1.1. Social innovation

1.1.1. High level definitions that set the frame

The working definition of social innovation adopted in the framework of the OECD LEED Program (Local Employment and Economic Development) was that it "can concern conceptual, process or product change, organizational change and changes in financing, and can deal with new relationships with stakeholders and territories".

"Social innovation" seeks new answers to social problems by:

- Identifying and delivering new services that improve the quality of life of individuals and communities,

- Identifying and implementing new labour market integration processes, new competencies, new jobs, and new forms of participation, as diverse elements that each contribute to improving the position of individuals in the workforce.

Social innovations can therefore be seen as dealing with the welfare of individuals and communities, both as consumers and producers. The elements of this welfare are

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[6] Co-production: Enhancing the role of citizens in governance and service delivery, Technical dossier 4, European Social Fund Transnational Platform, EU, May 2018

[7] Bance, Bouchard and Greiling, 2022, quoted in "Baseline report on the key concepts, dimensions and elements for the evaluation and knowledge transfer framework of the demonstrative actions", MedTOWN, June 2022

linked with their quality of life and activity. Wherever social innovations appear, they always bring about new references or processes.

Social innovation deals with improving the welfare of individuals and community through employment, consumption or participation, its expressed purpose being therefore to provide solutions for individual and community problems.

The OECD offers a more synthetic definition. Social innovation refers to:

(what?) the design and implementation of new solutions that imply conceptual, process, product, or organizational change,

(what for?) which ultimately aim to improve the welfare and wellbeing of individuals and communities.

(implemented by whom?) Many initiatives undertaken by the social economy and by the civil society have proven to be innovative

(to tackle what type of problem?) in dealing with socio-economic and environmental problems, while contributing to economic development.

(any conditions of success?) To fully tap the potential of social innovation, an enabling policy framework is needed to support public, non-profit and private actors to co-construct and implement socially innovative solutions and thereby contribute to address socio-economic issues, build stronger territorial resilience and better respond to future shocks.

1.1.2. Blurred boundaries: how innovative does a social innovation have to be in order to be labelled innovative?

As highlighted by Samuel Barco Serrano in his report for MedTOWN project, there are different strands of literature on social innovation with dichotomic approaches to the concept.

In some instances, the main divergence lies in the focus that is made:

- either on the *object* of the change (the actual achievement, the object or the tool that will provide the marginal improvement in quality of life – identified as the subsequent 'social change')
- or otherwise, on the *process* leading to the achievement (with reference to the underlying transformational process whereby the groups of beneficiaries benefiting from the change are actually empowered and democratically involved in the conception and design of the solution, itself brought to life thanks to the practical intervention of SSE actors).

In others, the extent of the change produced by the innovation is measured against the existing regulation or the size of the issue or the problem, thus determining if the social innovation is radical or incremental. For instance, an action generating a radical change would be considered more 'innovative' (a bigger innovation) than a social innovation that would have an incremental impact, creating a series of small innovations which slowly incrementally improve a specific issue or solve a problem.

From yet another viewpoint, a social innovation is evaluated based on its sustainability potential. A social innovation would be qualified as strong if a certain regulation or institutional mechanism, or even the adoption by ecosystem actors, guarantees that the achievement of this social innovation is not left up to the good will of a few people with decision power. It would otherwise be a weak innovation if it does not play a radical part in solving a problem permanently.

1.1.3. Assessing social innovation by assessing its social impact: the Impact Compass model

"Social innovation is the process of developing and deploying effective solutions to challenging and often systemic social and environmental issues in support of social progress. Social innovation is not the prerogative or privilege of any organizational form or legal structure. Solutions often require the active collaboration of constituents across government, business, and the non-profit world."[8]

Stanford University's Impact Compass Model

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[8] Sarah A. Soule, Neil Malhotra, Bernadette Clavier, Stanford University, Graduate School of Business

According to Stanford's Centre for Social Innovation, social innovation can be assessed according to its impact. In turn, its impact can be assessed according to what the Stanford Business School presents as the Impact Compass[9]. This tool gives a holistic picture of the impacts of an initiative on stakeholders. The model captures six dimensions of social impact that an initiative (project, policy, investment, …) could have on stakeholders, thus allowing for its definition and for gauging its social impact.

