Guest editorial

The role of governments and public policies in social innovation processes

Background to the special issue

In recent years, social innovation has been increasingly promoted in public policy debates as a vehicle for developing innovative and efficient solutions addressing societal needs. In the USA, President Obama established the Office of Social Innovation and Civic Participation within the White House in 2009 to engage citizens and civil society to find new ways to solve social problems. At the European level, social innovation cuts across a range of policy areas and was developed as a theme under the Social Innovation Initiative with the aim of mainstreaming social innovation policies through the Horizon 2020 strategic framework for research and innovation (Ayob *et al.*, 2016; Massey and Johnston-Miller, 2016). Some commentators see these moves as reflecting a new approach to social policy-making whereby top-down, centralised and bureaucratic welfare states are being phased out in favour of models that promote greater citizen involvement in designing solutions to seemingly intractable social problems (Avelino *et al.*, 2019; Steiner *et al.*, 2021).

Social innovation has a significant academic heritage and has been studied from a variety of perspectives and disciplines, including, but not limited to management, science and technology studies, human geography, sociology and economics. It is notable that until recently, the concept has been almost ignored by social policy scholars (Ayob *et al.*, 2016). As Sinclair and Baglioni (2014) have remarked, the conceptual imprecision and contested nature of social innovation may permit it to be used by policymakers to justify phasing out of welfare states and the furthering of neoliberal social policy agendas, or simply an excuse to do nothing while transferring responsibility for welfare to citizens. Such a critique however pertains to how the concept is used, rather than social innovation *per se*.

This conceptual confusion is somewhat overcome once we accept that there are different approaches to understanding social innovation (Pel *et al.*, 2020). Two competing "paradigms" of social innovation have been identified. In the first school of thought, social innovation includes any innovations which "privilege market competition, with the "social" repositioned within a commodified frame and an emphasis on "supply and demand" as well as the potential for increased efficiency and savings that can be made to public finances" (Montgomery, 2016, p. 1985). The second paradigm sees social innovation as embedded in socio-cultural and political contexts (Moulaert, 2013). Here social innovation embraces community participation, collaborations and new forms of social relations that lead to societal change.

Social innovation can relate to a process or an outcome (or both). Processual social innovation theory predicts that, particularly during social and economic crises, new forms of collaboration lead to more effective ideas for tackling social problems. The resultant social innovations reshape social relations between actors through the democratic ways they are governed and, over time, can create wider social change as they demonstrate possibilities for how society might be organised (Ayob *et al.*, 2016). A more utilitarian approach sees social innovation as any innovation that improves the aggregate quality or quantity of human life (Pol and Ville, 2009).

In recent years there is growing consensus around social innovation involving collaborative approaches to problem solving that aim to satisfy social needs (Steiner *et al.*, 2021;

Ziegler, 2017). As such, social innovations are innovations which are social in their means and their ends (Mulgan, 2006). Social innovation thus promotes collaborations between citizens and public actors, and acts as a platform that enhances the delivery of public services (Vanderhoven *et al.*, 2020).

Hence, social innovation is not necessarily a substitute or replacement for the (welfare) state. In lower- and middle-income countries social innovation approaches can tackle needs where governments do not have resources to do so (Rivera-Santos *et al.*, 2015). And evidence from "the West" suggests that social innovation flourishes when supported by policymakers through local welfare mechanisms (Brandsen *et al.*, 2016; Moulaert, 2013). It can represent a community-level phenomenon which, through collective actions, harnesses citizens' participation in service provision (Steiner and Farmer, 2018; Avelino *et al.*, 2020). Instead of replicating "a standard solution" using a top-down approach, social innovation can be adapted to local requirements and culture with a bottom-up approach enabling to identify solutions that are relevant for the end-beneficiaries (Kelly *et al.*, 2019). As such, social innovation represents a decentralised approach where citizens are engaged in decisions that directly affect their everyday life (Avelino, 2020). The social impact of such social innovation may be thus felt in the rebalancing of power relations that allow citizens to take more control over their own circumstances (Ayob *et al.*, 2016). Whether such approaches do eventually lead to more just and equitable solutions remains an empirical question, and one with no commonly accepted methodological tools for addressing it (see Moron and Klimowicz paper on SROI – this volume).

