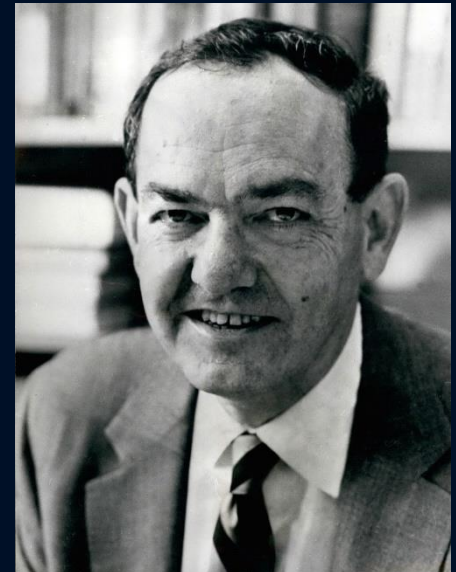
- Alvarez, Zander, Barney & Afuah (2020) argue that interaction amongst a wide variety of economic actors in an ecosystem is what allows firms to exist – so being inside or outside a firm boundary makes no sense in an environment where firms are being called to fulfill their obligations as a social actor in this interdependent ecosystem we live in.

The eco-system is a fascinating unit of analysis with which to study social innovation

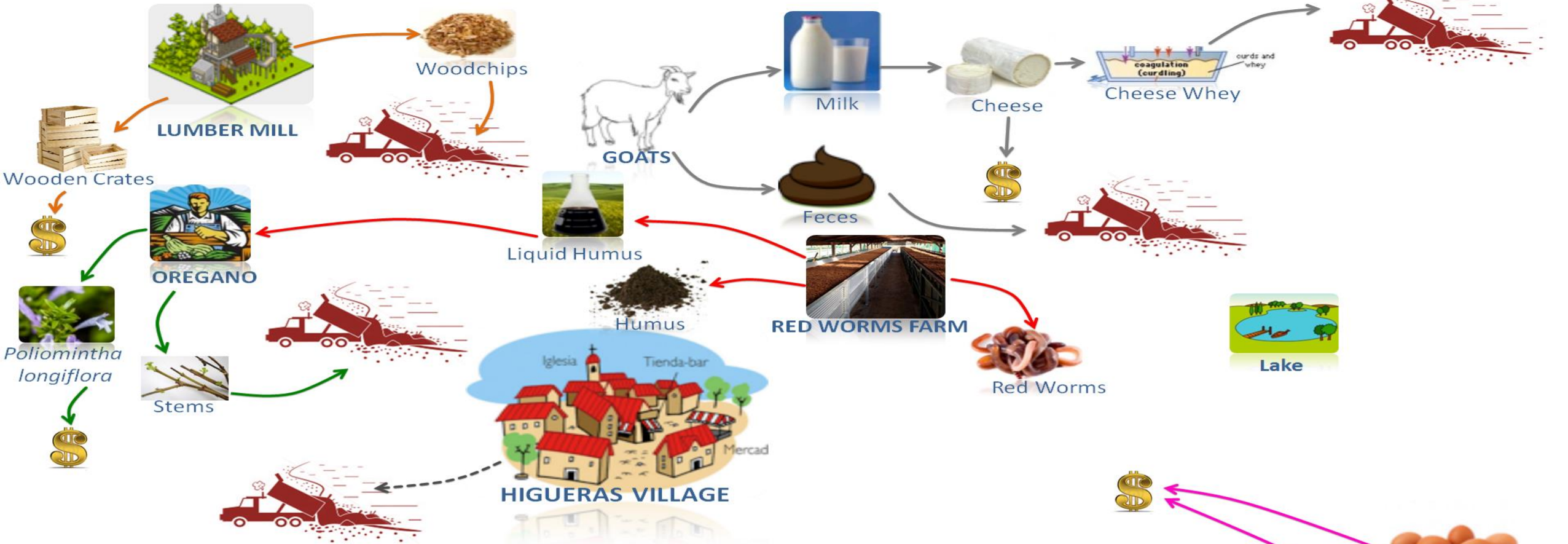
- An eco-system approach requires firms to move from a firm-centric targeting setting approach to one that is connected to systems level targets. The Science-Based Target initiative, <https://sciencebasedtargets.org/> is a concrete example.
- There is a need for systemic changes in corporate sustainability efforts to enable sustainable production-consumption systems (Lebel & Lorek, 2008)
- Corporations need to develop a more holistic understanding of the production, distribution, and consumption of their products or services on eco-systems (Whiteman, Walker & Perego, 2013) so as to develop broader sustainability actions including the “redesign of products and processes to reduce environmental and social impacts, product stewardship, protection of habitats, operation within a region’s environmental carrying capacity, protection of the interests of future generations, as well as the equitable balancing of the interests of all segments of society” (Sharma & Henriques, 2005: 160). They also need to measure these impacts (Barnett, Henriques & Husted, 2020)!

