

## Social innovation

Social innovation, which primarily seeks to meet social goals, is an important tool to identify and respond to social challenges when the market and the public sector have failed to do so. The non-profit sector plays an important role in fostering and implementing social innovation and is increasingly adopting an entrepreneurial approach to further pursue its social objectives. Policy challenges regarding social innovation include promoting a clear and harmonized definition of social innovation; improving the understanding of its key components and the conditions that can help design, develop and foster it; evaluating the impacts of social innovation; and scaling up successful social innovation.

### What is social innovation?

There is no single definition of social innovation, although most tend to emphasise its key objective of meeting social goals and, to a lesser extent, the types of actors involved (e.g. non-profits, individuals, universities, government agencies, enterprises). Social innovation is thus defined more by the nature or objectives of the innovations than by the characteristics of the changes themselves. Social innovation seeks new answers to social problems by (1) identifying and delivering new services that improve the quality of life of individuals and communities and (2) identifying and implementing new labour market integration processes, new competencies, new jobs, and new forms of participation, as diverse elements that each contribute to improving the position of individuals in the workforce.

Social innovation can be seen as distinct from economic innovation in that it is not about introducing new types of production or exploiting new markets in themselves but is about satisfying new needs not provided for by the market (even if markets may intervene) or creating new, more satisfactory ways of giving people a place and a role in society.

### How important is social innovation?

In the past decade, social innovation has garnered particular attention from policy makers, academics, practitioners, and the general public. It is now considered an important tool to identify and respond to social challenges when the market and the public sector have failed to do so. Social innovation is needed because conventional approaches have not solved a variety of social challenges.

Social innovation can occur in all sectors and can be driven by governments (new models of public health), the private sector (open source software) or civil society (fair trade) (Mulgan et al., 2007). While in the past emphasis was placed on the non-profit sector as the “homeland of social innovation”, the private and the public sectors have since adopted the idea of social innovation, which has obviously resulted in its wider application and new impetus and energy. Still, the non-profit sector plays an important role in fostering and implementing social innovation because it does not have profit-making as its main goal and can therefore pay attention to long-term social issues. At the same time the non-profit/social economy sector is increasingly adopting an entrepreneurial approach to further pursue its social objectives.

### What are the policy challenges related to social innovation?

Policy challenges with regard to social innovation include:

- **Promoting a clear and harmonized definition of social innovation.** Social innovation is still ill-defined and its boundaries are blurred; therefore, there is a need for greater conceptual clarity to be developed.

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- **Improving the understanding of policy makers.** Not only its key components must be understood but also the conditions that can help design, develop and foster it. Further research into the field of social innovation would be helpful to assess the different needs of the entities belonging to the sector and to design effective policy accordingly.
  - **Evaluating the impacts of social innovation.** This will require work on accountability and the identification of quantitative and qualitative measurement tools, including social return on investment measures and performance management tools.
  - **Scaling up successful social innovation.** Many successful social innovations were initiated by local communities, specifically adapted to a local context and operating with their own internal dynamics. Therefore planners of government intervention must consider carefully how to build on those initiatives. The usual scale of social innovations requires small organizations, individuals and groups who have new ideas and are mobile, quick and able to cross-pollinate. So for larger scale programs will require governments, private companies or nongovernmental organisations that are generally good at implementation and have the scale to make things happen. Much social change requires those various stakeholders to co-operate (NESTA, 2007).

## References

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