

SOCIAL ENTREPRENEURS

Important Actors within an Ecosystem of Social Innovation

Jürgen Howaldt

TU Dortmund University, Germany

Christoph Kaletka

TU Dortmund University, Germany

Antonius Schröder

TU Dortmund University, Germany

Abstract: The state of research on social entrepreneurship is unsatisfactory. Social entrepreneurship research has been a key topic of the social innovation debate, contributing a lot to the development of the design, motives and practices to solve social demands and societal challenges mainly in the third sector, focusing at the role, possibilities and constraints of a social entrepreneurs and the social (instead of a market-driven) economy. However, the strong focus on social entrepreneurship fails to recognize other key aspects and the potential of a comprehensive concept of social innovation and its relationship to social change. Since findings from innovation research point out the systemic character of innovations, the strong concentration on social entrepreneurs as individuals responsible for innovations can be challenged. Instead, a differentiated perspective of the role of social entrepreneurs is needed, taking into account the different phases of the social innovation process as well as cross-sector collaborations with the whole diversity of societal actors (private and public actors, universities, and civil society).

Keywords: Social Entrepreneurship, Social Innovation, Social Practice, Social Theory, Social.

Introduction

The harder task for social innovation research is to understand the place of social innovation in much bigger processes of social change. (Mulgan, 2015: xiii)

As of today, there is a growing consensus among practitioners, policy makers and the research community that technological innovations alone are not capable of overcoming the social and economic challenges modern societies are facing. The importance of social innovation successfully addressing social, economic, political and environmental challenges of the 21st century has been recognized not only within the Europe 2020

strategy but also on a global scale.¹ Recent years have seen this new form of innovation emerging, both as an object of research² and development: Social innovations appear in a variety of forms and influence our lives. They change the way we live together, travel, work or handle crises, and they are driven by different societal sectors and cross-sectoral networks.

Though there is widespread recognition of the need for social innovation, there is no clear understanding of how social innovation leads to

¹ See the manifold contributions in Harrisson, Bourque, and Széll (2009); Franz, Hochgermer, and Howaldt (2012) and Moolaert et al. (2013).

² In recent years, empirical research on social innovation has increased in the European Union, beside SI-DRIVE (which results are the basis of this article) some of the key international projects have been, e.g. TEPSIE, WILCO, or TRANSIT.

social change.³ Despite some large-scale international projects on the topic, so far the conceptual weaknesses in the development of a theoretically grounded concept that centres on the relationship between social innovation and social change have not yet been overcome. Thus, in their analysis of European projects of recent years, Jane Jenson and Denis Harisson come to the following conclusion:

Although social innovations pop up in many areas and policies and in many disguises, and social innovation is researched from a number of theoretical and methodological angles, the conditions under which social innovations develop, flourish and sustain and finally lead to societal change are not yet fully understood both in political and academic circles. However, in particular in the current times of social, political and economic crises, social innovation has evoked many hopes and further triggered academic and political debates. (European Commission, 2013: 7)

At the same time, the emerging field of social entrepreneurship research is increasingly focusing on a better understanding of the dynamics of design, practices and motives that blend together for effective social change (Davies, 2014). This discussion is based on an understanding which regards social innovations as micro-phenomena, which – following Schumpeter’s entrepreneur concept – (may) contribute to the much larger process of social change through diffusion and scaling-up processes via the central figure of the social entrepreneur (Mulgan, 2015: xiii). But if this is the case, it cannot be sufficiently explained where the ideas in question come from, and why some initiatives spread while others fail and perish (*ibid.*). In her analysis of the debate, Davies refers to the “critical turn in social entrepreneurship scholarship” (Davies, 2014: 72) that is currently taking place, which revolves precisely around the point of the social entrepreneur’s contribution to social change and its conceptual foundations.

Clearly then, there is an important strand of thinking within social entrepreneurship that sees it as intimately connected to processes of social change. But what is the theory of change inherent in social entrepreneurship? (*ibid.*)

The purpose of our paper is to draw a systematic connection between these two debates. We argue that from the perspective of socio-scientific

innovation research, the development, implementation and institutionalization of the concept of social entrepreneurship can be described as a social innovation. Borrowing from Schumpeter (1964), social entrepreneurs create a new type of behaviour, which fulfils an important societal function comparable to the type of business entrepreneur in the economy. Social entrepreneurs become central actors when it comes to initiating and implementing innovations, which explicitly aim at solving social problems. The social phenomenon of social entrepreneurship is subject of innovation research, which describes possibilities, but also limits of the concept in its ambivalence, and analyses relationships with other forms of social innovation. By doing so, innovation research contributes to a scientific analysis, conceptual clarification and realistic perception of this phenomenon. At the same time, it makes the possibilities and limits of the concept visible in a complex overall structure of social innovation processes. In this context, cross-sector dynamics play a special role:

Increasingly, innovation blossoms where the sectors converge. At these intersections, the exchanges of ideas and values, shifts in roles and relationships, [...] generate new and better approaches to creating social value. (Phills, Deiglmeier and Miller, 2008)

Since findings from innovation research point out the systemic character of innovations, a strong focus on social entrepreneurs as individuals responsible for innovations should be viewed critically. Instead, we need a more differentiated perspective of the role of social entrepreneurship.⁴

The paper starts with an overview of the current situation and the perspectives of socio-scientific innovation research elaborating the theoretical foundations of social innovation and investigating the relationship between social innovation and social change (chapter 2). A comprehensive concept of social innovation focusing on cross-sectoral collaborations between actors from state, research, business and the civil society and its relevance for the social entrepreneurship research will be discussed against the background of first results from the global research project SI-DRIVE (Social Innovation – Driving Force of Social Change)⁵ in

⁴ With regard to such a differentiated understanding of the role of social entrepreneurs in the broader process of social innovation Mair suggests for instance that social entrepreneurship should play a key role in the early stages of the social innovation life cycle. (Mair, 2010)

⁵ SI-DRIVE (www.si-drive.eu) is funded within the 7th Framework Programme of the European Union. The project is working on the theoretical concepts, areas of empirical research and observable trends in the field of social innovation on both European and global scales.

³ Sound evidence of this can be found in the key publications in the field of social innovation research in recent years (Howaldt et al., 2010; Howaldt et al., 2014; Nicholls et al., 2015; Klein et al. 2016).

chapter 3. A special focus will be on the first empirical results of a global mapping conducted in 2015 in which more than 1.000 social innovation cases were collected and analysed. The results shed a light on the diversity of social innovation on different societal levels and stimulate the generic theoretical debate as well as the debate on the role of actors, network of actors and modes of governance. We introduce social innovation ecosystems as an emerging theoretical approach and heuristic model and reflect upon the role of social entrepreneurs in social innovation initiatives and processes.

In the conclusion (chapter 4), the paper discusses the consequences of a comprehensive concept of social innovation for social entrepreneurship, highlighting its multi-sectoral perspective. Subsequently, it analyses social entrepreneurship against the background of findings of innovation research and argues that the type of social entrepreneur itself constitutes a social innovation, i.e. an alternative social practice, which spreads widely through society. For this reason, social entrepreneurs are agents of social innovation by acting entrepreneurially in a new frame of reference and thereby inventing, developing and achieving new social practices in society. Social entrepreneurship and the third sector appear as an essential but not dominant part of a social innovation ecosystem. They are an important component of a broader social innovation concept.

An emerging theory of social innovation grounded in social theory

As a discipline, innovation research widely finds its systematic beginnings and point of reference, valid to this day, in Schumpeter's 1912 publication of "Theorie der wirtschaftlichen Entwicklung" [Theory of economic development] (Schumpeter, 1964), where a definition of innovation was introduced. According to this work, economic development takes place as a permanent process of 'creative destruction'. What propels this dynamic, the impetus and origin of economic fluctuation, is innovation in the sense of the 'execution of new combinations', of 'establishing a new production function'. Inventions become innovations if they successfully take hold on the market (diffusion). Introducing and realizing innovations is the actual work and function of the entrepreneur. Schumpeter focuses not only on technical innovation, but distinguishes between product-related, procedural and organizational innovations, using new resources, and tapping into new markets. Moreover, he underscores the necessity of social innovation occurring in tandem in

the economic arena as well as in culture, politics and a society's way of life guaranteeing economic efficacy of technological innovations.

