‘Social Innovation as Institutional Innovation’

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Social Innovation Futures: beyond policy panacea and conceptual ambiguity

EU-SPRI Exploratory study

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Social
Innovation
Futures

The long story of wicked problems & narratives about our common future & the (*multi*) planetary crisis

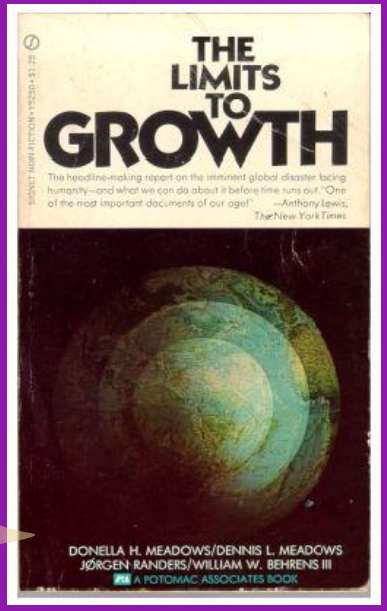
(*Homo-linguisticus*)

Stockholm in 1972, Rio in 1992, Johannesburg in 2002; Río+20…

Rationales to policy (state) intervention

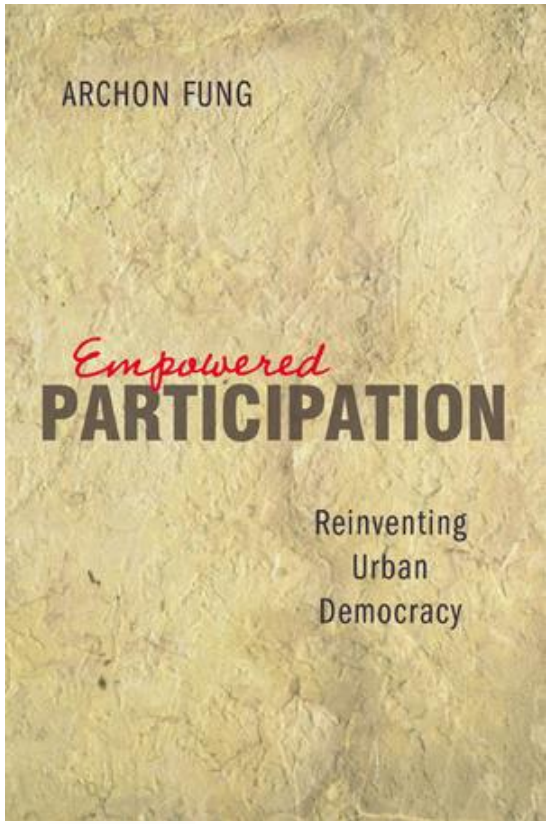
- mission-oriented
- market failures
- systems failures

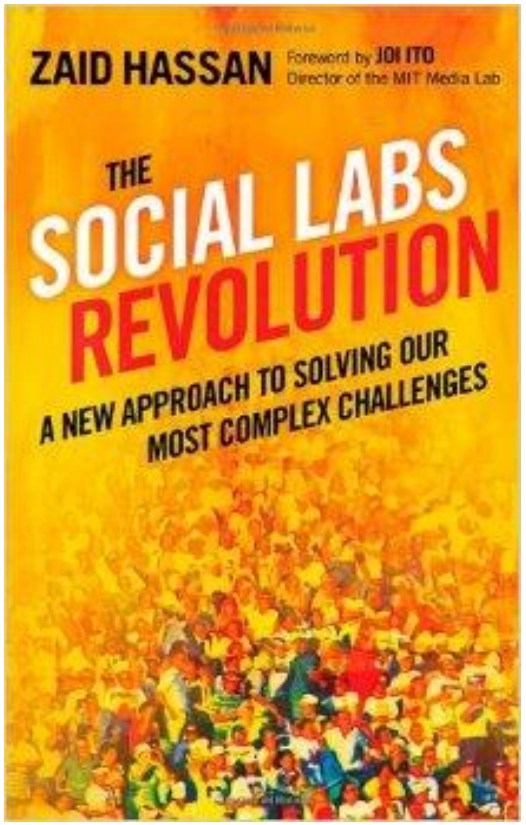
(Borras & Edler, 2015)

