Introduction

In 2006 Muhammad Yunus and the Grameen Bank that he founded in 1983 were jointly awarded the Nobel Peace Prize "for their efforts to create economic and social development from below". They received this prize thanks to a simple idea which has become a worldwide social innovation: the development of microcredit which gives poor people access to banking services. Other social innovations such as fair trade, e-learning, neighborhood nurseries, restorative justice, etc. are often put forward.

These are some recent examples of social innovation. However, social innovation is not an exclusivity of our times. Back in the 19th century, mutuals and cooperatives were created to improve the living conditions of marginalized urban workers.

Although an old phenomenon, social innovation remains relatively understudied in the scientific literature. Nevertheless, like other related topics such as social enterprise and social entrepreneurship, social innovation is drawing increasing interest particularly in Europe and North America.

The present paper aims at depicting a critical and interdisciplinary review of the various conceptions of social innovation as a first and indispensable step in order to foster the debate on the subject.

This paper is organized as follows. Section 1 highlights the main uses and areas where the concept of social innovation has emerged. This preliminary analysis leads to the conclusion that there are two fundamental definitions of social innovation: an outcome-based one and a process-based one. In section 2 we develop the outcome definition and its main features whereas section 3 focuses on social innovation as a multi-stakeholder process. In section 4, we present an integrated framework of social innovation which is an attempt towards a comprehensive definition of the concept, building on the different approaches and uses prevailing in the literature.

Finally, we conclude with the main findings and contributions of the present paper.

1. The emergence of the concept

In the scientific literature, the concept of social innovation is quite a polysemy. Some authors consider that every innovation can be characterized as social for at least two reasons. First, the development of some new goods and services can contribute to the improvement of people’s lives (e.g. the discovery of a new drug) and hence benefit society in general. Second, other authors like Callon (2007) reckon that even technological or business innovations are social since they require the participation of various social actors and the transformation of social structures in order to be adopted and diffused. For instance, social innovation can be a useful concept to understand certain transformations occurring in firms. In this perspective, Cloutier (2003) points out an instrumental perspective of social innovation within firms. “The instrumental perspective considers the reorganization of labour as a key factor of the innovative capacity of the firm without any regard for the well-being of workers. Social innovation refers thus to a new social arrangement which promotes the creation of knowledge and technical innovation” (Cloutier, 2003: 21). The underlying logic is that in order to be technically innovative a firm must constantly reorganize its labour forces in more efficient structures. It is this search for new and more efficient labour organizations which is called social innovation by authors such as DeBresson (1993) and Gordon (1989).

Besides these sporadic uses, there are two main fields where the concept of social innovation has been systematically mobilized: social entrepreneurship on one hand, and local development on the other. Let us develop them respectively.

First, the association of social innovation and social entrepreneurship is found in various papers such as Leadbeater (1997, 2007), Dees (1998), Kramer (2005), (Peredo & McLean, 2006), and reaches its climax in Dees & Anderson (2006). In this paper they explicitly distinguish two schools of social entrepreneurship; the social enterprise school (known also as the earned income school of thought) and the social innovation one. “…many adherents think of “social entrepreneurs” simply as those who organize and operate businesses that support a “social” objective, even if they do it only by making money to subsidize more direct, social-purpose activities” (Dees & Anderson, 2006: 41). The social innovation school has focused on “social entrepreneurs (who) play the role of change agents in the social sector, by:

- Adopting a mission to create and sustain social value (not just private value),
- Recognizing and relentlessly pursuing new opportunities to serve that mission,
- Engaging in a process of continuous innovation, adaptation, and learning,
• Acting boldly without being limited by resources currently in hand, and
• Exhibiting heightened accountability to the constituencies served and for the outcomes created” (Dees, 1998: 4).

