WAGENINGEN UNIVERSITY
WAGENINGEN UR

SOCIAL INNOVATION

AN OVERVIEW ON THE INTERPRETATION OF THE CONCEPT IN THEORETICAL AND POLICY DISCOURSE

Author: Sina Sossna – 900522786020

Supervisor: Dirk Roep (RSO)

Second Reader: Bettina Bock (RSO)

BSc Thesis International Development Studies

Table of Contents

Chapter 1 - Introduction

In this thesis I will have a look on social innovation, a concept that has become more popular over the years. Many articles were written on this term but the meaning remained unclear at the same time (Bock and Fieldsend 2012). The increased attention as well as the many different interpretations of the concept makes the use dangerous. In a broader context the term social innovation refers to the process of implementation of new social practices across different fields in society (Howaldt, Schwarz et al. 2010). The question what makes an innovation to a social innovation is still discussed controversially. Some scientists argue that the social benefit is the pivotal criterion. Innovation literally means renewal or alternation. The social is about the interaction of people. If social is used in a normative way than it means "good" for the society. "Good for society" means to improve the quality of life (Murray, Caulier-Grice et al. 2010). In innovation research social innovations are seen either as a concomitant phenomenon or as a result of technical innovation. Next to this, there is an agreement on the fact that the term refers to innovations that have a direct connection with the search for solutions to social challenges (Howaldt and Jacobsen 2010). Today there is an increasing demand for new responses to current challenges because they are more on a social dimension. In this context social innovation has become a societal and political concern. The solutions mainly are new forms of cooperation and participation in society. Taking into account all these issues the general problem is the different understanding and interpretation of social innovations. So, dealing with social innovation as a socio-theoretical and political concept has become increasingly important.

The member states and regions in the European Union are developing in uneven speed. This also deals with the diverse citizen groups and different geo-political circumstances. Though, some groups do not have the capacity to participate in the same way as others. The European Commission identified this as a problem and sees social innovation as an important concept to overcome this problem. Next to this, the European Commission is also searching for more cost- efficient strategies because the financial resources are limited at this moment. Social innovations are seen as a main as well as finance sustain instrument to create social cohesion and capacity building with the aim to build up a risk and responsibility taking European society.

My main objective is to investigate the theoretical concept of social innovation and the interpretation of it in European territorial development policy.

In order to get a clear view on the concept I want to elaborate the similarities and differences between the interpretation and conceptualization in social theory and policy discourse. This objective leads me to my main question: 'What are the different interpretations of social innovation in the theoretical and policy approach?'

Basically I will have a look at how scientists and policy-makers are using the concept of social innovation. They are using the same concept but it gets a different meaning in both fields. To identify and to compare the different meanings I will use the following sub questions:

> In which way is social innovation defined, conceptualized and interpreted in social theory?
> What is the importance to deal with social innovation as a socio-theoretical and political concept?
> How is social innovation interpreted to define new strategies in the field of European territorial development?

This paper summarizes the results of a literature research of recent scientific articles and European policy papers. Starting with the first sub-question in the second chapter I will describe social innovation as a socio-theoretical concept. I will have a look on the emergence of the concept and the theoretical background to investigate how it is defined, interpreted and conceptualized in social theory.

I will explain the growing importance and attention of social innovation in depth in the third chapter. This goes along with the explanation of the upcoming social and societal challenges which makes social innovation a relevant concept. The fourth chapter deals with social innovation as a political concept in the field of European policy-making on territorial development. I am focusing on the interpretation of social innovation to define new development strategies. Finally, I will discuss and conclude the outcomes of the main part in chapter five to try to give an answer to my main question.

Chapter 2 - What is social innovation?

In order to support social innovations in practice more effectively, it is important to consider the theoretical context. In this chapter the theoretical concept of social innovation will be explained.

In today's scientific articles there is often a jumble of different information (Gillwald 2000). Amongst others this depends on the fact that the concept is used and explored in different contexts. The study of the discussion may contribute to the renewal. The following chapter is an overview of the theoretical approach of social innovation. The overview is divided into three parts, which only deal with social innovation as a social-theoretical concept.

Emergence of the concept

The origin of social innovation as theoretical concept goes back to the origins of innovation research and Joseph Schumpeter is seen as the founder of it. In his work on '*The Theory of Economic Development'* (1912) he described different types of innovations. For these different innovations an entrepreneurial person is necessary to introduce the change. Schumpeter (1934) also mentioned the importance of social innovation, so that innovations can enforce in the economy. I will come back to Schumpeter and the theoretical background of the concept in the next paragraph. Furthermore the emergence of the concept has its origin in the field of science and politics. Only the introduction of a definition has to be seen as new.

In the seventies a group of scientists called the club of Rome wrote the report '*Limits of Growth'* (1972) and described recent and future societal challenges. They state that we have to search for new kinds of solutions to meet the challenges. New kinds of solutions in different fields like the social amongst others. The search for new solution partly still continues today.

Although the concept of social innovation is becoming increasingly important today, there is no agreement on what it is (Murray, Caulier-Grice et al. 2010). There is a lack of clarity about the concept of social innovation. Why is that? In the past the interest in social innovation was low, so there are different definition approaches (Gillwald 2000). Scientists are rediscovering the ideas of Joseph Schumpeter today. According to Gillwald (2000) social innovation is everywhere in society but for long times we did not search for it. We seemed to recognize the existence of something like social innovation but did not work on this

appearance. Today it is still an underdeveloped subject and a mostly unknown existence. That might be the reason why we do not know a lot about social innovations.

