Directions for future research

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Learnings & Guidance

Research Brief

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ITSSOIN

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A RESEARCH SHIFT

Social innovation as one key socio-economic impact

ITSSOIN closes with a postulation similar to the one contained in the research brief on its grounding work. We renew the claim that in studying socio-economic advancements it is useful to shift the focus of research from a broad and fuzzy concept of impact—in particular with regard to entire sectors—to social innovation as a source of societal renewal and prosperity.

Social innovations come in different outfits and there are recent as well as historical examples of what they are. Contemporary examples range from new employment models built on a special ability image of disability, or (decentralised) renewable energy production. Historical examples comprise social housing, public fresh water supply, or mutual and co-operative movements.

Organisations paving the way for and shaping such innovations, possess a high degree of 'social innovativeness', which refers to:

> *'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., 2014, 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.

As regards the question who such actors are and where we can find them we have developed two main propositions:

(1) 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.
(2) Against this background, social innovativeness further varies by framework conditions, that is by institutional and perception environments.

Our advocated research shift towards social innovation comes with a number of advantages:

First, social innovations can be studied from the stance of surrounding frameworks, be they institutional, political or perceptual just as it can be with regard to the actors involved in generating innovation and organisational traits enabling them to do so. We have explored both perspectives within ITSSOIN.

Second, social innovations, though they might be broad and hard to narrow down, are likely 'well-documented' (leaving traces in all or several of the above frameworks) and can be studied cross-nationally as to enabling and hindering factors, with natural occurrence of counter-factuals, namely settings where innovations are rudimentarily developed or not at all while flourishing elsewhere.

Third, and a simultaneous benefit and a challenge, social innovations offer methodological transfers from other research disciplines and social phenomena. In ITSSOIN we have for instance used the political science method of 'process tracing' (Collier, 2011) to identify milestones and junctions in the development of social innovations and to thereby sketch actual against alternative innovation trajectories. We have also used 'qualitative comparative analysis' (QCA) (Ragin, 1989) to convert in-depth insights of social innovations within specific fields into a quantitative data set that allows for identifying (combinations of) necessary and sufficient conditions for social innovation.

Here we outline the key insights made in all regards above and how the paths we have paved can be pursued further in future research.

Frameworks

Institutional settings

In exploring national innovative capacity we have used three conceptual approaches or theories, pertaining to several moderating variables: (1) Social origins theory (Anheier, 2010) on the significance of the third sector and civic engagement in societies; (2) Welfare regimes on (principles of) government spending and the social structure of societies (Esping-Andersen, 1990); and (3) Varieties of capitalism (Hall & Soskice, 2001) on the coordinative mechanisms employed in socio-economic national policies.

Against these we have gauged national social innovation potential (deliverable D 2.1) and tested it based on the in-depth cross-national and cross-field case studies we performed (D 8.2). We have learnt that social origins, using the size of the third sector and civic engagement, had most adequately pre-indicated the social innovation performance we have detected empirically. We have also seen that varieties of capitalism gave a good indication of social innovation. But also that our initial reasoning had to be revised towards the favourability of liberal forces driving social innovation, rather than a mix of principles employed in coordinative and liberal economies (mix of cooperation and competition) as initially expected. Finally, we have seen that it was hardest to derive clear directives based on welfare regimes and also that our initial supposition that a high level of solidarity (as found in socio-democratic or conservative regimes) would promote social innovation had to be relativized towards a moderate degree, paired with a moderate level of decommodification, as initially expected.

Policies

We have explored at least five major documents relating to social innovation, in a narrow or broad sense, in each of the nine ITSSOIN countries (Czech Republic, Denmark, France, Germany, Italy, Spain, Sweden, the Netherlands and the UK) and at the level of the EU, by means of a structured content analysis (Mayring, 2007). Among other things (D 2.2), we have focussed on (1) the overall prominence of social innovation as a policy theme; (2) policy priorities in relation to social versus technological innovation; (3) the approach towards social innovation implementation (top-down versus bottom-up; (4) the actors supposedly driving social innovation; (5) the geographical orientation in social innovation emergence (from national to local).

Only as regards explicit reference to third sector organisations, grass-roots, that is civic, approaches to social innovation, and a local focus of social innovation policies, we have found links to the national social innovation capacity that emerged from our empirical research (see above). Since we had no empirical account of national capacity available at the point of policy assessment, rather than test these links more explicitly, we were only able to uncover *potential* links.

