About the conceptualization of social innovation

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> *"There is a perceptive need for change and, because of it,*
> *for creation – not just punctual creation,*
> *but creation that changes entire systems which form society.*
> *Ultimately, no one can prove that a system works –*
> *not in relation to an ideal, but to basic human needs."*
> (Marga, 2015)[*]

Abstract. *Social innovation is a relatively new analysis subject when it comes to the development of the theoretical approaches which rend the projected social development possible and efficient, but also within the context of other approaches which put emphasis on dispersed knowledge, decentralization and the capacity of communities and social groups to self-organize and formulate specific and new solutions to the issues they are dealing with. When conceptualizing social innovation there is a difficulty in transferring its common meaning, usually linked to particular science and technological cases. In this study, we propose a systematic approach of defining the concept of social innovation, from the perspective of social economy.*

Keywords: social innovation, social innovating, social reality.

JEL Classification: A2, F63.

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[*] Andrei Marga, PhD, UBB, Cluj Napoca, Where is the creation?, *Cotidianul,* 08.05.2015.

1. Introduction

People have always been concerned with improving living conditions, with social and economic progress, a better future, a predictable future that could offer them a dignified transition through life, as well as rational answers to problems related to fulfilling their human potential.

Despite the existence of some political social norms, we cannot rely on a set of uniformly determinist laws to predict the future, nor can we pretend to have the ability to project it. It develops following the motor principle of human interaction and is the expression of the complexity of self-projection that sociality reaches through exercising its creativity.

If this hypothesis was valid in previous centuries, it is even more so nowadays, a time characterized by uncertainty, endless crisis, unprecedented technological changes and the globalization of economic markets – a world in which complexity and asymmetry can lead to events we do not wish to anticipate.

On the other hand, the future cannot be predicted as a unique and necessary reality. Societal reality, for example, is reflected by all human activities (not just economically speaking). "*Economy doesn't say anything about family. It does not explain where we come from, nor where we're going and why. All it promises is a better future…But is this, ultimately, the purpose of human evolution? Social relationships respond to different norms than those of economic performance.*" (Gauchet, 1995)[1]. A limited or inaccurate vision about people can lead to significant errors in economic analysis and decision making, and thus in society.

This doesn't mean we cannot look towards a desirable future or try to make assumptions taking the obvious risk of error; it doesn't mean we cannot act towards fulfilling our ideals.

Although we have the tendency to take the present as reference, we shouldn't lose sight of the fact that what actually matters is our desires, attitudes, ability to choose, risk taking and last, but not least, our past, or the things that have stood the test of time. Based on these, we can anticipate the trajectory of change, as well as the specific social constraints and galvanizing forces for or against change.

2. About social innovation

Social innovation is a relatively new analysis subject when it comes to the development of the theoretical approaches which rend the projected social development possible and efficient, but also within the context of other approaches which put emphasis on dispersed knowledge, decentralization and the capacity of communities and social groups to self-organize and formulate specific and new solutions to the problems they are dealing with.

Our approach relies heavily on social issues.

Numerous authors claim that social innovation appears as a result of a new social problem, the unsatisfying solution to a social problem or it is a way to improve existing solutions. (J. Phills)[2] In everyday language, social innovation refers to new answers to the pressures of social demands that affect the process of social interactions. It aims to improve these answers. According to other authors, these answers span vast domains, which vary from new models of child care to online social networks; from supplying medical care to new ways of encouraging people to swap their cars for bicycles as a means of transport in the city, and developing fair trade chains globally. Recent usage of the term implies not just a new way of government and working; in traditional fields with an active involvement of society members, social innovation is an effective way to deal with issues related to climate change, social justice, aging population, etc. It is also linked to the culture of trust and risk taking, necessary to promote scientific and technological innovations.

There's a lot of hope resting on social innovation, locally, as well as nationally and globally, because existing structures and politics cannot solve some of the most pressing issues of our time. People are more and more aware that it is time to work together to find new solutions to the challenges society is facing. Social innovation has greatly increased society's willingness to cooperate and innovate. More and more governments, communities and people are concerned about the future and are trying to find viable solutions to adapt to an ever changing world, with the purpose and need to overcome poverty and solve serious issues that humanity is dealing with. Therefore one of the resources, and solution, is social innovation.

At the same time, it is becoming more obvious that the current economic model cannot offer the ideal of freedom, under the promise of which it has wasted its romantic nature. We cannot talk about freedom, like we cannot talk about equal opportunities; we are living a distorted reality which serves certain interest groups, rather than the general interest or an organic, natural evolution. If we don't act fast to solve the issues mentioned above, the consequences could we worse, costs will increase - as the present is already consuming the future and humanity risks getting out of order.