Theoretical background

Innovation itself means renewal but in everyday language it is more used in the sense of new ideas (Müller-Prothmann and Dörr 2012). The first description of research on innovation was done by *Joseph Schumpeter*. So the first definition of innovation as a theoretical concept is done by him. Schumpeter (1934, 1926, 1912) pointed out five types of innovation in the field of economics, work organization and technical innovation. His theory on process and product innovation is here formative. He also thought about the importance of social innovations which are necessary for the acceptance of other types of innovations in the economy. Economy and society are changing when production factors are combined in a new way (Müller-Prothmann and Dörr 2012).

Also *Max Weber* explained in his works on capitalism (1930) a connection between the social order and innovation regarding to social change of behavior. He was one of the first thinkers who explained other dimensions of economic behavior regarding economic growth and innovation. In this context he especially drew attention to a moral and spiritual dimension, not specific on the social one.

Emile Durkheim wrote different books most of them related to the question what society keeps together. In his works he also analyzed social phenomena. He stated that social cohesion is important for the development and division of labor, which involves technical change. Social cohesion goes along with social innovation (Durkheim 1933, Durkheim, Durkheim et al. 1960).

Schumpeter, Weber and Durkheim understood social innovation in the context of work organization. Later their ideas were seen in a much broader context.

First Schumpeter (1934) himself extended his own ideas. In his first book on innovation he only stated economy and society changes when innovation takes place. Later he described that innovation and structural change are crucial for society organization. He also stated that there has to be an entrepreneur as driver of development. This is the same in social innovations regarding social change.

A long time there was no real attention on social innovations. In the *1990s* social innovation re-emerged in practice. The concept was used to counter the

consequences of economic restructuring and unemployment as discussed by Hubert (2010). New communication technologies and the IT sector changed our society into a network society and this change could not only be explained by existing social concepts. The social and economic organizations which had to deal with the change are focused on strict public services and the market economy (Hubert 2010). Social innovations mainly seem to come about new forms of interaction. In the 1990s new communication technologies were introduced and brought the society to new forms of interaction. In this case one could also think about the new social networks of the 21st century. The new and unknown different forms of interaction leaded to the *new interest in social innovations* in the late 90s.

The *Euro crisis and the recent global financial crisis* has further enhanced this new interest in affordable solutions to address the challenges of budgets constrains, limited resources and increased social needs. In this context an obvious broadening of the concept takes place. It is no longer restricted to economic and work organizational areas but is reconceived more diverse. Amongst others the social scientists found an entrance to social innovation.

The current discussion leaves space for a variety of interpretations. So there are still a lot of question on social innovation. Scientists discuss different parts of the concept and do research on it. According to Howaldt, Schwarz et al. (2010) *current research questions* are:

➢ What makes an innovation to a social innovation?
➢ What is the difference between social change and social innovation?
➢ What characterizes the levels of diffusion and what are the ways and conditions for social innovation?
➢ Among the actors, one wonders under what conditions the actors in civil society motivated social innovations can cooperate with decision makers in government, politics and business.

The overview on the emergence and theoretical background of social innovation allows for a review of the current developments. What is recently thought about social innovation? Next to the current research questions scientists still discuss about a suitable definition of the concept. In the next paragraph I will try to describe and summarize how social innovation is defined.

Conceptualization

The overview on the emergence of the concept and the theoretical background demands to give a detailed definition of social innovation as a theoretical concept. Different definitions of social innovation in social sciences are known today. Some scientists define the concept very strongly. Others understand the concept very broadly. This makes the use of the concept dangerous and therefore it is not clear what social innovation means (Bock and Fieldsend 2012). Most of the diverse definitions of the concept are really field-based what nearly does not allow the same understanding of social innovation (Neumeier 2012). In this report I want to sum up the recent consensus ideas about the theoretical concept.

Social innovation includes the social processes which are linked to innovations in for example the technical field. If we talk about innovation we often think about technical innovations like new products (Gillwald 2000). A technical innovation is about new solutions for upcoming problems; mostly it is a development which is based on an old technology and improvements of it. According to Gillwald (2000) policy makers and scientists were mainly interested in technical innovation because it leads to economic growth and a booming economy. Now they have the opinion that social innovation supports economic and technical ones (Gillwald 2000). Social innovation itself is an effort to use people's ideas and creativity (Mulgan, Tucker et al. 2007). This effort is used in different fields in which society matters and takes place. Innovation means renewal but it is not creating wholly new things in society. Innovations bring new forms of combination which are related to already existing elements in society (Mulgan, Tucker et al. 2007). Here we can think about new forms of interaction, cooperation and participation for example. The concept of social innovation is not limited to boundaries which are made by intuitions and organizations for example. It is also not limited to scientific fields but has much more an overall use and approach (Murray, Caulier-Grice et al. 2010). This overall use makes it possible to bring new forms of combination and interaction between for example scientific fields which were really separated before. There is a general agreement on the fact that new forms of combinations and interactions are possible leading to solutions to societal problems and challenges (Howaldt, Schwarz et al. 2010).