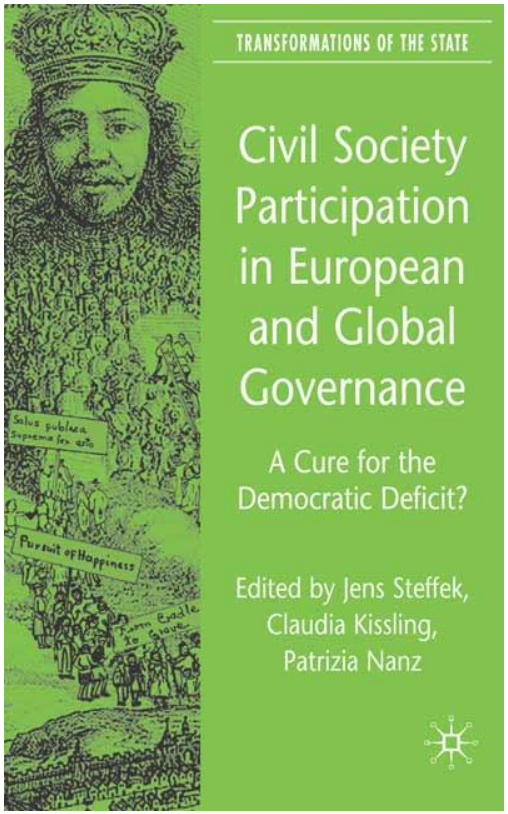


Mentions both technological and social innovation (1972)

SI…a solution to Grand Challenges of the 21st Century?







emergence of cross-sector collaborative innovation

…beyond policy **panacea?**

A socio-technical (and *cultural*) paradigm shift?

...at the shadow of normativity

…and the shadow of (institutional) governance

Overview

1. Why institutions & institutional innovation?

2. But…what does institution mean?

3. Two ways to explore institutional dimension of SI
   - 3.a From the ‘mainstream’ of innovation & STS studies
   - 3.b From a provisional definition of SI

4. Backing to any innovation process …and outcomes

5. Conclusion

1. Why institutions & institutional innovation?

Institutions constitute a key concern as an intermediary level between the organisational and the societal levels

(Whyte & Sexton, 2011)

Institutions shape and can contribute (or not) to improve learning (and innovation) processes

(Johnson, 2010)

Institutions are at the heart of the co-evolution of socio-technical (*and cultural?*) change… and their governance

(Casper & Whitley, 2004)

2. But…what does institution mean?

Diversity of connotations: ‘entities’, ‘contexts’, ‘frames’, ‘actors’, ‘components’, ‘set ups’, ‘arrangements’, ‘fields’, etc.

‘Institutions are sets of common habits, routines, established practices, rules, or laws that regulate the relations and interactions between individuals, groups and organisations’

(Edquist & Johnson 1997: 46)

‘Soft’ and ‘hard’ institutions as a domain of action for the social agenda… related to new action goals, innovative intentionality and reshaping or ‘demand’ of new capabilities

(Crawford & Ostrom 1995; Canibaño et al., 2006)

3. Two ways to explore institutional dimension of SI

3.a From the mainstream of innovation & STS studies

Institutions are present in theoretical approaches and heuristic innovation models

Innovation systems (national, regional, sectorial, local)

Technological innovation systems

Triple Helix, Cuadruple Helix…

Socio-Technical Transitions

Innovation Functions

The 'old' economic institutionalism:

'actors' (*players*) & 'rules of the game'

(North, 1990)

Not only diversity of institutionalisms but …

Institutions and institutional innovation are likewise largely 'invisible' in innovation studies

(Lundvall, 2010; Martin, 2013)

'the 2008 financial crisis was partly caused by changes in the regulatory framework, i.e., institutional innovations' …**not still investigated**