Social innovation has been the point of focus for many researchers across time. Even since the 19th century, reformers like Robert Owen, founder of the cooperative movement, have promoted innovation in the social field, and all the great sociologists, including Karl Marx, Max Weber and Emile Durkheim, have focused on larger processes of social change. Tocqueville claimed that, while family is the key component of aristocratic society, in democratic societies individuals have their own interests. He thought organizations could play an essential role in transforming democratic societies towards a progressive direction, through mediation between the isolated individual and the state.

Starting with the 20th century scientific progress regarding the theory of relativity and towards quantic mechanics has led to a paradigm modification, and innovation, a concept that had until then belonged to the world equation, was accepted as an integral, even essential part of our existence. Weber, therefore, explored the role of economy in society

and why social analysis differs from that of economists in his paper 'Economy and society' (written between 1908 and 1920). In his essay 'Objectivity of Social Science and Social Policy', Webber claims that social economy should include not only economy theory, but also historical and social economy.

Other innovation theories have become prominent in the 20th century, many of which had social implications without putting society progress at the center of the theory. Joseph Schumpeter (1934), for example, has combined the direct innovation process with his theory of creative destruction and has defined entrepreneurs as the people who combine existing element with new ways of creating a new product or service. Peter Drucker (1985) and Michael Young (founder of Open University) and numerous organizations in the 1960s[3] were preoccupied with social innovation. These themes also appeared in the works of French writers from the 1970s, like Pierre Rosanvallon, Jacques Fournier, and Jacques Attali (Chambon et al., 1982). Despite all these debates, the pillars of conceptualizing and understanding social innovation have melted within the flood of ideological determinism that serves the power of wealth[4], and gaining wealth has become the rationality behind social systems.

In this context the purpose of social innovation is no longer prosperity and wellbeing for all, but the dissolution of the social context, the loss of the critical spirit within a system that supports speculation as a source of added value. Market economy becomes market society, and the market becomes a reference for everything. Is this the societal ideal? Definitely not. Social innovation must develop from a natural, yet complex source, from searching rational solutions to structure reality, based on development principles and values - to support sustenance and sociality and to better respond to people's needs.

3. Social innovation in the EU

It is a well-known fact that the European social model is facing a profound crisis, which began in the 70s. This crisis came at the end of an intensive regime based on increasing industrial production, and as a result of intensified distribution conflicts between syndicates and patronage, and of the social movements after 1968. This coincided with the emergence of a new series of social risks (apart from the old social risks that continued to exist). Therefore, after 1980, the process of concentrating revenues and wealth has intensified, which undermined the social system, leading to social differences; but more importantly, it led to uneven development across Europe. The most affected are the ex-communist countries which are going through a major structural transformation process. These new geographical differences appear as a lag in increasing competitiveness, as a discrepancy in revenues, consumption and education. In the 2014-2020 exercise, the hope of relaunch is linked to research-development-innovation. Innovation is extremely important for future Europe's competitiveness and plays an essential role in managing the most pressing societal challenges. Social innovation is seen as a safety valve for solving local issues, and/or the issues of underprivileged groups, and

also seen as social diffusion mechanism. In EU analysis and reports, it is considered that social innovation refers to activities and innovating services which are motivated by the objective of meeting a social need, and which are scattered predominantly amongst organizations with primary social purposes.

"Social innovations are innovations that are social in both their ends and their means. Specifically, we define social innovations as new ideas (products, services and models) that simultaneously meet social needs (more effectively than alternatives) and create new social relationships or collaborations. They are innovations that are not only good for society but also enhance society's capacity to act. 8 The process of social interactions between individuals undertaken to reach certain outcomes is participative, involves a number of actors and stakeholders who have a vested interest in solving a social problem, and empowers the beneficiaries. It is in itself an outcome as it produces social capital." (Agnes Hubert) [5]

In her opinion, taking this process into account, social innovation can be classified into *three major categories*. Firstly, *social innovations (in general) at a local level*, which respond to pressing social demands, and are not approached by the market, being aimed at the underprivileged society groups. For example, Projecto Geração (the generation project) in Portugal or the second chance in schools; France falls under this category.

Secondly, *social innovations at a larger scale which address society's challenges*, in which the borders between 'social' and 'economic' are blurred; they are aimed at the whole society. The Red Cross and Open University are included in this category.

Thirdly, *systematic social innovations that refer to fundamental changes* in attitudes and values, strategies and politics, ICT structures and processes, delivery services and systems. Initiatives linked to making citizens more aware of climate change and recycling are some examples for this category. These social innovations, which are often initiated by institutions, play a role in reshaping society as an arena for participation where people's ability to learn is essential. Social innovation, therefore, works towards changing society by in depth and extensive participation, towards setting inclusive organizational procedures, developing the ability of acting collectively and towards the fundamental change of attitudes and human behavior (Moulaert, 2002; Moulaert et al., 2005; Moulaert and Nussbaumer, 2008).

