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Social Innovation in Marginalised Rural Areas

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Report D2.1

Classification of Social Innovations for Marginalized Rural Areas

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Executive Summary

Deliverable 2.1 undertakes a critical analysis of theoretical approaches and understanding of social innovation (SI) in Marginalised Rural Areas (MRA), and contributes to the classification of the SIs observable in rural areas considering the varying specificities in terms of social needs, priorities, and social relationships/collaboration types etc.” Accordingly, the main objectives of this deliverable are to contribute with:

- i) A suitable definition of SI in MRA;
- ii) The classification of SI observable in MRA.

Classification will contribute to structuring the research according to the specific conditions of regional diversity, with the view that displaying diverging paths can ultimately 'turn diversity into strength'. The value of a particular classification for SIMRA is dependent on its alignment with the classifier's purpose; therefore we do not develop a universal categorisation/classification.

This deliverable asserts the need for a common definition within SIMRA that not only guides teams of scientists investigating SI but also informs those involved in policy design and implementation. We see it as incumbent on those investigating SI to have conceptual and definitional clarity and those supporting it to know what it is that they are supporting. The SIMRA definition of SI, initially described in the project proposal (SIMRA, 2016), has been developed within this deliverable, and in Section 2.1 in particular. It was advanced during an intense discussion at the project's General Assembly in Barcelona May 16-18, 2017. The working group included *Bill Slee, Tatiana Kluvankova, Maria Nijnik, Nico Polman, Laura Secco, Manfred Perlik, Gerhard Weiss, Patricia Sfeir and Martin Price*. The contribution of the rest of the SIMRA team is also acknowledged. As such, the following definition represents our work in progress with the intention for it to be further developed and adjusted to the specificities of MRAs, in the SIMRA transdisciplinary laboratory, through the duration of the project.

“The reconfiguring of social practices, in response to societal challenges, which seeks to enhance outcomes on societal well-being and necessarily includes the engagement of civil society actors”

Moreover, we have applied a multi-theoretical approach to the classification of SI, notifying that categorisation implies simplification. Accordingly, a SI classification framework has been developed, based on approaching innovations in a broader scope and considering specific characteristics of SI. The classification framework consists of a total of three layers: 1) focal challenge / field (society, economy and environment), 2) new/reconfigured social practices (organizations, networks and governance arrangements), and 3) role of different actors (active, awaiting and rejecting) in SIs. Amongst others, the framework illustrates that active actors, the so-called enablers, who are committed and powerful in connecting and pushing specific changes are critical to SI, as opposed to actors who wait and see or who reject it from the outset.

Variables for SI in MRA which are also a focus of this deliverable depend on the particular characteristics of a MRA because SI is context dependent. On the one hand, different variables characterize the potential of SI in MRAs; and on the other hand, variables are characterizing SIs themselves. The variables for SI emergence and divergence in MRA are investigated by means of: 1) literature review, and 2) a stakeholder workshop, concentrating on cases of forestry, agriculture, and rural development.

To conclude, this deliverable offers a course for future dialogues and future work of the science and practice laboratories within the WP2 and other SIMRA work packages, towards the advancement of understanding and further promotion of SI in MRA



Acronyms

BEPA	Bureau of European Policy Advisors
CS	Case study
EC	European Commission
EU	European Union
LEADER	Liaison Entre Actions de Développement de l'Économie Rurale
MRA	Marginalised Rural Areas
NGO	Non-Governmental Organisation
OECD	Organisation for Economic Cooperation and Development
SES	Socio-Ecological Systems
SI	Social Innovation
SITT	Social Innovation Think Tank



1. Introduction

Innovation reflects the capacity to create and implement new ideas which are likely to deliver value (BEPA, 2011). It comprises new outcomes, i.e. ideas, products, services, models and social relationships and institutional changes that should, ideally, simultaneously meet individual economic interests and societal needs. The social needs in rural areas to which innovation is expected to deliver, primarily, concern quality of life and human well-being. Innovations begin with ideas (for solving social problems), which develop into prototypes and pilots, then become more stable initiatives, which potentially up-scale and may eventually create systemic change. Innovation is one of the elements that underpins European (rural) development policymaking (e.g. BEPA, 2011; European Commission, 2013a; BEPA, 2014; European Commission, 2016; Neumeier, 2012, 2016; Bock, 2012, 2016; SIMRA, 2016). While it is well known that social innovation (SI) is important for the vitality and further development of communities in rural areas, it remains unclear how effective policy measures can be designed to encourage further innovation (Neumeier, 2016).

The EU Horizon 2020 Social Innovation in Marginalised Rural Areas (SIMRA) project has the overall objective of advancing the state-of-the-art in understanding and enhancing SI and connected governance mechanisms in the agriculture and forestry sectors, as well as in rural development more widely. It thus aims to fill a significant knowledge gap in the field of innovation as it relates to the development of MRAs. SIMRA deliverable D2.1 builds on existing knowledge in innovation theories to define SI processes for MRA and is a conceptual document discussing theoretical approaches and understanding of SIs.

1.1. Rational and objectives

This deliverable is designed to undertake critical analyses of theoretical approaches and understanding of SI in innovation systems (objective 1 of SIMRA), and contributes to the SIMRA specific objective 2: "A classification of the SIs observable in rural areas considering the varying specificities in terms of social needs, priorities, and social relationships/collaboration types etc."

Defining SIs will contribute towards the validation of SI examples in WP3. Further, it helps to develop an approach for the case studies selection (objective 4 of SIMRA) in WP5. In particular, the core objective of the deliverable 2.1 is to contribute with:

- i. A suitable definition of SI in Marginal Rural Areas (MRA);
- ii. Classification of SI observable in MRA.

1.2. Structure of the deliverable

This deliverable begins with a review of different approaches to SI, including various definitions presented in Section 2. Following Neumeier (2016), we separate actors and mechanisms that bring about SI and the classification of SI themselves when we present a classification framework of the SIs in Section 3. This is followed in Section 4 by introducing a general discussion of variables for SI emergence and divergence in MRA, based on our consultations with SITT members via an online survey and during the first SIMRA SITT workshop held in October 2016, in Bratislava. The conclusions, including core findings and further plans, are provided Section 5.



2. Social Innovation: A Workable Definition and Conceptual Clarity

Summary

This deliverable asserts the need for a common definition of social innovation (SI) for use by the SIMRA project. This provides guidance for teams of scientists investigating social innovation and informs those involved in policy design and implementation. We see it as incumbent on those investigating SI to have conceptual and definitional clarity and those supporting it to know what it is that they are supporting. Against this background, the following definition of SI has been developed: "The reconfiguring of social practices, in response to societal challenges, which seeks to enhance outcomes on societal well-being and necessarily includes the engagement of civil society actors."

2.1. Scope of social innovation

Social innovation (SI) is distinct from classical approaches to innovation. Whereas innovation can be limited to an initiative taken by one person and with impacts on this person only, SI involves interaction among actors aiming for impacts beyond an individual level and towards a broader societal context (Bock, 2016; Biggs et al., 2010; Baker and Mehmood, 2015; Neumeier, 2016; Bosworth et al., 2016). SI agitates against business innovation approaches, building solely on profit maximization as a core motivation (Mulgan, 2006). SI as such does not only refer to invented new ideas and products, but first of all it encompasses innovative processes which encourage creativity of inventing, supporting and implementing novel social and ecological solutions to public needs (Neumeier, 2016).

Rather than focusing on introducing new types of production or exploiting new markets, SI satisfies upcoming needs that have demands beyond existing institutional settings within markets and public sectors, or it seeks to create new, more satisfactory ways of inclusion. For example, this may be in terms of providing people a place and a role in production (OECD, 2011, p. 1, as cited in Nicholls et al., 2015: 3). Further, SI promotes the creation of goods and services from a range of different types of enterprises, including cooperatives, mutual enterprises, for profit as well as non-profit organisations, as a new way to create wealth and its redistribution.

In the literature the theoretical term SI is heavily explored (e.g. Mulgan, 2006; Biggs et al., 2012; Neumeier, 2016; Baker and Mehmood, 2015; Biggs et al., 2010; Bock, 2016). Although no consensus is claimed to exist across the literature, SI has been interpreted both as process and outcome, which are strongly interwoven (Baker and Mehmood, 2015). As process it refers to the interaction among actors through phases of defining problems, expressing interests, and delineating and co-ordinating of actions (Neumeier, 2016). As a core drive to these interactive processes, SI fully depends on acting at individual levels, when enablers perform to realize change by means of network interactions and activities (Biggs et al., 2010).

