Social Innovation —
Period III, 2024

Responsible Teacher:

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Session 2: Agenda

14.15-14.25 : Get to know each other

14.25-15.20 : Origins and actors

15.20-15.35 : Break

15.35-16.00 : Student presentation

16.00-16.55 : Guest speaker: Roope Mokka

16.55 – 17.00: Reflection

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Intended learning outcomes

#1: Identify and discuss competently social innovation initiatives that are taking place across sectors such as the corporate, startup, nonprofit, citizen, and government sector.

#2: Analyze competently tensions between the pursuit of social and pragmatic (e.g., financial) objectives in social innovation initiatives and apply effectively theoretical knowledge to propose appropriate ways to resolve such tensions.
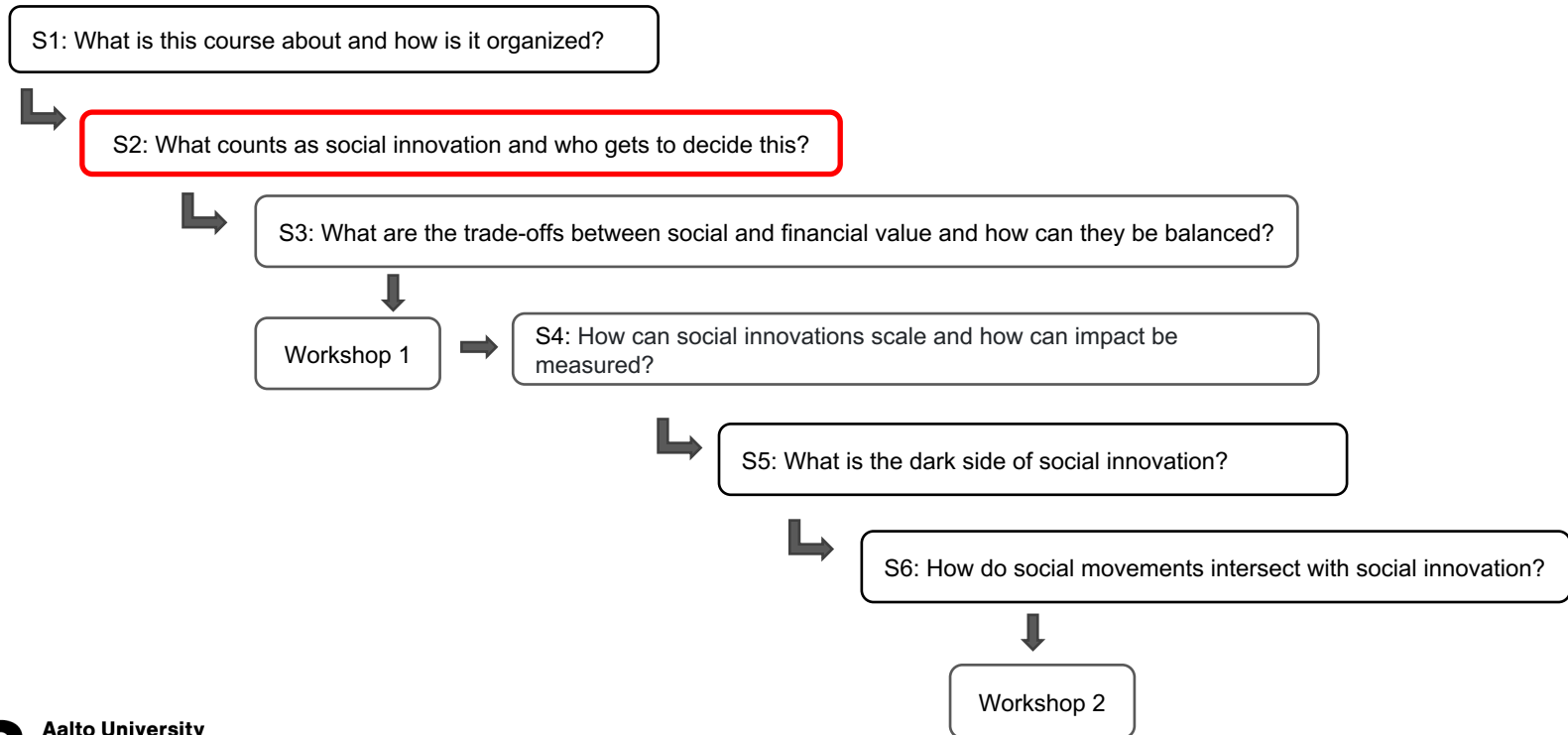