As I already mentioned earlier most definitions of social innovation are really field-based. Is there anything common between the field-based definitions at all? According to Wals (2007) the common idea about social innovation is working

together for a more sustainable society and an ecologically as well as socially world. Due to this fact social innovations can be seen as an inter-disciplinary concept that can be applied to all purposes. Ultimately this deals with the innovation of the social. It is about the innovation of the social towards individual and collective well-being as well as a better quality of life.

To give an additionally definition it is important to know who the actors of social innovation are. According to Gillwald (2000) there are three major groups of actors: Providers and users are for sure the most relevant groups within the process of social innovation. The third group is the people who are involved and affected. The *providers* are the 'innovators' who are able to drive change. Their capacities and knowledge give providers the possibility to introduce the process of innovation. The *users* are consumers who demand for ideas and solutions to their needs. The knowledge of the users is also important for finding solutions. They know the best what is necessary in their environment and mostly have a specific local knowledge which the providers often do not have.

After having discussed the theoretical concept of social innovations, the next chapter focuses on the current importance of the concept in society and policy.

Chapter 3 - The growing importance of social innovations

To sum up social innovations in a simple way: it is a new solution or an approach to a social problem. Why are social innovations recently so important? Why has this concept become a societal and political concern? What are the social problems the society faces today? In this part devotion is given to recent social needs and societal problems which make research and focus on social innovation necessary.

Why address social innovation now?

In the 21st century the European society has to face different societal developments, changes and crises. Developing the countries of the European Union is still a big challenge and especially in times of changes. There are limited resources for years and so we are not able to support development only by finance and economic growth any longer (Pulford 2010). The Lisbon strategy and the euro crisis, that started in 2009, have shown quite plainly the clear structural weaknesses of the European Union and have directed the focus on the social dimension as discussed by Hubert (2010). Economic growth is not the only way bringing people out of poverty and developing the European countries. One focus of the Lisbon Agenda is the promotion of innovation which is also a component of the Europe 2020 strategy (Hubert 2010).

> *'The global crisis has made it clear that most of the challenges we face today have taken on an increasingly social dimension'*
>
> (Hubert 2010: 8)

To sum up today's challenges are increasingly on a social dimension because social needs are more and more pressing (Hubert 2010). Next to these new social problems there are other long-standing ones which the society did not solve yet. This leads to the question what the societal challenges are. In the next part I will give attention to the long-stand and current problem which have to be solved.

What are the most pressing challenges of the European society?

The European society faces challenges which are solely European and others that are global challenges. They also influence our own society in great measure.

The solution of the challenges is a big societal and political concern. These are the societal challenges of the 21st century (Hubert 2010):

> *Globalization:* global network society, new forms of migration /family/trade etc.
> *Climate change:* How to deal with migration caused by environmental change? What is the European strategy to adapt on climate change? Meeting the global environmental change is a difficult problem the society has to deal with.
> *Energy, waste and sustainability*
> *Food, biodiversity and land:* e.g. food safety and security
> *Finance and limited resources:* budget constrains in the public sector
> *Demographic change:* aging society and intergenerational justice

According to Hubert (2010) on the other hand the society itself is changing because Europeans 'live longer, healthier lives in new family configurations and working patterns' (Hubert 2010: 21). So there are different things changing in Europe and its society. This leads to new struggles and problems where Europeans have to deal with. How can we meet these new changes? The society in collaboration with scientists, policy makers and other actors has to search for new ways and strategies to adapt or overcome these challenges.

Another EU policy concern is that the different and diverse countries and regions within the European Union respond and act not in the same speed on the societal challenges. This is because of other circumstances in economical, organizational and social field. A veritable competition of the regions is taking place. Especially the rural areas are really diverse within the European Union and so the growth and development is uneven (Hubert 2010). This is one of the most pressing problems in EU policy discourse. I will come back to this in the next part when I am looking on the interpretation of social innovation in the EU policy discourse on territorial development.

Until now I described the problems the European society faces today. In the next part I will sum up the ideas about searching for new ways.

This chapter is about the emergence of social innovation in EU policy discourse. To conclude social innovation first emerged because of failures in market and state. Secondly, at the same time different, pressing problems in the social field emerged over the years and make social innovations more important. The findings are leading to the question how social innovation is implemented in EU policy?

Chapter 4 - Social innovation in EU policy discourse on territorial development

After theory and emergence of social innovation is treated it is time to have a look on the practical interpretation. Due to the fact that the society now also focuses on the social dimension we are looking for new practices to address the above mentioned social challenges.

> *'Europe's success depends […] on education to develop new skills for upcoming generations […] not only through new technological and organizational processes, but also in new forms of organization and interactions between individuals.'*
>
> (Hubert 2010: 14)

One of these new practices might the concept of social innovation be. Scientists think that social innovations might be one of different practices with the potential to meet today's challenges (Hubert 2010).

On many fields of the society people are searching for this new interactive ways. On the European level the actors are individuals, communities but also organizations (Pulford 2010). The search for solutions cannot happen only on theoretical and scientific level because it needs a certain acceptance in society. Therefore bottom-up and the inclusion of the social level are important. Here we can think about capacity building, using the local knowledge and creation of the capacity to act locally. Policy-maker of different governance levels it is also important to shape and deliver new policies to meet the challenges. The European Commission tries to optimize its developing programs and policies to empower actors and their capacity (Hubert 2010). Among other things the European Commission tries to support social innovations as one of the possible new solutions.