These two emphases of his work, the entrepreneur as the key figure on the one hand and the extended innovation concept including process and organizational innovations, on the other hand, were the main reasons for Schumpeter posthumously becoming a central figure also in contemporary social innovation discourse – especially in those debates where the boundaries between social entrepreneurship and social innovation remain unclear (for a critical analysis of this boundary problem see Davies, 2014; Howaldt, Domanski, and Schwarz, 2015). Social entrepreneurship, again, is playing a vital role in the promotion of urban development and can be supported by intermediaries such as social innovation labs and centres, even though the social innovation concept exceeds social entrepreneurship considerably (see chapter 3).

Following Schumpeter, the concept of innovation was increasingly reduced to technological innovations. Remarks on social innovation in literature after Schumpeter are scarce and marginal (Moulaert et al., 2005 and 1974). From an economics vantage point, discourses on innovation today are directed primarily at the underlying conditions impeding and fostering innovation, both within a company and outside of it. Necessary or deployable resources, the organization of innovation management in terms of systematic innovation replacing or enhancing the role of the entrepreneur (Blättel-Mink, 2006: 81) as well as the economic impact and effects of innovation are key areas of the debate.

Innovation research in the social sciences is dedicated, by contrast, primarily to the relevance of the social framework conditions and to the process of innovation. Perspectives include the social preconditions and influencing factors for (predominant) technological innovations, the correlation between the technological and the social, between technological and social innovations, between innovations and societal development, the institutional context and the interaction between those involved in the process of innovation.

A new innovation paradigm

Against the background of the findings in innovation research and the clear emergence of paradoxes and confusion in prevailing innovation policies, the question arises whether the technology-oriented innovation paradigm that has been shaped by the industrial society remains functional. A fundamental change process

involving the entire institutional structure and the associated way of thinking and basic assumptions can be interpreted, in our understanding, in terms of the development of a new innovation paradigm⁶ (Howaldt and Schwarz, 2010). This kind of approach opens up fundamentally new perspectives on recognized problems and thus simultaneously unlocks new possibilities for action.

International innovation research is providing numerous indications of a fundamental shift in the innovation paradigm (FORA, 2010; Howaldt and Schwarz, 2010). In the center of this new paradigm is the concept of social innovation.

With innovation processes opening up to society the companies, technical schools and research institutes are no longer the only relevant agents in the process of innovation. Citizens and customers no longer serve as suppliers of information about their needs (as in traditional innovation management): instead, they make contributions to product development and problem-solving processes. Terms and concepts such as open innovation, customer integration and networks reflect individual aspects of this development. At the same time, innovation – based on economic development – becomes a general social phenomenon that increasingly influences and permeates every aspect of life.

What makes an innovation a social innovation?

A critical literature review conducted in the SI-DRIVE project reveals that social innovation has many different (and sometimes conflicting) meanings, spanning a variety of areas such as innovation studies, management and organisational research, the field of workplace and quality of working life, as part of the social economy, in sustainable development, or as an aspect of local competitiveness and territorial development (Howaldt et al., 2014). In recent years, the international academic debate has seen a significant upswing in light of increasing political interest in the concept of social innovation (Howaldt and Schwarz, 2010; Franz, Hochgerner and Howaldt, 2012; Moulaert et al., 2013). However, this has not resulted in considerable conceptual clarity. Thus, to cite one example, the Open Book of Social Innovation (Murray, Caulier-Grice and Mulgan, 2010), which is very influential in the European debate, provides a multitude of examples, methods and concepts of social innovations. Here, the diversity of phenomena which are represented by the concept of social innovation is not the actual problem. What is problematic, particularly for the scientific discourse, is

⁶ Paradigm means in this sense, borrowing from Kuhn (1996: 10), a “pattern of thought rooted in commonly held basic assumptions that can offer a community of experts considerable problems and solutions for a certain period of time” (Kuhn, 1996: 26).

that the term itself remains unclear.⁷ Hence, the criticism expressed some years ago by authors such as Pol and Ville (2009) and others, stating that “the term ‘social innovation’ has entered the discourse of social scientists with particular speed, but there is no consensus regarding the relevance or specific meaning in the social sciences and humanities” (Pol and Ville, 2009: 878), still remains valid.

This lack of consensus mainly has to do with different understandings of the notion of the ‘social’. In this regard, we argue that with social innovations, the new does not manifest itself in the medium of technological artefacts, but at the level of social practices. If it is accepted that the invention and diffusion of the steam engine, the computer or the smartphone should be regarded differently from the invention and social spread of a national system of healthcare provision, the concept of corporate social responsibility (CSR) or a system of micro financing, then it stands to reason that there is an inherent difference between technological and social innovations.

In this perspective, we describe social innovation as a new combination⁸ and/or new configuration of social practices in certain areas of action or social contexts, prompted by certain actors or constellations of actors in an intentional targeted manner with the goal of better satisfying or answering needs and problems than it is possible on the basis of established practices. Therefore an innovation is social to the extent that it, conveyed by the market or “non/without profit”, is socially accepted and diffused throughout society or in certain societal sub-areas, transformed, depending on circumstances, and ultimately institutionalized as new social practice or made routine. As with every other innovation ‘new’ does not necessarily mean ‘good’ or ‘socially desirable’ in an extensive and normative sense. According the actors' practical rationale, social attributions for social innovations are generally uncertain (Howaldt and Schwarz, 2010: 26).

Therefore, social innovation can be “interpreted as a process of collective creation in which the members of a certain collective unit learn, invent and lay out new rules for the social game of collaboration and of conflict or, in a word, a new social practice, and in this process they acquire the necessary cognitive, rational and organizational skills. (Crozier and Friedberg, 1993: 19)

⁷ Social innovations are defined normatively “as new ideas (products, services and models) that simultaneously meet social needs and create new social relationships or collaborations. In other words, they are innovations that are both good for society and enhance society’s capacity to act” (Murray, Caulier-Grice and Mulgan, 2010: 3; also Bureau of European Policy Adviser, 2010).

⁸ The term relates to the Schumpeterian definition of innovation as a new combination of production factors.

Social innovation and social change

While culminating social and economic problems identified in public discourse are increasingly prompting a call for extensive social innovation, the relationship between social innovation and social change remains a largely under-explored area in the social sciences as well as government innovation policies. Whereas – based mainly on Ogburn’s theory – a specialised sociology of change has developed (Schäfers, 2002), with few exceptions, social innovation as an analytical category is at best a secondary topic both in the classical and contemporary social theory approaches and concepts of social development, modernisation and transformation. This is even more astonishing given that Ogburn not only makes a ‘cultural lag’ – the difference in the time it takes for the comparatively ‘slow’ non-material culture to catch up with the faster-developing material culture – his starting point and systematically differentiates between technological and social innovations (and inventions) as critical factors in social change. He also emphasises that the use of the term ‘inventions’ is not restricted to technological inventions, but also includes social inventions such as the League of Nations.

Invention is defined as a combination of existing and known elements of culture, material and/or non-material, or a modification of one to form a new one. [...] By inventions we do not mean only the basic or important inventions, but the minor ones and the incremental improvements. Inventions, then, are the evidence on which we base our observations of social evolution. (Ogburn, 1969: 56)

Thus, Ogburn is convinced that in the interplay of invention, accumulation, exchange and adaptation, he has discovered the basic elements of “cultural development” (Ogburn, 1969: 56) and hence – like Darwin for biological evolution – has developed a model to explain social evolution.