This special issue derives from a stream at the 2019 International Social Innovation Research Conference in Glasgow. We thought there was a lack of empirical studies focussing on the role of governments and public policies in social innovation processes, particularly from outside of Western Europe. Our subsequent call for papers for this special issue attracted over 50 papers. Due to limitations of space, we were forced to select just eight of these for publication. We were agnostic to how social innovation is conceptualised in the papers selected. However, we did explicitly seek out a focus on collaboration between policy actors/environments and social innovation. Each paper offers contextualised examples of social innovation processes and together they offer the reader greater understanding of the ways in which public policy and social innovation interact to produce (or hinder) social value.

Special issue paper collection
The eight articles derive from seven different countries including Belgium, Scotland, Germany, India, Bosnia and Herzegovina, Sweden and Poland. We were pleased with the geographical diversity although would have welcomed more papers from outside of Europe. We were also pleased to welcome a diverse array of multi-method approaches to researching social innovation including qualitative interviews, observations, case studies, action research, co-creation workshops and quantitative surveys. While some of the papers focus on processes and how to identify and/or implement social innovation, other articles test the replicability of socially innovative ventures, comment on the complexity of social innovation relationships between community, public and private sector collaborators, explore public sector policies and support for social innovation, and offer tools that can assist in measuring outcomes of socially innovative interventions.

Temmerman *et al.* introduce a collaborative governance platform for social innovation in Brussels, Belgium. The authors encourage experimentation using living lab methodologies – defined as physical or virtual user-centric innovation environments aiming to solve societal

challenges by bringing together various stakeholders – to implement specific socially innovative local solutions. Importantly, the authors warn that a lack of perceived legitimacy of the implementer can lead to the failure of social innovation. In addition to funding allocated to researchers and communities to identify and formulate socially innovative ideas, the authors argue that public bodies should support the implementation of social innovation proposals to generate tangible social value. Simultaneously, governmental actors should be aware that social innovation requires change in power relationships and transformation of top-down structures into more collaborative partnerships. Without the latter, public sector efforts to implement social innovation will not work. As such, Temmerman *et al.*'s paper stresses the importance of a collaborative approach that seeks to flatten intra-organisational hierarchies. Finally, the authors set out a four-dimensional framework (network, approaches, activities and outcomes) to inform evaluations of future initiatives in a structured manner – something that is important when strengthening know-how in the domain of social innovation.

Whitelaw *et al.* report findings deriving from a project funded by the European Social Innovation Fund and run in Dumfries and Galloway in Scotland. The project involved an exploration of the potential inter-organisational transfer of values and practices from a social enterprise supporting young people with additional support needs to another socially oriented organisation. The authors found that with sufficient capacity and strong partnership working as well as heeding the context and intervention processes associated with transfer processes, it is possible to successfully translate an innovative idea from one context to another. The authors propose a programme theory that illuminates this transfer. The paper indicates that "scaling up" (or more accurately, scaling-out) of social innovation is under-researched and under-theorised, and the use of a realistic evaluation research approach and the associated development of provisional programme theory can assist in addressing this gap.

Kraff and Jernsand focus on the role of Work Integration Social Enterprises (WISEs) in supporting the labour market integration of newly arrived refugees in Sweden. The authors indicate that WISEs can provide a space for social innovation to happen and that the hybrid nature of WISEs places their clients at the centre of the innovation process with participants' opinions and knowledge being considered as crucial. The authors found this centring of the subject has a positive impact on clients' ability to gain skills, develop competence and confidence. The paper shows how two-way knowledge transfer between WISE managers and clients as well as cultural awareness assist effective integration of refugees within the local system. Despite these positive findings, the paper shows that the bureaucracy embedded in labour market integration systems can erode WISEs' ability to foster social innovation and to integrate refugees into the workforce. The authors highlight that inflexible public sector working approaches can lead to problematic relationships between WISEs and public organisations. As such, complex and not easily adjustable public systems might prevent social innovation from flourishing.

