

Challenge Social Innovation: An Introduction

Hans-Werner Franz, Josef Hochgerner, and Jürgen Howaldt

Abstract The introduction to the book provides information about the coordinates and intentions of the Challenge Social Innovation Conference that took place in September 2011 in Vienna. This conference was the principal background and framework of the book presented here. The introduction highlights the focal points of the authors invited to contribute to this book.

*The tracks of international research on innovation demonstrate that the technology-oriented paradigm – shaped by the industrial society – does not cover the broad range of innovations indispensable in the transition from an industrial to a knowledge and services-based society: Such fundamental societal changes require the inclusion of social innovations in a **paradigm shift of the innovation system**.
(Vienna Declaration)*

1 The Challenge of the Vienna Conference

When we started preparing the conference that took place in Vienna in September 2011 one hundred years after Schumpeter developed his economic theory of innovation it seemed to us a great opportunity to broaden the concept of innovation. Following the tracks of international research upon innovation it becomes more and

H.-W. Franz (✉) • J. Howaldt

Social Research Centre, Dortmund University of Technology, Evinger Platz 17, Dortmund 44339, Germany

e-mail: Franz@sfs-dortmund.de; howaldt@sfs-dortmund.de

J. Hochgerner

Centre for Social Innovation, Linke Wienzeile 246, Vienna 1150, Austria

e-mail: hochgerner@zsi.at

more obvious that the technology-oriented paradigm – shaped by the industrial society – is increasingly losing its explanatory and illustrative function.

That transition from an industrial to a knowledge and services-based society seems to correspond to a paradigm shift of the innovation system which implies an increasing importance of social innovation, as compared to technological innovation. This new innovation paradigm – as described e.g. by the experts of the OECD Study “New nature of innovation” – is essentially characterised by the opening of the innovation process to society. Alongside companies, universities and research institutes, citizens and customers become relevant actors within the innovation process. Terms and concepts such as “open innovation”, customer integration and networks reflect aspects of this development. Based on these trends, innovation becomes a general social phenomenon that increasingly influences every aspect of our life.

However, the area of social innovation has been virtually ignored as an independent phenomenon in socio-economic research on innovation. Social innovation rarely appears as a specific and defined term with a clearly delineated scope but usually is used as a sort of descriptive metaphor in the context of social and technological change. We have to admit that “Social innovation is a term that almost everybody likes but nobody is quite sure of what it means” (Pol and Ville 2009). It was one of the objectives of the Vienna Conference to take care of this deficiency. When we called it Challenge Social Innovation we had in mind a triple challenge.

Firstly, it was the challenge to make this first world-wide scientific conference dealing with social innovation a success. It is easy to invite scientific experts; it is not so easy to get them all together and make them all move at the same time to the same place. Nevertheless, we managed to organise the hitherto largest scientific get together of nearly all those we knew already from their writings and not few we did not know yet. Key for the success was the very inspiring and fruitful co-operation with Net4Society, the network of National Contact Points for the Social Sciences and Humanities part of the Seventh EU Framework Programme for Research and a highly motivated organisation team. Few of those we really wanted to have in Vienna had to cancel their participation briefly before the event, e.g. Kriss Deiglmeier from the Center for Social Innovation at Stanford University (US) who was in the Steering Committee, and Frances Westley from the Institute for Social Innovation and Resilience (University of Waterloo, Canada). But most of those we had read and quoted before we had the pleasure to meet in Vienna. So we achieved what we had formulated as our target: *It is the objective of this conference to establish social innovation as a major theme of work and discourse in the scientific community.* This book is embedded in the same endeavour as is the publication of those contributions not selected for the book in the ZSI Discussion Papers 14–30 (www.zsi.at/dp).

Secondly, we had to deal with the challenge to make not only the scientific community meet, i.e. those who are interested in or working on social innovation. We also wanted them to meet a number of relevant people from the large agencies and institutions tuning in on social innovation such as the European Commission,

the OECD Forum on Social Innovation and UNESCO. Science on and politics for social innovation need each other. If our motto “Innovating innovation by research – 100 years after Schumpeter” was to come true, also this challenge had to be met. This book will continue this idea of making the scientific community interested in the subject and providing support to those who in their political decision try to foster and focus on social innovation. This was and is not an easy task since the requirements of political definition and scientific analysis do not always go easily together. Here we could benefit from the very valuable and prolific work of the Young Foundation and the global network Social Innovation eXchange (SIX) who had published several books and in particular a study on social innovation (SIX 2010) for the European Commission that succeeded to conciliate scientific analysis with political need for handy definitions (see below). One of the outputs of the conference, the Vienna Declaration on “the most relevant topics in social innovation research” (cf. final chapter 23 of this book) provided a rich reservoir of desiderata vis-à-vis the programme makers of the European Commission, OECD and UNESCO who actively participated in the conference.