#3: Acquire a thorough understanding of a concrete social problem that interests you, and generate a compelling plan for how to develop a social innovation initiative to address it.
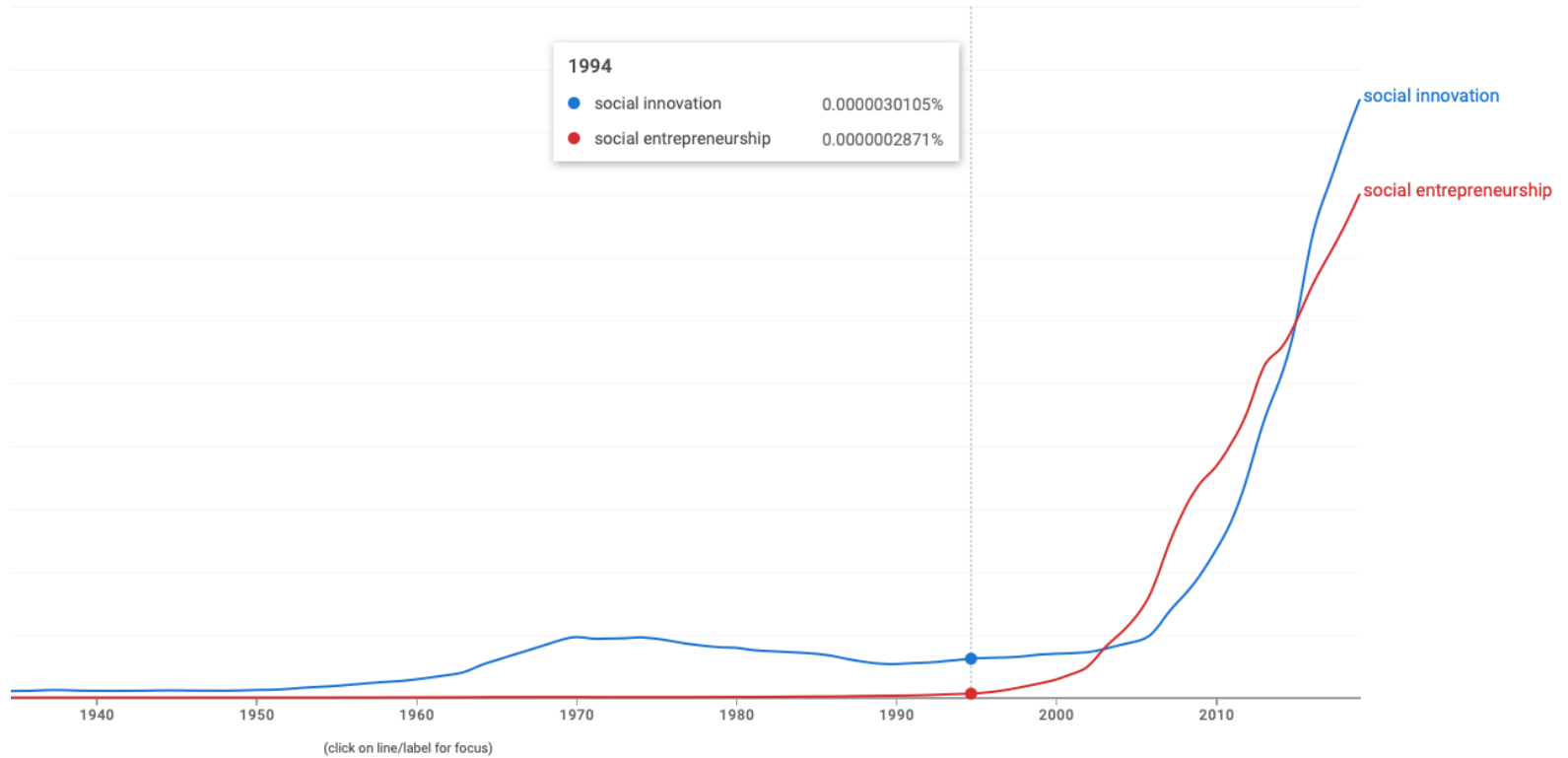
#4: Reflect deeply on the opportunities, barriers and limitations of implementing social innovation initiatives across the corporate, startup, nonprofit, citizen, and government sector.

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Today's session in context

S1: What is this course about and how is it organized?

S2: What counts as social innovation and who gets to decide this?

S3: What are the trade-offs between social and financial value and how can they be balanced?

Workshop 1

S4: How can social innovations scale and how can impact be measured?

S5: What is the dark side of social innovation?

S6: How do social movements intersect with social innovation?

Workshop 2

Has social innovation always been there?

