

# ITSSOIN Hypotheses

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### ITSSOIN

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## **Executive summary**

This report brings together findings from the first ITSSOIN project working steps to formulate empirically testable hypotheses on the impact of the third sector and social innovation – in particular regarding the role of the third sector in generating social innovation but also with reference to framework conditions. Our analysis includes the following different levels: (1) organisational properties, (2) volunteering and volunteers, (3) institutional frameworks, (4) citizen perceptions and media influence. For each level we take into account empirical findings and theoretical insights in order to develop a more detailed understanding of how the third sector's social innovation potential can be captured. Furthermore, we outline how the hypotheses will be tested in separate work steps of the ITSSOIN project.

## 1. Introduction

This document relates to previous research performed in ITSSOIN, in particular to “Social innovation as impact of the third sector” (Anheier et al., 2014b), “Policy frameworks for the third sector” (Anheier, Krlev, Preuss, & Mildemberger, 2014a), “Perceptions of the third sector” (Anheier et al., 2014a) and “Theory and empirical capturing of the third sector” (Anheier et al., 2014a). In these documents we reviewed previous conceptual knowledge and partly empirical research on the themes involved in order to build the conceptual thread of the ITSSOIN project. The project’s conceptual core lies in exploring social innovation and proposing conditional factors for its emergence, with a particular emphasis on the potential involvement of the third sector and volunteering as well as their institutional and perception environments.

Starting from these reviews we will proceed to propose a set of testable hypotheses on the involved issues. We will also provide some reasoning as to the degree to which each of these hypotheses will be testable within the framework of the ITSSOIN project. This is a first estimation and the explicit testability will have to be proven throughout the research process. However, the recipients of this report will benefit from this estimation to be able to develop a sense of the hypotheses which will be handled with priority, since we can more easily operationalise them or presumably have more data to test them rigorously. Since our possibilities for explicit testing are limited by the research methods which we intend to apply in the project, we will treat some hypotheses rather as explorative research questions and propositions. Nevertheless, all hypotheses are equally valuable, because they represent a useful starting point for future research.

Thus, the research hypotheses presented in this deliverable will illustrate how encompassing the ITSSOIN research perspective on third sector involvement in social innovation is. At the same time they delimit issues that can be immediately addressed as well as other questions that will require follow-up work, potentially involving alternative research methods.

## 2. Levels of hypotheses & research approach

The above mentioned ITSSOIN reports cover four different levels on which conditions that influence social innovation can be expected:

- (1) Organisational properties;
- (2) Volunteering and volunteers;
- (3) Institutional frameworks;
- (4) Citizen perceptions and media influence.

It has been repeatedly shown that social innovation is influenced by a multitude of actors and at several levels which all have to be considered in the analysis of the phenomenon (Krlev, Bund, & Mildemberger, 2014). Thereby, a particular potential is ascribed to the properties of third sector organisations and the engagement of volunteers (Anheier et al., 2014b). In the cross-country analysis of national welfare and economic systems not only the importance of single organisations but also the special role of the structural conditions in which social innovations are enacted became apparent (Anheier et al., 2014a). These framework conditions have been underlined further in the screening of policy conditions for social innovation across

the ITSSOIN partner countries (Eriksson, Einarsson, & Wijkström, 2014). Finally, the role of the media as a sphere of channelling information and forming opinions has been identified along with citizen attitudes as a proxy for the societal climate framework for social innovations (Bekkers & Lund, 2014).

Based on this there are two core propositions which also serve as the baseline for the research to be performed within the ITSSOIN project:

*Main proposition I: Social innovativeness varies by organisational form and actor involvement, in the sense that the properties of third sector organisations and volunteering make its formation particularly likely.*

*Main proposition II: Against this background, social innovativeness further varies by framework conditions, that is by institutional and perception environments.*

All of the following hypotheses relate directly to these two propositions and define specific conditional factors that lever social innovativeness and specify further causal relations we expect to find with reference to the impacts of volunteering, media and citizen perceptions, or policy discourses. One of the core constituting elements of the above mentioned propositions and the hypotheses that will follow is the ‘social innovativeness’ which we therefore explicitly define as:

*“The ability to contribute to or create solutions to previously inadequately addressed social needs—this solution shall serve both a functionalist (efficiency & effectiveness) and a transformationalist function (change) and primarily aim at improving the situation for the beneficiaries and actors involved” (Anheier et al., 2014b, p. 33).*

*Increased social innovativeness is marked by a more frequent (overall or within the social innovation process) and more substantial (clearly recognisable or dominant) and more sustainable (lasting) involvement in the development of such solutions.*

Some of the hypotheses presented below make use of concepts which benefit from precise definitions. In order not to overload this deliverable and thus not to impede the reading flow, the respective definitions are given in this document’s annex, whereby each term that requires such a definition is marked with a short footnote.

The aim of this document is not only to formulate hypotheses but also to outline the research strategy which we apply in exploring them. We intend to test the core ITSSOIN assumption that in comparison to public agencies or business firms third sector organisations are characterised by higher social innovativeness, in a backward fashion, that is first positing based on what we know from previous research as to which organisational properties, context conditions and further characteristics can be supposed to lever social innovativeness.

Starting from there, in total we will conduct approximately 20 case studies including examples of recognised social innovations in seven fields of activity (arts & culture, social services, health care, environmental sustainability, consumer protection, community development, and work integration); this case analysis will result in a cross-country comparison of about 3 countries per selected dominant social innovation in the respective field of activity. The level of analysis will be the specific social innovation which allows us to trace back the

organisations, actors and constituents that have contributed to its emergence. This may include single entities but also formalised actor networks or informal structures (such as social movement groups). The method of 'process tracing' (George & Bennett, 2005), mostly applied to explicate the dynamics that led to new legislation, will be used to track the phases of the emergence of social innovation as well as the involved entities. It will provide necessary and sufficient conditions for the specific innovation's coming into being (Collier, 2011).

An in-depth analysis of the involved entities and mechanisms at play will then allow us to determine whether the presumed characteristics and properties were really the factors responsible for the emergence and spreading of the social innovation in question and who exhibited these characteristic features (considering public agencies and business firms and third sector organisations). The theory of 'strategic action fields' will be used to derive a general design of the case studies, in the course of which we will not only give attention to the involved actors but also, and in particular, to their interplay that depends, for instance, on their individual motives and their ability to mobilise resources.. Prompts for innovation will serve as 'episodes of contestation' and we expect to find challengers (those promoting the innovation) and preservers which try to maintain the status quo (Fligstein & McAdam, 2012).

Finally, across cases (within or even transcending activity field boundaries) and by means of a 'qualitative comparative analysis' (QCA) (Ragin, 1989, Ragin, 2000; Rihoux & Ragin, 2009) we will be able to isolate combinations of influencing variables that serve as a lever for social innovations and to establish causal conditions if not causal inferences across the complex social innovation process. For the application of the QCA it will be necessary to precisely define what we mean by the different conditional factors for social innovation that are posited in the following sections and address all the four levels illustrated above; these factors will have to be operationalised. A first attempt of doing so will be undertaken in this document (marked in italics right after the respective hypotheses). It will guide the qualitative and quantitative data collection efforts across the different case studies and country settings. Refinements will however be necessary as the empirical work progresses.