Thirdly, we had the aim to link the debate on social innovation closely to the discourse on innovation in general, following the heritage of ICICI, the international conferences on indicators and concepts of innovation. This is also one of the main objectives of this book. Social innovation is a challenge for all scientific disciplines that have dealt with innovation so far; but it is a particular challenge for the social sciences, since “social innovations are innovations that are social both in their ends and in their means” (SIX 2010: 17f; see also Mulgan in this book and BEPA 2010). This very helpful political definition of social innovation has the virtue to facilitate political decision making on what socially innovative projects to fund and to foster; it is an a priori definition making the distinction easier between what might be socially innovative and what not. It helps to solve the fundamental problem of any innovation (to become or not to be), i.e. the problem that we do not know whether it will be an innovation after all, since it is the success or failure of its diffusion, the eventual degree of generalisation which decides what can or cannot be considered an innovation. Political deciders face the problem that they have to take decisions on what should be considered as innovative before the innovative idea or invention can prove to become an innovation. Innovation in Schumpeterian terms is defined not only by its newness but by its acceptance, be it as a market success, be it by changing the way how a sufficient number of people do things together or alone. “Social in its ends and in its means” is a useful formula not only for deciding about social innovation, it could and should just as well be used as an additional criterion for decision making about technological inventions and prototypes, methods and processes just as the development of a new automobile nowadays includes asking the customers as well as the workers who will have to produce the car about how they conceive the plans for the new vehicle under their aspects and from their perspectives of using and producing it. It is useful because it conveys an idea of social as “good for many” or “socially desirable”, as socially “valuable”. Nevertheless, we have come to learn that not everything which is

intended as good for many may eventually turn out to be considered as good from many.

From these few deliberations we can draw several conclusions. One is that for a scientific debate we have to aim higher and farther than at the needs of political decision making. Another one is that we should take into consideration that social innovation still is innovation and that the scientific basics of innovation are and must stay true for social innovation, too. And if they have to be reconsidered, social innovation must become an integral part of this reflective effort. So this book wants to be understood as a first global contribution to “embedding the concept of social innovation in a comprehensive theory of innovation” (Vienna Declaration, see “Final observations” in this book).

2 Towards a Handy and Useful Definition of Social Innovation

Testing the politically useful definition of “social in its end and in its means” against simple criteria of what can be considered as social innovation from a scientific point of view will prove it as (necessarily) imprecise and methodically doubtful. In strict scientific terms, defining ‘social innovation’ excludes using the terms social and innovation in the definition. Strictly speaking, the definition “social innovations are innovations that are social both in their ends and in their means” is tautological. What we can take from this definition is that social innovation is intentional, meant to change something in what people do alone or together to the better, at least as they perceive it. The intentionality of social innovation is what distinguishes it from social change. Social change just happens. But is all social innovation really intended as social and/or using social means?

Many a social innovation was not intended as social. McDonalds (and its imitators), the idea of a fast food restaurant – before, for many still a contradiction in terms – was and is a true social innovation by its results wherever it was and is introduced. It has succeeded to change the traditional idea of eating out alone or together dramatically for a very large proportion of the population, and in most of our societies it clearly co-exists as an established option for many along with other ideas of eating out together. But it was definitely not intended as being social, neither in its ends nor in its means, but most clearly as a for-profit mass consumption concept of highly rationalised food production and service organisation. It was developed to serve a specific market, and it was people who made it a specific part of our social life and culture. It is true, markets are also people and part of what in social sciences would be considered as social. Economy is in society! But it would stretch the concept of the social sphere as distinct from the economic sphere very far.

A similar observation can be made referring to the internet which is *the* major social innovation of the past 20 years. With billions of people participating, there can be no doubt that it is the largest and most rapidly generalised social innovation ever. It has radically changed the most essential features of mankind, i.e. our ways

of communicating and our ways of working together. Here we could say that the ends of developing it were social, since it was originally developed to facilitate scientific collaboration. But the means are clearly technical developments and provisions, although, and here the social enters the scene, massively influenced in its evolution by the way how people have used and are using these technologies, for or not for profit, and undoubtedly based on the massive spread of a technological innovation, the ‘personal computer’. This is true to the extent that we can put forward the assumption that the PC would be not such a widespread communication medium without the development of the internet. Under the definition of “social by its ends and by its means” we would have to start distinguishing between the social and the economic use of the internet in order to find out how much of it is only an innovation – but which sort of innovation: technological, economic, cultural? – and how much it is a social innovation. The internet clearly is a social innovation using technological means, as so many social innovations do. The mobile telephone stands for a very similar story. It has changed completely the communication behaviour of many people, certainly so of our younger generations.