Drawing on empirical evidence from social enterprises in Germany, Wolff and Hanisch explore our understanding of social innovation processes in rural areas. By applying a social innovation governance framework and its three pillars – agent and opportunity structure, instruments and legitimacy – the authors ask who and what enables social innovation processes in rural areas, how these processes are enabled and whether they are sufficiently legitimised. The authors conclude that different types of social innovation processes are triggered by different opportunity structures. Those that maintain infrastructure frequently arise from local emergencies and are initiated primarily by civil society actors. On the other hand, those that build new infrastructures tend to be driven by emerging public sector

programmes and appear to be initiated primarily by private actors. Nevertheless, the success of rural social innovation involves collective action between private, public and civil actors. Considering rurality, the paper stresses that public support for rural development should be separated from national innovation policies, as existing instruments are often ineffective and hard for actors to access. New efforts strengthening rural development should distinguish between different social innovation dynamics, critically examine the benefits for each community, be more flexible and accessible for public actors as well as for private and civil society actors.

Considering the context of disadvantaged rural communities in India, Cornet and Barpanda explore social innovation through co-creation action research. The paper focuses on the early stages of the social innovation process, up to the co-creation of social innovation ideas. Their results outline a process of co-creating social innovations that consist of building legitimacy, engaging people, ensuring a group dynamic that encourages co-creation and, finally, identifying a social innovation solution. The paper shows that co-creation process can enable citizens to generate social innovation and potentially address development challenges in rural areas. Indeed, multi-stakeholder co-creation blends citizens' involvement and their knowledge with facilitation and expertise of external actors. The authors stress that social innovation might be especially relevant for rural communities that are vulnerable due to lacking services and public funding cuts. To facilitate future social innovation policy and practice, the authors propose a co-creation social innovation framework that assists in understanding of the participatory social innovation process.

Looking through a lens of the fragile social context of Bosnia and Herzegovina – a country which has faced a turbulent post-conflict transition and experienced challenges in its social welfare policy and practice – Bozic's paper explores the nature of collaboration between public and non-public actors in delivering social services and achieving social innovation. The author shows that, in this specific context, the public sector may not be the primary source of social innovation. Instead, social innovation relies mainly on collaborations between non-public actors developed within the triple context of relations between public, civil and foreign donors' organisations. In many cases, civil society organisations become skilled actors who integrate innovative elements into the social services they provide, force collaboration when seeking solutions for the users they serve, and attempt to influence the public sector by bringing changes supported by international funding. In such a context, coercive, normative and mimetic isomorphisms act as leading drivers of, but also as barriers to, public–non-public collaboration and social innovation, with civil organisations being challenged by the necessity to be involved in complex multifaceted networks and multiple actors' directives and demands.

Dalborg and von Friedrichs investigate the role of business advisers in supporting social entrepreneurship in Sweden. The paper shows that many advisers lack experience in social entrepreneurship, prioritising advice given to more "commercial" entrepreneurs; this is due to policy and public funders' expectations of profitability and economic growth. The authors also demonstrate that the current advisory system is characterised by the absence of sustainable business models and, therefore, is not adapted to fit the needs of social enterprises or the production of social innovation. Considering challenges in support offered to social entrepreneurs, the paper calls for increased knowledge as well as new government policies and directives that ensure that social entrepreneurs are prioritised in the business advisory system. Moreover, it suggests that the mainstream business advisory service could play a key role in bringing together relevant stakeholders to facilitate the shared value process and offer wider benefits to society.

Finally, Moron and Klimowicz comment on the use of the Social Return on Investment (SROI) to measure the effectiveness of social innovation projects in Poland. Based on their evaluation, the authors show that social projects implemented for people from groups at risk of social exclusion bring positive social and economic effects not only to the direct beneficiaries, but also to other stakeholders, promoting social innovation, therefore, as an economically effective solution to social challenges. Although shown to be an effective tool evaluating the effectiveness of socially innovative interventions, the subjectivity of SROI analyses remains one of the key limitations of the method.

New lessons about social innovation policy and practice
Our Special Issue presents a set of papers exploring how public policy both supports and constrains social innovation. The collection of papers derives from a variety of countries characterised by different economic environments, different geographical contexts including urban and rural locations, as well as fragile regions affected by socio-political conflicts. Together they contribute to the improved understanding of the relationship between social innovation policy and practice.

The special issue shows that social innovation can play significant roles in public service delivery. Indeed, the papers demonstrate that social innovation can address governmental and market failures. However, for social innovation to flourish, our papers demonstrate a need for collaborative work between government agencies, civil society and the private sector, and a shared commitment to creating better social conditions and more efficient and user-friendly services. Success does not occur overnight, and time and perseverance seem to be key.