In parallel to direct insights from the case work in relation to the question as to whether in contrast to other actors third sector organisations played a more distinct role in the realisation of the social innovation this research strategy will allow us to test whether characteristics that are relevant for social innovation were more frequent and more pronounced in third sector organisations.

In addition to the focus on organisational characteristics in the case studies, we will specifically consider civic engagement as a special form of participation at the micro-level. At the macro-level framework conditions in which organisations are embedded have an impact on their performance. Hence hypotheses on the impact of macro structures on social innovativeness will be developed. Finally, the perception of social innovations and the involved players in the broad public and the media is of interest, as it can foster (or hinder) innovations. Therefore we also consider the discursive perspective to social innovation as another kind of framework condition in the formation of hypotheses.

Before we proceed with this, it is to be remarked that each hypothesis is preceded by some conceptual reasoning which essentially is a recapitulation of previously laid out lines of argumentation. For the sake of clarity and brevity not all of the conceptual arguments will be

discussed in full in the following sections. For a more comprehensive outline of these arguments please consult the respective prior ITSSOIN publications.

What is more, the hypotheses on organisational properties will be explored specifically in the case work; therefore, in order to avoid an a priori bias towards third sector organisations, these hypotheses focus on properties that can be possessed by organisations from all sectors. Whether or not these hypotheses are verified and whether third sector organisations adhere more closely to them than other organisations remains open. Instead, the other chapters and the respective hypotheses which will partly be tested by other research methods (such as a media analysis) have been drafted against the background of a research focus on socio-economic impacts of the third sector and therefore explicitly relate to it. Yet, some of the involved issues such as the influence of welfare regimes and political economies on social innovativeness or the analysis of social innovation policies remain open to the consideration of actors from other sectors. All hypotheses are at least loosely connected to the common conceptual thread of social innovation or to complementary socio-economic impacts.

## **2.1. Organisational properties**

In order to identify the variables that enable social innovation we previously developed a link to more mainstream innovation research (Anheier et al., 2014b). One of the central insights was that innovation must not be analysed in relative isolation, but that they are influenced by entrepreneurs or intrapreneurs at the individual level (Autio, Kenney, Mustar, Siegel, & Wright, 2014; Hoogendoorn, Pennings, & Thurik, 2010; Shaw & Carter, 2007), the organisational conditions in which they are embedded at the meso-level of the organisation (Blättel-Mink, 2006; Crossan & Apaydin, 2010) and their embeddedness in wider innovation (eco-)systems (Kuhlmann, Shapira, & Smits, 2010; Mahroum & Al-Saleh, 2013; Ramstad, 2009). The triggering variable in innovation processes is the exchange of ideas between these levels and the merging of expertise across them, which influences the identification of challenges and recognition of opportunities. Several factors effect on these aspects.

Before we introduce the variables, it has to be remarked that all of the following hypotheses on organisational properties as well as the hypotheses concerning further aspects are formulated *ceteris paribus*, that is all other things remain unaltered. We are fully aware of the fact that there might be tensions between the variables we address, which may result in either counter effects or in symbiotic effects when the variables coincide. For instance, a high degree of organisational openness that will benefit the organisation through a high influx of new ideas would decrease transaction costs in screening for challenges and opportunities, but at the same time transaction costs in processing could increase where a larger number and variety of stakeholders needs to be consulted as to turning ideas into workable concepts (see hypotheses 1.4 and 1.5). At this point we simply cannot provide a clear judgement of the causal complexity involved in the interaction of variables. What we can do, though, is identify individual variables and posit that they presumably have a dominant effect on the social innovativeness of organisations. The complexity of variables' interrelations can only be uncovered as the empirical research progresses.

First of all, the proximity of organisations to target groups is likely to sensitise them to problems and their potential solutions. This is not only related to advocacy, which plays a critical role in communicating and lobbying social needs, but necessitates an ability to detect the respective needs in the first place. This ability will necessarily arise from an organisation's stated and practiced orientation towards social needs (Osburg, 2013).

H1.1: The higher the social needs<sup>1</sup> orientation of an organisation, the higher is its social innovativeness.

*The social needs orientation can be tested by considering the criteria which an organisation applies in identifying the challenges it aims to tackle, e.g., how it defines its target groups and fields of activity, or which factors guide its service provision and advocacy work. For instance, a risky move into a field which offers small profits and inhibits a perceived necessity of acting, either due to the urgency or magnitude of problems which develop if these problems are left disregarded, is a sign for a high social needs orientation. The same applies to a preference for suppressed or minority groups as beneficiaries rather than for majority groups. Finally, a preference for advocacy work aiming at sensitising policy makers and others for unaddressed new or rediscovered issues instead of a relative ignorance for such unaddressed issues, is also a sign for social needs orientation.*

The social needs orientation of an organisation is strongly connected to the dominance of pro-social values within this organisation and to its pronounced motivation to change things for the better (Crossley, 1999; Schmitz, in press). Among other things the will for change helps to prevent a mission drift and reduces potential threats to the viability of social innovations (Crepaldi, Rosa, & Pesce, 2012).

H1.2: The higher the importance of pro-social value sets<sup>2</sup> in an organisation, the higher is its social innovativeness.

*Value sets can be assessed by analysing mission statements. We presume those organisations which manifest solidarity and caring rather than for instance a sense of duty or excellence in service provision will be marked by higher social innovativeness.*

What is more, both an open organisational culture and actor dedication were found to serve as enablers of innovation (Cameron & Quinn, 1999). However, we assume that none of these two factors can properly take effect if they occur in isolation. This is because the dedication of individual actors cannot have an influence on the organisation, if the organisational culture is not receptive to the prompts these actors create; on the other hand, an open organisational culture may create a pleasant working environment but is unlikely to produce innovative prompts if actor dedication is low. Therefore we posit:

H1.3: The more open the culture of an organisation<sup>3</sup> and simultaneously the higher the dedication of involved actors, the higher is its social innovativeness.

*We assume that an open organisational culture is characterised by a high degree of co-determination and decision making, regular exchange sessions between employees, flat organisational hierarchies, and a diversity of employee and especially leadership structures. Actor dedication is embodied by the personal motivation of executives and employees, their willingness to forgo alternative means of compensation for the satisfaction of their motivation, and their urge to promote their own or others' ideas.*

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<sup>1</sup> See annex for definition.

<sup>2</sup> See annex for definition.

<sup>3</sup> See annex for definition.

In addition to the internal organisational culture, the external organisational openness is a critical variable for innovation (Hogan & Coote, 2014). This assumption is supported by the fact that access to a large set of knowledge inputs is beneficial for the emergence of innovation (Coleman's thinking on innovation in 1960s; Rogers, 2003; Vedres & Stark, 2010). A multiplicity of external connections and thus a wide as well as diverse stakeholder network allows a variety of signals to reach an organisation and to disseminate innovative pilots (The Young Foundation, 2012).

H1.4: The higher the organisational openness of an organisation, the higher its social innovativeness.

*Organisational openness is marked by the number and diversity of external stakeholder contacts, but particularly by the degree to which an organisation is receptive to impulses from outside resulting from such interactions. This item does not only allow for testing a trait of individual organisations, but in particular their interconnections, that is it may take account of the effects collaboration has on social innovation.*

With reference to our above mentioned considerations and after specifying organisational openness more precisely, we can assume that the 'sensors' an organisation has under particular circumstances decrease its transaction costs and the costs of identifying relevant challenges (Salamon, 1995); this, in turn, enhances the organisation's social innovativeness.