Media perceptions

Media images of social innovation, and the third sector as one of the supposed main actors, are important, since they shape and/or reflect the public's normative perceptions as regards social renewal (D 2.3). They might embrace or call into question policy agendas and influence how

actors are perceived and how much attention is given to them in public discourse. We have performed a quantitative and qualitative, cross-national analysis of more than 8,450 articles, which has yielded the following key insights.

First, media prominence of social innovation and more broadly any social activity performed by the third sector is considerably lower than news on activities of the state or of firms. Besides, the attention given to the former themes are not correlated with the detected national capacity. Second, other civil society values, such as voluntarism as an end in itself, are much more pronounced in the reporting about third sector activities than social innovation. Third, we found few stories on social innovation policies in relation to third actor engagement—and if so, press reporting was non-contestant, that is largely embracing government views. We also found that after the financial crisis there was an upsurge of attention to 'volunteering' and 'civil society' as potential solutions reducing the burden of tax-payers. However, it remained unclear how these solutions should be brought about. Fourth and finally, media reporting stressed 'classical' roles of third sector organisations as service providers and advocates (Anheier, 2013) over those as 'self-actualisers' or 'co-producers,' lagging behind our evidence from the fields (see below).

Citizen perceptions

Citizen perceptions (D 2.3) relating to social innovation codetermine the level of engagement in third sector activities, and hence the scope of volunteering as a potential source of social innovation (D 3.1-3.4). Analysing citizen perceptions of third sector organisations may therefore reveal to what extent third sector activities contribute to it. Based on quantitative data (Eurobarometer and World Values Survey) but in combination with qualitative analysis, we have explored the general 'image' citizens have of third sector organisations.

We found that trust in third sector organisations is high in Europe, in particular as compared to trust in the state or firms. The pattern identified (high to low levels of trust) corresponds mostly to the national innovation capacity revealed. The link between social trust and social innovation would thus need further exploration. In contrast to the latter, the importance of volunteering in specific fields of activity as reported in surveys, does not match the importance of volunteering in the respective fields as arrived at in our organisational analysis. Finally, the contributions of volunteering to prosperity and well-being in the EU range from social cohesion to enhancing economic production. Although the items that have emerged in the survey data might be the outcomes or connected to social innovation, the latter is not itself mentioned. Thus, we have some weak hints as to enabling perceptual factors for social innovation, but insights are fundamentally blocked by the lack of targeted data.

Volunteering

Also based on quantitative data, but complemented by qualitative accounts, we have more deeply explored the role of volunteering in third sector organisations as regards social innovation, in particular: (1) effects of volunteering on volunteers (micro level); (2) the interaction effects between volunteers and their 'habitat,' the organisations or informal initiatives they engage in (meso level). As to the first aspect, we have detected positive associations between changes in volunteering and changes in self-perceived health, subjective well-being and social relations. However, all effects were small. We also followed a second trace, based on the supposition that volunteers may bring openness and produce new ideas

within organisations, suggesting that volunteering has an impact on social innovation in motives, organisational forms or outcomes. It is not always easy to locate the emergence of social innovation, since new ideas are often incidental rather than produced by deliberate policies. What we also saw is that while volunteers come up with new ideas, professionals initiate and channel innovations. The innovative potential of volunteering thus largely depends on establishing a system of productive collaboration between volunteers and staff.

Organisation & Fields

Tracing social innovation streams

Instead of studying potentially isolated and unique organisational innovation practices and sampling at the organisational level, we have identified 'social innovation streams' (SI streams) as the starting point of our analysis. The term refers to new approaches, principles of action, governance forms or modes of organisation that have fundamentally affected a field of activity, and already for a certain period of time (at least for five years back from today) and across national borders, so that they are not geographically restricted. Departing from the state of the innovation at present, we have then applied 'process tracing' to arrive at its origins and to identify the actors involved in shaping the social innovation.

This strategy enabled us not to sample on the positive side only, that is we have also identified settings in which the social innovation was only rudimentarily developed or not at all. This enabled us to study the non-emergence of social innovation and the factors playing into this too. Yet, the latter were clearly less numerous than 'successful,' that is viable cases of social innovation. Furthermore, through this approach we were as open as possible in terms of identifying types of actors (third sector organisations, firms and public agencies).

The identified SI streams have resulted from a two-step expert consultation and 'country vignettes' that illustrated various social innovation developments within the national settings (D 4-7.1, and D 4-7.2 & D5-7.3). The table below summarises the SI streams that we have analysed in each of the ITSSOIN fields of activity.