(Martin, 2013, p. 6)

Broadening Innovation & STS fields? (specially Management & Sociology)

'Institutions comprise 'regulative, normative and cultural-cognitive elements that, together with associated activities and resources, provide stability and meaning to social life'

(Scott, 2008)

Beyond 'bounded-rationality' of actors, focus is on the *'constitutive rules'* as the micro-foundations (the 'law of formation') of the social realm, how structures are formed and transformed

BUT …different questions about micro-foundations of innovation process

- **Innovation field**

How institutions influence/shape learning processes?... and knowledge production

(Lundvall, 1992; Johnson, 2010)

… to improve the efficiency of innovation systems

(and *more or less* oriented to inclusivity and the satisfaction of social needs)

BUT …different questions about micro-foundations of innovation process

- **SOCIAL INNOVATION literature**

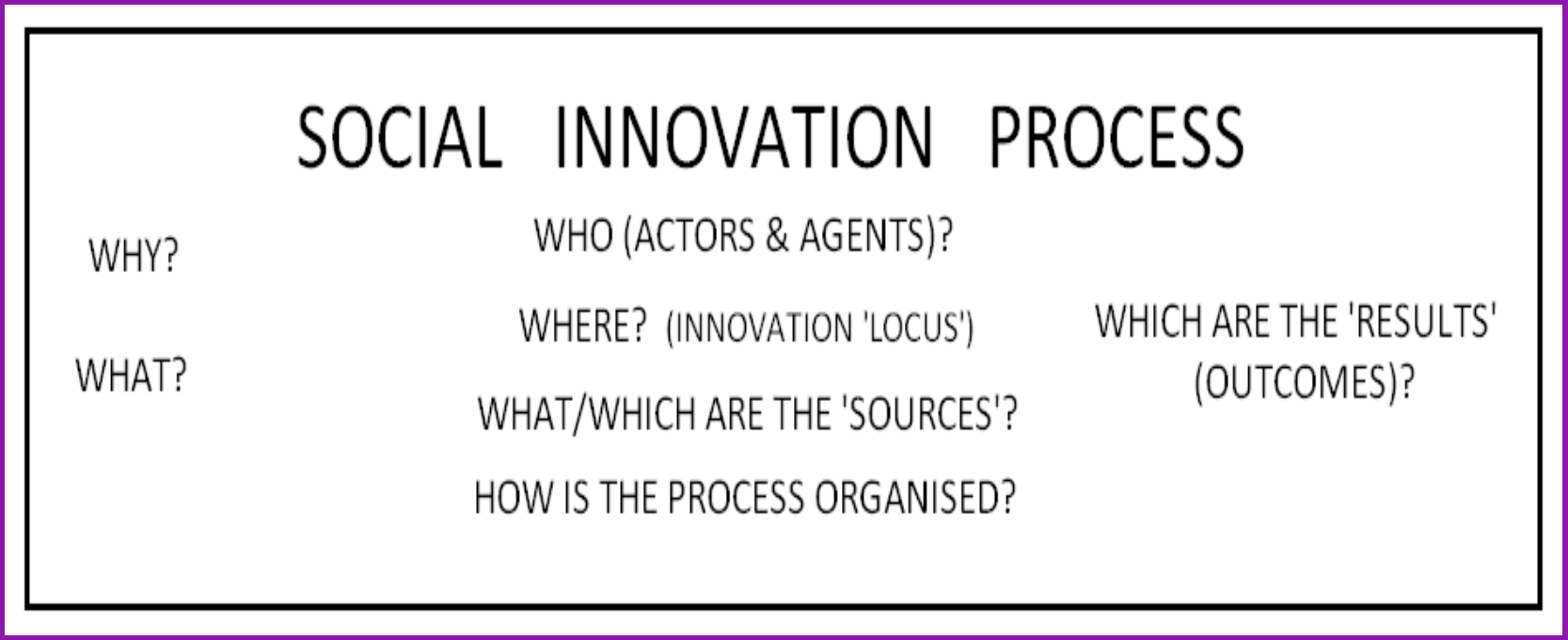
How social practices are institutionalized?