H1.5: The lower the transaction costs an organisation incurs in detecting societal challenges, the higher is its social innovativeness.

*Transaction costs and the screening costs of identifying challenges depend on an organisation's ability to consult (a multitude of) stakeholders, with a low level of resource dispensation. This is fostered through established fora, (i.e. the institutionalised opportunity of exchange with others), or, for instance, memberships in umbrella organisations, working groups, or unions, and also through elements of voluntarism on the side of the stakeholders who provide free feedback, suggestions, or advice.*

A consequence bound to organisational connectedness lies in the diffusion of social innovations. Widespread stakeholder connections paired with the element of trust in an organisation, that is social capital, will affect the acceptance of innovation, that is the legitimacy formation surrounding it, which is seen as a critical factor for social innovation (Krlev et al., 2014) but also for innovation in general (Rogers, 2003).

H1.6: The higher the social capital<sup>4</sup> of an organisation, the more effective will it be in acquiring societal legitimacy<sup>5</sup> for initiated social innovations.

*Social capital is marked by the number but also the strength of stakeholder connections a particular organisation holds, which could for instance be derived by the nature of the mutual relationship (collaboration vs. mere consultation). What comes in addition is the element of trust put into that*

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<sup>4</sup> See annex for definition.

<sup>5</sup> See annex for definition.

*organisation by others. Societal legitimacy in turn can be assessed by the recognition and embracement of the social innovation by the public or new legislation that has been triggered in its wake.*

What results further from an organisation's connectedness in addition to the capacity for detecting challenges, the creative spurs for developing solutions, and the enabling function on legitimacy formation, is a pronounced capacity for resource mobilization. In particular the diversity of resources is seen as an enabler of social innovation (The Young Foundation, 2012). Organisations that can tap a greater variety of tangible as well as intangible resources are likely to be better able to meet the complexity of social challenges. Therefore:

H1.7: The higher the resource diversity of an organisation, the higher its social innovativeness.

*Financial resource diversity can be measured by the diversity of funding streams, that of intangible resources for instance by accounting for employee diversity, which would include cultural variety, variances in employee training and expertise, nature of the work relation (standard contract, freelance, pro-bono, volunteering). Although resource diversity potentially increases transaction costs, the benefits arising from it by being better able to cater to the multiple challenges arising in complex social phenomena are presumed to overcompensate the negative effects.*

Several of the above considerations are directly related to some form of voluntary engagement, in particular the issues of resource diversity, the influx of new ideas and the proximity to target groups point to civic engagement as a critical resulting moderator of social innovativeness. Voluntary engagement (be it in the form of classical volunteerism or the involvement of customers in product development) increases the likelihood that societal problems which need to be addressed will be identified. Voluntary activity levers an organisation's connectivity as well as the openness of its organisational culture. And the involved volunteers act as links into society and will thereby assist in the diffusion of innovation.

H1.8: The higher the degree of voluntary engagement in an organisation, the higher its social innovativeness.

*The influence of volunteering can obviously be assessed by the mere number of engaged volunteers, but we will also have to account for statements of the ideas they bring into the organisation as well as the value attached to these ideas by others.*

In contrast to the generally enhancing function of brokering structures for voluntary action some new forms of organising volunteering, such as compulsory community service (no actual volunteering) or micro-volunteering/episodic volunteering, to name only some examples in the classical field of civic engagement, are not expected to be advantageous for social innovations. The reason lies in that the compulsory character can crowd out the creative impulses that are a necessity for innovation or that episodes prevent the degree of actor dedication and steadiness that is needed to push through innovations against the odds. Indeed we expect to find an inverse relation of such 'unengaged' forms of volunteering to social innovations. This is not equivalent to the inverse statement of hypothesis 1.8, namely that social innovativeness is low where volunteering is lacking, but rather specifying the nature of volunteering that impedes on or crowds out social innovativeness.

H1.9: The higher the level of 'unengaged' forms of voluntary engagement in an organisation, the lower its social innovativeness.

*'Unengaged' forms of volunteering can be identified by the properties they exhibit as regards the genuinely voluntary character of the activity as well as a critical level of engagement and commitment.*

In addition to the above mentioned considerations there is another enabling factor of social innovation. As posited in the literature, social innovation involves the development of new services but also of new ideas and a sensitisation of the stakeholders which are affected (Crepaldi et al., 2012; The Young Foundation, 2012). Against this background it is supposedly favourable for an organisation to be able to combine advocacy and service provision, since advocacy might be a lever for establishing new services for neglected needs, while service provision can help to detect practical operational experience that can be used to advocate improvements. Furthermore, the advocacy function is found to serve a continuous realignment between institutions and new ideas (Valentinov, Hielscher, & Pies, 2013). This new or emergent sort of evidence is in support of synergies arising from the combination of both of the third sector's main functions.

H1.10: The higher an organisation's ability of tying together service provision and advocacy, the higher its social innovativeness.

*Organisations' engagement in advocacy or service provision or both can be easily observed when analysing their activities. Active membership in the above mentioned fora, for instance, can be indicative, just as other forms of political lobbying. A critical moderating factor is how closely and consistently advocacy and service provision are aligned and whether they are utilised to serve wider stakeholders in comparison to the owners of the organisation.*

Finally, the most closely connected to standard innovation research is the organisations' ability to act independently of market or state pressures or both. Such relative freedom results in an increased ability to experiment and to test new ideas (Saxenian, 1994); this, in turn, is found to be a major source of innovation. The same line of argumentation presumably applies to qualifying the conditions under which volunteering contributes to social innovativeness. Some new forms of volunteering, such as time banking or volunteer-led community-oriented service provision, are with reference to social innovation at an intermediary position. Although these forms of volunteering can be seen as social innovation rather than factors fostering social innovativeness, some of their underlying principles such as self-organisation might have an enhancing function. Yet, this seems more likely where self-organisation has some room to develop in relative independence of immediate pressures (compare to the argument of risk taking, tinkering, and creativity, made in relation to standard innovation literature) and less likely where volunteering is an immediate reaction to grievances. The former is more likely the case in view of time banking (although it might be seen as a response to demographic change), whereas the latter applies to food banks, which are to be regarded as an innovation only to a limited extent and are rather a compensatory aspect that hinders the development of more effective solutions to the problem, that is approaches to avoid poverty. Thus:

H1.11: The higher an organisation's ability to act as independent from market, political or other pressures, the higher its social innovativeness.

*The ability to act independently could be assessed by accounting for the political standing an organisation has, which might be derived from the strength of its advocacy position or by the trustworthiness the organisation is ascribed (note the connection to social capital). Independence of market pressures would be indicated by the availability of financial resources to test out and experiment with new approaches (either within the range of service contracts, fiscal budgets or tenders; or from alternative sources).*

## **2.2. The effects of volunteering**

Complementary to the above section which has focused on the meso level of the organisation, we now turn to micro level and partly move away from the case-based testing to rely on survey data and thus a higher degree of abstraction. We theorize specifically about the potential effects of volunteering on volunteers and the potential effects of volunteers on society.