Not everyone would agree upon defining SI as an outcome, because it is unclear how outcomes of SI differ from social capital, amongst others. Notwithstanding, outcomes of SI can be observed in terms of new institutional impacts along three core characteristics (Baker and Mehmood, 2015): 1) scale, referring to the number of people directly and indirectly affected; 2) scope, referring to the level of change towards new institutional settings; and 3) resonance, referring to the imagination and beliefs in what is possible. Further, SI is seen to reinforce three societal functions (Baker and Mehmood 2015): 1) basic individual and collective needs; 2) social relations and relations with ecosystems; and 3) social-economic capabilities to influence SI. Institutions as systems of embedded rules, which have been recognised to shape human interactions (North, 1994; Crawford and Ostrom, 1995; Bromley (1989; Hodgson, 2004).

2.2. Characterisation of innovation systems

Asheim (1991), Cooke (2001) and others have promoted the idea of innovation systems. We here categorise a few of these systems relevant to SI, including: 1) a holistic innovation system, 2) an interlinked innovation system, 3) an entrepreneurship innovation system, and 4) a bridging of societal divide system.



A *holistic innovation system*, following the principles of socio-ecological systems (SES), indicates that SI can only be successful when a holistic approach to innovation and its governance is applied (see e.g. Gunderson and Holling, 2002; McGinnis and Ostrom, 2014; Ostrom, 1990; Ostrom, 2009; Kluvánková-Oravská et al., 2013). The aim is to identify the patterns that enable and/or constrain (lock-ins and path-dependencies) efforts with respect to the emergence, nurturing and development of innovation. From this innovation-system perspective, the SES are interlinked at multiple levels and their multi-actors interact dynamically. Such a system demonstrates that change in one area can have important spill over effects on other aspects of resource allocation and utilization.

An *interlinked innovation system* suggests that SI may be part of a broader set of innovations. Weiss (2011), for instance, addresses different types of innovations, including product innovation - referring to new or improved goods or services; process innovation - referring to new processing methods such as new technologies for equipment or communication; marketing innovation - referring to new methods for marketing; organizational innovation - referring to new business practices and relations; and institutional innovation - referring to the political institutional framework. SI could be linked with one or more of these innovations taking place. Ludvig et al. (2016) shows that, from an external perspective, SI is influenced by its surroundings through gaining support or facing barriers, and from an internal perspective SI is developing as a new institution in its own right.

An *entrepreneurship innovation system* rests on the argument that facilitation of the enablers is critically important for SI. It refers to missed opportunities when entrepreneurship is seen as a purely market oriented mode, because there is room for entrepreneurship in a more collective engagement fashion, including multiple actors, as well as public and semi-public organizations for common benefit, connected to a sector and/or a region (Weiss et al., 2011). Entrepreneurs can be observed as enterprises, but also as public or semi-public organizations, such as interest groups, multi-actor networks, governmental units as well as research institutes. The drive for innovation is based upon individuals who enthusiastically strive to bring new ideas into practice, and who are willing to take the risks and responsibilities needed to realize change. These people have a lot in common with the enablers of SI, that is the individuals who will have to struggle with institutional barriers to change, such as norms, rules and regulations, as well as fragmented ownership structures and powerful states (Slee, 2011). From this entrepreneurship innovation system perspective, SI would evolve because these initiatives are facilitated, for example, by policy makers building creative environments that encourage creativity and learning.

Finally, a system for *bridging societal divide* is motivated by the hope that SI will solve problems of inequality and social exclusion (Herrera, 2016). This motivation is based on the principle that SI involves a multi-actor network with impacts on scale, scope and resonance (Baker and Mehmood, 2015). The impacts of such a network is context dependent, raising questions about what conditions are set for taking part in the network (background, money, location, etc.), who are involved, what issues are addressed, and what are the core drivers of changes?

2.3. Policy, practice and science driven discourses

Few issues have been as widely proposed as a desirable response to contemporary socio-economic challenges as that of SI, which has become a focal point in European policy discourses (EC 2013a, b). However, this concept has been ambiguously defined and weakly conceptualised (Bekkers et al., 2013; Anderson et al., 2014).

Scientific discourses

Scientists from disciplines such as sociology, political science, regional geography, economics and management studies, in Europe and beyond, have engaged with SI, as have many interdisciplinary scientists from science and technology studies, innovation studies, transition management, transformation and socio-ecological systems analysis (e.g. Murray et al., 2010; Moulaert et al. 2005; van der Have and Rubalcaba, 2016). Neumeier (2012: p.59) argues that “the different ways of defining SI constitute a broad and inconsistent range of



meanings – descriptive, heuristic, voluntaristic or normative.” Pol and Ville (2009) offer a more economic conceptualization of SI focused on “improvements in the quality of life or the quantity of life” (van der Have and Rubalcaba, 2016: 1924). They also point to the need for greater clarity over existing definitions of SI. Howaldt et al. (2014) describe SI as no more than a descriptive metaphor while Grimm et al. (2013) conclude that its meaning continues to be “ambiguous and vague.” Mulgan (2007:4) eschews linking to any established theoretical definition and instead favours the term of a “connected difference” theory of SI. He argues that SIs:

- “are usually new combinations or hybrids of existing elements, rather than being wholly new;
- putting them into practice involves cutting across organisational, sectoral or disciplinary boundaries;
- they leave behind compelling new social relationships between previously separate individuals and groups..., contribute to the diffusion and embedding of the innovation, and fuel a cumulative dynamic whereby each innovation opens up the possibility of further innovations.”

This Section asserts the need for a common definition that not only guides the investigation of SI, but also informs those involved in policy design and implementation of SI on the ground.

Policy discourses

The European policy discourse embracing SI stems from the European Commission's adoption of the term and its use as part of the rhetoric, associated with policy support for the revitalisation of the economy after the economic crisis of 2007/08 (Van Dyck and Van den Broeck, 2013). This has led to numerous publications (BEPA 2011; European Commission, 2013a & b) that promoted the idea of SI as ‘an umbrella concept’ to help incubate and upscale solutions to pressing social problems. Users of the term often show little conceptual clarity about what the term means, and such ambiguities reinforce the danger of SI being seen as a rhetorical panacea for solving contemporary social, economic and even environmental crises.

Although SI is plagued by definitional uncertainties, at a more general level the OECD's Oslo Manual (2005) asserts that an *innovation* is “the implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organizational method in business practices, workplace organization or external relations.” This is a definition that encapsulates almost all types of innovation. While all innovations necessarily have a social dimension, SI is associated with novel “social practices” which are focused on “processes” , or an “‘idea’, ‘service’ or new ‘systemic’ transformations and associated impacts” in the economic conceptualization of SI which is mostly focussed on outcomes (van der Have and Rubalcaba, 2016, p. 1925).

Practice community's discourses

SI can be seen as reorientations and shifts of values which have implications on social actions and practices. At a time when neoliberal economic policies have eroded the welfare state and created major gaps in public service delivery, when, following a global economic crisis that has increased unemployment, there have been widening economic inequalities in most economies (Piketty, 2014), it is unsurprising that NGOs, agencies, and ‘practice’ communities consider SI as a possible means with which to address contemporary problems. Bodies such as NESTA in the UK have championed SI and exposed its potential to a wide public audience. It is a function of the enormous complexity and diversity of perceptions that have led a number of those engaging with SI at a more practical level to take a pragmatic view of downscaling the concept to a much more manageable level of, e.g., what SI is.

2.4. Examples of existing definitions

A suite of definitions of SI is used as a starting point for a deconstruction and reconstruction process of the concept that critiques a sample of definitions, identifies some salient and substantive differences between these, explores the dimensions of the differences and offers an unambiguous definition which is useable by researchers and policy makers to delimit the field of SI. We present a number of definitions by year of



publication to show whether there are any obvious trends in their refinement over time. We then identify key themes regarding differences of interpretation.

- Moolaert et al. (2005) describe SI as “those changes in agendas, agency and institutions that lead to a better inclusion of excluded groups and individuals in various spheres of society at various spatial scales.”
- Mulgan (2007) asserts that SI comprises “innovative activities and services that are motivated by the goal of meeting a social need and that are predominantly developed and diffused through organisations whose primary purposes are social.”
- Hämäläinen and Heiskala (2007) see SI as “changes in the cultural, normative or regulative structures [or classes] of the society which enhance its collective power resources and improve its economic and social performance.”
- The definition of Phills et al. (2008) suggests that SI is “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.”
- BEPA (2011) assert that: “SI can be defined as the development and implementation of new ideas (products, services and models) to meet social needs and create new social relationships or collaborations. It represents new responses to pressing social demands, which affect the process of social interactions. It is aimed at improving human well-being. SIs are innovations that are social in both their ends and their means. They are innovations that are not only good for society but also enhance individuals’ capacity to act.”
- Howaldt and Kopp (2012) believe that “SI is a new combination and/or new configuration of social practices in certain areas of action or social contexts prompted by certain actors or constellations of actors in an intentional targeted manner with the goal of better satisfying or answering needs and problems than is possible on the basis of established practices.”
- The Young Foundation (2012) suggests that “SIs are new solutions (products, services, models, markets, processes etc.) that simultaneously meet a social need (more effectively than existing solutions) and lead to new or improved capabilities and relationships and better use of assets and resources. In other words, SIs are both good for society and enhance society’s capacity to act.”
- Rehfeld et al. (2015) suggest that SI comprises “novel combinations of ideas and distinct forms of collaboration that transcend established institutional contexts with the effect of empowering and re-engaging vulnerable groups either in the process of SI or as a result of it.”
- Baker and Mehmood (2015) see SI as a “significant, creative and sustainable shift in way a given society deals with a profound and previously intractable problem leading to new forms of interactions and partnerships at and across the scale”.
- Neumeier (2016) defines SI as “changes of attitudes, behaviour or perceptions of a group of people joined in a network of aligned interests that, in relation to the group’s horizon of experiences, lead to new and improved ways of collaborative action within the group and beyond”.