… to understand how change in social practices produce/construct social change

'The process dimension of social innovation concerns the creation and structuring of institutions as well as behavioural change and the empowerment of actors'

(Crozier & Friedberg, 1993, p. 19)

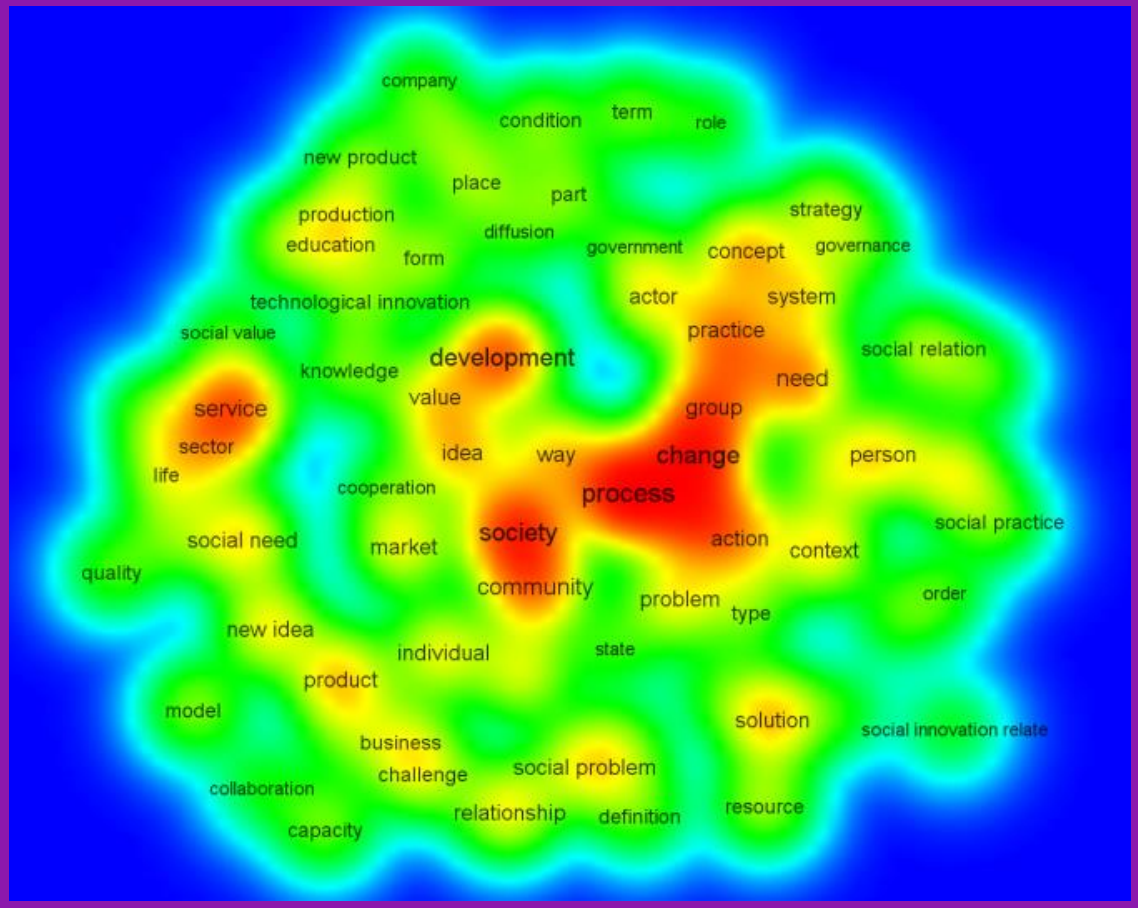
3b. From a provisional definition of SI



Mapping co-occurrence of main terms found in narratives of SI (N=252 definitions of SI from 1950 to 2014)