The graphic representation of the Impact Compass model is quite talkative. Greater details on the approach are found in Annex 4.

The Impact Compass: the 6 Dimensions of Social Impact
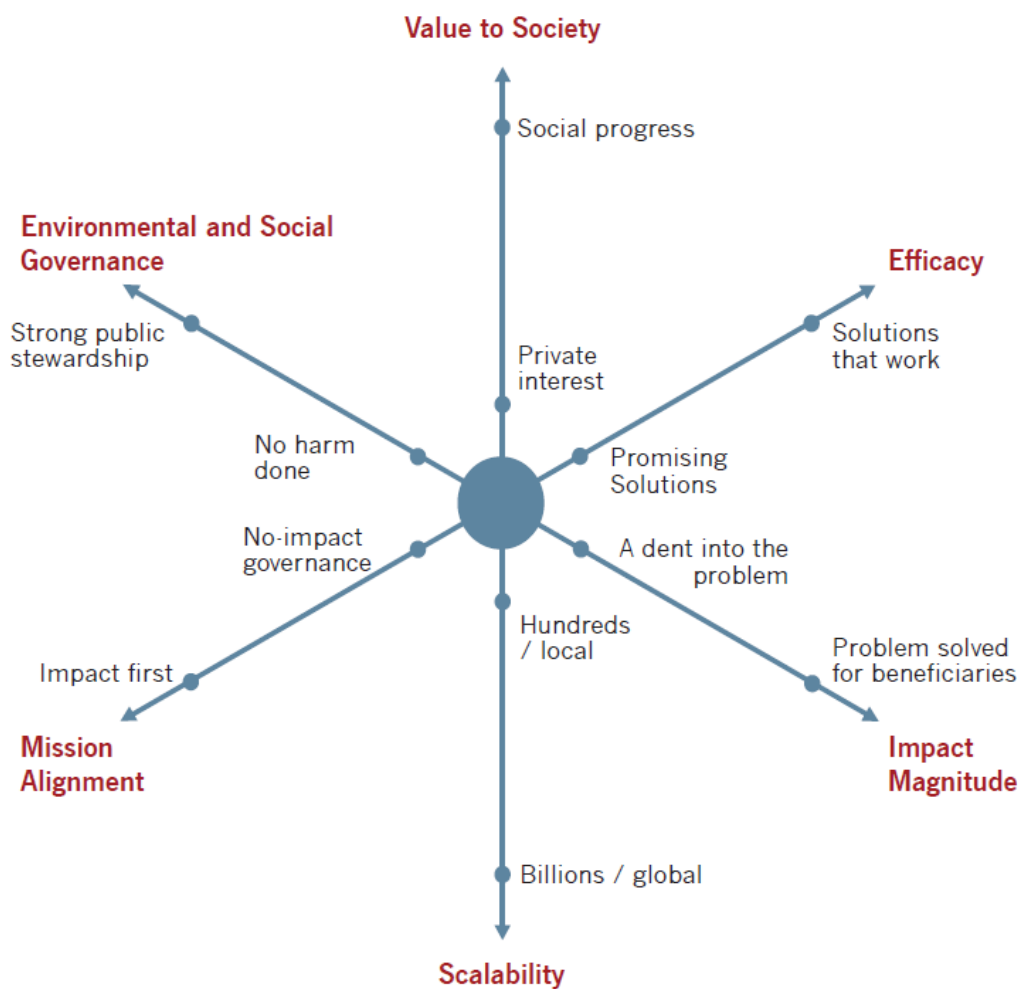
9 The Impact Compass, White Paper, Center for Social Innovation, Stanford Business School, https://www.gsb.stanford.edu/experience/about/centers-institutes/csi/impact-compass