2.5. Axes of differentiation

The previous Section provided a list of published definitions of SI. In this Section we address a series of different logics that can explain why the definitions (presented in 2.3) differ. We explore commonalities and provide arguments in support of how SIMRA approaches its definition of SI.

The unresolved or wicked problem

Many definitions allude to the potential capacity of SI to resolve major socio-economic or environmental challenges or address what a number of investigators have termed “wicked problems”. Wicked problems are defined by the absence of a solution (Rittel and Webber, 1973), although some believe that such problems can



beneficially be addressed by new collaborative networks (Weber and Khademian, 2008) which, although not termed SI, seem to comprise something similar. It is understandable that SI is seen as a potential means of addressing grand societal challenges, including wicked problems. By their very definition, wicked problems are seen as unsolvable, ongoing and multifaceted that can only be “managed”, rather than solved. We can acknowledge this context of wicked, admitting that SI has the capacity to improve the existing situation.

It is unsurprising that most SIs are demand-led. They arise because existing systems have encountered a crisis, or a problem has created a trigger event. A crisis can be a result of a shock, such as an extreme event of a flood or an earthquake, which tests the capacity of existing institutions to cope, and often selectively challenges the resilience of certain actors who are often the relatively disadvantaged and whose resilience may already be compromised. On other occasions, there may be a history of declining capacity to cope with change, which can arise from factors such as economic or demographic decline (e.g. commonly observed in MRA). Such adjustments to challenges can be regional, or sectoral, or relate to particular social groups. Arguably, SI can also contribute to problems that are not necessarily wicked.

The primacy of the social dimension

Many definitions suggest that SI relates specifically to social needs (Phills, 2008; BEPA, 2011; The Young Foundation, 2012). Mulgan (2007) considers the primary purpose of the agency or institution enacting the SI as needing to be social, although we argue that other forms of agency or organisation can legitimately assume a pivotal role in SI. An environmental NGO that develops an inclusive partnership with a specific community to enhance conservation outcomes could just as easily be seen as a social innovator as a social NGO. We argue that SI is social in its configuration rather than in relation to impact. Any technical innovation or market innovation will also have a social impact, but SI is social because of the ways in which it is initiated and practiced. The social dimension of SI alludes to the new forms of social interaction that create and comprise the SI.

Citizen-led or citizen-engaged or both

A third contested facet of SI is the extent to which it arises as a result of the actions of citizens or is driven by other actors such as the state or established institutions, including, individual social enterprises. There is a consensus that SI requires the voluntary engagement of citizens, rather than reconfigured rules in a formal organisation. A firm that chooses to recognise and negotiate with a trade union to improve its industrial relations may be innovating, but in our opinion this is not SI. A government may introduce targeted measures to help disadvantaged groups but whether this is SI or not will depend on the ideas or values which are the basis of the implementation of measures, and how these lead to a reconfiguration of relationships within civil society.

Mulgan (2007) would see all of the types of actions noted above as SI, as would the European Commission (2013b) (see discussion on institutional vs SI below). Perhaps the most difficult case among the citizen-engaged organisations that are not citizen-led are well established cooperatives, social enterprises, and collaborative management regimes for common pool resources. Much of the literature would argue that social enterprises were forms of SI. We concur with that judgement and make two observations:

- First, where change takes place within the governance of a business, for example a decision to have worker representation on the board or an improved gender balance on the board, it is questionable if this is SI, especially if it is driven by prescriptive public policy changes. It comprises a business level organisational innovation. However, we must not discount the possibility that once initiated such reforms can help to create space in which SI can occur.
- Second, where institutional changes by public sector bodies create the space for SI and inclusion of civil society, the boundary between institutional innovation (see below) and SI becomes especially blurred. Pedantically, we might argue that the institutional innovation creates the framework conditions in which SI is more likely to occur or more likely to have beneficial impact, and thus, in practice, the creation through policy of framework conditions favourable to SI can often be considered as SI, if it includes novel organisational arrangements with civil society.



Crossing boundaries/hybrid and novel reconfigurations

Many definitions of SI discuss novel reconfigurations of social relations or networks (e.g. Howald and Kopp, 2012; Rehfeld, 2015; Hämäläinen and Heiskala, 2007) using the idea of altered structures. We concur with the importance of the principle of reconfiguration of social relations, especially where civil society is given a stronger role or is a key player in the reconfiguration processes and altered structures. The nature and extent of the boundary crossing and reconfiguration may be profound or rather modest, and the degree of civil society engagement may be equally variable. However, both can be seen as required components of SI. Civil society agency is not necessarily the dominant force in SI, but can be regarded as an essential component.

A further facet of the problem in delimiting SI is the tendency of some scientific perspectives to compartmentalise social acts into different disciplinary silos. For example, the individualistic actions of the proprietor of a business is often conceptualised as the rational economic agent or profit maximising entrepreneur. But that individual is also likely to be a member of social groups and his/her encounters with other economic agents are unlikely to always be driven by a narrow economic calculus. All the regional geography work on embeddedness and the social ties noted in innovative milieu thinking attest to economic actors as having social ties which can frame how they engage with others. Consequently, we can legitimately ask whether novel voluntary business-to-business relationships comprise SI, or indeed ask whether social entrepreneurs who target their business behaviour to support particular groups of normally disadvantaged people can be seen as social innovators. Arguably, where the association between economic agents is voluntary and non-contractual, and is not part of a formal market relationship, SI can be presumed to occur. This would often be the case in social enterprises and in some types of collaborative supply chain initiatives.

Institutions and actors

The use of the concepts institutions and their actors often overlap; whereas we distinguish institutions as the rules of the game (North, 1994) and institutional arrangements as the play, in which organizations and other actors are the players. Actors form groups bound together by common interests. The mechanisms by which actors act involve systems of embedded rules. Therefore, the focus on actors is primarily on their role as agents of institutional innovation. In everyday life, institutions provide both positive and negative feedback to individual behaviour. Bromley (1989; 2006) understands institutions as social rules that define social individual or group behaviour. Hodgson (2004) specifies them as social or durable rule-systems (not only 'simple rules') that structure social interaction.

Social and institutional innovations

The question of whether the source of the SI matters is perhaps the most challenging aspect of its definition. Is SI only social if it arises as the result of novel reconfigurations of social practices resulting from voluntary activity of civil society members? Mulgan's (2007) canvas of SI actors comprises a highly heterogeneous group of leaders. These include social enterprise pioneers, such as Robert Owen, a late 18th century manager who built a model community around the mill, the 19th century NGOs and charitable foundations, the Dutch Rabobank, the Mondragon experiment in Spain, and the waves of new social movements in the 1960s-1970s. In the list of actors he includes major government initiatives such as the foundation of the welfare state in Britain after 1945. This willingness to see the state as the agency in SI is paralleled by the European Commission (2013b) which also sees actions by the EU, the nation state and municipal and regional authorities as SI.

The extent to which the state can be the sole agency designing and implementing a SI on behalf of the public tends to confuse institutional innovation by the state in the sense that Ruttan and Hayami (1984) use the term. Institutional innovation may provide the enabling framework conditions for SI but does not itself comprise SI. The EU LEADER initiative, which supports rural development projects initiated at the local level in order to revitalise rural areas and create jobs, is one example. Is LEADER a SI, or is LEADER an institutional innovation that creates a favourable seedbed for SI? Arguably LEADER is a form of induced institutional innovation not a SI *senso strictu*. However, LEADER provides institutional architecture within which SI can occur.



There is often a relationship over time between social and institutional innovation. In Scotland in the 1990s to early 2000s community-based land purchases began to emerge well in advance of legislative support. These early acquisitions were unambiguously SIs. Subsequent parliamentary acts in 2003 and 2015 which created legal rights and the creation of supportive state funding structures are examples of institutional innovation, rather than SI but they frame the possibility of SI in diverse communities. A community which takes up and uses the LEADER support, or uses the procedures embedded in an Act of Parliament are social innovators, exploiting the opportunity created by an institutional innovation.