2,339 documents, retrieved from Web of Science, SCOPUS & Google scholar

Content analysis (combined methodology)
A. Aims/ends and generation of values in SI processes
B. The 'outputs/outcomes' of SI processes
C. The organization of SI processes: Sources, actors and interrelationships
D. Institutions and power in SI processes
E. SI processes in complex macro-systems



Map: Matthew L. Wallace (VoSViewer software)

Revisiting six decades of social innovation definitions

General results: Two intertwinted views of SI

Transformative

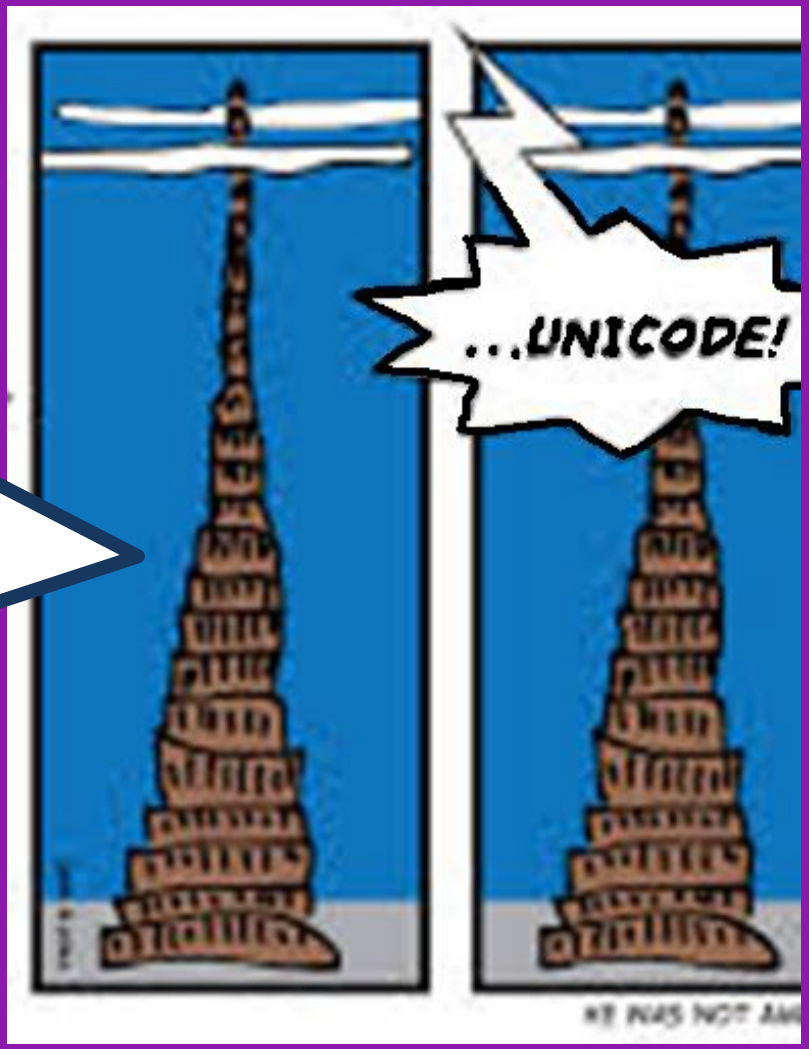
‘new combination or configuration of social practices/change in social practices’

Instrumental & Normative

‘new or improved product’, ‘new service’ ‘new organisation method’, ‘social inventions’ (law, norm, rule)

…babelisation of **innovation**

Base of Pyramid (BoP) innovation
inclusive innovation
Below-the-Radar Innovation (BRI)
grass-root innovation
frugal innovation
Jugaad innovation
open social innovation
SOCIAL INNOVATION
Gandhian innovation
responsible innovation
social technologies
eco-innovation
sustainable innovation
environmental innovation



Examples of ‘pure’ and hybrid social innovations

4. Backing to *any* innovation process

Outcomes of innovation process?...