However, if transformative social change refers to the reconfiguration of practices from which sociality arises, in this perspective it cannot be perceived as the result of an evolutionary process but a reaction in the shape of processes of reflexive social learning towards existing ways of life and forms of practices becoming obsolete (Jaeggi, 2013). In this sense, social change can be influenced by changing social practices and stimulating social innovations based on continuous new adaptation and configuration anchored in social practices themselves, which means real experiments with the participation of heterogeneous actors, understood as carriers of social practices and in the context of an unequally self-organized co-

evolutionary process (Shove, 2010: 1274; Shove, Pantzar and Watson, 2012: 162).

Changing social practices are generally based on drawn-out, contingent and self-managing processes which, as Tarde points out, are subject to their own ‘laws’ – the laws of imitation. Previous attempts to ‘manage’ such processes through policy have proven to be decidedly difficult.

One of the key tasks in this regard is a necessary redefinition of the relationship between policy and the “new power of the citizenry” (Marg et al., 2013), the civil society engagement, the many and diverse initiatives and the movements “for the transformation of our type of industrial society” (Welzer, 2013: 187). “A central element here is to enable citizens [in the sense of empowerment – authors’ note] to share in responsibility for the future, which should not be equated with personal responsibility in the neoliberal sense” (Rückert-John, 2013: 291).

The manifold world of social innovations – results from a global mapping

For a long time, social entrepreneurship research has been at the center of the social innovation debate, which has contributed considerably to the development of the design, motives and practices to solve social demands and societal challenges mainly in the third sector. Key research interests were the role, possibilities and constraints of a social entrepreneur and the social (instead of a market-driven) economy as well as on “the relevance of local embeddedness and sociocultural context” (Shaw and de Bruin, 2013: 737).

However, the strong focus on social entrepreneurship failed to recognize other key aspects and the potential of a more comprehensive concept of social innovation and its relationship to social change. The discussion concentrated on an understanding which regards social innovations as micro-phenomena – following Schumpeter’s entrepreneur concept – (possibly) contributing by diffusion and scaling-up processes. But again, this raises the question how social entrepreneurs contribute to social change and its conceptual foundations (Davies, 2014: 72). Against this background, we share the view expressed by Jessop et al. that the role of “social enterprise as the key agent for social change” is overestimated (Jessop et al., 2013: 111).

Based on the definition of social innovation presented above, the first global mapping of social

innovation initiatives done within SI-DRIVE⁹ reaffirms the assumption that the concept of social innovation cannot be limited to one focus, be it social entrepreneurship or social economy, and demonstrates that widening the perspective is crucial for understanding social innovation. Hence, it makes an important contribution in terms of liberating social innovation from the silo of the third sector and opening up to other areas of society.

In the following, we will present the results of the global mapping of SI-DRIVE with a special focus on the role of social entrepreneurship. The analysis underlines the growing importance and variety of social innovation (including and going beyond social entrepreneurship), its ubiquitous concept across divers and connected practice and policy fields, its response to social needs and societal challenges instead of focusing primarily on economic success and profit, and its broad range of actors and sectors overarching collaboration, including user involvement. It will become evident that social entrepreneurs are a part of the manifold world of social innovation, relevant but not to be overestimated.

Growing importance and variety of social innovation

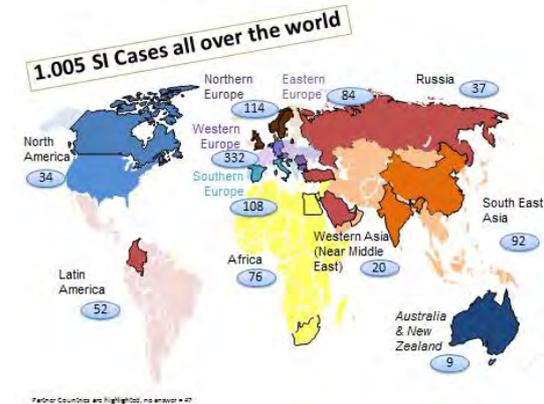
A variety of diverse social innovations are successfully addressing social, economic, political and environmental challenges of the 21st century on a global scale – driven by cross-sectoral collaboration and networks and changing social practices. This growing importance of social innovation is reflected by the mapping results showing a high number and variety of practice fields¹⁰ and related initiatives (more than 90 practice fields were defined for more than 1.000 social innovation initiatives or projects). The mapping reveals the diversity of social innovation worldwide, the variety of social innovations initiatives and practices, concepts and approaches, innovation processes and actor constellations, and the complex processes and networks through which social innovation occurs. At the same time there is a high number of persons engaged

⁹ SI-DRIVE mapped in an explorative way a first global database with more than 1.000 cases, covering about 80 countries from all world continents and addressing seven policy fields (education, employment, environment, mobility and transport, health and social care, poverty reduction and sustainable development). The findings presented in this article are preliminary results, a detailed analysis is ongoing.

¹⁰ To reduce the immense variety of social innovation categories we defined “practice field” as general type or summary of projects expressing general characteristics common to different projects (e.g. micro-credit systems, car sharing) in relation to single “projects/initiatives” with a concrete implementation of a solution responding to social demands, societal challenges or systemic change (e.g. Muhammed Yunus’s Grameen Bank, which lends micro-credits to poor farmers for improving their economic condition, different car sharing projects or activities at the regional-local level).

(employees, volunteers, experts and advisers) – including a remarkable user involvement – and a high number and diverse types of participating partners and surprisingly high budgets of some (large scale, national and international) initiatives.

Figure 1: Worldwide mapping of SI-DRIVE (Region, where the social innovation was implemented)



Source: SI-DRIVE, 2016.

Concerning Social Entrepreneurship: About half of the mapped initiatives which include social enterprises (all in all 106 cases) were implemented in Western Europe (48%), 16% in Southern, 6% in Eastern and 3% in Northern Europe. Within the non-European countries there are only 21% initiatives implemented with participation of social entrepreneurs, most of them in Africa (13%).¹¹

Diverse and connected policy and practice fields - ubiquitous concept

The mapping demonstrates the strong orientation and need for social innovation to overcome societal challenges and social demands and the broad range of practice fields covered by the initiatives. In every policy field of SI-DRIVE (education, employment, environment, energy supply, transport and mobility, health and social care, poverty reduction and sustainable development), we find a growing and highly diversified number of (mainly younger¹² but also established) social innovation initiatives, often not implemented in a single policy field but covering other policy fields as well. Social innovation has become a ubiquitous concept.

Social enterprises¹³ are represented in all the policy fields of SI-DRIVE: Mainly in line with the

¹¹ As a European Project, the mapping of SI-DRIVE is focussing mainly on European Initiatives.

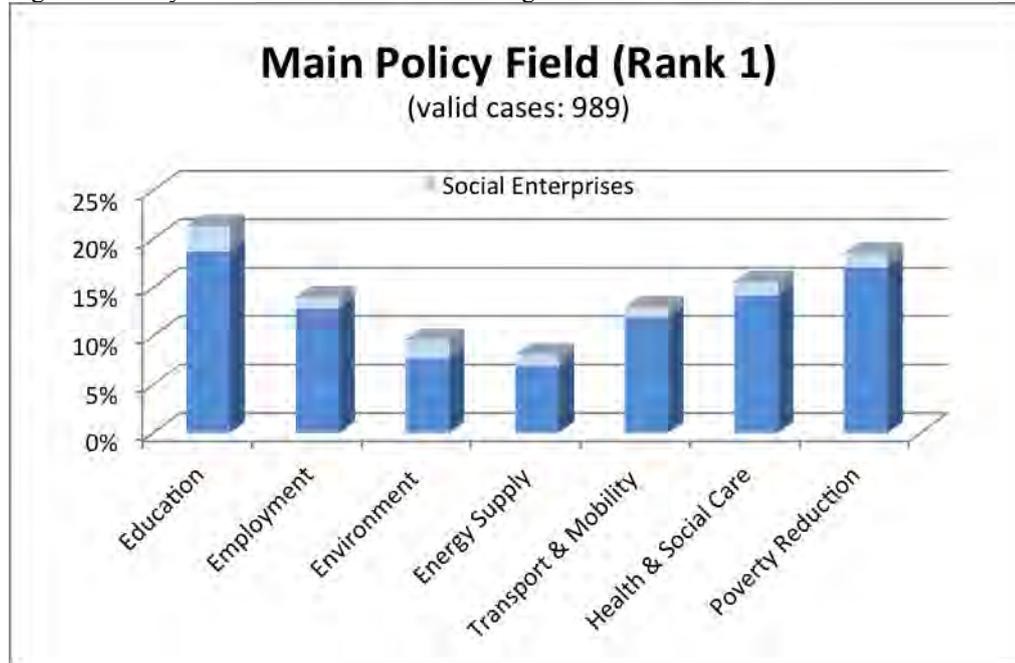
¹² About three of four initiatives of the database were founded in the last ten years.