What has changed in both these exemplary cases of innovation and what is the decisive characteristic of social innovation is the fact that people do things differently due to this innovation, alone or together. What changes with social innovation is social practice, the way how people decide, act and behave, alone or together (cf. Howaldt and Schwarz 2010: 26ff; also Howaldt/Kopp in this book). Or in sociological speak: when roles change or people interpret them differently; when relations between individuals or groups change regarding the expectations, achievements, rights and duties involved; when norms, i.e. rules of the most varied kinds from house rules to laws and international agreements, are changed or interpreted in a meaningfully new way; and when values change which are understood as general patterns of desirable modes of behaviour and attitudes (see Hochgerner in this book). It is extended social practice what has made McDonalds also a social innovation, and it is massive social practice what has transformed the internet from a scientific tool of co-operation into a worldwide tool of communication and exchange, first by electronically copying the old media, i.e. electronic mail instead of mail letters, then by stimulating further technological innovation empowering people to continuously develop today’s social media (see Kaletka et al. in this book), online bartering, selling and buying as ‘prosumers’ (see Jacobsen/Jostmeier in this book), joint design and development as well as other forms of co-operation and even a change in managing innovation itself (see Blättel-Mink et al. in this book). The internet actually is a cluster of innovations, technological, social, economic, organisational, service etc., engendering continuously further innovation, a perfect example for the brightness of Schumpeter’s original definition of innovation as a “new combination”, both as a product and as a process (Swedberg and Knudsen 2010).

It is exactly this content, multitudinous individual or joint practice, what is missing in this handy definition of “innovation that is social both in its ends and in its means”; it defines the ends and means of such innovation as social, i.e. the extension of the concept, but it is missing content, the so-called intension of the

concept. Defining social innovation only by its ends and means leaves the concept empty. “It needs to be complemented by a further articulation of what we mean by ‘social’ ... and of the scope of change” (BEPA 2011: 42). So a more complete handy definition for the purposes of making political choices proposed here is that social innovation consists in *new social practices with social ends and social means*. A slightly longer but more precise concept might lead to *new, more effective and/or more efficient social practices with social ends and social means*. It does not solve the problem of tautology. But it helps to delimitate the ground which separates social innovation from technological innovation. There are and, hopefully, will be lots of social scientists who offer considerably longer, more precise and more reliable definitions.

3 Distinguishing the Meanings of Social in Social Innovation

It is another great merit of the BEPA report that it differentiates social innovations according to their scope. The report distinguishes between *social*, *societal* and *systemic* (2011: 36ff; see also the foreword of Agnès Hubert in this book).

- Social is defined as “social demands that are traditionally not addressed by the market or existing institutions and are directed towards vulnerable groups in society” (ibid.: 43).
- Social meaning societal is defined as “societal challenges in which the boundary between ‘social’ and ‘economic’ blurs, and which are directed towards society as a whole” (ibid.: 43).
- Social understood as systemic is described as “reshaping society” (ibid.: 42) “in the direction of a more participative arena where empowerment and learning are sources and outcomes of well-being” (ibid.: 43).

While the differentiation into social, societal and systemic seems very useful, the definitions provided seem to be narrowing down the real importance of the three scopes. Here we see the limiting effect of the formula “social by its end and by its means” at work, at least from a social scientific point of view. How these three distinctions of scope can be made fruitful will need further research, theoretical and empirical, to develop them to the full richness of their distinction.

- Concerning *social*: Why should a new way of satisfying a social demand put forward by the market or by existing institutions not be considered as a social innovation? For political reasons of focusing funding, this may be acceptable, not from a scientific point of view.
- Social innovations of *societal* scope, i.e. concerning the society as a whole, will not only make boundaries between ‘social’ and ‘economic’ blur, in the context of society such boundaries may not even exist, since economy is part of the society (cf. Hochgerner in this book). When such a fundamental social innovation like old age retirement systems was introduced into our societies,

mostly in the nineteenth century, they affected the social as well as the economic spheres of society just as well as the individual citizen or employee, depending on the respective national system. And any fundamental change of such a system, for example from a labour-based funding scheme of retirement like the German one to a citizen-based funding system like the Swiss one, a fervent debate in Germany, will affect the whole of our societal balance. And such a change would be a top-down social innovation, by the way, politically induced, decided by parliament and implemented top down. And it would be a social, a societal and a systemic change at the same time.