<u>normative</u> and <u>transformative</u> in 'T', 'S' & 'C'

Governance
(innovation)

Technology
(innovation)

Culture
(innovation)

Society
(innovation)

Institutions & Institutional change (innovation)

Institutions are created through learning processes where *'learning not only includes behavioural learning (learning-by-doing which evolutionary theories operationalize through search and performance feed-back), but also cognitive learning (which emphasizes action, reflection and sense-making)'*

(Geels, 2010, p. 499)

Any Innovation process involves social action (agency)

(Hellström, 2004)

Changing beliefs and mind-sets imply ‘struggles’ against inertia & power interactions

Creating a Culture Change

The CEO of FxPro, one of the largest players in the online FX industry, pushes for a change of industry practices. Spurred by the Swiss Franc shock, Charalambos Psimolophitis believes that it is time to come up with new rules and models to rebuild the reputation of the global FX industry.

As CEOs go, FxPro's Charalambos Psimolophitis cuts an intriguing figure. The outspoken industry critic is to be found in the office at all hours, often sporting a

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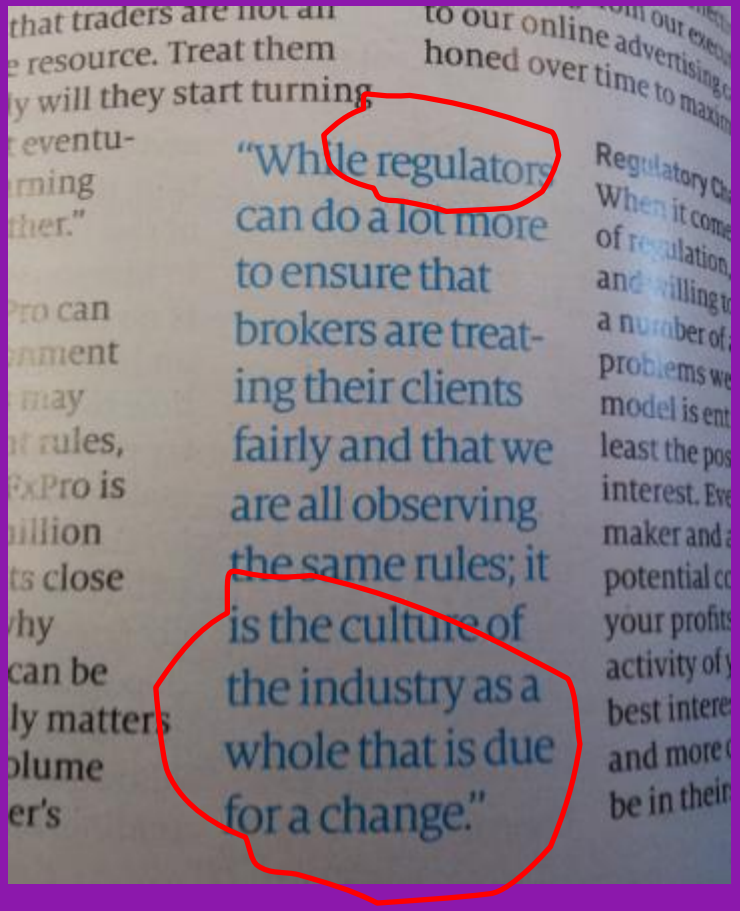
being bonus driven. This is be
clients do not need to be sold



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"While regulators can do a lot more to ensure that brokers are treating their clients fairly and that we are all observing the same rules; it is the culture of the industry as a whole that is due for a change."

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5. Conclusion

All innovation is a social process ‘constructed/enacted’ by evolving shared (repertoires) of social practices involving multiple actors (academy, industry, society…and government)

(repertoires) of social practices are not independent of the creative transformation of (different types) of knowledge

(Deleuzan, cited by Moulaert et al., 2005; Edwards-Schachter & Tams, 2013)

In all innovation process institutions are created and transformed through interactive & collective learning process & social action

5. Conclusion

Many questions to ask about institutions in the Innovation & STS fields…backing to the basis of *any innovation process*

Open debates on the role of institutions and institutional innovation integrating Management & Sociology!

Innovation Futures

Thank you for your attention!

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