Everyone designs who
devises courses of action
aimed at changing existing
situations into preferred
ones.

Herbert A. Simon
Economist



CASE STUDY: HIGUERAS VILLAGE, NUEVO LEON

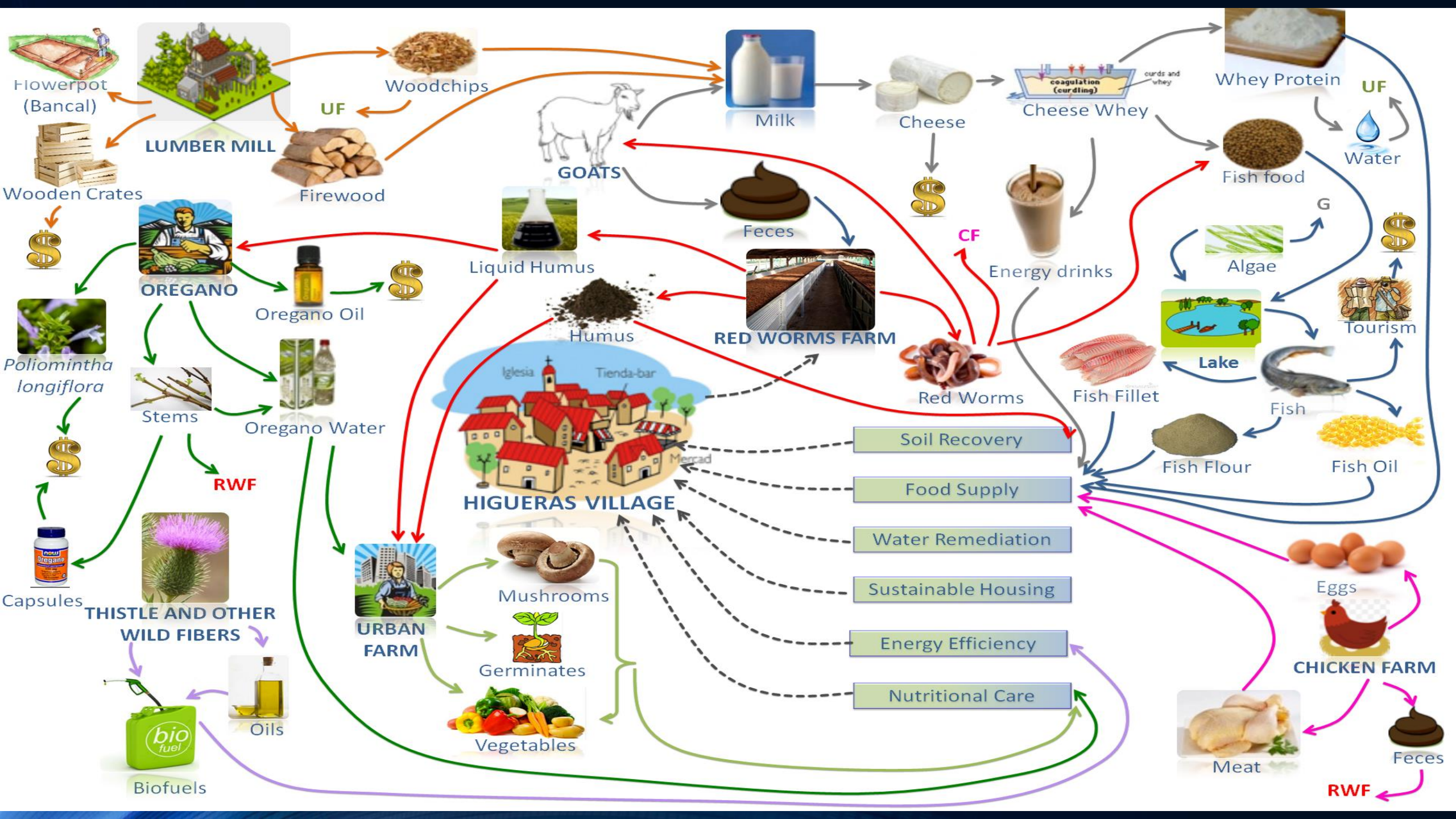


Original (Linear) Value system

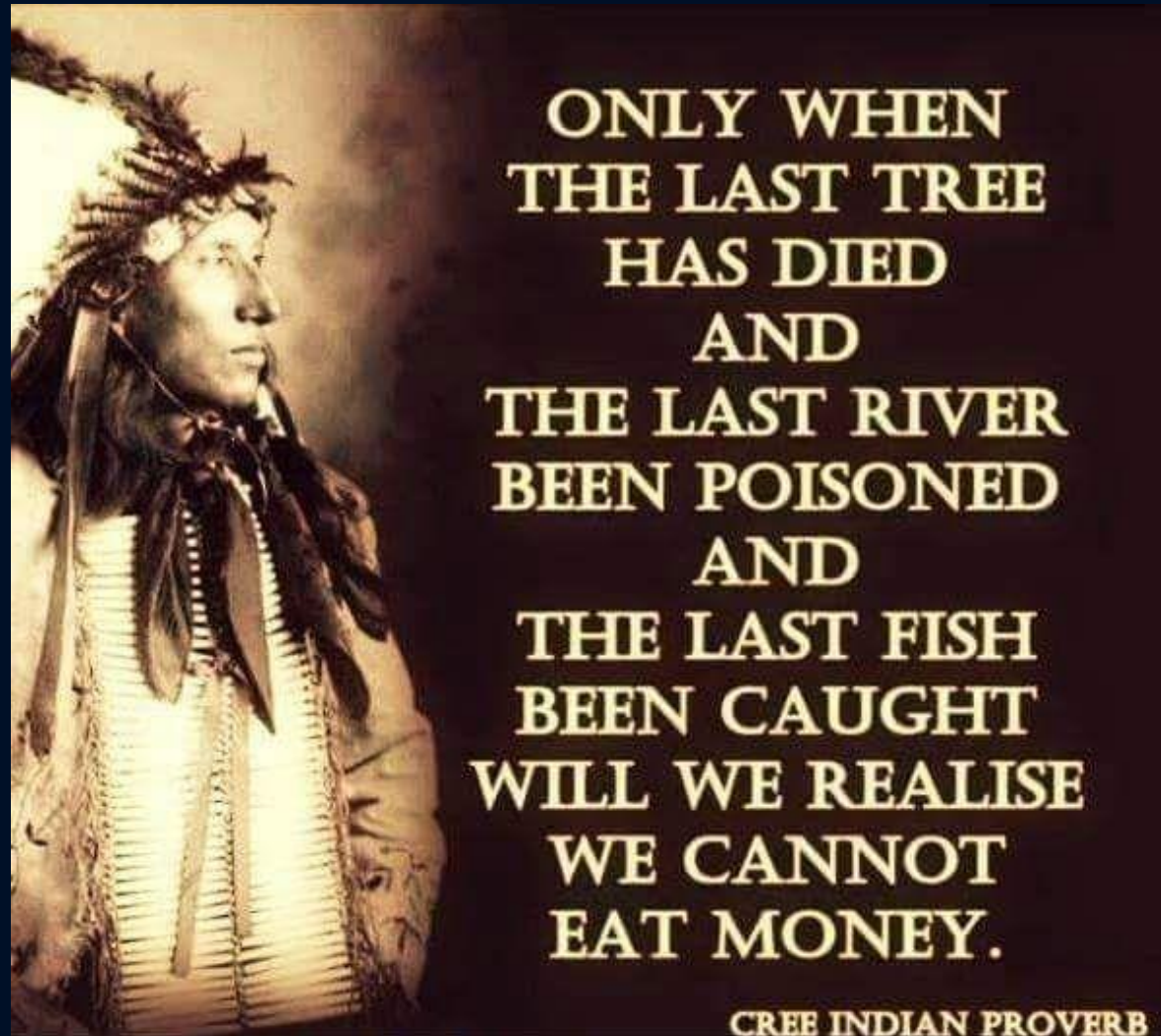
Synergies of the Higueras Village N.L. Mexico

Aguinaga, E., Henriques, I., Scheel, C., & Scheel, A. 2018. Building resilience: A self-sustainable community approach to the triple bottom line. *Journal of Cleaner Production*,

173: 186-196.



An eco-system approach lays bare bio-physical constraints



ONLY WHEN
THE LAST TREE
HAS DIED
AND
THE LAST RIVER
BEEN POISONED
AND
THE LAST FISH
BEEN CAUGHT
WILL WE REALISE
WE CANNOT
EAT MONEY.

CREE INDIAN PROVERB

Some new research questions

- A design approach is needed to help companies address their position in this eco-system. Romme (2003) calls for an ideal-target system that “can inspire, motivate, and enable agents to develop new organizational processes and systems” where “success or failure of each solution attempt reveals more information and builds a tacit understanding of the problem.” (Dunne, 2018:5). In other words, there are a host of CSR activities that can be chosen to address the eliminate hunger SDG – but which activity is the most efficient and effective means to do the most good?