Another example of novel institutional arrangements in rural environments is of the formation of an environmental NGO to work with communities on collaborative planning to deliver enhanced development and environmental outcomes, or local communities which may seek support from NGOs to improve their land management practices. In such a case the voluntary, place-specific association of local citizenry with the NGO would be expected to constitute SI. Such activities should be considered SI unless there are prescriptive guidelines operated by environmental NGOs in their dealings with local communities, rather than a case-by-case consideration of local conditions leading to a place-specific reconfiguration of networks, practices, values, social relations etc.

Novelty and solution

In much of the literature the term 'social' has connotations of addressing difficult and intractable societal challenges in novel ways that better meets the needs of, and potentially empowers, hitherto disadvantaged groups. Several definitions assert that for a SI to occur it should be "better at satisfying ...social needs" (Howald and Kopp, 2012) or "meeting a social need more effectively than alternatives" (The Young Foundation, 2012). However, a SI is innovative because of its novelty and cannot be guaranteed to lead to success. It may stem from actions by a range of actors including established institutions, independent social actors or new groups. As a consequence, any element of a definition that alludes to a SI being 'successful', more effective, or somehow better than other solutions is giving SI a privileged status over other forms of innovation. Such innovations may succeed or fail, contingent on a range of factors pertaining to the technology, the business setting or the adopter (see Rogers 2003). SI arises in response to societal challenges, seeking to enhance outcomes on societal well-being, making the success of a SI of considerable interest, but it is not always a success story.

Social capital

SI can be seen as the collective acting. The aspects supporting it can be interpreted as social capital. Social capital refers to social ties, trust, reciprocity and shared norms and values more generally (Bourdieu 1986; Putnam 2001; Nahapiet and Ghoshal, 1998). Social capital can be defined more specifically along three dimensions: structural, cognitive and relational (Nahapiet and Ghoshal, 1998). The structural aspects address relationship characteristics in terms of number, intensity, strength, weakness, conflict levels, etc. The cognitive aspects refer to the way members perceive their reality, in terms of shared interpretations, vision and purpose, among others. Lastly, the relational aspects comprise the resources created through personal relationships, including trust, norms, obligations and identity. In brief, social capital can thus be interpreted as shared norms, trust and the horizontal and vertical social networks that facilitate coordination and cooperation for mutual benefits of collective action (Sanginga et al., 2007).

Societal in impact rather than benefiting an individual

Phills et al. (2008) and The Young Foundation (2012) assert that SIs are to be "good for society." We recognise that SI seeks to enhance outcomes of societal well-being and those behind SI have intentions that the resultant benefits should go beyond individuals (and often disadvantaged groups) as beneficiaries. However, the level of aggregation that makes up "society" may vary. As such, we concur that the aspiration to create benefits for a wider group beyond an individual should be a defining characteristic. However, in practice, there are likely to be gainers and losers. We cannot presume at an aggregate level that everyone will become better off as a result of a SI. Impacts and trade-offs can be considered empirically and non-judgementally, or can be driven by normative framings that seek to make the worst off better off or target disadvantaged groups.



Whether taking an empiricist or normative approach we recommend that impacts of SI on different groups be thoroughly appraised.

Intentionality and holistic approach

A number of definitions of SI imply that the novelty in terms of social process, networks, governance arrangements etc. must be planned in some way. We suspect strongly (from known examples) that initial encounters of individuals who are crucial in SI (or innovation and discovery more generally) may be by chance or serendipitous rather than planned¹. While intentionality may be part of the network building that seeks to enhance outcomes on societal well-being, and underpins SI at later stages in the realisation of the “project”, it cannot be seen as a defining characteristic in the beginning. Equally there may be intentionality in policy design and institutional innovation to support SI.

BEPA (2011) argue that “SIs are innovations that are social in both their ends and their means.” We recognise the need for social means, and the enhancement of societal well-being in a wider context, encompassing also economic or environmental considerations. To regard SI as only social in ends and means (in its narrow sense) represents too narrow a field. Also, civil society agency operates within, and has capacity to change structures that can be enabling or constraining. As Cajaiba-Santana (2014: p46) argues “we need a more holistic view of the phenomenon of SI in which agentic actions and social structures can be conceived as both dualistic and interdependent.”

Fields and settings

Some definitions of SIs are in terms of their ability to address challenging or intractable social problems and disadvantaged groups. However, novel social processes, networks or governance arrangements, and new rules in informal institutions, may create new possibilities in addressing economic and environmental problems, as well as social problems that benefit a range of social actors who are not necessarily disadvantaged. For example, in river catchments where diffuse pollution is a challenge, collaborative management amongst voluntary actors is often argued to be an effective means of addressing the problem. Social enterprise and social entrepreneurship expose the limits of the individualistic model of economic behaviour. Examples are of civic engagement in food production in community gardens, or renewable energy production by specifically formed trusts or co-operatives which substitute products normally acquired in the market place. These illustrate the subtlety of the boundary between the formal economy and other forms of action with economic facets or consequences.

Disadvantaged and vulnerable groups

We recognise a need for innovation which addresses the needs of disadvantaged groups. SI may be one means of so doing. However, to imply that SI only serves the needs of disadvantaged groups may suggest a group of relatively affluent individuals coming together to engage in voluntary activity to address an environmental problem (e.g. clearance of exotic and invasive species, or manage diffuse water pollution more effectively) does not comprise SI. Our view is that SI comes from the novelty of the forms of engagement (in a new place or with new actors or institutions, or under new rules of engagement) with the desire to enhance outcomes on societal well-being, rather than to serve the needs exclusively of a disadvantaged group.

Process and outcome

The dichotomy of process and outcome, or process and product is problematic in many definitions of SI. Baker and Mehmood (2015) see SI as both process and product. We consider it beneficial to separate process, product and outcome. The *processes* of SI can be considered as the interactions of various forms of agency in creating reconfigured processes, networks or governance. The *product* of SI is the reconfiguration. The *outcomes* (or impacts) are the consequences of the reconfiguration of practice, network etc. on wellbeing. However, the outcomes (in terms of better services, better resolution of environmental challenges, less social exclusion etc.) should not inhere in the definition of SI, but rather comprise the measurable consequences of its adoption and/or upscaling through subsequent social practice. Rehfeld et al. (2014) identify a contrast

¹ For example Archimedes (reputed) bath was not taken with the intention of discovery or innovation



between the SI and the product, recognising that empowerment can arise both through the innovation and through the consequences of its adoption. Although SI seeks to make an improvement, it is imperative to separate the innovative action from the desired outcome. Improvements arising from an innovation should not be seen as a characteristic of innovation, but instead one criterion among a suite of criteria regarding the assessment of its impact.

Scaling up and specificity

Baker and Mehmood (2015) assert that SI “should have impact on the broader, social, political and economic context that created the problem in the first place” and go on to discuss the related issues of scale, scope and resonance as decisive factors in assessing the significance of SI. The European Commission (2013b) is keen to promote up-scaling of SI, but equally recognises the need to understand the specific characteristics of different places which might limit replication. We do not consider scaling up (or ‘scaling out’) as a determining characteristic of SI, but recognise that the ability to scale up a SI will have consequences for its overall impact and be of interest, particularly where funding is limited and greater effectiveness is sought from public, essentially taxpayer-derived, investments.

Policy makers are interested in SIs that deliver significantly enhanced outcomes and impacts over established practices. One of the key questions that researchers of SI must address is the scope for leadership and the development replication, which necessarily includes consideration of barriers to up-scaling (Baker and Mehmood, 2015).

2.6. SIMRA’s definition of social innovation

A common definition of SI is desirable as a collective starting point for ensuring a general conceptual agreement among members of the project team, embracing the diversity of theoretical and epistemological approaches in use. This will aid the identification of legitimate case studies for the catalogue of diversity (examples of SI) we are constructing, and for the selection of cases for the application of methods of evaluation. We have developed an understanding that SI involves processes in which novel social practices seek to enhance societal outcomes in a wider sense and that the impacts and outcomes could be social, economic or environmental. We developed the following simplified, basic definition of SI as *“the reconfiguring of social practices, in response to societal challenges, which seeks to enhance outcomes on societal well-being and necessarily includes the engagement of civil society actors.”*

Below we suggest how to define SI in a simple and logical way by considering its essential characteristics using a set of stepwise questions. We regard civil society agency as central. We distinguish below between process, product and outcome/impact. We consider the novel social reconfigurations as the process, the new formal and informal institutions as the product, and outcomes and impacts in terms of enhanced social, economic or environmental wellbeing or the empowerment or inclusion of disadvantaged groups (see Table 2.1).

The process of reconfiguration of social practices is at the centre of SI. The SI can be seen as a form of institutional innovation which results in the formation of new formal or informal institutions. While the active involvement of third sector, that is civil society actors engaging without compulsion, is essential to SI, the circumstances under which SI occurs and the leadership of SI can be expected to vary. While some SIs may be an expression of particular values or attitudes, others may be a pragmatic response to current societal challenges involving actors with different values.

