

Mega-cities can create an opportunity for social innovation

Research has revealed that 56% of the world's population will live in urban areas by 2020 and more than 35 cities globally will grow to become mega-cities by 2025.



© Leung Cho Pan – 123RF.com

The global imperative to innovate and address the implications of this trend is driving the concept of social innovation; and, while much has been made of it little has been done to define it or to quantify its potential impact on the global economy and quality of life.

The research, which was conducted by Frost & Sullivan in partnership with Hitachi Europe, has identified a \$2tn social innovation market opportunity in 2020 for business, industry, investors and governments looking to address the key issues driving human development.

The research defines social innovation as the deployment of technology and new business models to bring about positive change to the lives of individuals and societies, creating shared value and improved social infrastructure to address global mega-trends.

Needs addressed

The objective is to achieve a sustainable society in which environmental and economic needs are addressed in a balanced way. The report looks at what needs to be done to capitalise on the social innovation market opportunity and makes recommendations on how it can be measured in terms of impact on the comfort, happiness, convenience and choice to citizens while diminishing stress and increasing safety in society.

"Business can help achieve a sustainable society, balancing environmental, societal and economic needs," said Dieter Rennert, chief executive for Europe at Hitachi. "However, it is important that social innovation business strategies are rooted in quantifiable metrics that measure the impact on society."

The research also identifies the five mega-trends and opportunities where social innovation can address the future challenges of global society:

- **Urbanisation:** More than 35 cities globally will grow to become mega cities by 2025 as mass migration transforms cities into enormous economic hubs. Mega-cities emerge as core city centres merge with suburbs to form mega-regions, mega-corridors and even mega-slums.
- **Smart is the new green:** Green products and services will be increasingly enhanced or even replaced by smart products and services with the internet of things connecting over 80 billion devices globally. Smart and sustainable cities will be built from scratch, using the latest intelligent and green initiatives to reduce energy consumption and improve efficiencies in all facets of human life. Twenty-six such smart cities will exist by 2025, while the market for smart cities will reach \$1.57 trillion by 2020.
- **Future of energy:** Urbanisation and the pursuit of energy security are currently driving the future of energy debate, but the global energy future will not be entirely dominated by fuel choices. Rising energy costs and a focus on environmental performance has triggered innovations to manage energy efficiently through technologies such as smart grids, offering more control and visibility, which results in cleaner, reliable and smarter energy.
- **Future of mobility:** Connectivity and urbanisation will have a profound impact on personal and freight mobility, and companies that look at cities as customers and position themselves as partners and solution providers will benefit from business and investment opportunities. By 2020, it is expected that nearly 1 million parking spaces will deliver real-time parking information with the help of sensors, there will be 26.2 million car sharing members and 450,000 car sharing vehicles. In the period 2010 - 2020, over \$500bn will be spent globally on high speed rail projects with over 70,000 km of high speed rail track in use.
- **Health, wellness and well-being:** A shift from treatment to prevention with emphasis on predictive diagnostics and constant wellness will see global healthcare spend on treatment reduce from 70% in 2007 to 56% by 2020. With smarter drugs, virtual hospitals, and cyber documents, the healthcare industry is poised for a radical change.

"Business and industry has woken up to the reality that innovation is no longer just a simple strategic option for financial gain but an opportunity to address human challenges," said John Raspin of Frost & Sullivan. "By the time it reaches the individual, Social Innovation has a tremendous impact in terms of bringing a better quality of life to the end-user, not to mention the wider implications for the environment. This is what will really tip the scales in favour of social innovation - when innovation truly answers individual citizen's deep felt problems."

For more, visit: <https://www.bizcommunity.com>