A first hypothesis about the effects of volunteering on volunteers is that it improves subjective wellbeing. Despite the absence of monetary incentives volunteers spend time working for others or a cause that they care about. While some models of pro-social behavior have focused on altruism as a fundamental motive for volunteering, another explanation receives more and more attention these days in the literature, namely that there is some self-benefit for volunteers that motivates them to do unpaid work. The volunteer functions inventory (Clary et al., 1998) lists several such self-benefits, such as self-protection, enhancement, career prospects, and learning.

A recent string of papers has documented the relationship between doing things for others and happiness or subjective wellbeing (Aknin et al., 2013), though volunteering has not yet been considered in this area of research. The warm glow of prosocial behaviour, sometimes called 'helper's high', is likely to emerge not only for charitable giving and acts of kindness towards strangers, but also for volunteering. For many volunteers, the work they do is an enjoyable form of spending their leisure time. The 'warm glow'-hypothesis thus posits:

### H2.1 Volunteering improves subjective wellbeing.

The 'warm glow'-hypothesis does not imply that volunteering is only about having fun. Volunteering can also involve serious business like advocating rights of minority groups, deciding on large budgets of money for local organisations as a board member, and taking care of the needy. The sense of meaning, fulfillment and feelings of effectiveness and impact that volunteers get from volunteering are likely to contribute to subjective wellbeing. In the analyses of the effects of volunteering on volunteers we will examine these potential pathways.

A second hypothesis about the effects of volunteering on volunteers is that it improves social networks. Through volunteering not only friends are made, but also acquaintances and professional ties to others that would otherwise remain beyond the social horizon. Volunteering not only enlarges the size of networks, but also their composition. It is likely that the effect of volunteering on networks is especially pronounced in more socially heterogeneous organisations (Davis, 2006). So in organisations with a higher level of diversity with respect to gender, age, religion and education it is more likely that volunteering will enlarge the size and the diversity of one's social networks. Our social networks hypothesis is:

### H2.2 Volunteering increases the size and diversity of social networks of volunteers.

A third hypothesis is that volunteering improves health. A large body of literature has investigated the relationship between volunteering and health (for a review, see Bekkers, Konrath, & Smith, 2014). Volunteering seems to have a protective health effect, especially for older adults who face health decline. Among older volunteers the health decline is slower and ultimately delays mortality. In part, the protective health effect of volunteering seems to be due to the larger support networks that volunteers have (Pilkington, Windsor, & Crisp, 2012). Our health benefits hypothesis is:

H2.3 Volunteering improves health among volunteers.

Our ability to address the above hypotheses will clearly depend on the availability of national data on volunteering and the dependent variables in existing survey data bases. ITSSOIN will not generate primary data on these questions.

### **2.3. Framework conditions**

After having covered the meso and micro levels, we now move on to the macro level of institutional, economic and policy frameworks which will have a major influence on national social innovation trends and capacity. Among the relevant aspects are the legal system, the welfare tradition, the structure of the public administration, the economic system and current policies in the countries (Crepaldi et al., 2012, p. 28). A particular stress will lie on how these effect on or relate to the two central moderating factors of social innovation as proposed by ITSSOIN: third sector capacity and intensity of civic engagement. These are not only approximated by third sector size or numbers of volunteers, but also determined by national economic policy with variations in state influence or market as well as social pressures in national welfare states.

It is to be remarked that our ability to test the following presumptions is limited, since we will not have quantitative data at hand to make generalizable statements. However, some insights can be derived from the qualitative cross-country (and potentially cross-field) comparison. Particularly informative would be cases where one and the same social innovation has evolved earlier/more strongly/at all in one country but has behaved conversely in another, and where the two countries only differed in their framework conditions while for instance the organisational ecology for the innovation has been similar. Insights on relevant conditional factors for social innovativeness might be aggregated more clearly across countries and fields in the concluding QCA. An overview on the testability of all hypotheses is provided at the end of this document.

Most of the hypotheses build on conceptual pre-work performed on framework conditions of the third sector on the macro level (Anheier et al., 2014a), but also on a provisional screening of EU and national social innovation policies (Eriksson et al., 2014). Insights will be extended by a proper and in-depth analysis of policy documents (ITSSOIN D 2.2). These will mainly refer to the national level, but the analysis may also include policy documents referring to the regional or local level. The insights on general policy streams will subsequently be related to the case-based empirical work.

Before we move on, please recall that social innovativeness increases where it is more 'frequent *and* substantial *and* sustainable,' all of which can be assessed in view of the particular social innovations that will be selected. Although the dimension of frequency will be limited in our investigation, since we will focus on one or two specific innovations per field only, we could

assess whether the innovation has had related spin-offs or variations. Moreover, we might find evidence that more of the about seven social innovations we will be studying have occurred in one country than in another. Based on our in-depth understanding of the social innovation and the underlying process, we will also be able to judge whether it has been rather incremental or radical.

Based on prior work on structural variables of the third sector (Anheier, 2010) and volunteering (Hodgkinson, 2003) and in accordance with the main reasoning presented above, we performed an updated assessment of these dimensions which resulted in the following constellation of ITSSOIN countries, in which a high degree of institutionalised support structures combined with a high degree of societal support presumably leads to the highest degree of social innovativeness.

**Table 1 Aggregated social innovativeness**

	<i>Civic Engagement</i> <b>LOW</b>	<i>Civic Engagement</i> <b>HIGH</b>
<i>Scale of third sector</i> <sup>6</sup> <b>SMALL</b>	<b>Social innovation smallest</b>  * Czech Republic	<b>SI medium</b>  Sweden *  Denmark * Spain * Italy
<i>Scale of third sector</i> <b>LARGE</b>	<b>SI medium</b>  * Netherlands  Germany * France *	* UK       <b>SI highest</b>

(See Anheier, Krlev, Preuss, Mildemberger, & Einarsson, 2014, p. 22)

<sup>6</sup> Scale of the third sector is measured primarily by engagement in welfare activities, then by share of paid national workforce and third by share of GDP.

Drawing on this we can formulate the following proposition on social innovativeness at the national level:

H3.1: The larger a nation’s third sector and the higher its degree of volunteering, the larger its social innovativeness.

Yet as we have proposed earlier, structural conditions alone will not be sufficient for determining socially innovative capacity. Social properties also have to be considered. Social inequality can for instance serve as a proxy for solidarity in a society and (de)commodification can provide an estimate of market pressures which might produce mission drift. Esping-Anderson’s (1990) classic analysis of welfare states builds on these perspectives, which we have examined and updated in view of classifying the ITSSOIN countries with the following result.

**Table 2 Decommodification and stratification<sup>7</sup>**

	<b>Decommodification High</b>	<b>Decommodification Low</b>
<b>Stratification High</b>	<i>(Post-socialist)</i> <i>(Czech Republic)</i>	<b>Liberal</b> United Kingdom
<b>Stratification Low</b>	<b>Social-democratic</b> Netherlands, Denmark, Sweden	<b>Conservative</b> Italy, France, Germany, <i>(Spain)</i>

(Based on Esping-Andersen 1990; Arts & Gelissen 2002)

Relating this back to our initial reasoning, social innovation can be expected to be highest where social solidarity is high (and thus stratification low) and decommodification is moderate, which is the case at the cross-roads of the social-democratic and conservative welfare regimes. Where decommodification is very high (social welfare is seen as a non-tradable good), there might be a lack of efficient transaction structures and where decommodification is very low market pressures might trump solidarity and favour financial pay-offs over social impact. This leads us to the following proposition:

H3.2: National social innovativeness will be highest, where stratification is low and decommodification is moderate.