It is well documented that social innovation is triggered by multiple actors; it relies on collaborations between social enterprises, non-profits, private organisations and government agencies. Since social innovation requires multi-stakeholder approaches and the involvement of relevant partners from different sectors, managing complex multifaceted networks can be challenging due to multiple actors' demands (Bozic). A lack of mutual understanding between partners can jeopardise chances of successful social innovation (Dalborg and von Friedrichs; Kraff and Jernsand). Further research would usefully explore how multi-stakeholder partnerships are governed in an era where direct control is not practical or desirable.

In many countries, governments and local authorities provide funding to enable collaborative work to induce social innovation. Although these participatory approaches can lead to the identification of socially innovative solutions, frequently these are not implemented since public bodies do not commit resources (Temmerman *et al.*). Such an approach whereby civil society actors are asked to design "solutions" but such solutions are not taken forward potentially causes resentment as people view their time commitment as wasted (Farmer *et al.*, 2018). Thus, experimenting with collaborative approaches to co-design can be a useful way of stimulating social innovation, but only where there is a commitment of resources to establishing ideas.

While at national and supra-national levels there is often a commitment to social innovation in policy documents, at a more local level policy actors may lack knowledge or enthusiasm for involving participants in coproduction. Social innovation requires flexibility, adaptability and individualised approaches to service users, and these often run counter to traditional public sector ways of working (Dalborg and von Friedrichs; Kraff and Jernsand). It is tempting to blame this culture clash on bureaucrats' lack of awareness, but in many cases, public officials are desperate to be given more freedom to experiment. However, they may operate within structures that are risk averse.

Within the policy and practice literature, social innovation is typically seen as an urban phenomenon. However, as two of the papers in this special issue demonstrate, there is a demand for social innovation in rural communities, particularly due to gaps in rural service provision (Cornet and Barpanda; Wolff and Hanisch). Rural social innovation is often driven by civil society actors seeking to protect/preserve existing services. But it would seem that funding opportunities are geared towards innovative (read "shiny and new") approaches to creating new infrastructure, often without a contextual understanding of the needs of citizens.

In some countries, social innovation policies and support mechanisms are under-developed or non-existent (Bozic; Cornet and Barpanda; Dalborg and von Friedrichs; Kraff and Jernsand). While the papers in this special issue highlight that social innovation flourishes with public sector support, it can also be stimulated by other actors, particularly NGOs in lower- and middle-income countries (Bozic; Cornet and Barpanda). While welcome, such moves also raise questions about the democratic accountability of such actors. The inclusion of research from countries where social innovation policy is less developed also highlights a need for more comparative research across countries and welfare regime types.

Our special issue also draws attention to a perceived need for policymakers to measure the benefits of social innovation in order to justify policy investment (Steiner *et al.*, 2021). Such a perspective relies upon an evidence-based policy approach that arguably has rarely been adopted outside of the health field. But nonetheless, academics can play a role in developing new knowledge about social innovation, and helping practitioners to better understand the difference they make. Given that all the papers in this special issue, and indeed the very concept of social innovation, emphasise the importance of local context, it is virtually inconceivable that a social innovation can be successfully transferred "wholesale" from one context to another. However, as the paper by Whitelaw *et al.* demonstrates, the development and transfer of innovative practices within the context of socially oriented organisations is feasible if aspects of context are considered. Further research on "social innovation transfer" – both its potential and limitations – is required.

Finally, the wider academic literature as well as most of the articles in this special issue tends to rely on retrospective analyses of successful cases. This may induce an overly optimistic interpretation of the potential for collaboration between diverse actors to precipitate social change (Brandsen *et al.*, 2016). Moreover, even as "successful" social innovations are incorporated into social policy their radical potential to create social change may be diminished (van Wijk *et al.*, 2019). Social innovations are not easily transportable from one context to another. But a social innovation *approach* may be more easily replicated. Social innovation involves experimentation, learning from failure, adaptation and continuous learning (Farmer *et al.*, 2018). The true potential for social innovation to shape social policy perhaps lies in persuading policymakers of the benefits of adopting and supporting "risky" approaches whose benefits are not easily measured. We see considerable potential in research around supportive "ecosystems" for social innovation, whereby social innovations can be protected from market competition as they evolve.

We hope that the collection of papers presented in this Special Issue of the *Social Enterprise Journal* contributes to the emerging social innovation policy debate and inspires researchers themselves to experiment, take risks and develop new collaborations as they seek to explore some of these areas.

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