Today's organizations seem not able to deal with the future problems because of their alignment in market economy among other things. The alignment of most organizations is too strict and inflexible (Howaldt and Jacobsen 2010). Due to this they are incapable in dealing with the fast pace of the 21st century. The European nations and regions still differ a lot and are really diverse (Pulford 2010). We need fixed framework conditions which are flexible inside at the same time. The flexible inside should allow taking into account the different bibliography of regions and people.

Among other things we need rapid and transformative change in societal behavior to meet the challenges of the 21st century. Social innovations are thought to be the driving forces leading to those changes. According to the Bureau of European Policy Advisers (BEPA) of the European Commission (Hubert 2010) social innovations have the potential to meet social challenges:

> 'Social innovation is an effective way of responding to social challenges, by mobilizing people's creativity to develop solutions and make better use of scarce resources'

> (Hubert 2010: 7)

Mobilizing people's creativity is not enough to create change to a sustainable society. Individual, collective and institutional creativity seem to be key elements of social innovation. Due to this fact organizations and institutions have to be involved in the process of building a sustainable society too. In the end different things are needed to implement social innovations. In a simple way this figure explains three necessary components in the field of social innovation. This figure draws on the ideas of Drayton (2002):
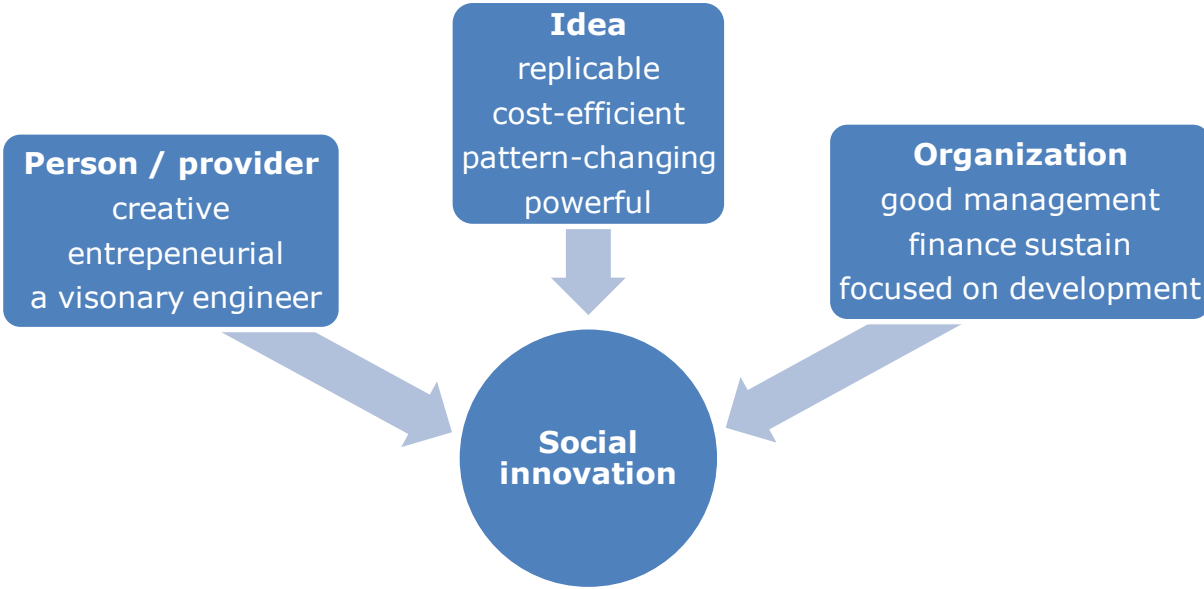

Figure 1 - Three necessary components for the process social innovation

This figure mainly refers to social innovations in the field of policy. Like in Schumpeter's innovation research a person/provider is needed who is creative, entrepreneurial and a visionary engineer at the same time. Secondly, a replicable

and powerful idea is necessary. This idea should be cost-efficient in times of limited resources. Furthermore the idea has to be pattern-changing to reach the goal of a sustainable society and the innovation of the social. Like described in the last paragraph organizations are needed which are finance sustained, focused on development and have a good management. To sum up, the figure illustrates three necessary components for starting the process of social innovations.

This following deals with the interpretation and application of social innovation in EU policy discourse on territorial development. Does social innovation get a specific interpretation here?

The interpretation of social innovation

The field of European policy discourse is one that uses the concept of social innovation. The policy field-based definition by the European Commission (Pulford 2010) draws on the ideas of Murray, Caulier-Grice et al. (2010):

> *'Social innovation is about new ideas that work to address pressing unmet needs. We simply describe it as innovations that are both social in their ends and in their means. Social innovations are new ideas (products, services and models) that simultaneously meet social needs (more effectively than alternatives) and create new social relationships or collaborations.'*
>
> (Pulford 2010: 9)

This definition shows that in European policy discourse attention mainly is given to innovation as a medium to address unmet needs. Like in the definition of the European Commission, Moulaert, Hillier et al. (2012) define social innovations as novel forms of civic involvement and societal participation. Neumeier (2012) states that Moulaert, MacCallum et al. (2009) express that social innovation can lead to civic involvement of socially excluded groups. The better civic involvement results in improvements in life quality. That is according to the European commission (Hubert 2010) what the use of social innovations within the area of policy should achieve.