- Finally, regarding social as *systemic*, the system need not necessarily be the whole society. All societal systems, e.g. organisations, be they for profit or not for profit, may undergo systemic social innovation. A good example across all social spheres is the ever wider spread of total quality management systems in organisations (Franz 2010) which indeed installs an ongoing process of reshaping these organisations towards more empowerment and learning, “leading to sustainable systemic change” which also in the BEPA report is considered as the “ultimate objective of social innovation” (2011: 38). Whether at the end of the day it will lead to more well-being, is a question of evidence and hence of research.

We remain with the final and decisive question of the social sciences. What is social? And in our context, what does ‘social’ mean when we talk about social innovation, social ends, social means, and social practice? We will have to reconsider the whole of theory on social action since social practice comes from social actors (see Hochgerner 2011a or 2011b). Geoff Mulgan has set the agenda by starting his contribution to this book with the following words:

The field of social innovation has grown up primarily as a field of practice, made up of people doing things and then, sometimes, reflecting on what they do. There has been relatively little attention to theory, or to history, and although there has been much promising research work in recent years, there are no clearly defined schools of thought, no continuing theoretical arguments, and few major research programmes to test theories against the evidence. But to mature as a field social innovation needs to shore up its theoretical foundations, the frames with which it thinks and makes sense of the world.

This is exactly what all contributors to this book, to the ZSI Discussion Papers, and formerly to the conference intend to do. A quick review of the book’s chapters and contributions may provide a first glance at what richness of thought we have collected and put together to meet the Challenge Social Innovation scientifically.

3.1 On Social Innovation Theory

It is Mulgan’s contribution that surfs through a cosmos of literature presenting “ideas for an emerging field” at the beginning of the book’s opening part *on social innovation theory*. It is the only contribution among those much longer ones than

requested that we have left uncut as a bow to the immeasurable merits Mulgan, the late Diogo Vasconcelos and their organisations (cf. his CV) have accumulated in scaling up social innovation.

Why is social innovation coming up *now*? Howaldt and Kopp hold “the basic assumption” that “the transition from an industrial to a knowledge- and services-based society corresponds with a paradigm shift of the innovation system. This paradigm shift also implies an increasing importance of social innovation, as compared to technological innovation.” This hypothesis would explain why social innovation is progressing in so many different areas of society of which we can only cover a few in this book, beyond the plain and commonplace observation that everything what humans do is social.

Degelsegger and Kesselring would extend this assertion to artefacts since they have ‘translated’ Bruno Latour’s actor network theory for social innovation conciliating technological and non-technological innovation.

Harrison argues that additionally to social innovation heading for more effective and efficient solutions to social problems, it is “based on moral and idealistic motivations with human beings searching for harmony and freedom” and that also along these lines “society is being rebuilt through the constituency of social innovation in three key facets: the public interest and common good, a new approach to the concept of service and the networks strengthening the bonds of trust between citizens.”

Hochgerner maintains Schumpeter’s denotation of innovation as new combinations of production factors can be adapted to social innovation as new combinations of social practices. A slightly longer, more analytical definition, and the adoption of some elements of action theory connect the Schumpeterian basics of innovation theory with social innovation and the main types of innovation addressed in standard frameworks of current innovation research. Four key terms to classify social innovations (roles, relations, norms, values) are advocated for inclusion in an extended concept of innovation, comprising innovations that may adhere to economic and social rationales alike, occurring in any sector of society. Looking forward, the relevance and need to re-position the economic system in society is highlighted, considering it might be most innovative – under social, societal *and* systemic perspectives – to introduce and implement ‘management of abundance’ as equally salient and urgent compared to the well established principle of managing scarcity.

3.2 *Social Innovation in the Service Sector*

It is not by chance that the book’s second part deals with *social innovation in the service sector* since service is the largest economic sector, at least in the developed world, innovation of services and of their delivery probably are the largest but least perceived area of innovation. Moreover, service always consists in social interaction, be it immediate or mediated by technologies. Does this mean that all service innovation might be considered as social innovation? Both Jacobsen/Jostmeier and Djellal/Gallouj offer theoretical explanations for the “tertiarisation of innovation” (Jacobsen/Jostmeier) and regard the immateriality of services and the “intangibility

of solutions” (Djellal/Gallouj) as a fundamental problem for hitherto presented innovation theories.

The first pair of authors asks “what is social about service innovation”. They define service as an “act of mediation” between the social contexts “of generating or producing services and the context of using or consuming them”; the mediation consists in the application of competencies of people eventually leading to an act of co-creation. Intentional changes in the mode of providing this service (referring to Gershuny 1983) then might be considered as innovative from a viewpoint of the generating side. From the user side, “service innovation takes place when actors in the usage context are ready to change their expectations and their behaviour – in this sense it is a social innovation.” This conclusion is flanked by the insight that the analysis of social aspects has to be developed further “carefully avoiding the traps of value rationality and hierarchical orders of technical/non-technical innovation.”