The impacts of and subsequent outcomes arising from social innovation are many and varied. They are likely to involve the creation of new formal or informal institutions, in which civil society actors choose to engage. They hopefully, but not necessarily, result in increases in civil society actors’ capacity to act. They often but not always focus on disadvantaged groups. However, hoped-for positive impacts and outcomes may well necessitate trade-offs, either in benefits arising to different groups, or in benefits arising in the social, economic or environmental arenas. Win-win outcomes of SI are desirable and possible, where SI results in system efficiency gains, but in some cases there are likely to be trade-offs.



Table 2.1. A checklist for defining social innovation*

Social Innovation as Process	
Check Question	Level of requirement
Is there a process of reconfiguration of social practices (e.g. relationships/collaborations/networks/institutions/governance structures) in response to societal challenges	Necessary
Does the novelty/reconfiguration take place in new geographical settings or contexts, or in relation to previously disengaged social group(s)?	Necessary
Does the process of novel reconfiguration involve members of civil society as active participants?	Necessary
Does the process of reconfiguration result in new social practices that increase the engagement of civil society actors?	Possible but not necessary
Does the SI arise as a result of a crisis or apparently intractable problem?	Possible but not necessarily
Can a public agency be the initiator and/or driver of SI?	Possible but not necessarily
Can SI be initiated by a private sector agency?	Possible but not necessarily
Is the SI process driven by certain values and ethical positions?	Possible but not sufficient and context-dependent
SI as product	
Do new social practices engage voluntarily civil society actors (in relationships/collaborations/networks/institutions/governance structures) as a result of the SI?	Necessary
Outcomes/Impacts arising from SI	
Do these reconfigurations enhance outcomes on societal well-being, i.e. in relation to society, economy, environment or any combination thereof?	Desirable, but not necessarily happens
Are trade-offs between types of benefit or beneficiaries likely to arise as a result of SI?	Possible but not necessarily

* See Appendix 1 for glossary of concepts

We argue that SIs will be influenced strongly by spatial and temporal contingencies, which are likely to impact on the capacity to scale up the SI and the level and distribution of impacts and outcomes. We also consider that SI may be time-bound, space bound, ephemeral, and in some circumstances durable over time, and capable of diffusion into new space and over time in others.

We anticipate that SIs could lead to organizational innovation such as the implementation of a new organisational method. Organisational innovation may also involve public sector and hybrid public-private bodies and lead to institutional innovation. Indeed, it should not be surprising if within an innovation system there are relationships between different types of innovation, and that these evolve over time.

Our definition has been developed as part of the SIMRA project which addresses the challenges and opportunities for social innovation in “marginalised rural areas”. However, our definition is not specific to those areas, although the types of SI in MRA might well be different from those encountered in, for example, areas of inner urban decline.



3. Classification of Social Innovations

Summary

In this Section we apply a multi-theoretical approach to the classification of social innovation. In this way, researchers are given the possibility to identify best practice for context specific aims. The different aims include needs for understanding: how SI differs from other types of innovation, how classification schemes and characteristics influence extents of innovation, how classification is linked with particular methods of classification, or how particular perspectives of innovation in marginalised rural area contexts differ. These aims are considered across whole system and singular relationship approaches, and across incremental or radical changes. A framework for the classification of SI is developed, consisting of three layers: 1) focal challenge / field (society, economy and environment), 2) new/reconfigured social practices (organizations, networks and governance arrangements), and 3) the role of different actors (active, awaiting and rejecting). These layers demonstrate that active actors are critical to SI, so-called enablers who are committed and powerful in connecting and pushing for specific change, as opposed to actors who wait and see or reject the reconfiguration.

3.1. Classification schemes

Classifying SIs is a way of structuring them into categories which share similar properties. A category of SI is a group of innovations that can be identified by means of such shared properties. Classification schemes also demonstrate how innovation categories are differentiated from each other (Niknazar and Bourgault, 2016). Each theory used to describe, differentiate and classify SIs “sees” different aspects of a phenomenon; thus, each classification based on those theories is different (see Niknazar and Bourgault, 2016). In this deliverable we adapted a “multi-theoretical” approach (Cairney, 2013) bringing several theories together to establish a broad range of insights on SI).

Classification of SIs will inevitably be incomplete because not every distinctive feature can be taken into account. Classifications have to be simple and short to ensure that they are workable and cover appropriate variables for different theories, perspectives and purposes. Therefore, classification of SI has to be applied which is not overly detailed. To the best of our knowledge, there is no generally accepted classification scheme on SI available in the literature. Therefore, any classification into groups will be biased towards personal weighting of different characteristics which determine the category into which an innovation will fit. Other approaches will lead to a different classification.

Classification enables the recognition of a category of SIs, which can assist in allocating SIs according to the characteristics of their innovations, and to facilitate discussions about the SIs. The choice of a specific classification scheme of SI can lead to a better understanding of what impacts the implementation of innovation can have. Table 3.1 shows how innovations can be classified according to a number of different categories.

A categorical classification scheme is one that has two or more categories, but there is no intrinsic ordering to the categories (i.e. ‘No’ in column 3). Alternatively, a classification scheme can be “ordinal” where categories are part of a logical order that specific classification scheme (i.e. ‘Yes’ in column 3). An example of ordering is the stage of implementation (e.g. pilot or scaling up) or extent of innovation (from influencing one or a few components to the whole system). Combining classification schemes is a next step when, for example, competence which devastates radical innovations can be expected to raise more resistance compared with competence which enhances incremental innovations. The usefulness of (combining) different classification schemes depends on the extent to which a specific classification fulfils the purpose of the classifier. In case of combining classification schemes we have multidimensionality and one may need to develop a classification matrix which can address the complexities more directly.



Table 3.1 General innovation classification schemes

Category	Characteristics	Ordinal classification
Economic sectors involved (European Commission, 2013; Bekkers et al., 2013)	Public – private	No
Actors involved	Citizens, NGOs, consumers, foresters, firms, farmers, etc.	No
Horizontal/vertical integration	Horizontal (e.g. regional or across sectors)/vertical (e.g. supply chain)	No
Challenges addressed	Environmental, social and economic	No
Perceived newness (Rogers, 2003)	"Newness" of an innovation may be expressed in terms of knowledge, persuasion, or a decision to adopt	Yes
Territorial dimension of innovation (e.g. Teräs et al., 2015)	Very sparsely populated – densely populated, mountain areas, islands or not	Yes
Competences (e.g. Alkemade et al., 2011)	Competence enhancing – competence destroying	Yes
Radicalness (e.g. Henderson and Clark, 1990; Westley and Antadze, 2010)	Incremental – radical	Yes
Extent of innovations (e.g. Henderson and Clark, 1990)	Components of whole system/architectural	Yes
Stage of implementing (e.g. Bosch-Sijtsema and Bosch, 2015; Murray et al., 2010)	(1) prompts, inspirations and diagnoses; (2) proposals and ideas; (3) prototyping and piloting; (4) sustaining; (5) scaling and diffusion; (6) systemic changes	Yes
Adopter category (classification of members of a social system) (Rogers, 2003)	(1) innovators; (2) early adopters; (3) early majority; (4) late majority; (5) laggards	Yes

MRA are the core context for conducting research on SIs in SIMRA. Thus, we are interested in SIs that can fit classification of innovations in rural areas. Building on Table 3.1, an example of such a classification scheme for innovation in rural areas is provided in Figure 3.1.

	INCREMENTAL “do better what we already do”	RADICAL “new for the world”
WHOLE SYSTEM “architecture of system is changed and /or way components interact”	New series of harvest machinery (2016 model versus 2015 model), improved fixed line telephone services	Distance learning (access via the internet), drones, biotechnology, nanotechnology, online banking
MODULAR “relationships between core components are unchanged”	Improvement of components like precision farming	Advanced materials improving component properties, new components

Figure 3.1 Example of classifying innovations across extent (whole system, modular) and radicalness (incremental, radical) in rural areas (see Henderson and Clark, 1990 for modular innovation).

This example classification scheme has two distinct categories: extent and radicalness. The extent has two categories: component and whole system.



- A component or modular innovation changes one or more components/parts without affecting the overall system design significantly. A system innovation changes the architecture of a system and/or the ways components interact.
- Radicalness reflects the degree to which it is new and different compared to previous products or processes.

An incremental SI is expected to deliver a gradual social, economic or environmental improvement, allows the utilisation of existing knowledge and competencies, is low risk, enhances existing competencies, perpetuates existing social practices, and could potentially be implemented with little resistance. The impact of a radical innovation at system level is that new means of mass communication becomes available.

The European Commission/Eurostat collects data on different types of business innovation in Europe. Data is collected by different regional, national and international institutions at different spatial levels and for different purposes. The Oslo Manual (OECD/European Commission/Eurostat, 2005) differentiates between four types of innovations:

- 1) Product innovation, which refers to a good or service that is new or significantly improved;
- 2) Process innovation, which refers to a new or significantly improved production or delivery method;
- 3) Marketing innovation, which refers to a new marketing method involving significant changes in product design or packaging, product placement, product promotion or pricing;
- 4) Organisational innovation, which refers to a new organisational method in a firm’s business practices, workplace organisation or external relations.