Similarly, in his book “How to Change the World: Social entrepreneurs and the Power of New Ideas”, Bornstein uses the terms social innovators and social entrepreneurs interchangeably and defines them as “people with new ideas to address major problems who are relentless in the pursuit of their visions, people who simply will not take “no” for an answer, who will not give up until they have spread their ideas as far as they possibly can” (Bornstein, 2007: 1).

This conception of social innovation is at the heart of Ashoka, an organization founded in the US in 1980 by Bill Drayton and now operating worldwide, which aims to identify, support and encourage this kind of outstanding individuals in order to promote social change. This entrepreneur-based view of social innovation is rooted in a typical mentality of English-speaking countries which particularly celebrates individual initiative and entrepreneurship as well as leadership and personal success.

By distinguishing these two conceptions of social entrepreneurship, Dees & Anderson (2006) highlight the fact that the conception of social enterprise is not necessarily linked to social innovation. In fact, in the earned income approach, the rationale of the enterprise is not necessarily to be innovative but simply to make money be it by simply selling t-shirts, mugs, etc. in order to subsidize an independent non-profit activity.

Moreover, social innovation is not an exclusivity of social entrepreneurs. Indeed, “social innovation does not always come from lone, heroic innovators. Social innovation is often the product of joint authorship that combines the inputs of many people” (Leadbeater, 2006: 244).

Secondly, social innovation has been extensively mobilized my authors like Moulaert, Vachon, Saucier, etc. as a concept at the heart of a new model of territorial or local development called the Integrated Area Development (IAD). The starting point of their thinking is the observation that reducing disparities between countries, regions and even neighborhoods has been, for decades, challenging for public policies. In most of the cases, macroeconomic, centralized top-down strategies to increase the attractiveness of poorer areas for external investment have rarely contributed to reduce these inequalities (Moulaert, 2002). This is particularly true in urban neighborhoods where spatial concentration, the unsatisfied socio-economic needs and the governance dynamics and agents responsible for the decline (which Moulaert calls disintegration) are more intense (Hillier, Moulaert et al., 2004;
Moulaert, 2002; Nussbaumer & Moulaert, 2007). Therefore, in recent decades alternative approaches to local development have emerged in different regions of the world. These new approaches highlight the importance of development plans based on the promotion of endogenous potentialities at the local and micro-regional level (Vachon, 2001). According to Moulaert (2009: 16), “in Western Europe, but also in other ‘post-industrial’ world regions like North America and Latin America, urban neighborhoods have been the privileged spatial focus of territorial development based on social innovation”.

Social innovation has become the structuring concept of an alternative model for local development called the Integrated Area Development (IAD). This concept increasingly present in scientific literature is “defined as an alternative to sectoral, ahistorical and top-down strategies for local development—especially neighbourhood development. For local development to be successful, various domains of intervention (economy, housing, education and training, local democracy, culture, etc.) had to be integrated; but the agencies and the spatial scales of intervention needed to be articulated in territorial social networks, often consolidated in territorial pacts or agreements. The integrating dynamics had to come from ‘social innovation’ in at least two senses: social innovation through the satisfaction of unsatisfied or alienated human needs; and, innovation in the social relations between individuals and groups in neighbourhoods and the wider territories embedding them” (Moulaert et al., 2005: 1973). This definition of IAD integrates the two dimensions of social innovation which will be developed in the following sections: the outcome dimension on one hand and the process dimension on the other, and applies them to the territorial development context.

In fact, for authors like Chesbrough, Vanhaverbeke et al. (2006), Murray, Caulier-Grice et al. (2010), social innovation can be defined both as an outcome and as a process just like innovation in general (Deakins & Freel, 2009).

For instance, in a very recent online open book, Murray and al. (2010: 3) reckon that: “Our interest is in innovations that are social both in their ends and in their means. Specifically, we define social innovations 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”. This definition of social innovation underlines both the outcome and the process dimensions, which dominate the debate.