To complete the picture we have drawn an analogy from variations in comparative political economies which specify the involvement of the state in the regulation of markets and the consequences for innovative capacity connected therewith. Hall and Soskice (2001) and later Schneider and Paunescu (2012) have shown that coordinated market economies (CME), which are more state-led, are generally more supportive of incremental innovations, whereas liberal market economies (LME) offer better conditions for radical innovations. Hybrid countries are supposed to be in a phase of transition, while LME-like countries are in a more stable position (although temporal shifts are possible, as applies to LME and CME countries), but inhabit an intermediary position between incremental and radical innovation. A positioning of ITSSOIN countries results in the following grid:

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<sup>7</sup> There was no data available on the countries in brackets. Their allocation is therefore an approximation.

**Table 3 State versus market dominance**

<b>State (-directed)</b>			<b>Market (-directed)</b>
<i>Incremental Innovation</i>			<i>Radical Innovation</i>
←			→
<b>CME</b>	<b>Hybrids</b>	<b>LME-like</b>	<b>LME</b>
Germany, France	Italy, Czech Republic	Spain, Netherlands, Sweden	Denmark, United Kingdom

(Based on Hall & Soskice, 2001; Schneider & Paunescu, 2012)

Since not only firms but also actors from the other sectors (all of which could potentially be relevant for social innovation) are embedded in the same institutional settings, this classification is supposed to deliver similar implications as to the nature of the social innovations that emerge. We posit:

H3.3: CME countries are more likely to foster incremental social innovations, whereas LME countries are more likely to foster radical innovation.

In relation to social innovativeness however, this is quite uninformative, which is why we have to link back the classification to our standard reasoning.

LMEs are subject to strong market forces and collectivity is going to be relatively less pronounced than in other countries, which makes bottom-up development—a characteristic of social innovation (Anheier et al., 2014b)—less likely. On the other hand, although lengthier but more democratic processes—another trait of social innovations—are more likely in CME countries, a high degree of state directedness might crowd out civic engagement. It is thus an intermediary but clearly defined position (in contrast to one threatened by instability and marked by vagueness such as the one in hybrid countries), which is likely to be characterised by highest social innovativeness.

H3.4: National social innovativeness will be highest in LME-like countries, where state influence and market influence are both at a moderate level.

If we now add the dimension of time to these different classifications, it is to be expected from general innovation research that dynamism and complexity are a driving force of innovation. Thus, it is likely that countries, whose classification has shifted over time as an indication of disruptive trajectories (potentially pointing at crises), will be marked by higher social innovativeness.

H3.5: In countries that have been subject to disruptive trajectories and thus dynamic change, social innovativeness will be higher than in relatively settled countries.

In addition to social innovativeness, the national political economy will affect the way social innovation policies are designed. While LME countries are likely to show higher directedness and controllability of innovations in general and the discourse on social innovation will be shaped in the tradition technological innovation policies, CME countries are more likely to apply a more participatory and evolutionary concept of innovation; this increases the probability that social innovation will be directed more strongly by social policy principles. This

has implications for the characteristics of national social innovation policies, both in terms of their hierarchical directedness and their geographical focus:

H3.6: Social innovation policies in CME countries will be more social policy directed, whereas social innovation policies in LME countries will be directed by the traditions of technological innovation policies.

H3.6b: Social innovation policies in CME will focus on grass-roots involvement, whereas social innovation policies in LME countries will be more top-down.

H3.6c: Social innovation policies in CME countries will be more locally oriented, whereas social innovation policies in LME countries will be more nationally oriented.

Complementary to the directedness and characteristics of social innovation, the relevant policies will either influence or reflect national social innovativeness (causal inference cannot be tested at this stage, only connections can be outlined). Policy can regard social innovation as a distinct and relevant concept, or it might consider social innovation as auxiliary to other forms of innovation and thus relatively more unimportant. In consequence we presume:

H3.7: Social innovativeness will be highest, where social innovation is recognised as a distinct and important concept in policy making.

## **2.4. Discursive perspective**

Especially in times of crisis and fading trust of citizens in institutions, be it political or commercial, it is important to examine which roles the third sector can play in terms of trust, value preservation and integrity that have been discussed as key characteristics for a long time (Donoghue, 2003; Kramer, 1981, Kramer, 1981; Salamon, Hems, & Chinnock, 2000).

Following this observation, we assume that the perception of the third sector in public policy, the broad public, and the media is crucial for the sectors ability to mobilise civil society. If third sector organisations cease to be able to establish this connection, they will not only lose their *raison d'être* but also endanger their organisational viability. It is supposed that the reason why third sector organisations can accomplish tasks that the state and the market cannot (in particular with regard to social innovation), is that they are accepted as the organisational embodiment of civil society: "NPOs encourage social interaction and help to create trust and reciprocity, which leads to the generation of a sense of community" (Donoghue, 2003, p. 8). They build connections "between groups of individuals and the larger society" and integrate those "groups into that society", thereby they contribute to the "initiation of change, and the distribution of power" (Kramer, 1981, p. 194; see also Prewitt, 1999).

However, until now these aspects have been neglected in the empirical examination of the sector (despite some exceptions such as Anheier & Carlson, 2001; Anheier & Daly, 2004). Insights on policy frameworks and related hypotheses have been presented in the preceding sections, we now want to turn to and draw from our conceptual report on „Perceptions of the Third Sector“ (Bekkers & Lund, 2014). This report shows that almost no research exists on the perception of the third sector from a citizen or a media perspective. Drawing on this our goal will be to complement the structural and economic approach towards the sector with further dimensions and their contribution to the sector's potential role as a social innovator. This will require us to assess the sector in an explorative manner by asking the following questions:

1. Citizen perspective: Which values do citizens ascribe to the sector? And how are these related to the role it can take in fostering social innovation?
2. Media perspective: How is the sector discussed and displayed by the media? And which potential consequences does this have on third sector efficiency, effectiveness and legitimacy in view of social innovation?

The hypotheses we develop examine (a) which perceptual dimensions are relevant as regards third sector involvement in social innovation and (b) which particular influence of the individual perceptual dimension we expect to find. This way we want to explore whether the image of the third sector with regard to its structural particularities introduced above (on aspects like trust; values; proximity to target groups etc.) is reflected in the perceptions of societal constituents (for instance in the media that provide public information and shape public opinion; or and ultimately in individual citizens' attitudes). This is not only of relevance to its socially innovative capacity, but this image and the related functions in themselves are to be regarded as one of its impacts. National variations in these images and temporal shifts or reinforcement in times of crises are to be expected. Including discursive elements will thus be crucial for understanding how the image of the sector affects its innovativeness and which role it plays in society against national backgrounds and various socio-economic constellations.