Whereas process and organizational innovations may also develop social capital, and as such support SI, product and marketing innovations are more likely to be directed towards (short term) profit making. It is thus not always possible to separate other types of innovation completely from SI because many innovation types include SI elements, and SI may consist (of elements) of other types. For example, technological or organisational innovations can be beneficial for disadvantaged groups in rural areas without being a SI as defined in SIMRA. Hence, SI would be an additional category as compared to the four types distinguished in the Oslo Manual. Also, the approach of setting sustainability standards has a broader scope than short-term profit making (e.g. Theron and Mackenzie, 2012; Schouten and Glasbergen, 2011).

The links between business innovation and SI require further exploration. The total set of innovations can be narrowed down to show how SI is separated from other types of innovations. For this purpose, we start from a general definition of innovation as “the implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organizational method in business practices, workplace organization or external relations” (OECD 3rd edition Oslo Manual, 2005). The basic idea is that innovations can occur in every sector of the rural economy. The total set of innovations can be divided into public and private innovations (Figure 3.2).

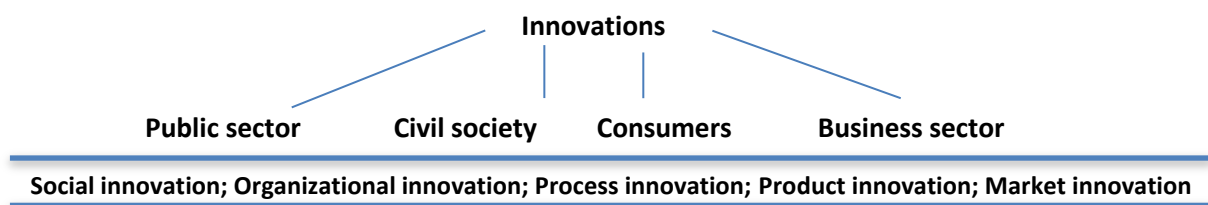


Figure 3.2 Classification of innovations following sector of application (adapted from European Commission, 2013).

The classification categories reflect the different fields of study: public innovations versus private innovations. Innovation in the public sector is defined “as the process of generating new ideas and implementing them within the public sector to create value for society, covering new or improved processes (internal focus) and services (external focus)” (see European Commission, 2013c). Examples are smarter public procurement,



creating digital platforms, and citizen-centric services. Innovations can be driven by different actors, including businesses, consumers, public sector and civil society. Civil society includes the organizations that act in the public's interest (of being user and socially innovative) but are not principally motivated by profit or government. The initiative and drive for carrying out the many different categories of innovation (SI, organizational innovation, process innovation, product innovation and market innovation) are not possessed by single actors, but are relevant to multiple actors. Obviously, in the case of businesses, they are primarily aiming for profit (product-, organizational and market innovations), but civil society and consumers can influence also these innovations by establishment of social norms, amongst others (e.g. eco-labelling). We do not assume that SIs and business innovations are always strictly separated because innovations can have more than one focal objective (Poll and Ville, 2009), such as in terms of profit and quality of life.

3.2. Classification of social innovation in marginalised rural areas

The SIMRA approach for classifying SIs can be summarized in three steps (see Figure 3.3).

Step 1: depending on the particular purpose, challenge or theory used as benchmark, alternative classifications schemes could be appropriate.

Step 2: classification criteria must be defined based on the selection of “significant” features, or characteristics.

Step 3: construct homogeneous categories to delimit (social) innovation types.

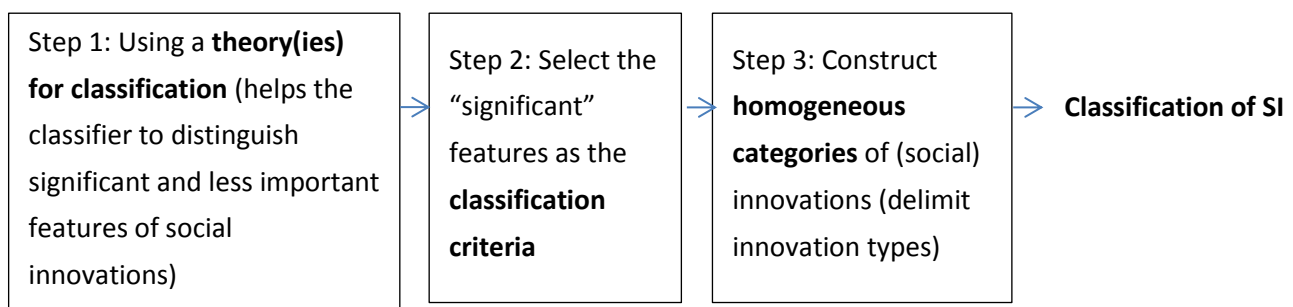


Figure 3.3 The sequencing of steps to classify SI within SIMRA (adapted from Niknazar and Bourgault, 2016).

The value of a particular classification for SIMRA is dependent on its alignment with the classifier’s purpose. Therefore, there will be no universal classification (see also Niknazar and Bourgault, 2016) or underlying theoretical position. The development of a classification framework is based on the definition and interpretation of SI, presented in Section 2. This definition results in a classification scheme that covers three main dimensions: 1) innovation challenges, 2) types of new and reconfigured social practices and 3) civil society actors involved.

We build our classification scheme of SI around three categories (see Figure 3.4):

- 1) The focal challenge to which a SI responds. There are challenges relating to society, economy, environment or combinations thereof, which reflect external and internal drivers/ variables that arrive to enhance the emergence of SI. Examples are, needs to adapt after natural or social shocks, incentives for change arriving from systems (such as food supply chains), forestry management, energy use, private services to community-led and services to community, and deliberative participatory activities or product innovations.
- 2) The type of social practices that are new or reconfigured. These could be new relations and social practices within formal organisations, informal networks and/ or governance arrangements (Young, 2003). The type of social practices which are characterising SI also has to be addressed.
- 3) The (coalitions of) actors involved and the groups who benefit. While a core initiative may stem from civil society, bottom-up, this can take different forms. For example, they can differ by level of organization, by number of people involved, and by ways in which civil society connect with each other and with other societal groups such as firms and government.

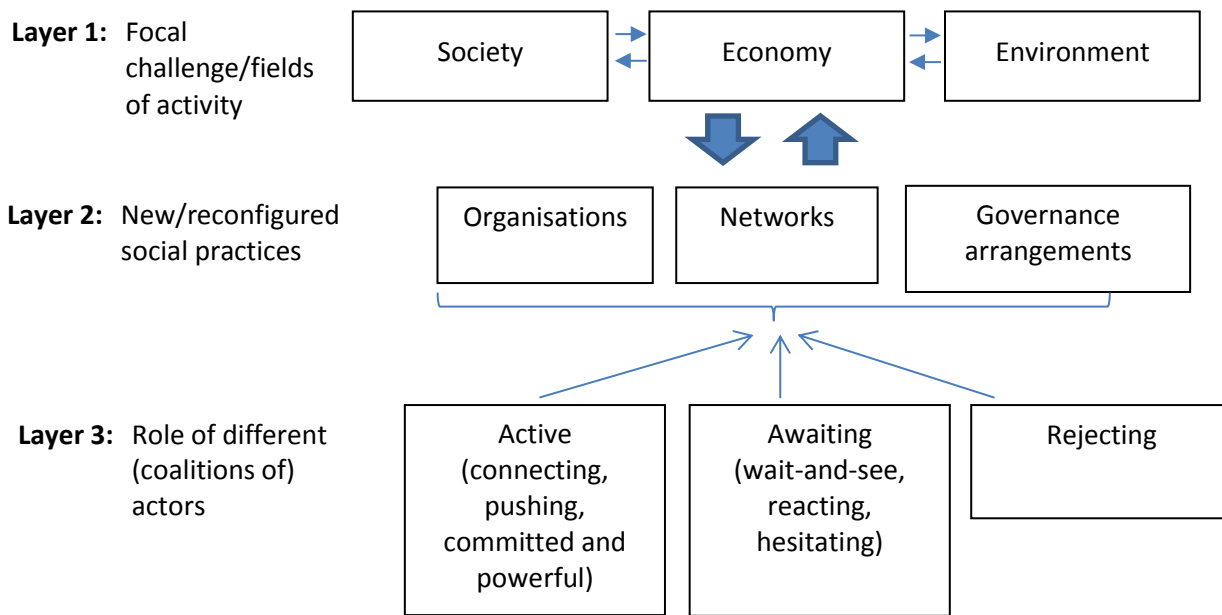


Figure 3.4 Classification framework

The first category addresses the focal challenge of the innovations, including three sub-categories: economy, environmental, social. These sub-categories are important for categorizing impacts of SI. A SI challenge can involve a single category or a combination of categories.