¹³ Within the 1.005 social innovation cases in the SI-DRIVE mapping database we identified 106 initiatives with at least 131 social enterprises.

average allocation of social innovation cases in total, with a slightly higher engagement in the field of education, environment, poverty reduction and sustainable development. The main practice fields in which social entrepreneurs are active include

new learning arrangements and the reduction of educational disadvantages, training and education, esp. (social) entrepreneurship education, energy collectives, new models of care, and diverse activities in poverty reduction.

Figure 2: Policy fields the initiative is addressing



Source: SI-DRIVE, 2016.

Responding to social needs and societal challenges instead of focusing primarily on economic success and profit

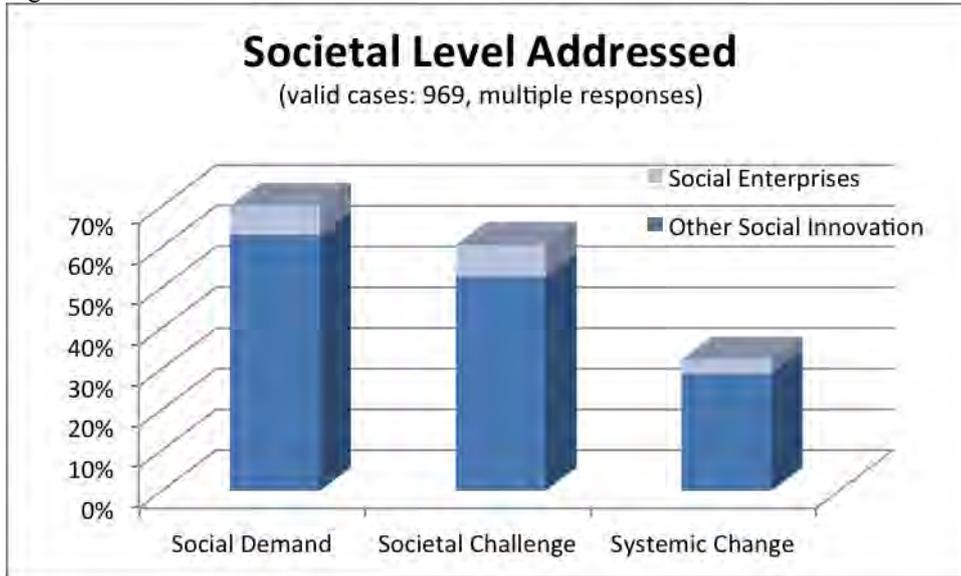
Social innovative projects and initiatives address social needs and societal challenges instead of focusing primarily on economic success and profit. Referring to a distinction introduced by the Bureau of European Policy Advisers suggesting that “the output dimension refers to the kind of value or output that social innovation is expected to deliver: a value that is less concerned with mere profit, and including multiple dimensions of output measurement” (Bureau of European Policy Advisers, 2010: 26). There are three societal levels on which output may take place. In this understanding, social innovations

- “respond to *social demands* that are traditionally not addressed by the market or existing institutions and are directed towards vulnerable groups in society [...],

- tackle ‘societal challenges’ through new forms of relations between social actors, [...] respond to those societal challenges in which the boundary between social and economic blurs, and are directed towards society as a whole [...],
- or contribute to the reform of society in the direction of a more participative arena where empowerment and learning are both sources and outcomes of well-being” (ibid.: 29).

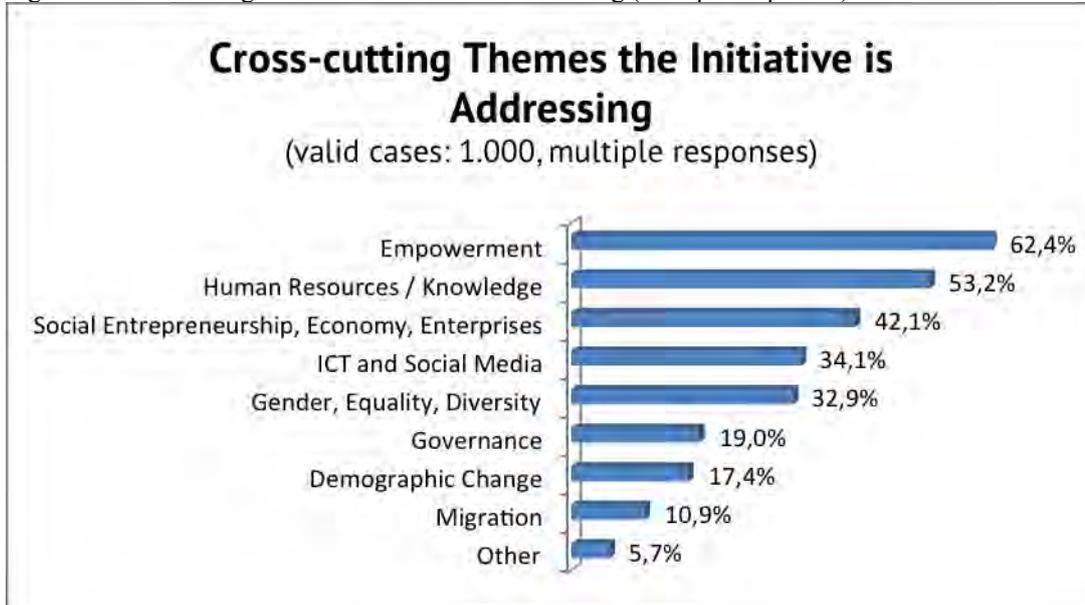
With regard to the SI-DRIVE definition, a high diversity of addressed social needs and societal challenges tackled in the different policy and practice fields appear. 71% of the mapped cases refer to a (local) social demand and 60% are tackling societal challenges. One of three social initiatives is addressing social change. Again social enterprises are represented within a small number of the initiatives, but also focusing on social demands, societal challenges and (to a smaller degree) on social change.

Figure 3: Societal levels addressed



Source: SI-DRIVE, 2016.

Figure 4: Cross-cutting themes the initiative is addressing (multiple responses)



Source: SI-DRIVE, 2016.

Against the background of this result, it can be concluded that social enterprises, like other social innovation partners, are interested in contributing to and fostering far reaching processes of social change and therefore the relevance of their role within a social innovation development and social change is of evidence.

Still, as shown in the policy field reviews¹⁴ and the quantitative mapping of SI-DRIVE, there is a

common set of major social needs, challenges and opportunities which are driving social innovation in almost all countries. These contain demographic change and ageing societies, social inclusion and cohesion, tackling poverty, environmental issues including new ways in the fields of energy and transport. Additionally, certain cross-cutting themes appear as well: While empowerment and human resources / knowledge are the main topics “Social Entrepreneurship, Social Economy, and Social Enterprises” is the third important cross-cutting issue of the social innovation initiatives. This is also showing the relevance of social

¹⁴ As part of the SI-DRIVE project, reviews of the different policy fields will be published by the end of the project in 2017. The first summaries of the results can be downloaded under: <http://www.si-drive.eu/?p=1899>.

entrepreneurship for a broader approach of social innovation, because only 106 cases have included social enterprises, but 401 cases emphasized social entrepreneurship, social economy or social enterprises as a relevant topic for their initiative.