1.1.4. Keeping it simple … the Mannheim declaration (2021)

The European Social Economy Summit held in Mannheim (Germany) in 2021 aimed to outline concrete steps to unlock the full potential of the social economy in the EU. Following is the recommendation on social innovation: "The social economy is a pioneer in identifying and implementing social innovation and alternative ways of organizing economic activities. Many of these innovations have been mainstreamed and adopted by the rest of the economy (such as fair trade and ethical finance). Social economy organizations can expand social innovation to address pressing environmental and societal challenges by focusing on social impact and working with local stakeholders. Concrete policy measures, in the form of suitable legal frameworks, incentives and access to funding are needed to support these new businesses to develop social experimentation."

1.1.5. So where should the cursor be set?

However 'innovative' a social innovation, and whatever its object, what clearly comes out of the literature reviewed for the purpose of this report is practically synthesized by the approach of the Réseau Québécois en Innovation Sociale (RQIS)[10]:

- Social innovation is a process (and its outcome) involving a range of stakeholders who are directly involved in the framework of a participatory approach, facilitated by SSE agents; the solution should have found acceptance within the community of beneficiaries and recognition of its benefits on the community.

- Social innovation refers to new ideas, strategies or interventions; new services, products or laws; new types of organizations that meet specific social needs in more effective and sustainable ways than before; solutions that have been championed within institutions, organizations or communities.

- The scope of social innovation is transformative and systemic. Inherently creative, a social innovation breaks away from what came before.

- Social innovations are "social," both in their processes and end results. They meet social needs while forging new relations between people and groups that may not otherwise collaborate.

- Social innovation can only be born in a spirit of openness. In this sense, social innovators cannot rely on internal sources of knowledge for innovation but they should also turn to multiple external sources to drive innovation, in the framework of what is referred to as 'open innovation'. This dimension of

openness is inherently compatible with the participatory approach of co-production that underlies social innovation.

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[10] Quebec Declaration on Social Innovation, Le réseau québecois en innovation sociale, April 2011

1.1.6. Supporting the emergence and sustainability of social innovations: enabling factors

The RQIS has identified 12 key factors with regards to enabling the emergence and sustainability of social innovation projects:

1. Social innovation is triggered by a combination of factors: an unresolved social issue, a context that is conducive to a new solution (crisis, government policy, etc.) and the willingness of stakeholders to work together in search of a solution to a specific problem.

2. Solutions stem from the collaborative work of several stakeholders in society, and since problems are multi-faceted, often even stakeholders who wouldn't normally collaborate.

3. Innovation projects combine experiential knowledge with scientific and technical knowledge, and take into account the given cultural context. Combining these different fields of knowledge leads to joint production of new knowledge.

4. Projects are transformative in scope, and aim for systemic change.

5. Partners are at once daring and capable of coping with the element of the "unknown." They recognize the inherent risk involved in an innovation project and are able to deal with it until the end of the process.

6. Three forms of leadership are necessary for the project to succeed: 1) The individual leadership exercised by the project initiator(s); 2) The organizational leadership characterized by the support of organizations involved in an innovative practice that surpasses their usual practices; 3) The collective leadership that emerges in the community implementing the project.

7. Long-term commitment on the part of the sponsors is crucial.

8. Time is a fundamental issue. Time is needed to conceive and carry out the project, and to establish bonds of trust between partners. Additional time is required to evaluate the project and to ensure its dissemination, replication and appropriation by the involved communities, guaranteeing a shift in practices.

9. The project needs to have impact in order to be recognized and eventually institutionalized.

10. Stakeholders must adjust to various contexts and to the shifting environment in which partners operate.

11. The project's transfer, appropriation and sustainability are essential components of its ultimate success. It needs to be adopted by its target group and meet its pre-established goals.

12. Established bonds of trust between the stakeholders, expressed through shared governance, are the project's glue.