### **Citizen perceptions**

Previous research on citizen perceptions of third sector organisations has focused mainly on trust and trustworthiness. Third sector organisations are found to be (Venable, Rose, Bush, & Gilbert, 2005): thoughtful, upright and reliable. Innovation has rarely been at the core of such investigations. One study showed that citizens in the Netherlands were more likely to donate to organisations with a higher openness to experience (WWAV, 2009). Unsurprisingly, volunteers and donors generally have more positive perceptions of third sector organisations than those who are not involved (Bekkers, 2003; van Ingen & Bekkers, 2013). Thus, our first hypothesis is:

H4.1: Higher levels of volunteering will transform to higher levels of positive attitudes towards third sector organisations.<sup>8</sup>

The connection between volunteering and positive attitudes towards third sector organisations is likely to be due in part to self-selection of those with more positive attitudes in the volunteer work force. Previous research has shown that pro-social values and generalised trust are key characteristics of citizens that make them more likely to join third sector organisations as volunteers (van Ingen & Bekkers, 2014). Because of these self-selection processes, a higher level of trust in a society is likely to produce more volunteers and more positive perceptions of third sector organisations, including perceptions of social innovation.

H4.2: The higher the general level of trust among citizens, the more positive their perceptions of third sector organisations.

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<sup>8</sup> It is to be remarked that counter to popular attitudes, recent studies of volunteering have shown that trust is not a result of volunteering, but that the relationship is inverse Uslander (2002); van Ingen and Bekkers (2014).

On the meso-level effects of organisational attributes on the perception of the innovative capacity of the third sector organisations can be detected. These concern the age, the size and the association of an organisation. Older individuals in human populations describe themselves as less open to experience and innovative (McCrae et al., 1999; Srivasta, John, Gosling, & Potter, 2003) than younger individuals. We expect to see the same at the level of organisations. Hence:

H4.3: The older and more established a third sector organisation, the less innovative citizens expect it to be.

But also locality plays a role in shaping perceptions towards innovative capacity. Once again we can argue via the route of trustworthiness. Research has shown that citizens place more trust in small, local fundraising organisations than in large, national fundraising organisations (Bekkers & Wit, 2013). Although this extrapolates the argument quite far, we suppose that locality in general based on varying degrees of trust have effects on third sector organisations' perceived social innovativeness, and specifically that locally focused organisations will be perceived as more socially innovative. This argument is not only based on the element of trust, but nurtured by the idea that locally focused organisations will have stronger ties to constituent groups, know the context and the needs better and therefore come up with more social innovations. Supposing that this is actively recognised by citizens, we posit that:

H4.4: Citizens perceive local third sector organisations to be more innovative than national third sector organisations.

'Accountability clubs' which provide third sector organisations with a kind of independent trust-inspiring label play an important role in enhancing the (potential) donors' confidence in the respective organisation; this, in turn, increases this organisation's success in fundraising (Bekkers, 2010). However, these clubs seem to primarily increase the amounts from previous donors and have only small effects on the perceptions of the organisations. Thus, accountability clubs fail to increase the trust in a way that would help to the organisations to be perceived as social innovators, whereas trust in other respects may serve as an enhancing link to social innovativeness (see above and also below).<sup>9</sup> Therefore:

H4.5: Membership in accountability clubs does not change perceptions towards the third sector significantly; it is thus unlikely to affect social innovativeness.

Finally, we get to the macro-level where citizens in less corrupt and more prosperous countries have more positive perceptions of third sector organisations (Evers & Gesthuizen, 2011). If we link this further to social innovation, we can posit:

H4.6: Citizens will perceive third sector organisations as more socially innovative in less corrupt and more prosperous countries.

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<sup>9</sup> Here this means that trust arising from perceived local knowledge and thus proximity to social needs (H4.4) or as a result of national conditions and thus aggregated trust levels (H4.6) is a more immediate variable altering social innovativeness than membership in a particular social group, in particular when this membership is mostly limited to integrity in dealing with financial resources.

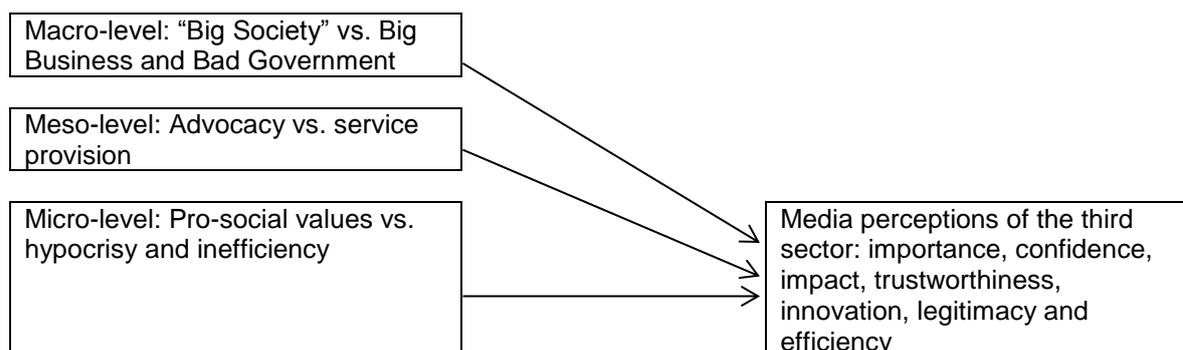
Please note that the latter hypothesis partially conflicts with the context based reasoning in relation to disruptive trajectories and the increased degree of dynamism and complexity as a driver of social innovation. Yet, it might well turn out that a general minimum level of prosperity and stability is necessary to realise innovation prompts, whenever such systems face a certain degree of turmoil.

Empirically these hypotheses can be tested through studying the impact of volunteering on volunteers and on society (WP3), but also in derivation of the case-based work to be performed in WPs 4-7 and to be condensed in WP8. Principally however, the research performed to address the above issues, will be an analysis of existent survey data. Once again and as to the effects of volunteering, our ability to address the hypotheses will depend on the availability of national data of the involved variables in existing survey data bases.

### The media

A screening of the literature on media perceptions has shown that such analyses in relation to the third sector have faced neglect, in particular as compared to media coverage focussing on business or policy. Furthermore, the diffusion of social innovations in social media and informal grapevine communication has been highlighted (Bekkers & Lund, 2014) as an area with significant explanatory potential. Yet, since these channels are even fuzzier and less well documented than the press, radio and television, it is hard to get a grasp on them. That is why we focus on the press as the most well documented and easily tractable medium. Despite the relative lack of investigations on press coverage of the third sector, specifically in relation to its innovative function, we propose several aspects will be covered in (in)direct relation to this. The following figure summarizes the main extremes in press coverage of the third sector and their relation to perceptual outcomes.

**Figure 3. Likely correlates of media perceptions of the third sector at three levels**



A pre-screening related to this set of themes has suggested a generally more positive perception of third sector organisations on the local level in comparison to the meso-, and the macro-level. As posited earlier this might be interpreted as favourable in relation to the organisations' social innovativeness.

H5.1: The press perception of third sector organisations on the micro-level is more positive than on the meso-, or macro-level.

The general tone in third sector reporting, especially at the local level, is generally positive with a rarely found negative focus in case of spectacular disclosures of fraud and hypocrisy. In

this context third sector organisations are linked to innovation either via their service provision or their advocacy function. Although third sector organisations often provide both, there seems to be a differentiation between and thus a relative isolation of the one or the other function. How this relates to socially innovative capacity is a peculiar question, specifically since above presented reasoning suggests that the recognition of the combination of these functions will be most favourable for social innovativeness. Of particular explanatory potential could be differences in the discursive treatment of these functions between the media and policy documents.