4. What does this concept actually mean?

The concept of social innovation seems omnipresent in today's debates, but the reflections presented indicate significant differences in the way social innovation is understood, conceptually, but also as a social practice and action. A conciliation between views could have a major contribution towards improving the way we collaborate to find solutions with a positive impact for social development.

Academic Cătălin Zamfir (2009) shows that the difficulty in conceptualizing social innovation comes from transferring its common meaning, usually linked to particular scientific and technological instances. He suggests, as a solution, identifying the specific characteristics of social innovation, by detaching ourselves from the 'classic' cases of innovation. And this is what we try to accomplish through this study.

Innovating is a process (the action of innovating) and innovation is the result of innovating. To innovate means to make a change, to introduce something new in a field, a system, etc. There's a belief that innovation is a process, as much as a result of this process (an active, as well as passive/result form), thus creating a polysemy of the term (Azgaldov and Kostin, 2009).

Given its social attribute, in our opinion, social innovation has to be considered from a double perspective. Firstly, considering its application domain (innovation in the social field: social world, social life, social reality) and secondly, considering the characteristic given by its social condition, meaning that any innovation which happens in a social context must be interpreted through the issues against which it positions itself as an ideal solution.

From this double determination, we can conclude that social innovation is social with a double meaning, because it is applied within the social environment and because it incorporates a social aspect in itself through its definition as a form of social practice, and social knowledge and action. It is ultimately a way of manifestation for social actors. Even more so as innovation is an essential part of the reality it is born from, as a critical reflection of the social conditions of reality. This is where the important implications result from, for a practical interpretation of social innovation that cannot ignore its social descent.

Moreover, we can consider that social innovation is an external manifestation of the reality of a society, thus a social phenomenon. Durkheim demonstrates that 'when the explanation of a social phenomenon is undertaken, we must seek separately the efficient cause which produces it and the function it fulfills.' (Durkheim, 2002, p. 135). "The efficient cause" is the one that ignites change and the initiative to start or stop. (Aristotel, *Fizica* II 3) Therefore, Marx was obsessed with the role economy has in society and has developed a theory I which economy determines the general evolution of society. What leads people on a daily basis is, according to him, the material interest, and this also dictates the structure and evolution of society in general.

"In the social production of their existence, men inevitably enter into definite relations, which are independent of their will, namely relations of production appropriate to a given stage in the development of their material forces of production. The totality of these relations of production constitutes the economic structure of society, the real foundation, on which arises a legal and political superstructure and to which correspond definite forms of social consciousness. The mode of production of material life conditions the general process of social, political and intellectual life. It is not the consciousness of men

that determines their existence, but their social existence that determines their consciousness." (Marx, 1859)

English philosopher and mathematician Bertrand Russell thought that "*the fundamental concept in social science is Power, in the same sense in which Energy is the fundamental concept in physics.*" (Russell, 1975, p. 3)[6] But power is linked to politics, and politics has become, through its power, a field of action, the most important manifestation of social power. That worked while the power stuck to its mission to cover social transfers and while the individual trusted the system. Today there's a different vision, built on neoliberal foundations after the Washington Consensus.

From these perspectives we believe that social innovation has to be considered as intrinsically linked to the social construction of reality, understood as a dialectical process in continuous movement and consisting of three stages: externalization, objectivation and internalization. *"In the dialectic between nature and the socially constructed world the human organism itself is transformed. In this same dialectic man produces reality and thereby produces himself.*" (Berger and Luckman, 2008, p. 244). An analysis of the social world which ignores any of these three moments will lead to distortions. Therefore, social innovation must follow the same dialect and 'the new solution must produce social change, a structural, normative or regulatory cultural change in society, in R. Heiskala's structuralist terms. (2007)" [7]

Social innovation is not only about social objectives; the usage of the term 'social' expresses the social means and refers to the development of new social relationships or to the transformation of current ones. It implies the disintegration and reorganization of existing social institution that prevent people from satisfying their basic needs, customs and consumption practices. Social innovation is not about developing and implementing technological solutions for social purposes, or about financial transfers literally. It is obvious that technological innovations can support social innovation, but only if it acts as a mechanism to transform social relationships so that excluded groups could improve their living conditions.

Therefore we think it is necessary to stir away from a functional definition of social innovation dissolved in its ideological identity, and embrace a holistic perspective of the analysis which will allow an existential understanding of innovation, and which will offer an objective interpretation at the same time, regardless of who conducts the analysis and of the historical context within which the analysis is conducted.