It is exactly at this last point where the second pair of authors tunes in offering “a new typology of innovation” in order to bridge the “mutual ignorance” between the scientific perspectives on “the economics and socio-economics of services” and to meet the challenge of “making ‘invisible innovation’ visible” by stimulating “a dialogue between social innovation studies and service innovation studies.” “The areas for dialogue raised in this exploratory contribution are the theoretical perspectives favoured, the nature of innovation and the question of its identification and measurement, its modes of organisation, its appropriation regimes and the evaluation of its impacts. However, other areas would also merit attention, in particular public policies to support social innovation and service innovation. A better understanding of social innovation in the light of service innovation and vice versa is likely to help reduce even further the hidden or invisible innovation gap in our economies and enable us to advance towards a new comprehensive innovation paradigm.”

Stuart Conger, a veteran in social innovation thinking who wrote on “social inventions” as early as 1974, is the author of the third contribution to the part on social innovation and service innovation. He focuses on the risk of innovators in the public service coming to the case study-based conclusion that “innovation in government is not for the faint of heart or the risk-adverse person but rather for the dedicated professional who has a passion for making the system work in new ways”.

3.3 Social Innovation and Welfare

“Social innovation and welfare” is the headline of the next part featuring two contributions, one focusing on “the challenges of population ageing” and “social innovations for ageing societies” (Heinze/Naegele), the other one concentrating on the changes of “publicly provided social services” and the “challenge of conjugating social innovation with universal social rights and citizenship, through a renewed role for the state” (Martinelli).

For Heinze and Naegele, population ageing is “a driver of social change and starting point for social innovations”. They describe the magnitude of the task and

the diversity of challenges for social as well as technological innovation in order to meet the overall challenge which is to allow independent living to the elderly. “There are many new products and services developed especially for the elderly, which support ‘independent living’ in old age.” At the same time, the elderly “generate positive effects on economic growth and employment (market innovation) ... under the heading of ‘Silver Economy’”. “Networked living” is presented as a “special type of social innovation” at the interface between technology and social services. “Networked living is not only understood as integration of information and communication technologies but also as social cross-linking of different industries, technologies, services and other key players.” Here is where the following contribution links in considering the changing role of public service for the social services.

Martinelli’s controversial contribution titled “Social innovation or social exclusion?” is situated “at the crossroads of three partially overlapping streams of research: social services and social policy, social innovation, and social sustainability, addressed from a planner’s perspective” and “provocatively challenges the broadly shared view of social innovation as inherently conducive to social inclusion.” Her main plea is against the “retrenching of the welfare state” “to bring the state back into the picture”, to “reinvent ... *the role of the state* in social innovation” “in order to ensure the sustainability of social innovation in social services ... , as a key topic for any new European research agenda on social innovation.” “Social innovation in social services *cannot* be sustained *outside* or *in alternative to* the state, as is frequently implicitly or explicitly assumed, but must be promoted *within* and *with* the state” as “the ultimate guarantor of equity and the common good”.

3.4 Social Innovation and Social Entrepreneurship

Three contributions are assembled under the headline of “social innovation and social entrepreneurship”, another prominent field of the social innovation agenda. It is the subject dominating the OECD Forum on Social Innovation; and the most active Directorate-General of the European Commission in social innovation matters, DG Enterprise and Industry, funds a superbly active network concentrating on social entrepreneurship, the EUCLID network for third sector leaders (www.euclidnetwork.eu) which is also active in the Social Innovation Europe project and initiative (www.socialinnovationeurope.eu).

Széll proves to be a fervent advocate of social entrepreneurship and co-operativism as an answer to the cataclysm of the capitalist finance system and the spasms of the public debt crisis in their wake concluding that “today social innovation, social entrepreneurship and development with the aim to improve the quality of life and working life and to allow a sustainable development, have to build on the past, combining old and new in an innovative way.”

Dash's paper on "social innovations and institutional challenges in microfinance" x-rays the weaknesses of the microfinance strategy where they have been abused by banks as "commercial finance" while the original intention was "development finance", i.e. "finance for the creation of longer-term social and developmental value (i.e., social profit)." According to the author, the field of microfinance that he has observed for many years in India "has grown through innovations flowing into the sector from both traditions. The first wave, with the most original fundamental social innovation in the form of a new social design for solidarity lending through groups, did create new economic and emancipatory space for the poor women. With the entry of commercial capital, microfinance grew with a new momentum driven by a new logic but with a 'change of heart', changing its focus from the clients to the institution and its sustainability, giving rise to a second wave of innovations in institutional development, market development, product development, and technology development. However, commercialization and its focus on institutional sustainability led to a mission drift. Driven by distorted market logic and a uni-dimensional narrow economism, it has run into a deep crisis today with a 'reputation risk'". "Microfinance is now disintegrating as a compelling tool for poverty alleviation. The present crisis creates an opportunity for a third wave of innovations for MFIs to grow to maturity as 'blended value' organizations, moving from efficiency to effectiveness, and to produce credible results in terms of social impact."