In the next two sections, we develop these two fundamental conceptions of social innovation respectively. We start with the outcome approach.
2. Social innovation as an outcome

Most approaches defining social innovation adopt a normative standpoint, with respect to its outcome. In this perspective, Phills and al. (2008), suggest the following definition of social innovation which clearly differentiates social innovation from other forms of innovation. They define social innovation to mean: “A novel solution to a social problem that is more effective, efficient, sustainable, or just than existing solutions and for which the value created accrues primarily to society as a whole rather than private individuals” (p. 36). This definition emphasizes the importance of the object, i.e. the result of social innovation with no regard for the process which led to this outcome.

Moreover, this definition is made of three parts each shedding light on a specific dimension of the concept of social innovation.

First, according to these authors, “to be considered an innovation, a process or outcome must meet two criteria. The first is novelty: Although innovations need not necessarily be original, they must be new to the user, context, or application. The second criterion is improvement. To be considered an innovation, a process or outcome must be either more effective or more efficient than pre-existing alternatives. To this list of improvements we add more sustainable or more just. By sustainable we mean solutions that are environmentally as well as organizationally sustainable—those that can continue to work over a long period of time” (Phills, Deiglmeier et al., 2008: 37).

The criterion of novelty above-quoted is far from being new in the literature on innovation. In his seminal work, Schumpeter (1934) already defines economic development as a “process of carrying out new combinations in the production process” in at least one of the following ways: i) the introduction of a new product or a new quality of product; ii) the introduction of a new production method; iii) the opening of a new market; iv) the acquisition of a new source of raw materials; or v) the reorganization of a sector of activity. Moreover, for authors like Chambon et al. (1982), Mulgan (2007:5), new does not necessarily mean totally novel or unseen but rather different or alternative and/or more efficient than current practices.

Second, according to Phills and al. (2008), social means that the new solution must specifically and unambiguously address a social problem, i.e. a situation which has negative impacts on people’s lives and well-being (e.g. unemployment, delinquency, alcoholism, etc).

Third, the value created by this new solution is not primarily captured by individuals or companies for their own personal good or profit but rather accrues to society in general. In other words, the core mission of any social innovation must be the creation of social value rather than private value, i.e. gains for entrepreneurs, investors and ordinary
disadvantaged) consumers. Indeed, “many innovations tackle social problems or meet social needs, but only for social innovations is the distribution of financial and social value tilted toward society as a whole” (Phills, Deiglmeier et al., 2008: 39).

In fact, the two last criteria appear as closely linked. Whereas the first emphasizes the social problem addressed by the social innovation, the second one stresses out the fact that activities carried out must provide a service to a disadvantaged group of stakeholders which suffer from the given social problem. The mission of the enterprise is not primarily a means of obtaining a financial return on private investment.

This conception implies that social innovation cannot be a byproduct or a side-effect of a process or outcome the primary purpose of which is personal enrichment. Therefore, although the discovery of a new drug by Pfizer may benefit millions of people all over the world, it does not constitute a social innovation as defined above. In fact, Pfizer’s primary mission is to sell this drug and maximize its earnings which will benefit Pfizer’s shareholders and managers in the form of higher dividends and salaries.

The three dimensions of social innovation mentioned above can be found in another definition, often cited in the social innovation debate, developed by Mulgan (2007). He defines social innovation as “innovative activities and services that are motivated by the goal of meeting a social need and that are predominantly developed and diffused through organizations whose primary purposes are social” (Mulgan, 2007: 8).

These two definitions provide us with three useful criteria to identify social innovation: i) novelty; ii) a core social need to be addressed; iii) an organization driven primarily by a social mission and social value creation.

However, according to Lévesque (2001), social innovation does not always address an unsatisfactory social situation (e.g. unemployment, insecurity, etc.) but it can also be an answer to a social ideal or aspiration for a different society (more egalitarian, more environment-friendly, etc). 1968-1975 was a particularly fertile period for social innovations motivated by new ideals and aspirations. Such innovations were carried out by a new class of educated people who became promoters of a counterculture at odds with traditional ways of consumption and work organization (Léveques, 2001).