As I already mentioned above, European rural areas are diverse and develop really different because of the different circumstances. The "social" of social innovation means "good" for society (Murray, Caulier-Grice et al. 2010). The political interpretation of this within EU policy is about inclusion and exclusion of groups. Through uneven development and territorial circumstances some groups are excluded from society. For example there are less public services, educational facilities, transport connections. Also the broadband network and less financial flows are factors which cause uneven development and growth. Poorer location factors are socially and economically excluding people from participation in societal life (Shortall 2008).

> *'Social innovations are innovations that are social in both their ends and their means.'*
>
> (Hubert 2010: 9)

The uneven societal growth with the problem of exclusion from social life is one of the biggest political concerns of European policy-makers. In order to prevent that more groups and people are excluded from participation in social life European policy-makers are searching for possibilities of inclusion. Inclusion in policy discourse means the participation in social life. The involvement of European citizens is seen as "good" for society (Hubert 2010). Inclusion takes for example place in participation and taking responsibilities within society. Within the European policy discourse social innovation is seen as the solution to this problem (Murray, Caulier-Grice et al. 2010). This is along the links of developing together and strong together. Participation of the society is the most important to achieve social inclusion as discussed by Shortall (2008).

According to the European Commission (Hubert 2010) social innovation is important for both reducing disparities and countering social exclusion in rural areas. On the other hand to them social innovation is much more than only the participation and inclusion of European citizens (Hubert 2010). The European Commission states that promoting innovation in different fields is their responsibility as discussed by Hubert (2010). The approach of social innovation in policy is to create social cohesion of European citizens who have to take the risk and responsibility for development of their living environment. From the perspective of the European Commission development in the European Union should more and more become a bottom-up process (Hubert 2010).

According to Neumeier (2012) social innovation occurs when actors are changing their behavior. The change of doing things might be a kind of improvement. The improvement depends on the context in which social innovation takes place. So when local actors get the capacity to act, a change in behavior and an improvement can take place. Furthermore Neumeier (2012) states that social innovation is not the improvement itself. Changing behavior to new forms of action and cooperation is the improvement which is produced by social innovations. This might be the reason why we are not able to see social innovations unlike technical and economic ones. The supporters of neo-endogenous development have the opinion that mobilizing local potentials is necessary to build up a local identity (Neumeier 2012). Both the local capacity to act and new visions and ideas about building a sustainable framework are necessary for successful territorial development. The development of a region depends on different results like organizational and technical capacities of local actors among others (Neumeier 2012). Thus local actors need the capacity to introduce improvements.

All in all the concept of social innovation gets a more important meaning in European policy on territorial development. Social innovation is interpreted as a main factor for bringing social cohesion and capacity building to build up a risk and responsibility taking European society.

Focus on implementation in EU development policies

Social innovation is applied as a concept in European Cohesion policy which is the recent key instrument for territorial development in Europe. The European Union set up different funds (ERDF, ESF and CF) to build up social cohesion. Each fund has its own focus in a different area. Social cohesion is an instrument to overcome the problem of social and economic imbalances between the different regions in Europe (Böhme, Doucet et al. 2011). These disparities are on a partial spatial dimension. Therefore policy makers agree on the fact that capacity building and exploiting opportunities on the regional level are necessary (Faludi 2006). Earlier cohesion programs focused on spatial development and cohesion but today it has become a territorial approach (Böhme, Doucet et al. 2011). Europe is more focusing on territorial social cohesion today rather than social

cohesion as a whole (Faludi 2005). Encouraging cooperation and the improvement of existing structures are two of the key components to overcome territorial disparities (Faludi 2006). As discussed earlier the concept of social innovation is seen as an approach to create these two key components.

Development policy in the next funding period from 2014-2020 is fixed in CLLD (Community-Led Local Development), the main European development programme. CLLD takes into account the three main pillars of the EU2020 strategy for smart, green and inclusive growth. The funds need to decide on the main challenges, objectives and priorities that can best be dealt with locally (European-Commission's-Directorates-General 2013). The goals of the Common Strategic Framework are declined in eleven objectives. Three objectives are mainly economic, three mainly environmental, four social and one about governance. It is necessary to take geographical challenges into account and to identify local solutions for a coherent and effective strategy(European-Commission's-Directorates-General 2013).

How to work together for an effective strategy in territorial development? According to European-Commission's-Directorates-General (2013) the main part of CLLD is that important decisions have to be made by local actor groups. They should have the freedom of choice to design a local strategy. They also should be able to choose objectives and actions to be included in the strategy.

> *'Local strategies are the place where partnerships can demonstrate that they can achieve results that other approaches cannot -or do not reach -by linking together different measures and sectors, by innovation and through cooperation.'*
>
> (European-Commission's-Directorates-General 2013: 21)

Local development strategies should address the local needs. The local needs have to be identified through an area SWOT analysis (strengths, weaknesses, opportunities and threats). In this process the local community has to participate as stated by European-Commission's-Directorates-General (2013). The local development strategies have to be linked to big projects to ensure an integrated and coherent strategy with complementing actions. Disconnected projects and actions would not satisfy the identified needs and opportunities.

The first step is mobilizing key actors for local partnership (Böhme, Doucet et al. 2011). The local partnership is responsible for strategy design and the implementation. How can we reach considered truly 'community-led'? The local partnership has to be inclusive. This means that different people of the community should be involved (Böhme, Doucet et al. 2011). There should at least be representatives from the public as well as the private sector and the civil society. The decision making person should be a fair representation of target groups addressed by the local development strategy (European-Commission's-Directorates-General 2013). Here we should think about young people, ethnic minorities and disadvantaged people for example. To conclude, the partnership should not be dominated by public authorities or any specific interest group. These different stakeholders should be involved in all stages of strategy: preparation, implementation, monitoring and evaluation.