Barraket and Furneaux provide solid evidence from Australia on "social innovation and social enterprise" "drawing on Mulgan et al. (2007: 5) three dimensions of social innovation: new combinations or hybrids of existing elements; cutting across organisational, sectoral and disciplinary boundaries; and leaving behind compelling new relationships." Based on a detailed survey of 365 Australian social enterprises, the authors "examine their self-reported business and mission-related innovations, the ways in which they configure and access resources and the practices through which they diffuse innovation in support of their mission." Then they consider "how these findings inform our understanding of the social innovation capabilities and effects of social enterprise, and their implications for public policy development."

3.5 Social Innovation at the Workplace

Social innovation at the workplace has been one of the seed beds of the social innovation surge. Especially European social action programmes like EQUAL or the Lifelong Learning Programmes and numerous work organisation programmes on the national level in a considerable number of countries have made major contributions to this rise. For example, in Germany along with the continued existence of an industrial manufacturing structure, two major social innovations from this workplace-related context have greatly contributed to the relatively successful bridging of the world finance and economic crises of the last years.

One is ‘Kurzarbeit’, people receiving monthly payments of 68 % of their usual wage or salary from the semi-public redundancy fund fed by workers and employers at equal rates, for working time which is reduced to little or nothing, thus avoiding dismissals and allowing companies to maintain their skilled and experienced workforce. The instrument stems from the late 1950s when the structural change in coal mining started, and it was strongly used for a socially compatible reconversion of the coal and steel industries (cf. Franz 1994). The other one of relatively recent origin are flexible working time schemes with working time accounts introduced since the mid-nineties in many German companies with massive support from EU co-funded public programmes like ADAPT and EQUAL. They were usually introduced as a compromise of company and workforce interests and negotiated with the trade unions respectively with the works councils in German companies. These working time accounts were well filled with overwork when the crisis arrived and they were reduced, emptied or even used for ‘deficit spending’ of working time to be recovered in better times to come. It is in this range of social, societal and systemic innovations of workplace structures where the two contributions for this chapter have their background.

Totterdill, Cressey and Exton refer to the social learning and negotiation process and mutual trust record at the core of social innovation at the workplace. Based on an empirical study of the UK Work Organisation Network (UKWON) for the European Foundation in Dublin, screening and analysing the whole of the most recent European research on the subject, they detect workplace innovation as an “underused resource for European public policy at both EU and Member State levels” to the detriment of Europe’s economic performance. Their plea is in favour of “embedded collective productive reflection”, and they provide empirical analysis of the varying modes in which this social process is organised. As a conclusion the authors resume: “The concept and practice of productive reflection demonstrate the social nature of workplace innovation in two ways. Productive reflection, lying at the heart of workplace innovation, is an inherently social process which bridges formal and informal dialogue between different actors in the workplace. Secondly the win-win outcomes uniquely achieved through the participative nature of workplace innovation lead to profound social outcomes including enhanced health, active ageing, social cohesion and wealth creation. This is why the workplace should be at the heart of the EU’s social innovation agenda.”

Pot, Dhondt and Oeij argue that “social innovation of work and employment are prerequisites to achieve the EU 2020 objectives of smart, sustainable and inclusive growth”. The research they analyse shows the possibility of convergence of organisational performance and quality of working life. They come to the conclusion “that, despite the use of broad concepts of social innovation in many of the EU policy documents and related studies, it can be discerned that the road is paved for workplace innovation as well. However, public and private organisations do not easily implement workplace innovation for the following reasons. There is only little research on the claim of a win-win situation. Quite a number of managers wait for others to find out how it works or prefer short-term results instead of long-term innovativeness. A lot of managers are not equipped for participatory approaches

and/or are afraid to share power with their employees. Trust is a difficult asset to develop and to maintain. So, if we leave workplace innovation to the initiative of the market, we can only expect workplace innovation in a limited number of organisations with visionary governors and strong works councils. The majority of interventions will be just cost reduction strategies. EU and national campaigns are needed to support workplace innovation, in particular in those countries where there is little experience.”

3.6 *Social Innovation, Open Innovation and Social Media*

As we have argued above already, the internet is one of the key innovations with profound structural consequences for our ways of communication and co-operation in all areas of life as well as for the management of any type of innovation itself. The two contributions of this part examine exactly these contexts.