In a analogous way, (Nussbaumer & Moulaert, 2007) highlight the normative dimension of the debate on social innovation which emerged, in a specific context, as a response to the neoliberal ideology. According to them, in the name of economic orthodoxy and market efficiency, the welfare state has progressively been dismantled and with it the provision of public services such as healthcare, social security and education. This growing socio-
economic disintegration has triggered the return of social innovation as a remedy to the emergence of the growing exclusion of some social groups.

3. Social innovation as a process
From a process point of view, the next step consists in understanding how social innovation emerges, is adopted and then diffused. In other words: what is the process of social innovation?

From our literature review, first it appears that “the starting point for innovation is the awareness of a need that is not being met” (Mulgan, 2007: 21). In fact, the emergence of social innovation seems to be related to specific conditions in the socio-economic context of a given society. Such contexts usually reveal the market and/or state failures to adequately address peoples’ needs and dislocations. When looking back in time, it appears that some of the major social innovations have taken place in contexts of great social and/or economic crises. This observation implies that in a context of crisis the potential for social innovation is higher.

For instance, in the 19th century, social innovations such as trade unions and cooperatives, and reading clubs accompanied the unprecedented wave of industrialization and urbanization. Indeed, history teaches us that this kind of initiatives are born as a reaction to the pressures resulting from significant unsatisfied needs, they respond to a “condition of necessity” (Defourny & Develtere, 2009). In a similar way, the petrol crises of the 1970s and early 1980s put pressure on the welfare state as a result of growing public deficits and unresponsiveness to more specific social needs. In reaction, the role of nonprofits as providers of social innovation grew in various sectors such as healthcare, employment, education, advocacy, etc.

A second characteristic which appears as crucial in the process of social innovation is the involvement of a complex network of formal and/or informal partnerships between various stakeholders, i.e. “any group or individual who is affected by or can affect the achievement of an organization’s objectives” (R. E. Freeman & McVea, 2001: 189).

“In most cases the success of the innovation will rest on the participation and involvement of a wide variety of interests – the users and beneficiaries of the innovation as well as the producers and suppliers” (Murray et al., 2010: 30).

This importance of networks appears as a major factor of innovation in the business literature in general. Freeman (1995) suggests, for example, that while certain technological,
organizational and social conditions are needed for innovation to emerge, attention must focus on the system made up of the networks, the knowledge, the infrastructure, the skills, the labor markets, the specialized services, the trust and the personal relationships which foster innovation.

Among the numerous participants (beneficiaries, donors, public institutions, volunteers, etc.) in the process of social innovation, beneficiaries themselves seem to play a crucial role. According to Mulgan (2007: 21), “some of the most effective methods for cultivating social innovation start from the presumption that people are competent interpreters of their own lives and competent solvers of their own problems”. In a multiple case study, (Alvord, Brown et al., 2003: 11) have found that “successful social entrepreneurship involves innovations that mobilize existing assets of marginalized groups to improve their lives”.

The involvement of beneficiaries in different stages of the process of social innovation is seen as a sine qua non condition for the success of the initiative. The notion of empowerment which is based on the idea that individuals and/or groups can acquire the skills to make the needed transformations in order to improve their own lives is essential to this conception of social innovation. Social innovation is thus a learning process supposed to give to the end users the tools to take care of themselves. Participation and autonomy distinguish social innovation from mere assistance. In fact the role of social workers and other professionals is not to feed a dependency relation but rather to show to the user how to manage his everyday life on his own (Chambon, David et al., 1982; Leadbeater, 2007: 4).

As for the process itself, the work of Mulgan (2006 & 2007) appears as pioneer in its attempt to conceptualize the mechanisms of social innovation. According to him, there are four stages in the process of social innovation. We briefly describe them hereafter.