While NGOs/NPOs are the most frequent type of organizations implementing social innovations, social enterprises are in 7% of all mapped initiatives the main implementing body. Beside the main implementing body we categorized three different types of partners:

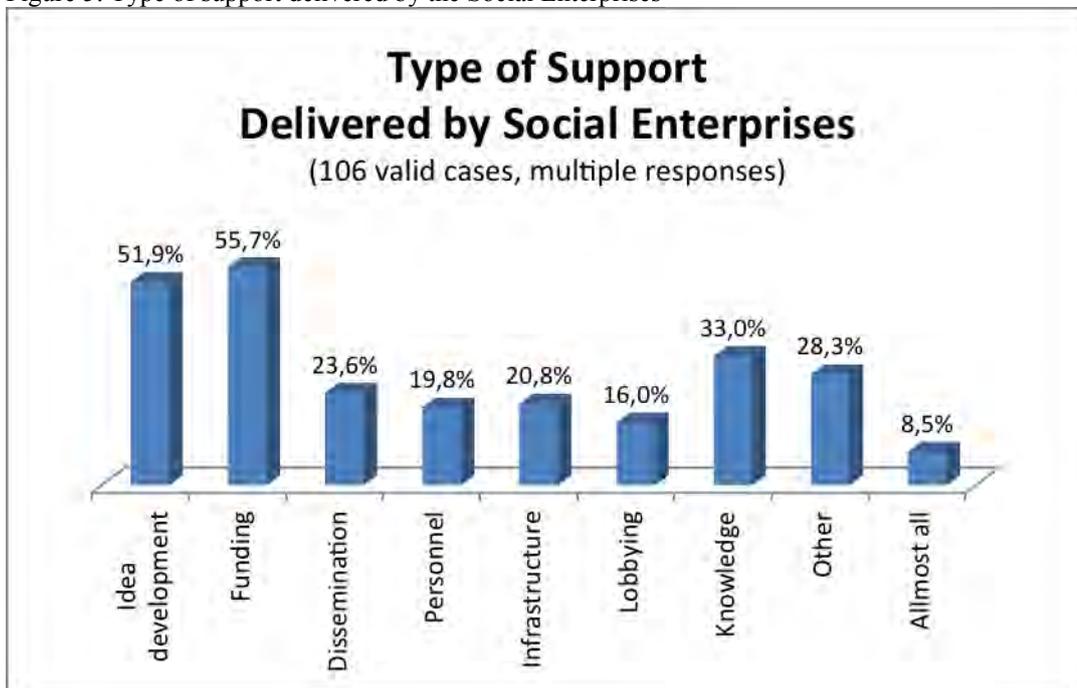
- **central developers** of social innovation: actors being able to translate knowledge about unsatisfactory circumstances into an innovative idea in order to improve the situation, having the ability to not only invent, but also to develop and implement the idea in order to make it a social innovation
- **promoters** of social innovations: providing infrastructural equipment, funding, and

connect initiatives to superior policy programs

- **providers of specialized knowledge:** in order to spur and enrich the development process.

Based on this differentiation, in 16% of the social innovations social enterprises take over the role as a central developer and in 15% of the cases they are promoting the initiative. This is underlined by the main type of support social enterprises are delivering. More than half of the social enterprises are contributing by idea development and one third is supporting by specific knowledge (providers of specialized knowledge). However, organizing funding sources is done by 56% of the social enterprises. Beside this, dissemination and lobbying activities, delivering personnel and infrastructure (between 16-24% of the social enterprises) are minor but still to be mentioned support activities.

Figure 5: Type of support delivered by the Social Enterprises



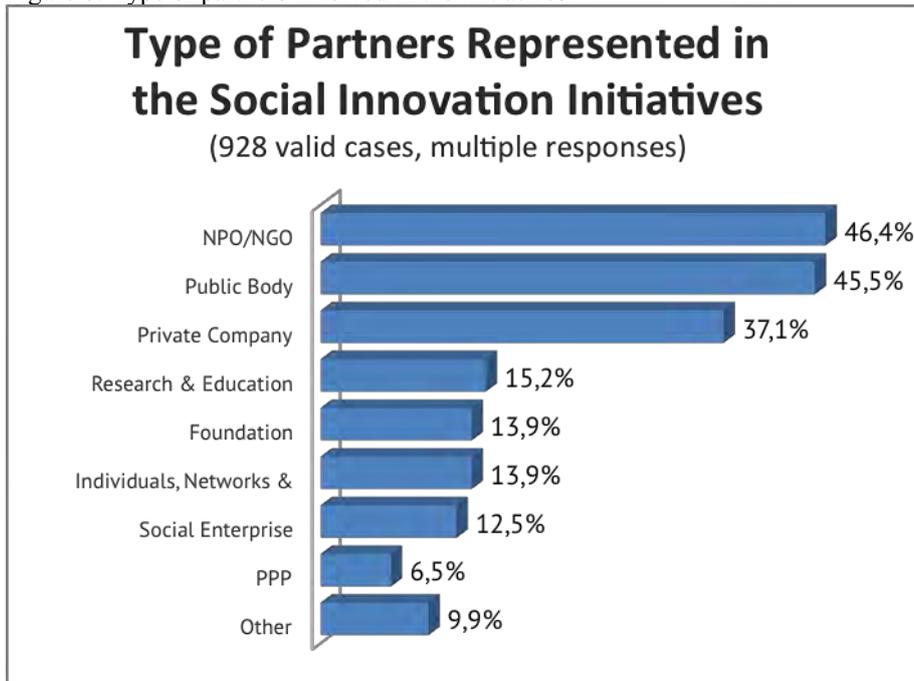
Source: SI-DRIVE, 2016.

Broad range of actors, sectors overarching

The mapping reaffirms the assumption that the concept of social innovation cannot be limited to one focus, be it social entrepreneurship or social economy, and demonstrates that widening the perspective is crucial for understanding social innovation. This is underlined by the already appearing broad range of actors involved in the

mapped social innovation initiatives. While private companies, public bodies and NGOs/NPOs are involved in many initiatives, social enterprises surprisingly are engaged only in 13% of the initiatives (and they represent only 4% of all the project partners across the initiatives in total, 3.007 partners).

Figure 6: Type of partners involved in the initiatives

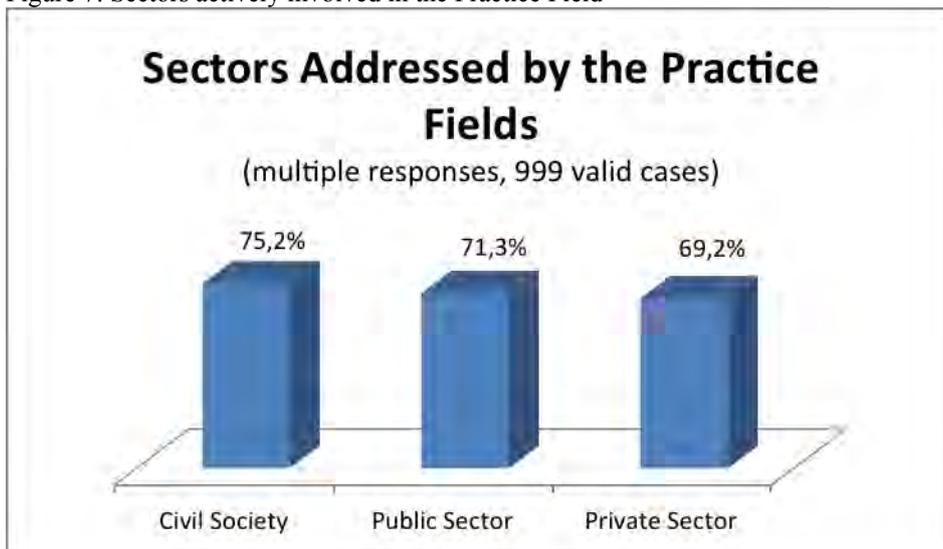


Source: SI-DRIVE, 2016.