Kaletka, Kappler, Pelka and Ruiz De Querol provide theoretical and empirical background to the Barcelona Manifesto *Social Media for Social Innovation*. “It promotes the possibility of using social media as a platform to effectively support the processes of social innovation, overcoming its limitations of speed and scale to become an alternative to currently established institutional mechanisms. Such social innovations comprise all new strategies, concepts, ideas and organizations that meet current social needs and strengthen civil society.” “The new communication and coordination possibilities through social media are and could further be used for a societal evolution going much beyond the economics of leisure and consumption.” The paradigm shift of communication challenges multiple layers of the knowledge society. The four most striking ones are: *change of labour*: “The potential of social media – not seen as a technology, but as a new communication paradigm – seems underexploited in labour processes”; *political participation*: In the U.S. as well as in Europe governments pursue the objective to “empower citizens and business by eGovernment services *designed around users’ needs and developed in collaboration with third parties* [...]” (European Commission 2010); *eInclusion*: participation then needs an approach to overcome the “digital divide” of society and to support *digital inclusion*; *education and training*: The shift in modern learning environments from “teaching” to “learning” came along with pedagogical approaches and technological environments that enable learners to find their own way of acquiring needed knowledge, skills and competences. “The potential of social media for education and training seems underexploited by far.”

Kahnert, Menez and Blättel-Mink focus on processes of open and user-driven innovation. Along with a critical analysis of the theoretical background of open innovation, the existing communities and the toolkits and motivations of such an approach, they present a case study of one of the largest German companies developing computer games (Crytek) “in order to find out how companies coordinate open resp. user innovation, and why users actively support companies in innovating... Adopting the theoretical facets of user innovation to this case,

among others game designers and community managers of Crytek have been surveyed as well as ‘modders’, kind of a new species of users who are deeply involved in generating new products.” “In terms of user motivation, intrinsic, social as well as extrinsic motifs have a role. Extrinsic motifs of the modders correlate clearly with the intentions of Crytek itself, in that it every now and then recruits its employees out of this group.”

3.7 Measuring Social Innovation

Measuring innovation cruises in the choppy seas of impact evaluation since innovation is measured according to the degree of its extent or intensity of application and with reference to the degree of change induced by it. By the pure nature of social innovation (e.g. immateriality and invisibility), this is a difficult task to tackle, though necessary in the context of developing a broader and more open paradigm of innovation beyond pure effectiveness and efficiency.

Wobbe offers a first overview of the existing instruments measuring innovation at large and develops a number of suggestions of how these instruments could be methodically guiding for social innovation, too. “Currently, innovation monitoring chiefly is applied with an economic focus although social data base developments have been funded by the European Commission research and development programmes over years. The paper presents selected EU research activities as well as the method and policy relevance of two innovation monitoring approaches targeting the economic dimension in the EU: the Innovation Union Scoreboard (IUS) and the Community Innovation Survey (CIS). The approaches shed some light on how monitoring instruments of social innovation may be developed.” One of the conclusions is that “consensus needs to be reached on the point of view if and which targets for specific policies (innovation, security, health, social, environment, transport, etc.) shall be monitored to which social innovations are instrumental, or if social innovation is a subject in its own to be monitored.”

Bassi presents the results of a research project the principal aim of which was to elaborate and test a measurement tool for non-profit organisations (NPOs) called SAVE (Social Added Value Evaluation) operating in the welfare area (social and health services). “The basic idea is to select a sample of 12 NPOs (six organizations of volunteers and six social cooperatives) dealing with services for disabled people, elderly, physical impaired, mental illness, youth, families with problems, etc., and to carry out an in-depth sociological analysis, using the case study model of social and organisational inquiry.” NPOs are regarded as special organizations because they have a triple bottom line: an economic one, a social one (volunteers, workers, users, clients, etc.) and an environmental one (local community), reflecting their various stakeholders. The underlying hypothesis is that NPOs are characterized by two main features: the capacity to produce relational goods and their ability in generating social capital in the community.

3.8 Social Innovation and the Social Sciences

The final part asks for the role and contribution of the social sciences. First considerations on the subject could be found already in Howaldt/Kopp's paper in Part 2. The two papers of this final part draw on experience collected in Scandinavia and in New Zealand.