On the macro-level the media debate on third sector organisations is dominated by the dominant policy discourses in the relevant field and in relation to the subject in question. This outlines where the discourse dimensions cross and are intertwined. The simultaneous analysis of policy discourses and media coverage can be used to examine, whether:

H5.2: Press reporting on national social innovation streams will be in line with the national policy discourse on social innovation.

Yet, just as in relation to the preliminary screening of policy discourses (Eriksson et al., 2014), these are likely to be relatively weakly pronounced not only in relation to other sorts of innovation.

H 5.3: Social innovativeness will be relatively less pronounced in press coverage of third sector activities than a number of other civil society values, e.g. voluntarism and civic engagement.

To evaluate the empirical relevance of these hypotheses we will conduct content and framing analyses. It will account for media perceptions of third sector organisations with particular emphasis on advocacy and co-production on different societal levels.

### **3. Outlook—empirical testing**

The formulation of testable hypotheses has been a first step in the operationalisation of the ITSSOIN research. Due to the complexity of the research process, we cannot provide a detailed account of how we intend to assess each hypothesis. This will have to be performed in the work packages which will be dedicated to the respective aspects and will include a variety of testing methods.

To recapitulate the general structure of the research: WP2 will be dedicated to policy and media analysis, and the analysis of citizen attitudes. WP3 will focus on the innovative aspects of volunteering and, more importantly, as the latter will also be covered in WPs 4-7, on the effects of volunteering on volunteers. WPs 4-7 represent the core part of the ITSSOIN research and will provide in-depth case studies on the hypotheses formulated with reference to organisational properties; they will also serve for establishing interconnections between the different levels. By analytic comparison across the field-based case studies across the ITSSOIN countries, WP8 will complete the image of social innovation as impact of the third sector, taking explicitly the hypotheses referring to the national level into account.

We close with an overview of the provisional testability of the hypotheses we formulated, indicating (1) the possibility/ease of operationalization, (2) data availability, and (3) counterfactual propositions. Where several or all of these dimensions are weakly developed, we

expect that the respective hypothesis will have to be treated in a softer fashion and to be understood as an explorative research question, whereas on the remaining ones we are confident to be able to provide cogent empirical testing within this project.

The following table assesses the three issues mentioned above solely for the independent variables, which affect the dependent one—social innovativeness in many cases. With regard to the latter we already commented on the testability and are repeating it here that due to the restricted amount of data it is generally higher at the organisational level than on the national one.

**Table 4 Hypotheses – operationalization, data availability and counterfactuals**

Hypothesis	Operationalization	Data availability	Counterfactual
H1.1: The higher the social needs orientation of an organisation, the higher is its social innovativeness.	Medium – debate about social needs	To be collected (TBC) – Case studies (CS)	If there is less social needs orientation, social innovation is less likely to occur.
H1.2: The higher the importance of pro-social value sets in an organisation, the higher is its social innovativeness.	High – mission statements clear	TBC – CS	If there are less pro-social values, social innovation is less likely to occur.
H1.3: The more open the culture of an organisation and simultaneously the higher the dedication of involved actors, the higher is its social innovativeness.	Medium – culture and dedication multidimensional but restricted to within org.	TBC – CS	If the organisational culture is less open and actor dedication is lower, social innovation is less likely to occur.
H1.4: The higher the organisational openness of an organisation, the higher its social innovativeness.	High – external links identifiable	TBC – CS	If organisational openness is lower, social innovation is less likely to occur.
H1.5: The lower the transaction costs an organisation incurs in detecting societal challenges, the higher is its social innovativeness.	Low – transaction costs hard to measure precisely	TBC – CS	If transaction costs in detecting societal challenges are higher, social innovation is less likely to occur.
H1.6: The higher the social capital of an organisation, the more effective will it be in acquiring societal legitimacy for initiated social innovations.	Medium – number and intensity of contacts assessable, harder for trust	TBC – CS	If social capital is lower, social legitimacy of social innovation is more likely to be low.
H1.7: The higher the resource diversity of an organisation, the higher its social innovativeness.	Medium – resources identifiable, diversity harder to assess	TBC – CS	If resource diversity is lower, social innovation is less likely to occur.
H1.8: The higher the degree of voluntary engagement in an organisation, the higher its social innovativeness.	High – amount of volunteering assessable	TBC – CS & WP3	If there is no volunteering, social innovation is less likely to occur.
H1.9: The higher the level of ‘unengaged’ forms of voluntary engagement in an organisation, the lower its social innovativeness.	High – unengaged forms identifiable	TBC – CS & WP3	If there are more ‘unengaged’ forms of volunteering, social innovation is less likely to occur.
H1.10: The higher an organisation’s ability of tying together service provision and advocacy, the higher its social innovativeness.	High – activities and congruence identifiable	TBC – CS	If service provision and advocacy are more separated, social innovation is less likely to occur.
H1.11: The higher an organisation’s ability to act as independent from market, political or other pressures, the higher its social innovativeness.	Low – pressures multidimensional and concerning environment	TBC – CS	If there are more market, political or other pressures, social innovation is less likely to occur.
H2.1 Volunteering improves subjective wellbeing.	High – wellbeing assessable	Available (AV)/TBC – Survey data (SD) & WP3	If people do not volunteer, their well-being is lower.
H2.2 Volunteering increases the size and diversity of social networks of volunteers.	High – number and intensity of	AV/TBC – SD & WP3	If people do not volunteer, their social networks are smaller and less diverse.

	contacts assessable		
H2.3 Volunteering improves health among volunteers.	High – health status assessable	AV/TBC – SD & WP3	If people do not volunteer, they are less healthy.
H3.1: The larger a nation's third sector and the higher its degree of volunteering, the larger its social innovativeness.	High – purely structural data	AV/TBC – Structural data (StD) & cross-national analysis WP8	If the third sector and the degree of volunteering are smaller, social innovation is less likely to occur.
H3.2: National social innovativeness will be highest, where stratification is low and decommodification is moderate.	Medium – stratification and decommodification assessable, but partly outdated	AV/TBC – StD & WP8	If stratification is higher and decommodification other than moderate, social innovation is less likely to occur.
H3.3: CME countries are more likely to foster incremental social innovations, whereas LME countries are more likely to foster radical innovation.	Low – border between incremental and radical fluent, assessment hard	AV/TBC – StD & WP8	If the market economy is more coordinated, radical social innovation is less likely to occur. If the market economy is more liberal, incremental social innovation is less likely to occur.
H3.4: National social innovativeness will be highest in LME-like countries, where state influence and market influence are both at a moderate level.	Medium – state and market influence multidimensional, but knowledge from innovation research	AV/TBC – StD & WP8	If state and market influence are other than at moderate level, social innovation is less likely to occur.
H3.5: In countries that have been subject to disruptive trajectories and thus dynamic change, social innovativeness will be higher than in relatively settled countries.	High – historical trajectories available	AV/TBC – StD & WP8	If a country's state is more settled, social innovation is less likely to occur.
H3.6: Social innovation policies in CME countries will be more social policy directed, whereas social innovation policies in LME countries will be directed by the traditions of technological innovation policies.	Medium – characteristics and location of policy impulses assessable, but not entirely distinct	AV/TBC – StD & policy analysis (PA) WP2	If the market economy is more coordinated, social innovation policies are less likely to be technology oriented. If the market economy is more liberal, social innovation policies are less likely to be social policy oriented.
H3.6b: Social innovation policies in CME countries will focus on grass-roots involvement, whereas social innovation policies in LME countries will be more top-down.	High – directedness assessable	AV/TBC – StD & PA WP2	If the market economy is more coordinated, social innovation policies are less likely to be top-down. If the market economy is more liberal, social innovation policies are less likely to be grass-roots oriented.
H3.6c: Social innovation policies in CME countries will be more locally oriented, whereas social innovation policies in LME countries will be more nationally oriented.	High – geographic focus assessable	AV/TBC – StD & PA WP2	If the market economy is more coordinated, social innovation policies are less likely to be nationally oriented. If the market economy is more liberal, social