Table 1 ITSSOIN social innovation streams and country settings

Field	SI stream	Countries
Arts & Culture	Arts for spatial rejuvenation	Spain, Italy, France, The Netherlands
Social Services	New governance arrangements to reach marginalized groups	Spain, Italy, UK, Sweden
Health	The recovery approach to mental health	UK, Czech Republic, France, Denmark
Environmental Sustainability	Promotion of bicycle use in urban contexts	Italy, Germany, Czech Republic, Denmark
Consumer Protection	Online financial education	Spain, Czech Republic, Denmark
Work Integration	Cross-sector partnerships	Spain, Germany, Czech Republic, France
Community development	Self-organized integration of refugees	Italy, UK, Czech Republic, The Netherlands

Each social innovation stream was studied across three to four countries, or more narrow regional settings such as cities (D 4.3, D 5-7.4 & D 5-7.5). Overall we identified 129 organisational entities (some of them networks or informal groups) involved in bringing about the SI stream, which were therefore analysed as to their role in the process and as regards their characteristics.

Hypotheses

The process tracing, and in particular the assessment of organisational traits, was led by a set of hypotheses derived from the literatures on social and business innovation (D 1.4). We collected qualitative data, mainly by means of interviews, on more than 15 hypotheses located across three categories: (1) organisational behaviour; (2) organisational resources; (3) organisational structure. In the following we only present those hypotheses that have been found most telling in the analysis of the data, namely: social needs orientation, pro-social value sets, external organisational openness (all organisational behaviour); volunteering, local embeddedness (organisational resources); and organisational age and length of engagement in a particular field (organisational structure). A more comprehensive hypothesis testing can be found in D 8.1.

QCA

The in-depth insights generated in the process tracing were condensed into quantitative data to test for (combinations of) necessary and sufficient conditions enabling a contribution to social innovation stream by means of qualitative comparative analysis (QCA). In the coding of data, that is the transformation of qualitative information into a fuzzy set score, we gave regard to the above organisational characteristics, but also to some field conditions on the dimensions of: sector prevalence in the field, the presence of civic engagement, and the level of cross-sector collaboration among others (see also D 8.1).

Organisational traits

In contrast to our initial assumption we weren't able to aggregate findings about organisational and field traits across fields of activity, since the conditional combinations proved too specific, which is our first major research finding. However, there are some characteristics that markedly occur in many or all fields in similar ways. Our testing resulted in the following table, which we interpret below by enriching it with qualitative insights. The table is a condensed version of the one used in D 8.1, the original numbering of hypotheses has, however, been preserved.

Conditions	SI stream in Arts & Culture	SI stream in Social Services	SI stream in Health	SI stream in Environmental Sustainability	SI stream in Consumer Protection	SI stream in Work Integration	SI stream in Community Development
H 1 [socne]	●●	●●	●●	○	●	●	●●
H 2 [proso]		●●	●●	●●	●●		●●
H 3 [extoo]	○	●	●	●	●	●	●
H 5 [vol]	○	○	○	~●	●	~●	●
H 6 [loc]	●	○	●●	●	●	○	●
H 8 [age]	●●	○					
H 9 [eng]	●	○	○	○		○	

●● = necessary condition; ● = sufficient condition; ○ = varied condition; ~ = absence of condition

Abbreviations: socne=social needs; proso=pro-social values; extoo=external openness; vol=voluntary engagement; loc=local embeddedness; eng=(length of) engagement in field

While social needs orientation is indispensable for social innovation, pro-social values are not always needed, and if so they represent a necessary condition. In arts-based spatial rejuvenation for instance the intention of doing good for those supposed to use and populate formerly run-down places did not suffice (D 4.3). Organisations acting in this area had to understand the needs of the potential users of the spaces, almost in parallel to satisfying customer needs although the studied activities were much more informal than a standard service.

External organisational openness had an overwhelming importance across all fields and types of organisations. It was found to be a sufficient condition even in fields that are 'dominated' by the state or the market. One example is the SI stream of promoting bike use in urban contexts that depends heavily on traffic planning, which lies in the authority of the state (D 6.4). Another one can be found in cross-sector partnerships in the work integration field, in which firms by definition act as gatekeepers, since they need to employ those typically excluded from the labour market. Still it was only through cross-sector collaboration, informal exchange mechanisms and a combination of different sets of expertise which enabled the innovation (D 7.4).