The second category addresses the type of new or reconfigured social practices:

- Organizations involve “(a) criteria to establish their boundaries and to distinguish their members from non-members, (b) principles of sovereignty concerning who is in charge, and (c) chains of command delineating responsibilities within the organization.” (Hodgson, 2006).
- Networks and other actors are a form of social organisation possibly including citizens, businesses, knowledge institutes, NGOs, and governments. Social networks are defined by patterns of vertical and horizontal relationships or ties, and differ in scale and scope. These ties can be strong “bonding” relationships and weak ties known as “bridging” relationships (Moore and Westley, 2011). Social networks offer conduits for quick mobilization and transfer of knowledge.
- Governance arrangements are understood as a specific setting with specific shared norms and values (institutions), in which decisions are made, or communities in rural places are engaged (Gerometta et al., 2005). Actors from civic society are necessarily involved in arrangements.

The third category relates to the role of actors. The mobilisation of many different actors can play an important role in SI at different scales or levels. A collaborative structure can consist of one or more different types of actors/stakeholders, examples of which are: such as farmers, foresters, co-operatives, social enterprises, partnerships, civil society led initiatives, citizens, municipalities, suppliers, the third public sector, knowledge institutes (e.g. universities), regional developers, specialists, financiers and regional, and national and international networks. Leadership for SI can originate from different groups: civil society or private- or public sectors. The role can be different in different situations: active, awaiting or rejecting. Ideally, the concept created should enhance trust between the actors. SI needs to be able to localise and motivate local actors and create localised motivated responses to find local answers for complex local social and societal challenges (European Commission, 2013b).

It is important to realise that SI differs from other types of innovation, that characteristics influence extents of innovation, that classification is linked to particular methods of classification, and that the contexts of innovation in MRA differ. These observations apply across whole system and singular relationship approaches, and whether innovation is approached as incremental or radical change.



4. Emergence and Divergence of Social Innovation in Marginalised Rural Areas

Summary

The variables associated with the emergence and divergence of SI in MRA have been identified through two main activities: 1) a literature review, 2) a stakeholder workshop. As the emergence and divergence of variables depend on the particular characteristics of a MRA, and as SI is context dependent, the variables are investigated in general terms. In line with the focus and objectives of SIMRA, attention is directed to cases of forestry, agriculture and rural development.

4.1. Introducing social innovation variables

At an early stage in SI codification (Bouchard et al., 2015; Uceta et al, 2016) specific variables can be derived to classify emergence and divergence of the SI. The selection of variables depends on the particular question, the SI under study and the context of a specific MRA (e.g. Quinlan et al, 2015), as well as the spatial and temporal scales of analysis (e.g. mountain, island (coast), arid areas, or sparsely populated areas).

Traditional European 'macro' data systems that inform policy making tend to focus on traditional forms and sectors of innovation (Reeder et al., 2012). Neumeier (2016) argues that because the weight attached to each individual factor is case specific, it is impossible to derive "some kind of universal 'field manual', which, if followed, guarantees the development of a successful SI within rural development." Examples of different SI environments and contexts for innovation to react to societal challenges as a learning process are listed in Box 4.1.

Different approaches to variables which operate as drivers and barriers of SI can be found in the literature (e.g. Bekkers et al., 2013; Krlev et al., 2014; Bund et al., 2015; and Neumeier, 2016). Bekkers et al (2013) distinguish three categories of drivers and barriers of innovation as: 1) SI environment, 2) innovation as a learning process, and 3) innovation adoption. Similarly, Krlev et al. (2014) and Bund et al. (2015) distinguish: 1) framework conditions, 2) entrepreneurial social activities, and 3) organizational output/social outcome. Finally, Neumeier (2016) distinguishes: 1) determining factors influencing the room to manoeuvre for the SI actor network, 2) factors influencing the participation process, and 3) factors influencing the success of the SI.

The SI environment as defined by Bekkers et al. (2013), as well as framework conditions distinguished by Krlev et al. (2014) and Bund et al. (2015), are to a certain extent comparable and reflect the "room to manoeuvre" as defined by Neumeier (2016).

Innovation adoption is defined as a process of re-innovation, where the innovation is adjusted to the specific context in which a SI is implemented (Bekkers et al., 2013) and is comparable to the participation process as identified by Neumeier (2016). Krlev et al. (2014) combine process and outcome as the results of innovation activities. Outputs refer to measurable products that can be linked to the SI. However, following Antadze and Westley (2012), evaluation of SI only covers a process that has an impact (outcome), and excludes measurements of a product or service or the value of such a service. As such, the literature is not clear about how to interpret the evaluation of SI.



Box 4.1. Innovation environment

- 1) Periods of major social-political turmoil, except where that turmoil arises under predominantly authoritarian regimes (but including the political turmoil after the collapse of long-standing regimes such as in post-socialist Eastern Europe) and recognising that socio-political turmoil under authoritarian regimes often leads to large numbers of refugees.

Examples: Peabody Trust in UK for charitable provision of housing; National Trust for natural and cultural heritage protection; Edinburgh Colonies Movement co-op housing in 19th century; new NGOs in 1960 and 1970s associated with environment; proliferation of NGOs in post socialist countries since 1990; new public- private partnerships in agriculture and forestry after the collapse of socialistic central planning system; and refugee support systems.

- 2) Situations where particular regions or socio-ecological systems are confronted by long-standing and widely-recognised, sometimes “wicked” problems that existing policy structures have been unable to address satisfactorily.

Examples: Community-based land reform in the Highlands and Islands of Scotland; Collaborative catchment partnerships for water management in UK or for agri-environment delivery in Netherlands; forest governance regimes over common pool resources with complex user rights.

- 3) Situations where there has been a major unanticipated socio-ecological disturbance and in its wake a proliferation of responses includes SI (flood, earthquake, nuclear accident).

Examples: Post-Fukushima nuclear accident efforts towards community energy in Japan, flood prevention river basin management on Danube (international)

- 4) Situations where there are major socially/economically/politically structured divergences in welfare/opportunities between different groups.

Examples: Civil rights movement in USA in 1960s and 1970s; native peoples' rights movements in North America and Australasia; gay rights movement; disability campaigns including care farming; refugee resettlement projects; veteran associated rehabilitation projects

- 5) Situations where there are major divergences in belief systems within countries, especially in religious and ethical beliefs

Examples: non-conformist Protestant groups developing communities such as Saltaire, Bournville etc. in the 19th century; public educational provision by minority religious groups; hippy colonies in 1970s America and elsewhere; anarchist communities in Spain and Britain in late 19th and early 20th century including Tolstoyan communities; Owenite communities (New Lanark and in North America; organic farming movement; biodynamic farming; Steiner schools.

- 6) Situations where there is a power vacuum, or major failings or delivery gaps in state institutions (power).

Examples: Early formation of Mafia as means of protecting villages/villagers; vigilante groups; local development trusts in small communities where degree of self-determination of local people under existing institutions is very modest; Macmillan Cancer Care; the hospice movement.

- 7) Situations where the state has dramatically reduced the range of services it makes available in the prior social contract.

Example: Community bus services, community based social care.

Box prepared by Bill Slee.



4.2. Transdisciplinary assessment of social innovation variables

Following the theoretical descriptions in Section 4.1, SI variables were introduced to members of the SIMRA Think Thank (SITT) using an online survey in July 2016, which was further elaborated upon and discussed at the first SITT workshop in Bratislava, October 2016. The members of the SITT, representing the core actors of the transdisciplinary SIMRA approach, include representatives of key organizations and actors in rural development, agriculture and forestry at international, regional and national levels (in the European Union, Associated Countries and non EU-countries), as well as qualified academic experts in the subject fields associated with SIMRA. Twenty-one SITT members participated at the Bratislava workshop. In a focus group setting, SITT members discussed, selected and proposed new variables that potentially affect emergence of SI in forestry, agricultural and rural development, and associated them with particular types of MRA (e.g. mountains, arid areas, islands and sparsely populated areas). Most relevant SI variables were validated in a closing plenary session.

The SITT recommended variables they considered should be taken into account as of most relevance to SI, generally confirming those derived from the literature review. For example, 'the need to adapt' is covered by the variables 'conflicts' and 'resilience'; 'motivation' is partly covered by 'leadership', 'lobbying activities' and 'economic motives'. 'Participation' and 'network' activities, which are quite similar, also have equivalent entries from the scientific literature.

During the focus group session, participants identified variables for SI in MRA dominated by three types (Figure 4.1): a) Social Farming (in Arid Areas), b) Accessibility of Health Care (in Sparsely Populated Areas), c) Polycentric Network Approach to Forest Fire Management (in Mountainous Areas). These variables will be expanded and developed in more detail in the Deliverable D2.2.