Gustavsen displays the vast experience gathered in Scandinavia. His contribution "traces the development of a research tradition where the point of departure was research-driven experiments with alternative forms of work organization but which has become subject to a communicative turn as well as a turn towards change that can involve many actors simultaneously." In its present shape the methodology starts to constitute a distributive set of activities with the idea of democratic dialogue as the core and a strong emphasis on notions like networks and regions. "This research tradition has played a major role in establishing Scandinavia as the leading area for 'learning organization' in Europe." The article concludes by discussing some of the challenges facing "bottom-up" change in working life today: "the increasing dominance of centrally managed systems thinking, a possible reduction in influence from the labour market parties and an associated breakdown of the strong links between the local and the central and, third, difficulties associated with integrating and giving a society level profile to a pattern of distributive research."

De Bruin's paper reflects the possible role of the social sciences on two distinct but interrelated levels. First it "reflects on the role and responsibility of researchers in advancing social innovation and traces the purpose and activities of the New Zealand Social Innovation and Entrepreneurship Research Centre to illustrate how academic institutes might catalyze social innovation." The second consideration regards "parallel discourses following either more micro- or macro-level leanings... Bringing these two research streams closer and bridging dichotomous micro-macro perspectives, is necessary for a holistic view of innovation that recognizes social innovation as a crucial facet of innovation systems."

Last but not least, in "Final observations" the book keeps record of the Vienna Declaration which summarizes the results of the conference. "Further innovations in technology and business are imperative; yet in order to reap their full potential, and at the same time creating social development that is beneficial to cultures as inclusive as diverse, social innovations will make the difference: There is a lot of evidence that social innovation will become of growing importance not only with regard to social integration and equal opportunities but also with regard to preserving and expanding the innovative capacity of companies and society as a whole. The most urgent and important innovations in the twenty-first century will take place in the social field. This opens up the necessity as well as possibilities for Social Sciences and Humanities to find new roles and relevance by generating knowledge applicable to new dynamics and structures of contemporary and future societies."

References

- BEPA (Bureau of European Policy Advisers). (2010). *Empowering people, driving change: Social innovation in the European Union*. Luxembourg: Publications Office of the European Union.
- BEPA (Bureau of European Policy Advisers). (2011). *Empowering people, driving change: Social innovation in the European Union*. Luxembourg: Publications Office of the European Union.
- Conger, S. (1974). *Social inventions*. Prince Albert: Saskatchewan Newstart.
- European Commission (2010). *The European eGovernment Action Plan 2011–2015*, COM(2010) 743, December.
- Franz, H. W. (1994). Manual social crisis management in the coal and steel industries. In: the Commission of the European Union, with a foreword by Padraig Flynn (Ed.), *European models and experiences*. Brussels/Luxembourg: Publications Office of the European Union (also available in French, German and Spanish).
- Franz, H. W. (2010). Quality management is ongoing social innovation. In K. Müller, S. Roth, & M. Žák (Eds.), *Social dimension of innovation, 2010* (pp. 115–130). Prague: CES Centre for Economic Studies (College of Economics and Management).
- Gershuny, J. (1983). *Social innovation and the division of labour*. Oxford: Oxford University Press.
- Hochgerner, J. (2011a). Die Analyse sozialer Innovationen als gesellschaftliche Praxis. In: Zentrum für Soziale Innovation (Ed.), *Pendeln zwischen Wissenschaft und Praxis*. ZSI-Beiträge zu sozialen Innovationen (pp. 173–189). Vienna and Berlin: LIT.
- Hochgerner, J. (2011b). The analysis of social innovations as social practice. In: *bridges* vol. 30, July 2011, <http://www.ostina.org/content/view/5708/1505/>. Accessed 25 July 2011.
- Howaldt, J., Schwarz, M. (2010). Social innovation: Concepts, research fields and international trends, http://www.internationalmonitoring.com/research/trend_studies/social_innovation.html. Accessed 3 April 2012.
- Mulgan, G., Tucker, S., Ali, R., & Sander, B. (2007). *Social innovation: What it is, why it matters and how can it be accelerated*. Oxford: Skoll Centre for Social Entrepreneurship.
- Pol, E., & Ville, S. (2009). Social innovation: Buzz word or enduring term? *The Journal of Socio-Economics*, 38(2009), 878–885.
- SIX (Social Innovation exChange at the Young Foundation) (2010). Study on social innovation, http://www.youngfoundation.org/files/images/tudy_on_Social_Innovation_22_February_2010_0.pdf. Accessed 28 Feb 2012.
- Swedberg, R., Knudsen, T. (2010). Schumpeter 2.0. In: *The American* (online Journal of the American Enterprise Institute). <http://american.com/archive/2010/June-2010/schumpeter-2.0>. Accessed 9 Feb 2012.

Challenge Social Innovation

Potentials for Business, Social Entrepreneurship,
Welfare and Civil Society

Franz, H.-W.; Hochgerner, J.; Howaldt, J. (Eds.)

2012, XVIII, 386 p., Hardcover

ISBN: 978-3-642-32878-7