We have to admit that the processes in which social innovations appear, spread and succeed (or not) must be looked at individually, rather than getting confused with our common language definitions of innovation, social entrepreneurship or social enterprise. We cannot talk about social innovation when a new type of form or a new registration procedure for the beneficiaries of a public service is introduced. Social innovation must introduce a significant change in that field.

Social entrepreneurship and social enterprises have become preferred pillars for those who try to improve the world. These two are positive notions, but are not adequate when it comes to understanding and creating social change in all its manifestations (Phills Jr. et al., 2008). Authors claim that social innovation is a better vehicle to achieve this but, we add, it must be systematic, to look at large groups of people, the community or even society as a whole, not just at underprivileged categories or groups. Otherwise we stir too far away from reality, from democracy and all we achieve is to develop a fetish for reality when political democracy is already incomplete without an economic democracy[8]. The argument in favor of entrepreneurship and social enterprises, as a solution to actively revitalize the degree of economy, cannot be a rational one. Not in the absence of formulas that generate trust, association, fundamental and transactional interactions, a way in which social conventions form within the tangled roads of politics and governance - for prosperity, for the wellbeing of intercommunity, for the comfort we call civilization.

In this context, a holistic approach in conceptualizing social innovation thoroughly studies the conception of social innovation as a complex phenomenon, and creates the possibility of defining socio-economic megatrends in a synergistic light. These megatrends, while acting synergistically, favor and trigger the emergence (for example) of new types of strategic management, management based on knowledge that creates the possibility of shaping the configuration of the entire society, the adoption of a new vision about it, of a system in which everything is linked to circular causality, a model in which every factor influences other factors, receiving at the same time a corresponding impulse and that rends possible the interaction between theoretical models of economy and the economic reality, the management of complex systems, crisis and risks, of financial flows, competitiveness and technological development.

This is particularly important from the perspective of adopting a new economy, one based on knowledge which profoundly influences the content and the way the individual acts, this representing the way individuals socialize; it becomes a functional organ for the societal whole. A strategy based on this knowledge has as a primary component the continuous promotion of innovation, and social innovation is the true explanation for the difference in performance among societies. It is the one that creates the perspective of a holistic development of society.

In this context, we consider that: *social innovation is a process of internalizing the intension of symmetries in the configuration of reality as a system, determined by social actions of learning, sensitizing, rallying and taking action, which lead to a social change in the sense of an improvement of the current situation and of increasing the quality of life for large groups of people, for society as a whole, and which has as effect the rejection of norms and/or existing social models, and adopting a new one.*

It is a definition that encompasses the elements previously debated, without pretending to be original, but just structuring it from a sociological perspective of the concept.

5. Conclusions

It's towards this direction, in our opinion, that the conceptualization of social innovation must be stirred. It involves much more than creating a new model: it creates empathy, as well as a change in power related relationships, and a change in the way people think and act. These changes cross, invariably, the borders of the individual, group or organization. They aim to overcome the issues humanity is facing, but also to expand empathy; they target growth which is ultimately the essence of human development, as much as economic growth makes sense only if it transforms into social development. In other words, it aims to *rebuild a state as a societal state*, in which economic rationality makes sense when defined as a way of accomplishing social purposefulness in its diversity. "A heightened empathic sentiment also allows an increasingly individualized population to affiliate with one another in more interdependent, expanded, and integrated social organisms. *This is the process that characterizes what we call civilization*." (Rifkin, 2011).

Notes

[1] Michel Gauchet, professor at École des Hautes Études en Sciences Sociales and chief editor for *Débat* magazine, author of the renowned book *The Disenchantment of the World. A political history of religion.*

[2] J. Phills, director of the Center for Social Innovation (www.gsb.stanford.edu/csi/) within Standford Graduate School of Business and K. Deiglmeier (2008, pp. 36-9); M. Stewart-Weeks (2008, p. 2), C. Leadbeater (2008, p. 1), but also G. Mulgan (2006, p. 146).

[3] Kate Gavron, Geoff Dench and Michael Young, Quarterly 80*,* Carcanet Press, London, 1995, for a holistic look at the most succesful examples of social innovation.

[4] "85 billionaires have a combined wealth equal to that of half the world's population."

[5] Empowering people, driving change. Social Innovation in the EU, Luxemburg: Oficiul pentru Publicații al Uniunii Europene, 2011, No. Cat. NJ-79-11-114-RO-C.

[6] The laws of social dynamics are – so I shall content – only capable of being stated in terms of power in its various forms" (1938, 15). As a result, it is only by understanding power in all its human instantiations that we understand the social world around us. (Stanford Encyclopedia of Philosophy).

[7] Risto Heiskala, Professor and Director, Institute for Advanced Social Research, University of Tampere social and cultural theory, historical sociology, sociology of knowledge.

[8] Democracy is incomplete as long as it is forced to obey the owners' dictatorship (Ludwig von Mises).

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