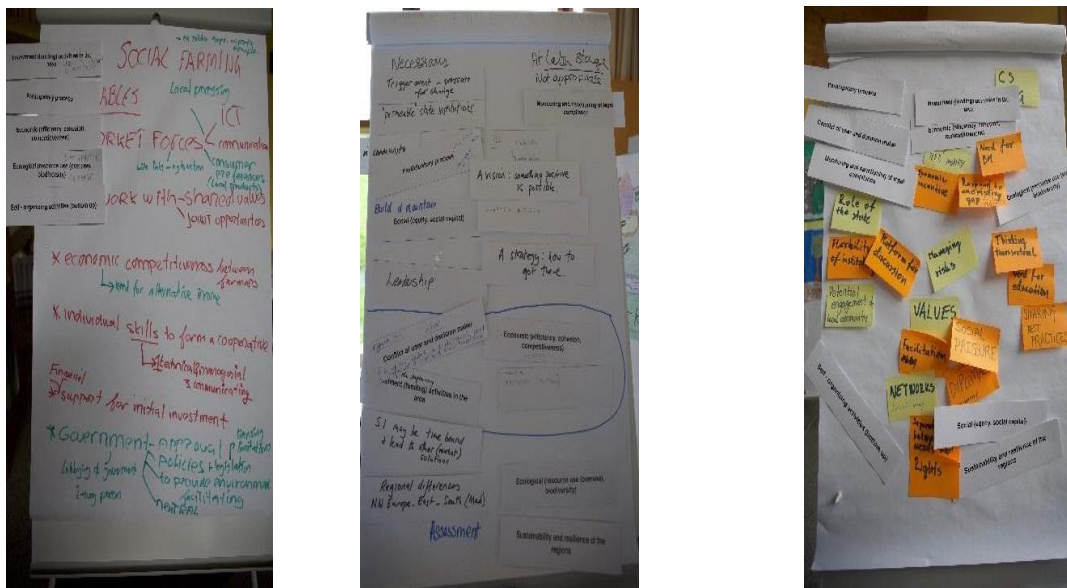


Figure 4.1 Posters of SITT members' discussion of variables that affect the emergence of SI.



5. Conclusions

In the deliverable D2.1, we advanced the understanding of SI and developed a classification of the SIs observable in rural areas which considers the varying specificities in terms of social needs, priorities and social relationships/collaboration types etc. The main outcomes of this deliverable are:

- i) A suitable definition of SI;
- ii) Classification of SI observable in MRA.

The definition was needed to focus attention on the scope for civil society to behave creatively in developing new social practices, relationships, collaborations, networks and governance structures. Although citizens' actions do not necessarily take place in isolation, and mostly in collaboration with private and public sectors, their activities and voluntary engagement are essential for any innovation to be regarded as social. Accordingly, we have advanced the definition on SI fulfilling the scope of SIMRA pertaining to MRA as:

"The reconfiguring of social practices, in response to societal challenges, which seeks to enhance outcomes on societal well-being and necessarily includes the engagement of civil society actors."

We elaborated and applied a multi-theoretical approach to the classification of SI. We acknowledge that categorisation implies simplification with the outcome that some complexities get lost. This enables the identification of typical characteristics and the classification of SI in MRA. Accordingly, a SI classification framework was developed. The classification framework consists of three layers: 1) focal challenge / field (society, economy and environment), 2) new/reconfigured social practices (organizations, networks and governance arrangements), and 3) role of different actors (active, awaiting and rejecting).

Based on the explorative exercise that has taken place to develop this deliverable, a series of opportunities have emerged for future research. First, given that new policies and laws generated by government, or new business practices based on formal contracts between business actors do not comprise SI, we see a strong case for differentiating market and institutional innovation from that of SI.

Second, we recognise that the opportunities for SI may be enhanced where local, regional or central government, or transnational organisations, create framework conditions in terms of laws or institutions that are supportive of SI. Therefore, we encourage further research on how public institutional innovation often underpins SI.

Third, based on the diagnosis of why some MRA are more sustainable whereas others collapse is of central interest to future research. An important challenge is the identification and analysis of relationships amongst multiple levels of rural complex systems at different spatial and temporal scales. Understanding a MRA requires knowledge about specific variables and how they are related. This work will be expanded in the deliverable D2.2.

In general, SI is triggered because it encourages initiatives for positive opportunities for future developments in MRA. Still, it suffers from the multiple and inconsistent interpretations and approaches described in the literature. Although we have made significant steps towards a more systematic overview of different characteristics and how they interrelate in this deliverable, discussion on the topic is in early stages. Therefore, we encourage further involvement and dialogues about SI in MRA.

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Appendix 1 Glossary of concepts

Creation of institutions, networks, partnerships, coalitions, governance arrangements

Social innovation requires the reconfiguration of social practices, the product of which may be new networks, coalitions, partnership or sets of governance arrangements in which civil society actors choose to engage. The roles of public sector or business actors can be many and varied. Increasingly social innovation involves the creation of hybrid institutions where civil society partners in new ways with public and private sectors.

Disadvantaged groups

Disadvantaged groups comprise those whose access to resources is compromised in ways that limit their capabilities and their capacity to act.

Engagement of civil society actors

Engagement of civil society actors, not as entrepreneurs or as consumers but as active participants in social innovation is key. The ways in which civil society actors engage may be many and varied, from the formation of interest groups and charitable bodies to collaborative engagement in informal institutions to active participation in formal institutions. Social innovation may not be civil society-led, but nonetheless requires the engagement of civil society actors. We do not regard innovations within government or individual businesses as social innovation, or intra-organisational innovations such as worker councils or structured negotiating entities within a firm as social innovation. Where firms collaborate voluntarily in pursuit of societal outcomes and involving civil society actors, we do consider this as social innovation.

Novelty

All innovation requires novelty or something new and different. In the case of social innovation, the novelty resides in the reconfigured social practices which could be entirely novel, or alternatively involves the engagement of new and different groups or different places. We make no assumptions about the durability of the novelty, recognising that the novel social practice may be transient or durable depending upon circumstance. Arguably, we should be interested not just in absolute novelty but also take-up by early adopters (innovators), as this may give clues to up- and out-scaling possibilities. We regard SI as novel for a period from their development until their full institutionalisation in a country or region because we do see the diffusion phase of the SI being as important as the first pioneers.

Outcomes

Outcomes are the social, economic and environmental consequences of a social innovation (or any other action or event). They are normally measured by indicators (Unceta et al., 2016) which are based on criteria of interest to an evaluator. The outcomes of relevance to a social innovation will be context-specific. They can be framed emically or etically (by insider practitioners or external agency).

Reconfiguring

We borrow the term 'reconfiguring' from MacCallum et al. (2009) where it is clearly used to denote intentional change in social practices. The degree of reconfiguration (or indeed novelty) can be argued on a case by case basis, but reconfiguration suggests something substantive. Not all reconfigurations lead to enhanced societal well-being. Various social, economic and political factors may mediate the impacts and outcomes

Seek to

Without denying the possibility of serendipity in bringing actors together which then precipitates a social innovation, we consider that there needs to be intentionality in motive and behaviour that drives the reconfiguration of social practices.



Societal challenges

A broad definition of societal challenges can be adopted. Some authorities take a rather narrow view of social innovation as social innovation for social outcomes. We argue that the adjectival use of social in social innovation implies that it is the innovation that is social, not the outcome. We necessarily include grand societal challenges such as climate change, sustainable development, managing common pool resources or handling socio-economic inequality and disadvantage across regions or social groups. We can also include wicked problems (complex multidimensional problems with no clear solution). But, in other cases, more mundane and local issues, such as the closure of the only village shop, may trigger a social innovation. We recognise the capacity of societal challenges to arise from single events such as environmental catastrophes (e.g. earthquakes or floods), but also from longer term trickle effects such as the decline of a major industry in a region. Further, other social innovations may arise from creative social interactions in the absence of any crisis or problem.

Social practices

A broad definition of social practices is suggested. Social practices include values, behaviours and actions of social actors. In our context, we are particularly interested in new networks, partnerships, collaborations and governance arrangements.

Societal well-being

The pursuit of societal wellbeing implies the pursuit of benefits arising to something over and above a firm, an industry or a public sector agency's performance. It implies benefits arising at community, regional, national or international level to civil society as a whole (recognising the likelihood of trade-offs) where the social practice is intended to have benefits beyond the individual. We recognise the particularly challenging status of social enterprises where quasi-business entities (such as social farming businesses or social enterprises targeting disabled groups) are motivated by social rather than individual objectives. We include social enterprises as social innovations.

Trade-offs

While the possibility of win-win-win outcomes in social, economic and environmental spheres is a possible outcome of a social innovation, in most cases there will gains and losses to different interests, which could be firms, industries, the environment or particular social groups or classes. We regard the exploration of trade-offs to be a central part of evaluation, including when such trade-offs are intended or unintended consequences of the social innovation.