In a first stage, “the starting point for innovation is an idea of a need that isn’t being met, coupled with an idea of how it could be met” (Mulgan, 2006: 149). This idea draws back to the condition of necessity already mentioned here-above. Once identified, “needs have to be tied to new possibilities”. New possibilities can be technological and/or organizational. They can also stem from new knowledge. “New social ideas are rarely inherently new in themselves. More often they combine ideas that had previously been separate” (Mulgan, 2006: 151). Combining existing elements to spawn a novel solution to a problem is one of the main qualities of innovators as already underlined by Schumpeter.
According to Mulgan (2006: 151), “the second phase of any innovation process involves taking a promising idea and testing it in practice”. Most of the time ideas are quickly turned into prototypes. These rarely survive their first encounter with reality. To the first failures, social innovators respond by improving their products or services. This early stage is a period of high uncertainty. Resources are scarce and mobilizing non-market resources (donations, subsidies, etc.) can be decisive in helping ideas through this phase.

Once a prototype has proven itself workable in practice, it needs to be grown and replicated on a large scale. In this third phase, “often the innovative and creative ‘bees’ (social entrepreneurs or inventors) need to find supportive ‘trees’ (big organizations with the machineries to make things happen on a big scale)” (Mulgan, 2006: 153). In fact, whereas small initiatives are particularly good at innovating, bigger organizations are more likely to have the resources to scale up the activity. Scaling up the activity requires skills which differ significantly from those of innovators.

Moreover, the actors involved in this stage of diffusion may vary according to the context as Defourny & Nyssens (2010) have pointed out. In the US, for instance, social innovation has been expected, typically, to expand through the growth of the enterprise itself and/or with the support of other organizations (corporations, foundations, etc.) bringing a leverage effect to the initiative through increased financial means and professional skills as well as through celebration and demonstration strategies. In the European context, the process of scaling up has often been closely linked to the evolution of public policies. It is clear that recognition through public policies has been and still is a key channel for the diffusion of social innovation throughout Europe.

Furthermore, it must be highlighted that the scaling up and diffusion is seen by most authors as a crucial feature of social innovation. Scale is supposed to distinguish social innovations from mere inventions and isolated experiments.

In their multiple case study, Alvord et al. (2003: 4) are explicitly interested in “social entrepreneurship that creates innovative solutions to immediate social problems and also mobilize ideas, capacities, resources, and social arrangements required for long-term, sustainable, social transformation” . The cases they have selected are widely recognized as “innovative efforts to solve persistent social problems (...) that to some extent have been successful in scaling up their impact and at least potentially catalyzing social transformation”. Kramer (2005) also insists on the importance of scalability and massive
diffusion of social innovations. He refers to the social entrepreneur as “one who has created and leads an organization, whether for-profit or not, that is aimed at creating large scale, lasting, and systemic change through the introduction of new ideas, methodologies and changes in attitudes” (p. 6).

Finally, the last stage in the process of social innovation highlights the importance of learning and continuous adaptation as the context and needs evolve. In fact, many innovations turn into forms which may be very different from the first prototypes.

The four-stage process which has just been described provides a useful framework to understand how social innovation works. However, one must realize that these stages are seldom consecutive. “…some go quickly to scale and then have to adapt fast in the light of experience; often, the end use of an innovation will be very different from the one that was originally envisaged; sometimes action precedes understanding and sometimes taking action crystallizes the idea. And always there is an iterative circling back as new insights change the nature of the innovation” (Murray, Caulier-Grice et al., 2010: 9).

4. Social innovation: an integrated framework

In our opinion, the two main definitions of social innovation reported in the previous sections are complementary rather than mutually exclusive. Therefore, in this section, we shall try to integrate them into a global approach to social innovation, one which articulates the different definitions and related notions explained in the previous sections. Murray, Caulier-Grice et al. (2010) have already paved the way in this direction by insisting both on the outcome and process dimensions of social innovation (cf. supra). We reckon that the combination of the two elements, i.e. outcome and process, makes sense because it leads to the attenuation of the limits of each approach taken individually and thus to a stronger and more comprehensive definition of social innovation.