Another key component is multi-sectoral cooperation and networking (Böhme, Doucet et al. 2011). Cooperation on the local level is for sure the first step for partnership. Second an exchange of experiences within and outside the local community should take place. Here we can think about neighbor regions or nation states.

> *'Strategies should have an innovative character.'*
>
> (European-Commission's-Directorates-General 2013: 23)

The local strategies should introduce new ideas and approaches for the region. In the field of local strategies innovation can have different forms if it reaches an innovative character regarding the development strategy. The innovation depends on the local situation and effectiveness compared to existing methods and solutions applied in this territory (European-Commission's-Directorates-General 2013). So an innovation within a specific territory could already have been used in another region and would not be innovative in that place.

To conclude, the European commission wants to create new services, products and methods of organization by European cohesion policy. The involvement of different local actor groups and (social) innovation are seen as instruments to reach this goal. All in all innovation takes place through the involvement of local actor groups. An idea with an innovative character seems highly dependent on the geographical and territorial circumstances but could be the key to overcome territorial imbalances and uneven development in Europe.

Chapter 5 - Discussion and conclusion

This thesis started with the question what the different interpretations of social innovation in the theoretical and policy approach are. The foregoing chapters have all aimed to answer parts of this question. This chapter concludes this extended essay by summarizing my findings.

My first sub-question deals with the conceptualization and interpretation of social innovation as a socio-theoretical concept. Social innovation is conceptualized as a phenomenon which comes along with other forms of innovation like technical and economical ones. In brief this phenomenon is the point where innovations get an acceptance and existence in society and the social field. It seems that without the acceptance an innovation cannot be introduced in a sufficient way. Social innovation is interpreted in social theory as a phenomenon that leads to new forms of cooperation, action and participation based on already existing resources and structures. These new forms of cooperation, action and participation that mostly are inter-disciplinary, lead to something novel. To clarify, social innovations are classified in social theory as medium to come to an improvement in society and a development of the social towards individual and collective well-being. All theoretical definitions have in common that social innovations are all about new combinations of working together; mostly inter-disciplinary. These new combinations of cooperation can lead to improvements of the living environment. The difference between the diverse definitions of social innovation is that they are often field-based. This means that definitions are limited to a specific field like work-organization for example. So it is difficult to give a general definition of social innovation. To sum up, from a socio-theoretical perspective social innovation is a phenomenon that leads to acceptance of renewal ideas like new forms of societal interaction and cooperation.

This brings me to the question what is the innovative character of new cooperation? I am still not sure what the innovative really is. I thought about the partnership itself. People become aware of opportunities they might have never thought about. Social innovation is also a kind of proactively seeking for new opportunities and partnerships. To make use of all assets, multi-disciplinary and out-of the box thinking could be the innovative.

In the second part I elaborated the sub-question on the importance of dealing with social innovation as a socio-theoretical and political concept. The growing importance and attention to social innovation is well-grounded. In short

the concept of social innovation gets its significance in social theory regarding the transformation of the society. It seems that today's society is unable to address the societal challenges in an efficient and long-lasting way. In brief the concept of social innovation has an increased significance in the European policy because it is seen as a measure against the problem of social exclusion in this discourse. The abatement of this problem is high on the European political agenda. European policy makers agree on the fact that it is necessary to mobilize citizens to improve their quality of life in times of limited finance.

Next to the attention to this concept, other concepts should also reviewed to be able to meet today's on all dimensions in the next years or decennia.

The third sub-question is about the definition of new strategies in the field of European territorial development regarding to the interpretation of social innovation. The political concept of social innovation is interpreted as an idea that leads to new ideas like products, services and models. First, these innovative ideas are seen as an effective response to develop solutions to today's challenges and unmet (social) needs. They want to do so by mobilizing people's creativity. Second, these ideas are creating new, multi-sectoral partnerships that other approaches cannot. To sum up, the European Commission defines social innovations as new ideas that meet social needs with the aim to create new social relationships. To sum up, in a simple way the European Commission identifies social innovations as ideas for new products created by peoples creativity that are a response to unmet (social) needs.

In the policy papers I have read the European Commission assumes that innovations are good for society and also give people the capacity to act in society. Due to the fact that the European regions develop in uneven speed some groups are not able to participate in the same way as others. Therefore these constant growing groups might be socially excluded. The European Commission has the political concern to include socially excluded groups. Groups are excluded through geo-political circumstances for example. Is it really desirable to include all these groups?

On the other hand some individuals and group might make the deliberate choice not to participate in society. Should we want to include these people as well? What would the participation of excluded add to the governance process?

At this point I want to come back to the assumption that social innovations are good for society. From the view of the European Commission social innovation seems always to be good. This is misleading in my eyes because I think that

social innovations cannot always lead to a better result. Renewal is not necessarily better. In European territorial development policy social innovations gets a normative meaning. Social innovations should change current societal structures and make the renewal to a normal thing. The renewal gets acceptance and normality through the process of social innovation.

