Social innovation: Moving the field forward. A conceptual framework

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ARTICLE INFO

ABSTRACT

Research on social innovation has gained momentum over the last decade, spurred notably by the growing interest in social issues related to management, entrepreneurship, and public management. Nevertheless, the boundaries of social innovation processes have not yet been completely defined, leaving considerable space for contributions to both theory and practice. To date, research on social innovation has been polarized between agentic and structuralist approaches. Building on institutional and structuration theories, this article proposes bringing these two approaches together and presents a new conceptual framework to investigate social innovation as a driver of social change.

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1. Introduction

'Sir, let me beg of you, whether whatever is now the routine of trade was not, at its commencement, project?—whether whatever is now establishment was not, at one time, innovation?'
(Jeremy Bentham, 1843)

'We believe in fact that the need will quickly become evident for social innovation to match technical change.'
(The limits to growth, 1973)

Professor Muhammad Yunus founded The Grameen Bank in 1976 as a microfinance organization that gives micro credit loans to impoverished people without demanding collateral. The bank was founded with the belief that one could fight poverty by bringing financial services to poor people and helping them to establish profitable businesses. The project turned out to be a driver of social change and has established a new method of money lending and fighting against poverty. Eventually, Yunus won the Nobel Peace Prize for his '…efforts to create economic and social development from below'.[1]

The phenomenon of micro finance is a new idea that has transformed the relationship between lenders and borrowers in the lending market and has also changed the social system in which these exchanges take place. It has been a driver of social change and has been presented as a successful example of social innovation [1–3].

Recently, Phillips [4] called for more research into social change and drew our attention to the fact that social change has overtaken the speed of technological innovation, which reverses Drucker's observation that, during the twentieth century, social change had been slower than technological change. It is interesting to note that later Drucker also claimed that we had overestimated the role of science and technology [5] as a vehicle of change to the detriment of a particular vector of social change: social innovations [6].

Although the concept of social innovation is as old as mankind [7], it has only recently entered the social sciences. While in discussion regarding technology we have seen considerable development of the concept of innovation, the idea of social innovation remains to date underdeveloped. Little attention has been devoted to understanding its emergence and diffusion as an outcome of purposeful and legitimised social actions. Research about social innovation is still largely based on anecdotal evidence and case studies [1,2] lacking unifying paradigms. The literature remains fragmented, disconnected, and scattered among different

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[1] http://www.nobelprize.org/nobel_prizes/peace/laureates/2006/yunus.html.

fields such as urban and regional development [8], public policy [9–12], management [6,13], social psychology [14] and social entrepreneurship [15–17].

To date, two theoretical perspectives have guided the incipient research endeavours on the subject. On one side, there is an 'agentic centred perspective', an individualistic and behaviourist approach in which social innovation is created through the actions undertaken by specific individuals. On the other side, there is a 'structuralist perspective' in which social innovation is perceived as determined by the external structural context.

This paper is a response to Phillips' call to action through a conceptual contribution to the discussion, conceptualization, and study of social innovation. It is also an answer to the call for new theoretical and conceptual alternatives in order to understand the process of social innovation [1,2,18,19]. It extends previous work by proposing a third and hitherto underrepresented perspective where collective (and not only individual) action and the structural context co-evolve interactively in the process of social innovation creation.

To have a comprehensive picture of the role that social innovation plays as a source of social change, a critical dialogue with existing theories is required. Firstly, I employ institutional theory to argue that social innovation is always related to collective social action aiming at social change. The institutional perspective sees social innovation as a result of the exchanges and application of knowledge and resources by agents mobilized through legitimization activities [20–22]. Secondly, I draw on structuration theory to describe how social innovation is created as a transformative force through the inter relationship between agents, institutional structures, and social systems [23].

The need for this paper is shown by the fact that no scientific field can advance if practitioners and scholars do not share a common understanding of the key concepts used in their analysis [21]. Therefore, the fundamental goal of this paper is to develop and extend our conceptual understanding of the phenomenon, and provide a contribution to the conceptualization and study of social innovation. The paper situates the field both historically and disciplinary in order to propose a definition based on social change, and outlines a conceptual framework built on institutional and structuration theory.

The paper is structured as follows: firstly, I present a review of the literature through the evolution of social innovation research, and secondly, I discuss the proposition of the conceptual framework.

2. The 'social' into innovation

The capacity to innovate and create new things is one of the hallmarks of civilization. Innovation has been present in human history as a manifestation of its creative capacity and as the outcome of humanity's efforts to develop responses to its needs and to improve its quality of life, in Simms' words: 'Civilizations are the result of human innovations' [7].

The study of innovation began in economics, notably in the works of Schumpeter, although we can find the origins of the Schumpeterian approach to innovation in the writings of Max Weber and Werner Sombart [24].[2] Since Schumpeter

[2] Reinert and Reinert [25] trace back to Nietsche the concept of creative destruction put forward by Schumpeter for explain innovation.

[26], the concept of innovation has evolved separately in different scientific traditions such as technological studies, social psychology, urban development and management.

However, attention to social dimensions appeared quite recently in the innovation discourse and research. In the *Green Paper on Innovation* [30], a document created by the European Commission to identify the factors on which innovation in Europe depends and to elaborate proposals to foster innovation capacity in Europe, innovation is described as:

> '…being a synonym for the successful production, assimilation, and exploitation of novelty in the economic and social spheres' (p.1).

The social element of innovation is highlighted later in the document:

> 'Innovation is not just an economic mechanism or a technical process. It is above all a social phenomenon. (…) By its purpose, its effects, or its methods, innovation is thus intimately involved in the social conditions in which it is produced' (p.11).

The importance of the social dimension of innovation has become a widely accepted idea. Research on innovation has widened to accept the process of innovation itself as a social action [31]. Therefore, although we have a lot to gain by building on previous research on technical innovation, the particularities of social innovation call for new paradigms and new theoretical perspectives in order to move forward. This point is further developed in the next section.

2.1. Technical and social innovations

The first difference between technical and social innovations lies in the intended result. Based on Schumpeter's definitions, there is no gain in saying that the concept of innovation has entered the technology and management discussion as a driver of economic value creation. Dawson and Daniel [27] point out 'profitability and commercial success as a key driver for innovation' (p.11). It is also common in management literature, for instance, to focus on profitability and commercial success as a key driver for innovation[27]. Often a common definition of innovation in this field is 'the profitable exploitation of a new idea' [28]. This can be explained by the fact that management research has evolved with the concern of explaining performative behaviour in an economic value creation context [29].

On the other hand, social innovation brings up social change that cannot be built up on the basis of established practices. The intended purpose of both types of innovation is fundamentally different, albeit some outcomes might overlap (like the increase of a social group's wellbeing).

Another important distinction can be found in the immaterial structure of social innovation, which does not come to fore as a technical artefact, but as new social practices that will ultimately become institutionalized. Technical innovations are directed at technological advancements to create new products or artefacts [18].

Since social innovations are oriented toward social practices, we need to reflect on social structures, how they enable and constrain agents while acting upon those practices. In this