Besides these two crucial elements of this definition of social innovation we highlight two more: the drivers and the target. The drivers inform us on the rationale behind a given social innovation. Although the drivers can be multiple and various, they are generally of two sorts: necessity and aspirations. These are the starting point of any social innovation. Generally social innovations are driven either by necessity or by aspirations but sometimes it occurs that the two act simultaneously. For instance, fair trade initiatives generally combine a twofold objective: to offer farmers decent and fair prices for their products and at the same time to
The drivers are important because they help to shape the mission of any social innovation. They help to answer questions such as: What is the initiative all about? What kind of problem will it tackle and/or what kind of values will it promote? Some needs, such as hunger, sickness and poverty are glaring and easy to identify. Others like discrimination or stalking require thorough investigation and a lot of patience in order to be spotted.

Once the social problem clearly identified, a workable solution must be put in place in order to resolve the problem. The way from the problem identification to the solution constitutes the process of social innovation. If successful, the process of social innovation will lead to a result, an outcome supposed to address the initial social need and/or aspiration(s). This outcome will predominantly benefit a given kind of stakeholder which we designate as the target of social innovation. The target is the direct and most important beneficiary of the social innovation. The literature (cf. supra) implicitly distinguishes three kinds of potential targets: individuals (abused women, alcoholics, young offenders, etc.), organizations (firms, nonprofits, schools, government agencies, etc) and territories (neighbourhoods, cities, regions, etc). These constitute three different units of analysis and action.

The term ‘target’ may convey an image of passiveness and inaction but as we have seen from our literature review (see supra, notably section 3 on the process of social innovation), the beneficiaries of social innovation play a crucial role in all of its phases from the identification of the need, through the processing of the solution and eventually up to the scaling up and diffusion of this one.

Similarly, the integrated framework of social innovation that has just been presented may appear as radically simple and linear: there is a driver which triggers a process which leads to an outcome which benefits a target. Although some innovations do develop in this linear way, most of the time, social innovations follow very chaotic dynamics.

The following diagram summarizes the different elements of this integrated framework of social innovation which builds on the different approaches of social innovation presented in the previous sections.
Social innovation: an integrated framework

Concluding remarks

Social innovation is in its very infancy as a research area. In fact, the literature on this topic is mainly concerned with defining the concept. At first view, this concept seems fragmented and refers to different realities to different people. Nevertheless, when confronting the different uses and conceptions of social innovation, there appear more similarities and complementarities than one would expect beforehand. Our literature review has revealed that social innovation can be examined through two complementary lenses: the outcome and the process. Most authors focus on one or two of these dimensions but by combining both we obtain a stronger and more comprehensive definition of social innovation. Moreover, by highlighting the two drivers (necessity and aspirations) and the three potential targets (individuals, organizations and territories) of social innovation, we include in our integrated framework of social innovation the various uses of the concept as they appear in the literature. For instance, the territorial dimension refers to the mobilization of the concept of social
innovation by new and alternative local development models such as the Integrated Area Development.

In fact, one of the main contributions of this paper consists in the fact that it adopts an interdisciplinary approach and builds on different streams of literature which unfortunately have the tendency to evolve separately: social entrepreneurship literature, local development, innovation, etc.

The convergences between the different streams, concern mainly the process and to a lesser extent the motivations of social innovation. Furthermore, almost all conceptions highlight the importance of the diffusion and institutionalisation of social innovation. However, there subsist some divergences the rationale of which is to be found in the respective contexts and prevailing mindsets in which social innovation has emerged, i.e. an entrepreneur (ship) business-based view of innovation in the social entrepreneurship literature and a more interdisciplinary approach in the field of local development where governments play a bigger role in the diffusion of social innovation.
Bibliography