Geo-political circumstances have become more important in times of globalization. Earlier regions were in competition with region within federal borders. Nowadays, in times of the European Union and global markets, there is a battle between more and more regions. It has become more difficult for regions to develop or just to keep their position. One important point of the theoretical interpretation of social innovation is that it builds up on already existing structures and resources. This raises the question how this can work in less developed regions where nearly no resources and structures are. Individuals who have capacities like knowledge and finance for example are often leaving to cities or other regions which are better off. What do the others do? They might not be able to participate and to create capacities because of lack of public and private services. Here one could for example think about educational institutions, finance flows or the internet.

Another important point in this case is that regions with renewal ideas get funding from the European Commission to work out their ideas. If one thinks out of the box in the case of social innovation funding is only possible if there are resources and an existing structure. So only the regions that were already better-off get funding. What about the less developed regions? What is the intention of this?

Having considered all these issues I want to ask: Why would the European Commission want to invest in social innovation? An organization invests in something because they accomplish anything for their own benefit. But what is the benefit for the European Commission? First, they might be confident in the fact that the policy delivers economically better cooperation. Second, more citizens get the possibility to participate and get the capacity to do so. In the end their participation might have direct impact on their selves. This direct participation leads to a third benefit: trust in democracy, the European Union as community of states and even the European idea. Finally, they expect social cohesion.

In order to get a clear view on the concept I wanted to elaborate the similarities and differences between the interpretation and conceptualization in social theory and policy discourse. The main question of this report is what the

different interpretations of social innovation in the theoretical and policy approaches are. In the first instance the conceptualization of the concept is quite the same in theory and policy discourse.

In the social theory discourse social innovation is about the improvement of societies capacities to solve unmet problems. It is about mobilizing old and new capacities as well as the creativity and knowledge at the same time.

In the policy discourse social innovation gets a positive meaning and becomes politicized. The concept is interpreted as a cooperation that would never takes place under other circumstances. The new cooperation in combination with an innovative idea is able to overcome unmet needs.

If we take into account the theoretical conceptualization of social innovations it is interesting to look at the practical implementation of it in the policy discourse. Is the practical implementation still a social innovation in the theoretical sense? The process the European Commission describes and wants to set up systematically is in their conceptualization and interpretation social innovation. And in a broader context it is also a social innovation in the sense of social theory. An idea that leads to a new form of cooperation which is able to meet unmet needs to improve people's lives.

Having considered all these issues I argue that social innovation is a collective action that leads to learning from each other and improve the quality of life. Social innovation is a concept that can mobilize people to address the challenges which are more and more on a social dimension. This literature research gave me a lot of different new insights in de field of European development and cohesion policies as well as in the concept of social innovation. On the other hand I recognized that there are much more ideas and concepts in Europe and that the European vision is positioned in policy as well. I feel that there are people who feel responsible and use their capacity to try to do something good for society. But In the end I have apparently more questions than answers and I would like to talk to policy-makers to get answers to the unanswered questions. Here I especially think about the intentions the European Commission had when making this policy.

Chapter 6 - Critical reflection

My personal view is that European cohesion policy is important for long-term territorial development. I agree on the fact that the involvement of citizens and local actors is necessary and so I appreciate the shift from government to governance. History has shown that top-down approaches are less successful. The European policy-makers recognized the power and knowledge of locals which are necessary to implement effective strategies on territorial development. In my experience often the same citizens and groups are involved in decision-making process. Others do not want to participate or have not the capacity and power to do so. Due to this fact I am sure that it is necessary to focus on the inclusion of excluded groups like the European Union does. I think that the inclusion of new and other actors in decision-making processes is really difficult and will not happen in every European region. Simplified in my opinion this is because of power relations: decision-makers do not want to lose power and others do not want or are not able to participate. This is related to the fact that consumers want to maximize their own benefits and producers want profit maximization. Apart from that I convince it is a good idea to involve excluded groups and to create more possibilities for civic participation. Not only that, but I also think it is necessary for sustainable development and the acceptance of change within local communities.

Another significant point is the effects of the global financial crisis and European budget constraints. Furthermore Europe's member states have to deal with unemployment especially among the younger citizens. Thus a lot of citizens are critical on European institutions and policy-making. Although it is true that new forms of participation and cooperation as created by social innovation can give these citizens hope and social cohesion it would be wrong to claim that they want to continue with a community of states such as Europe. From my point of view because of that cooperation's across the federal borders have become more and more difficult. I believe that cooperation leads to peace, sustainability and exchange of ideas among other things. On the top of that it brings Europe to long-term development and growth. There are several reasons that especially make cooperation difficult in Europe. That is why I think systematic innovation like the European Union wants is nearly impossible.

Summary

Social innovation as a theoretical concept is interpreted and conceptualized in many different ways. This leads to a difficult discussion and makes the use of the concept dangerous. First the term of innovation was introduced by Joseph Schumpeter in the fields of economics and technology. At the same time different scientists described that they recognized a phenomenon which is necessary to implement technical innovation in society. They did not amplify this phenomenon and also did not pay attention on it. In retrospect the described phenomena were forms of social innovation. Thereafter social innovation is described as a necessary factor for structural change. Scientist agreed on the fact that social innovations come about new forms of interaction and societal organization. In more recent social theory the concept innovation is more seen as a novel form of civic involvement and societal participation.