Local embeddedness matters, even in contexts where activities are not locally restricted. But the 'outfit' of local embeddedness varies. Our SI stream in consumer protection for example was an online service, but involved actors still needed local grounding, mainly to establish legitimacy (D 6.5). Our stream of self-organised community development for refugees in turn revealed that local embeddedness was important, but in particular that boundary spanning contacts across localities spurred innovation through exchange (D 7.5).

The significance of volunteering varied in occurrence and sometimes differed across countries, even within one field. 'Lived experience' and volunteer involvement were crucial for the thriving of the recovery approach in mental health treatment in the UK. In contrast the domination of the field by the psychiatric profession in France and a general reluctance to embrace Anglo-American practices hindered its evolvement and that of voluntary engagement (D 5.5).

In contrast to conditions of organisational behaviour and organisational resources the two structural conditions of age and experience mattered much less and where they occurred, they

usually did so in a non-uniform way, meaning that there were some cases in which they mattered and some in which they didn't.

The conditions discussed above have also proved more relevant as compared to a number of other traits assessed, including resource diversity, internal organisational culture, ability to combine advocacy and service provision, independence from external pressures.

Field conditions

In addition to organisational traits some field conditions emerged as indicative of social innovation. First and foremost, cross-sector collaboration was identified as an enabler of social innovation. In our social services SI stream it was incorporated as an element of the innovation, although the latter originally only focussed on new governance arrangements to reach the most vulnerable (D 5.4).

Another factor that only fully emerged in the qualitative analysis were exogenous shocks that had a catalyst function in some fields, most prominently the refugee crisis, both on our SI streams in work integration and community development.

Finally we found that sector prevalence in the investigated fields of activity is a good indicator of social innovation, with third sector and state prevalence creating more favourable conditions than market environments. In addition to this and by the mere number of actors identified across the three sectors, we see that third sector organisations have a major influence. In our process tracing we came across 60 percent of third sector organisations, compared to 20 percent of state agencies and 20 percent of firms.

What does this mean for future research?

From the above we can derive a series of prompts that can guide further research on social innovation and socio-economic impact, ranging from the micro to the macro level:

• *Institutional settings:* Test social origins theory further and consider alternative approaches of gauging social innovation capacity.

• *Policies:* Explore the link between a focus on the third sector, civic engagement and locality on the one and social innovation on the other side as well as the enabling or hindering functions of policy for social innovation in other regards.

• *Media perceptions*: Study the positive and negative effects of the non-contestant nature of press reporting as regards government policies with relation to social innovation.

• *Citizen perceptions:* Develop designs to test for the connection between a pronunciation of volunteering and social trust in citizens' mind-sets, and social innovation.

• *Volunteering:* Refine first insights on the interplay between volunteers and professionals in the generation practice and management of social innovation processes within organisations.

• *Organisational traits*: Try to confirm or call into question those traits that have come out as significant and uniform enablers of social innovation (social needs orientation, external organisational openness, local embeddedness). Develop insights into those further that generally have an enabling function, but not in all contexts (pro-social values and volunteering). Give specific consideration to those of varied occurrence, such as transaction costs and resources and verify those that play a lesser role (structural characteristics, independence of pressures etc.).

• *Field conditions:* Examine further the mechanisms and importance of cross-sector collaboration and external shocks altering fields in ways that enable social innovation.

ITSSOIN has also produced insights and spotted gaps in our knowledge outside its original research framework.

One of the two major themes is on (cross-sector) networks in the governance of social innovation, from its emergence to its diffusion. Third sector organisations seem to take two distinct roles within these networks: (1) they are particularly active in paving the way for social innovation, being the ones not only who care about social needs but actively try to tackle them in new ways. However, they often need other actors, with distinct capabilities, to come in at later stages; (2) even more so than 'collective' action, third sector organisations perform 'connective' actions, bringing formerly detached or isolated actors together and establishing a link to target groups.

The second major theme is about the impact of austerity and crises on social innovation. While the latter can help free resources and push actors towards fulfilling their social responsibilities, as for instance demanded in public discourse, the former often had stymieing effects on social innovation. We often encountered reluctance with innovators to call their actions innovations, motivated by the fear that this would block their incorporation into standard provision by the state. I recurrent theme was that social innovation should not be used as a reason to substitute state welfare. More needs to be understood about these dynamics.

What we see is that ITSSOIN has not only advanced our knowledge on the third sector, social innovation and wider socio-economic impact significantly, but also that it has produced a set of guiding questions that need targeted exploration in the future.

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