			innovation policies are less likely to be locally oriented.
H3.7: Social innovativeness will be highest, where social innovation is recognized as a distinct and important concept in policy making.	Medium – distinctions assessable, but borders fluent	TBC – PA WP2	If social innovation is no distinct concept, social innovation is less likely to occur.
H4.1: Higher levels of volunteering will transform to higher levels of positive attitudes towards third sector organisations.	High – attitudes assessable	AV – SD to be analysed in analysis of citizen attitudes (CA) WP2	If there is less volunteering, attitudes towards third sector organisations are more negative.
H4.2: The higher the general level of trust among citizens, the more positive their perceptions of third sector organisations.	Medium – distinctions assessable, but borders fluent	AV – SD in CA WP2	If the level of general trust is lower, perceptions of third sector organisations are more negative.
H4.3: The older and more established a third sector organisation, the less innovative citizens expect them to be.	High – age and standing assessable	AV – SD in CA WP2	If third sector organisations are younger, citizens expect them to be more innovative.
H4.4: Citizens perceive local third sector organisations to be more innovative than national third sector organisations.	High – geographic focus assessable	AV – SD in CA WP2	If third sector organisations operate more nationally, social innovation is less expected to occur.
H4.5: Membership in accountability clubs does not change perceptions towards the third sector significantly; it is thus unlikely to affect social innovativeness.	Medium – causal chain	AV – SD in CA WP2	
H4.6: Citizens will perceive third sector organisations as more socially innovative in less corrupt and more prosperous countries.	High – corruption and prosperity assessable	AV – SD in CA WP2	If a country is less prosperous and more corrupt, social innovation is less likely to occur.
H5.1: The press perception of third sector organisations on the micro-level is more positive than on the meso-, or macro-level.	High – tone of press reporting assessable	TBC – Media analysis (MA) WP2	
H5.2: Press reporting on national social innovation streams will be in line with the national policy discourse on social innovation.	High – congruency of positions assessable	TBC – MA WP2	
H 5.3: Social innovativeness will be relatively less pronounced in press coverage of third sector activities than a number of other civil society values, e.g. voluntarism and civic engagement.	High – focus of press reporting assessable	TBC – MA WP2	

## 4. Annex

### Definitions:

Please note that none of the following definitions provide comprehensive coverage of the issues involved or a full operationalization. They also do not directly relate to all the different notions of scholarly debate about the terms. Instead they represent a short summary of some of the key issues addressed by the terms and how they are to be interpreted in relation to the specific hypotheses of the ITSSOIN project.

### ***Social needs***

Definition: The ‘social’ in social needs refers to issues that are shared by society at large and which it feels responsible to act upon. The ‘need’ in social needs thereby refers to the necessity to act, since these issues have previously been inadequately addressed and therefore ‘needy’, that is dependent on support. In that sense social needs are defined by context (see example).

Social needs have to be differentiated from societal needs. The latter may include almost anything that is regarded as necessary to fulfil the aggregate desires and requirements of a society’s individuals, much of which however can be achieved by the individuals themselves given appropriate framework structures, that is for instance a market on which private goods can be acquired.

Thus, while ‘societal’ serves as a purely descriptive/analytic category comprising all of society, ‘social’ contains the normative dimension of ‘what society has to take care of, since it is lacking or neglected.’

*Specification:* Organisations are social needs oriented when they address social issues that are recognized in society as in need of action and that are to the direct benefit of the needy target group(s).

*Example:* Extending the coverage of medical treatment is not a social need in most Western countries, whereas it clearly is in many remote places of developing countries. Mobile health interventions (addressing transport or data transmission) are therefore addressing a social need in these countries, whereas they would mostly be inappropriate or redundant in many Western countries. This may change with provision gaps in rural areas due to urbanisation.

### ***Pro-social value sets***

Pro-social values comprise notions of solidarity and caring for others (including the notion of caring for the environment). They are to be differentiated from other motives of activity such as the earning of profits or the reliable and dutiful execution of one’s mandate.

Value sets are likely to be reflected in mission statements, where action based on religious or ethical motives can be differentiated from motives of commercial professionalism such as customer satisfaction or product excellence.

*Specification & example:* Social needs orientation increases the likelihood of having pro-social values and vice versa, but there are no clear directional associations. Social needs may for instance be addressed with the hope of benefiting from the improved situation of a needy target group. This is discussed as one of the motives for ‘base-of-the-pyramid business activity.’ Such activity would thus be social needs oriented, but not necessarily based on pro-social values. At the same time a pro-social value based organisation might want to care for needy target groups but miss addressing their immediate social need. This is the case where food banks provide immediate remedy to hunger but prevent individuals’ ability to sustain themselves.

### ***Open organisational culture & organisational openness***

Organisational culture is internally oriented and refers to the ways and means by which members of an organisation can shape or participate in the creation of structures and processes. Organisational openness instead refers to how open an organisation is to external influences, that is how receptive it is to prompts from outside.

*Specification & example:* An open organisational culture is participatory and grants for instance employees a high degree of co-determination in strategy formation or other issues. An organisation with a high degree of openness instead holds a great number of intense stakeholder contacts and invites them (regularly) to engage with the organisation or actively takes part in other forms of exchange. The latter may be embodied by participation in membership organisations, involvement in the policy dialogue or customer feedback platforms. As for social needs orientation and pro-social values there is a relation between the two

### ***Social capital***

Social capital describes the network of organisations (the number and intensity of contacts of the organisation to their stakeholders) as well as the level of trust which others ascribe to an organisation. Stakeholders include other organisations, employees, customers/beneficiaries, policy makers, etc.

*Specification:* An organisation with a large number of contacts, that is a network with many nodes, which are however only superficial, may have a lower degree of social capital than an organisation with a limited network, but one in which it engages intensely—the latter being likely to additionally result in a higher degree of trust being put into the second organisation than into the first.

### ***Societal legitimacy***

Societal legitimacy with regard to social innovation occurs where the innovation is broadly recognised and accepted (possibly not in all of society but in a societal sub-sphere).

*Specification:* The ultimate acceptance of an innovation manifests in legislation of a democratically elected legislative authority but also, though to a lesser extent, in positive citizen attitudes, media perceptions, or policy discussions on the concept.

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