The growing importance and attention on the concept of social innovation is primary driven by the new understanding of development and growth. Over the years a consensus came up on the fact that problems can not only be solved by well finance and economic growth. There is an agreement on today's problems being more and more on a social dimension. Therefore the problems such as demographic change, limited resources and globalization have to be solved in the social field as well. The developments and changes of the 21st century lead to the search for new responses and ideas to meet the accompanied problems. In this context the concept of social innovation has become a societal and political concern. Shaping and delivering new policies to create for example social cohesion, capacity to act and local identity is necessary to response to recent societal challenges. Delivering new policies is amongst other things an important success factor for territorial development. Especially uneven development of the diverse European regions is a big political concern and social innovation is seen as an approach which is able to overcome the problem of social exclusion.

The European political concern of uneven territorial development also deals with social inclusion and social exclusion. Due to the fact that the European regions develop in uneven speed some groups are not able to participate in the same way as others. Therefore these constant growing groups might be socially excluded. This is all about the interpretation of social innovations in the European policy approach. Europe's policy-makers especially require the concept of social innovation to create social cohesion and for societal developments towards a risk

and responsibility taking society. Social innovations are seen as a driving factor to create this self-confident society that is able to improve its living environment. To clarify, social innovations are not the improvement itself. The improvement, caused by social innovations, is the change of behavior which leads to new forms of action and cooperation.

References

Bock, B. B. and A. Fieldsend (2012). "Social innovation and sustainability; how to disentangle the buzzword and its application in the field of agriculture and rural development." <u>Studies in Agricultural Economics (Budapest)</u> **114**(2): 57-63.

Böhme, K., P. Doucet, T. Komornicki, J. Zaucha and D. Świątek (2011). "How to strengthen the territorial dimension of 'Europe 2020'and the EU Cohesion Policy." <u>Report based on the Territorial Agenda</u> **2020**.

Drayton, W. (2002). "The Citizen Sector: Becoming as entrepreneurial and competitive as business " <u>California management review</u> **44**(3).

Durkheim, E. (1933). "The division of labor." <u>Trans. G. Simpson. Macmillan: New York</u>.

Durkheim, E., E. Durkheim, F. Sociologue, E. Durkheim, E. Durkheim and F. Sociologist (1960). <u>De la division du travail social</u>, Presses universitaires de France.

European-Commission's-Directorates-General. (2013). "Common Guidance of the European Commission's Directorates-General AGRI, EMPL, MARE and REGIO on Community-Led Local Development in European Structural and Investment Funds." Retrieved 19.05.2014, from http://ec.europa.eu/regional_policy/what/future/pdf/preparation/clld_guidance_2013_04_29.pdf.

Faludi, A. (2005). "Territorial cohesion: an unidentified political objective: introduction to the special issue." <u>Town planning review</u> **76**(1): 1-13.

Faludi, A. (2006). "From European spatial development to territorial cohesion policy." <u>Regional Studies</u> **40**(6): 667-678.

Gillwald, K. (2000). Konzepte sozialer Innovation, Papers der Querschnittsgruppe Arbeit & Ökologie, Wissenschaftszentrum Berlin für Sozialforschung.

Howaldt, J. and H. Jacobsen (2010). <u>Soziale Innovation: auf dem Weg zu einem postindustriellen Innovationsparadigma</u>, Springer DE.

Howaldt, J., M. Schwarz, K. Henning and F. Hees (2010). <u>Social Innovation: Concepts, research fields and international trends</u>, IMA/ZLW.

Hubert, A. (2010). "Empowering people, driving change: Social innovation in the European Union." <u>Bureau of European Policy Advisors (BEPA). Available online: http://ec. europa. eu/bepa/pdf/publications_pdf/social_innovation. pdf</u>.

Meadows, D. H., E. Goldsmith and P. Meadow (1972). <u>The limits to growth</u>, Universe books New York.

Moulaert, F., J. Hillier, D. MacCallum and S. V. Haddock (2012). <u>Social innovation and territorial development</u>, Ashgate Publishing, Ltd.

Moulaert, F., D. MacCallum, F. Moulaert and J. Hillier (2009). "Social innovation: Institutionally embedded, territorially (re) produced." <u>Social innovation and territorial development</u>: 11-24.

Mulgan, G., S. Tucker, R. Ali and B. Sanders (2007). "Social innovation: what it is, why it matters and how it can be accelerated."

Müller-Prothmann, T. and N. Dörr (2012). Innovationsmanagement. Strategien, Methoden und Werkzeuge für systematische Innovationsprozesse.

Murray, R., J. Caulier-Grice and G. Mulgan (2010). The open book of social innovation, National Endowment for Science, Technology and the Art.

Neumeier, S. (2012). "Why do social innovations in rural development matter and should they be considered more seriously in rural development research?–proposal for a stronger focus on social innovations in rural development research." Sociologia ruralis **52**(1): 48-69.

Pulford, L. (2010). "This is European Social Innovation." European Commission.

Schumpeter, J. A. (1934). The theory of economic development: An inquiry into profits, capital, credit, interest, and the business cycle, Transaction Publishers.

Shortall, S. (2008). "Are rural development programmes socially inclusive? Social inclusion, civic engagement, participation, and social capital: Exploring the differences." Journal of Rural Studies **24**(4): 450-457.

Wals, A. E. (2007). Social learning towards a sustainable world: Principles, perspectives, and praxis, Wageningen Academic Pub.

Weber, M. (1930). "The Protestant ethic and the spirit of capitalism."