The multiple types of partners involved in social innovation initiatives (including social enterprises) are representing also different societal

sectors relevant for social innovations on a more or less equal footing.

Figure 7: Sectors actively involved in the Practice Field



Source: SI-DRIVE, 2016.

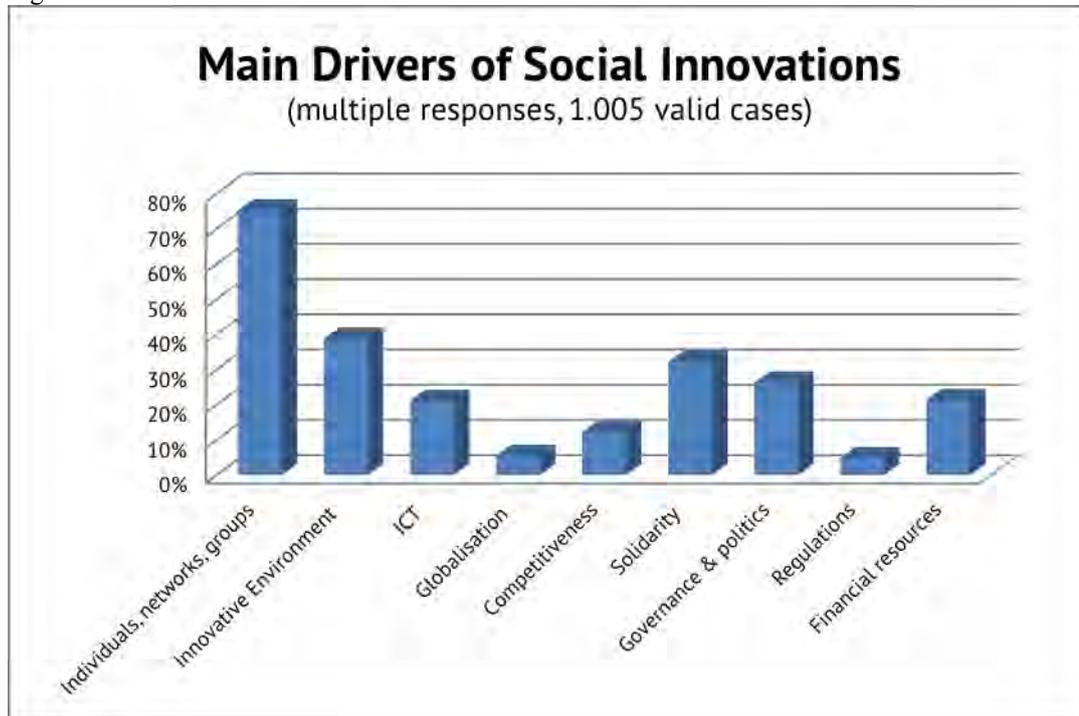
All these actor relevant findings indicate that cross-sectoral collaborations are of great importance, and – in line with the lower presence of social enterprises – a general dominance of the third sector cannot be detected. All three sectors (public, private, civil) are represented to a high degree in all

the policy fields and different world regions: Especially cross-sectoral collaboration – including public sector, civil society, and private sector – plays a very important role in many of the initiatives (and becomes even more important on the level of practice fields).

In general, individuals, groups and networks are by far the main important drivers, followed by an innovative environment. In contrast, funding challenges are the main barriers of about 50% of the social innovation initiatives (independent if they are encompassing social enterprises or not), followed by a lack of personnel and knowledge gaps (each about

20%). For social enterprises there is higher orientation at the economic return from own products or services as a funding source than for other social innovations (39% vs. 30%); the same concerns the higher significance of own partner contributions (46% vs. 39%) as well as foundations and philanthropy capital (31% vs. 21%).

Figure 8: Main drivers of Social Innovations



Source: SI-DRIVE, 2016.

Societal engagement, empowerment and user involvement

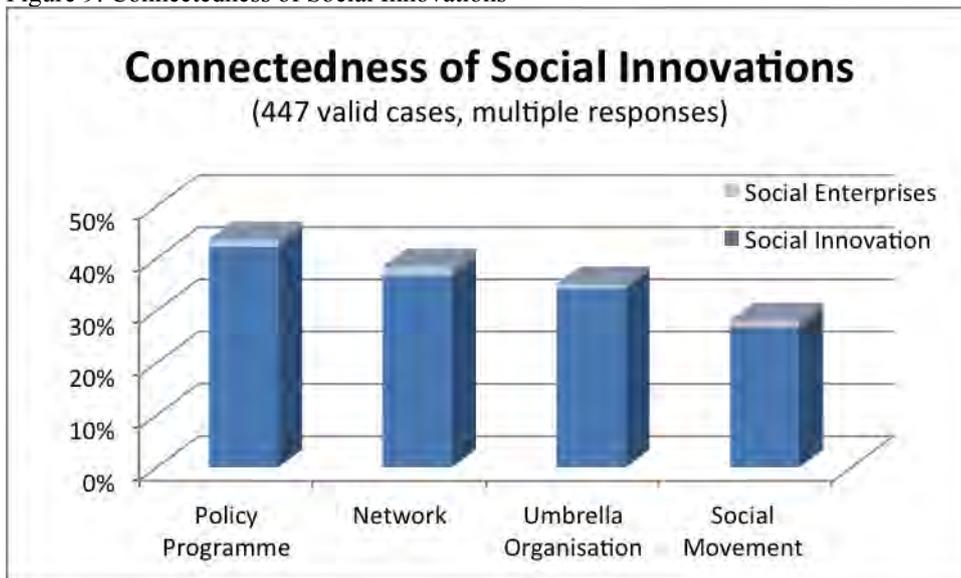
As the partner constellations of the SI-DRIVE mapping show, cross-sector collaboration is crucial to overcome social demands and societal challenges, actively involving public, economic and civil society partners. Additionally, attention has to be paid to empowerment and user or beneficiary involvement within in the social innovation concept. This corresponds with the fact that empowerment is mentioned by about two of three initiatives as the most important cross-cutting theme (see figure 4) and the fact that almost half of the initiatives stated a direct user or beneficiary involvement (whereby the rates of involvement differ in the policy fields and world regions).

Social innovations aim at activating, fostering, and utilizing the innovation potential of the whole

society, just to name user involvement, co-creation, open innovation, empowerment. Thereby we find various forms of user involvement within the mapping: from the development or improvement of the solution over providing feedback, suggestions and knowledge to the adaptation of the social innovation idea for personalized solution.

At the same time the concept of social innovation has to be integrated in and fostering societal engagement. Therefore, social initiatives are often related to networks, social movements, umbrella organizations, and policy programs. Comparing the social innovation initiatives with social enterprises, it becomes evident that there is a weaker connection of social enterprises with policy programs (in line with their market orientation) and umbrella organizations.

Figure 9: Connectedness of Social Innovations



Source: SI-DRIVE, 2016.

Conclusion: While cross-sector collaboration enhances social innovation ecosystems...

The first results of the global mapping of SI-DRIVE show that most of the initiatives are embedded in a social innovation ecosystem, developing new alliances and guaranteeing cross-sector fertilization. It can be concluded that constructive partnerships between the sectors are key factors in order to reap the full potential of social innovation. Social innovations are first and foremost ensemble performances, requiring interaction between many relevant actors.

Against this background, a systemic approach to social innovation focuses on the interfaces of the so far differentiated and largely separate self-referential societal sectors of state, business, civil society and academia, of their corresponding rationalities of action and regulation mechanisms and at the associated problems and problem-solving capacities (Howaldt, Domanski and Schwarz, 2015). With regard to the question of how these interfaces can be reconfigured in the sense of sustainability oriented governance, established steering and coordination patterns are complemented, extended and shaped by aspects like self-organization, cross-sector cooperation, networks, and new forms of knowledge production (Howaldt, Kopp and Schwarz, 2015). Associated processes of “cross-sector-fertilization“ (Phills, Deiglmeier and Miller, 2008) and convergence of sectors (Austin et al., 2007) increasingly make possible “blended value creation” (Emerson, 2003).

Such collaborations are picked up by at least two different heuristic models, the quadruple helix (see Wallin, 2010) on the one hand, where government, industry, academia and civil society work together to co-create the future and drive specific structural changes, and the social innovation ecosystem (see Sgaragli, 2014) on the other hand, which also asks for interactions between the helix actors, adds the notion of systemic complexity and looks at both the serendipity and absorptive capacity of a system as a whole. Still, academic knowledge on social innovation ecosystems is very scarce and the concept remains fuzzy. It is one of the key tasks of social innovation research to work on the theoretical foundations of the concept and to investigate how social innovations are created, introduced into society, diffused and sustained.

Although still emerging as a scientific concept, the social innovation ecosystems approach has already helped to make more prominent the notion of environment for social innovations within the scientific debate. This is especially important regarding the question of how social innovations diffuse, how they are adopted, imitated or scaled. In this context, the idea of a social innovation ecosystem helps to overcome the actor-centred approach and the strong concentration on the social entrepreneur as the key agent of change. The view on the environment in which social innovations are diffused opens up the perspective on different dimensions, such as actors and governance or drivers and barriers. Such an environment with its

properties can be crucial for successful diffusion of social innovations.

The conceptual understanding of social innovation needs further development

At the same time, the mapping reveals an underdeveloped status of conceptualization and institutionalisation of social innovations. There is no shared understanding of social innovation (including a clear differentiation from other concepts such as social entrepreneurship or technology innovation) and no uptake/integration in a comprehensive (social) innovation policy. Policy field related documents of public authorities such as the European Commission, the United Nations, the OECD, the World Bank, etc. often even do not refer to social innovations (exceptions are Horizon 2020 documents as well as publications of other DGs). Up to now, only in a few countries as UK, Columbia, Germany, USA social innovation has been taken up by politics. In most of the countries there are no policy institutions with direct responsibility for Social Innovation. So one of the most important insights of the global mapping of SI-DRIVE is that *a social innovation friendly policy environment (especially mentioned by the initiatives with social enterprises) still has to be developed in Europe as well as globally*. A European (and global) social innovation policy which enables social innovations to overcome societal challenges in a cooperative manner between the actor groups and which is conducive to social change remains to be developed.

In many countries, the promotion of social innovation by the EU has served as a driver and opportunity for various actors to embrace new ways of working, access new funding streams, and promote change at a national level. But even though a lot has been done within the last years, there are still important steps to go in order to move social innovation from the margin to the mainstream of the political agenda.

In search for a differentiated understanding of the role of social entrepreneurs in the process of social innovation

Considering the complexity of innovation processes, we need to focus on the cross-sector dynamics of social innovation and the diversity of actors and their roles and functions within the innovation process (including their interaction in networks, etc.) on the one hand and the framework conditions including governance models, addressed

societal needs and challenges, resources, capabilities and constraints on the other hand.¹⁵

The great challenge for contemporary innovation research lies in analysing its potential in the search for new social practices that enable us to secure the future and allow people to live “a richer and more fulfilled human life” (Rorty, 2008: 191). Recent years have seen increasing efforts to elaborate a sound theoretical understanding of such often complex social innovation processes and their relation to social change.

A sociological theory of innovation, in our view, must examine the multiple and manifold imitation streams and must decode the principles and laws they follow. It is only via social practice that the diverse inventions etc. make their way into society and thus become the object of acts of imitation. Social practice is a central component of a theory of transformative social change, in which the wide variety of everyday inventions constitute stimuli and incentives for reflecting on and possibly changing social practices.

Social innovation ecosystems were described as a theoretical approach and heuristic model especially for social innovation – an approach which is in line with our generic theory, but which needs further theoretical and empirical elaboration, e.g. regarding which governance structures support collaborative action for social innovation and which roles the state and research can play.

The observations made above point out increased attention still has to be paid to social innovation in order to develop the potential for new social practices. A new model for innovation policy is required on the different levels of society (local/regional/national/global) that expands its focus from social entrepreneurship to a comprehensive understanding of social innovations and systemic solutions and to a corresponding empowerment of actors, complementing the new conceptual understanding of social innovation with a consistent social policy. This would help to better unlock the potential of social innovation as a whole, including social entrepreneurship, and contribute to the development of new social practices and ultimately social change.

¹⁵ In their analyses of historic social innovation cases McGowan and Westley emphasize that the “social innovation process is often the result of the interaction of agency and institutional dynamics” (McGowan and Westley 2015, 56). Under this perspective they introduce the roles of the *poet*, *designer* and *advocate in the social innovation process*: “The poet shapes or expresses the new idea or social phenomenon, the designer converts the phenomenon into an innovation (a policy agenda, a programme, a product, etc.) and the debater advocates either the innovation, the phenomenon, or both” (McGowan and Westley 2015, 56)

The results of the global mapping of SI-DRIVE underline that social entrepreneurship is a relevant but not a dominant part of a comprehensive social innovation approach. The important role of social entrepreneurship is supported by the fact that 42% of the initiatives consider the social economy or social enterprises a relevant cross-cutting issue (independent from the related practice or policy field). The special focus on social enterprises as partners of the mapped social innovation initiatives in SI-DRIVE on the one hand shows the common background and concept of both: We find the same heterogeneity in both entities and the sectors and policy fields addressed, cross-sectoral collaboration and user or beneficiary involvement as well as drivers and barriers do not show remarkable differences. On the other hand, social entrepreneurship is representing the more market related part of social innovation cooperating more often with for and not for profit organisations plus refunding themselves more often by economic return from own products or services and own partner contributions as well as using more often foundations and philanthropy capital instead of public funding.

A comprehensive perspective visualises the possibilities, but also the limits of the concept in its ambivalence, and relationships with other forms of social innovation. At the same time, it helps finding important information about infrastructural,

political and qualification prerequisites for the concept's diffusion into the societal practice. In this sense, social entrepreneurship represents a specific form of social innovation, in line and with manifold interactions with other forms of social innovations.

If social entrepreneurs develop a better understanding of their specific role in the overall social innovation process and learn to deal with the collaborative dynamic of any social innovation social enterprises "have the potential to play centre stage rather than offer marginal contributions to global prosperity" (Shaw and de Bruin, 2013: 744).

According to our understanding of social entrepreneurship as an action and management strategy, which uses entrepreneurial principles in order to promote social innovations, we deal with a new form and resource to bundle societal forces by intervention of coordination forms, which so far have seemed incompatible (Vosse, 2009). From that point of view, social entrepreneurship is not a temporary (social) anti-movement against state and institutions failure, but rather a catalyst for an adjustment and "modernization" of existing governance structures. In light of the rising dysfunction in the processes of differentiation in society that is becoming apparent, social innovations are revealing their unique power particularly where different social (sub)rationalities intersect.

References

- Austin, J. E., Gutiérrez, R., Ogliastrì, E., and Reficco, E. (2007). Capitalizing on convergence. *Stanford Social Innovation Review*, 5(1), 24-31.
- Blättel-Mink, B. (2006). *Kompendium der Innovationsforschung*. Wiesbaden: VS Verlag für Sozialwissenschaften.
- Bureau of European Policy Advisers (2010). *Empowering people, driving change: Social innovation in the European Union*. Accessed July 8, 2015. http://ec.europa.eu/bepa/pdf/publications_pdf/.
- Crozier, M., and Friedberg, E. (1993). *Die Zwänge kollektiven Handelns: Über Macht und Organisation*. Frankfurt am Main: Hain.
- Davies, A. (2014). Social innovation process and social entrepreneurship. In: J. Howaldt, A. Butzin, D. Domanski, and C. Kaletka (eds.), *Theoretical approaches to social innovation: A critical literature review* (pp. 60–78). http://www.si-drive.eu/wp-content/uploads/2014/11/D1_1-Critical-Literature-Review_final.pdf.
- Emerson, J. (2003). The blended value map. Integrating social and financial returns. *California Management Review*, 45(4), 34–51.
- European Commission (2013). *Social Innovation Research in the European Union. Approaches, findings and future directions*. Policy Review. https://ec.europa.eu/research/social-sciences/pdf/policy_reviews/social_innovation.pdf.
- FORA (2010). *New Nature of Innovation. Report to the OECD*. Accessed July 08, 2015. <http://www.newnatureofinnovation.org/introduction.html>
- Franz, H.-W., Hochgerner, J. and Howaldt, J. (2012). *Challenge social innovation: Potentials for business, social entrepreneurship, welfare and civil society*. Berlin, New York: Springer.
- Harrisson, D., Bourque, R. and Széll, G. (2009). Social Innovation, Economic Development, Employment and Democracy. In: R. Bourque, D. Harrisson and G. Széll (eds.), *Social innovation, the social economy, and world economic development. Democracy and labour rights in an era of globalization* (pp. 7–15). Frankfurt am Main/New York: Peter Lang.
- Howaldt, J., Butzin, A., Domanski, D. and Kaletka, C. (2014). *Theoretical approaches to social innovation: A critical literature review*. Accessed July 08, 2015. http://www.si-drive.eu/wp-content/uploads/2014/11/D1_1-Critical-Literature-Review_final.pdf.
- Howaldt, J., Domanski, D. and Schwarz, M. (2015). Rethinking Social Entrepreneurship: The Concept of Social Entrepreneurship under the Perspective of Socio-scientific Innovation Research. *Journal of Creativity and Business Innovation*, (1), 88–89. <http://www.journalcbi.com/social-entrepreneurship.html>.
- Howaldt, J., Kopp, R. and Schwarz, M. (2015). *On the theory of social innovations. Tarde's neglected contribution to the development of sociological innovation theory*. Weinheim: Beltz Juventa. <http://www.ssoar.info/ssoar/handle/document/41963>.
- Howaldt, J., and Schwarz, M. (2010). Social Innovation. Concepts, research fields and international trends. In: K. Henning and F. Hees (eds.), *Studies for Innovation in a Modern Working Environment. IMO International Monitoring (Vol 5)*, Aachen: Eigenverlag. http://www.sfs.tu-dortmund.de/cms/en/social_innovation/publications/IMO-MAG_Howaldt_final_mit_cover.pdf.
- Jaeggi, R. (2013). *Kritik von Lebensformen*. Berlin: Suhrkamp.
- Jessop, B., Moulaert, F., Hulgård, L. and Hamdouch, A. (2013). Social innovation research: a new stage in innovation analysis? In: F. Moulaert, D. MacCallum, A. Mehmood and A. Hamdouch (eds.), *The International Handbook on Social Innovation. Collective Action, Social Learning and Transdisciplinary Research* (pp. 110–130). Cheltenham: Elgar.
- Klein, J.-L., Jetté, C., Camus, A., Champagne, C. and Roy, M. (2016): *La Transformation Sociale Par L'innovation Sociale*. Quebec: Presses de l'Universite du Quebec.
- Kuhn, T. S. (1996). *Die Struktur wissenschaftlicher Revolutionen* (13th Eds.). Frankfurt am Main: Suhrkamp.
- Mair, J. (2010). Social entrepreneurship: Taking stock and looking ahead. In: A. Fayolle and H. Matlay (eds.), *Handbook of research on social entrepreneurship* (pp. 16–33). Cheltenham: Edward Elgar.
- Marg, S., Geiges, L., Butzlaff, F. and Walter, F. (2013). *Die neue Macht der Bürger: Was motiviert die Protestbewegungen? BP-Gesellschaftsstudie*. Bonn: Bundeszentrale für Politische Bildung.

- McGowan, K., and Westley, F. (2015). At the root of change: the history of social innovation. In: A. Nicholls, J. Simon, and M. Gabriel (eds.), *New frontiers in social innovation research* (pp. 52-68). Palgrave Macmillan.
- Moulaert, F., MacCallum, D., Mehmood, A. and Hamdouch, A. (2013). *The International Handbook on Social innovation. Collective action, social learning and transdisciplinary research*. Cheltenham: Elgar.
- Moulaert, F., Martinelli, F., Swyngedouw, E. and González, S. (2005). Towards alternative model(s) of local innovation. *Urban Studies*, 42(11), 1969–1990.
- Mulgan, G. (2015). Foreword. In: A. Nicholls, J. Simon, and M. Gabriel (eds.), *New frontiers in social innovation research* (pp. x-xviii). Palgrave Macmillan.
- Murray, R., Caulier-Grice, J. and Mulgan, G. (2010). *The open book of social innovation*. <http://www.nesta.org.uk/library/documents/>.
- Nicholls, A., Simon, J. and Gabriel, M. (2015). *New Frontiers in Social Innovation Research*. Houndmills, Basingstoke, Hampshire: Palgrave Macmillan.
- Ogburn, W. F. (1969). Erneute Betrachtung des Problems der sozialen Evolution. In: Otis D. Duncan (eds.), *Soziologische Texte. Band 56. William F. Ogburn. Kultur und Sozialer Wandel. Ausgewählte Schriften* (pp. 50-67). Neuwied, Berlin: Luchterhand.
- Phills Jr., J. A., Deiglmeier, K. and Miller, D. T. (2008). Rediscovering Social Innovation. *Stanford Social Innovation Review*, 6(3), 33-43.
- Pol, E. and Ville, S. (2009). Social innovation: Buzz word or enduring term? *The Journal of Socio-Economics*, 38(6), 878-885.
- Rorty, R. (2008). *Philosophie als Kulturpolitik*. Frankfurt am Main: Suhrkamp.
- Rückert-John, J. (2013). Die Nachhaltigkeit der Debatte um soziale Innovationen - Innovationsschub für den nachhaltigen Wandel. In: J. Rückert-John (eds.), *Soziale Innovation und Nachhaltigkeit. Perspektiven sozialen Wandels* (pp. 289–307). Wiesbaden: Springer VS.
- Schäfers, B. (2002). *Sozialstruktur und sozialer Wandel in Deutschland*. Stuttgart: Lucius and Lucius.
- Schumpeter, J. A. (1964). *Theorie der wirtschaftlichen Entwicklung*. Berlin: Duncker and Humblot.
- Sgaragli, F. (2014). *Enabling Social Innovation Ecosystems for Community-led Territorial Development*. Rom: Fondazione Giacomo Brodolini.
- Shaw, E., and de Bruin, A. (2013). Reconsidering capitalism: The promise of social innovation and social entrepreneurship? *International Small Business Journal*, 31(7), 737-746.
- Shove, E. (2010). Beyond the ABC: Climate Change Policy and Theories of Social Change. *Environment and Planning*, (42), 1273–85. <http://epn.sagepub.com/content/42/6/1273.full.pdf+html>.
- Shove, E., Pantzar, M. and Watson, M. (2012). *The dynamics of social practice: Everyday life and how it changes*. Los Angeles: SAGE
- Tarde, G. (2009). *Die Gesetze der Nachahmung*. Frankfurt am Main: Suhrkamp.
- Vosse, C. (2009). Social Entrepreneurship und politische Koordinierung. In: M. Henkel, J. Gebauer, J. Lodemann, F. Mohaupt, L. Partzsch, E. Wascher, and R. Ziegler (eds.), *Social Entrepreneurship. Status Quo 2009 (Selbst)Bild, Wirkung und Zukunftsverantwortung* (pp. 35-42). Berlin, Greifswald: Berlin HUB.
- Wallin, S. (2010). *The co-evolution in local development - From the triple to the quadruple helix model*. Conference Paper presented at Triple Helix VIII, Madrid, October 2010. http://www.leydesdorff.net/th8/TRIPLE%20HELIX%20-%20VIII%20CONFERENCE/PROCEEDINGS/0110_Wallin_Sirkku_O-104/triple%20helix%20Wallin%20final.pdf.
- Welzer, H. (2013). *Selbst denken: Eine Anleitung zum Widerstand*. Frankfurt am Main: S. Fischer.