1994

● social innovation   0.0000030105%
● social entrepreneurship   0.0000002871%

social innovation

social entrepreneurship

1940   1950   1960   1970   1980   1990   2000   2010

(click on line/label for focus)

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15' in new impromptu teams: Trace the origins

Why did this term emerge then (and not earlier)?

What was social innovation called before the 2000s?

Who have been the main actors promoting social innovation?

Are all of them understanding social innovation / social entrepreneurship to be the same thing?

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Persistent Category Ambiguity: The case of social entrepreneurship

Myrto Chliova 🆔
Aalto University, Finland

Johanna Mair
Hertie School, Germany
Stanford University, USA

Alfred Vernis
ESADE-Ramon Llull University, Spain

Abstract

Literature on categories recognizes that in the early stages of a category, ambiguity can arise from divergent frames used to define the category. Yet it also largely expects this ambiguity to be either temporary, or else detrimental to the survival and evolution of the category. In this study, we demonstrate and explain how, alternatively, category ambiguity can persist when multiple frames continue to be applied to a category as it progresses into maturity. Drawing on an in-depth qualitative study of the case of social entrepreneurship, we examine how and under what conditions this outcome occurs. We specify two co-occurring conditions that

Why then?

Increasing interaction between previously unconnected fields, 80s, 90s

Non-profits

Business

International development
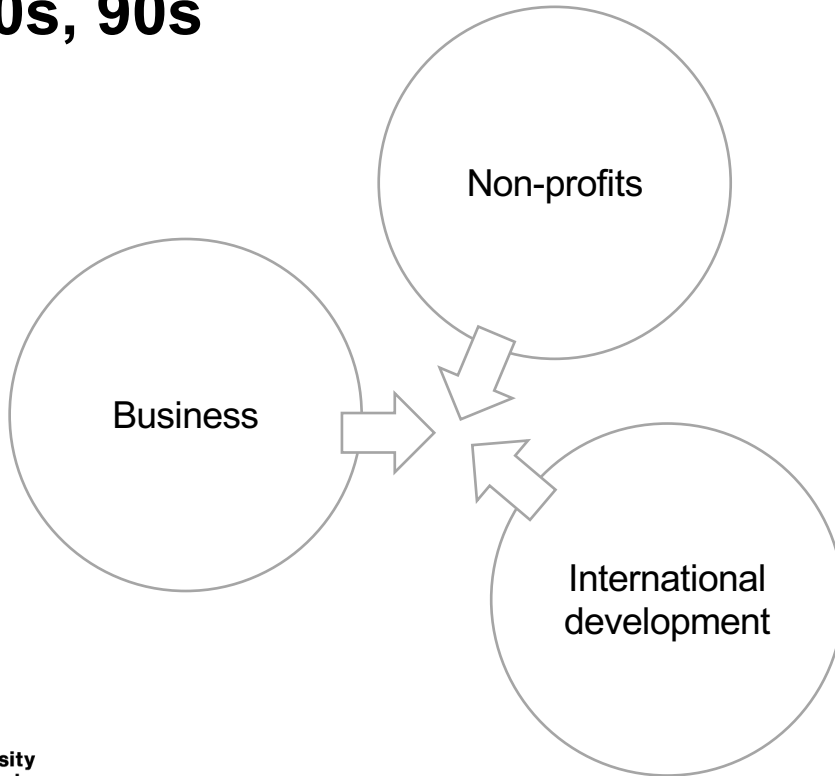
Due to:
➢ increased career mobility
➢ greater speed and availability of information technologies
➢ globalization

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Pioneers introduce parallel definitions

'I don't think people were talking to each other – they **weren't connected**, they didn't view them- selves as part of [a] shared community' (#5)

Systemic innovation (social impact focused)

Earned income (market focused)

Bill Drayton

Jerr Boschee; Ed Skloot

"Entrepreneurship" appropriated as part of different definitions

Ashoka experimented with labels such as 'social innovators', 'innovators for the public', 'public entrepreneurs', 'public innovators', 'public service entrepreneurs' as well as 'social entrepreneurs', to end up with the last one:

> For a while we thought it was going to be public service entrepreneurs, but . . . some people thought it was too government-sounding and was too complicated. So we tried a couple of other things and social entrepreneur seemed to be the best. **People picked it up more readily**. (#25)

The "Earned income" label encountered little resonance. Soon, it was reframed as "social entrepreneurship/enterprise":

> . . . the social enterprise folks jumped on the bandwagon of using that term in the 90s. . . . [They] grabbed it. . . . I think they sensed it had **sellability** . . . it had potential to become a kind of a **marketable term**. . . . 'this is something **we could sell**. . . . It seems like it's starting to get some momentum'. (#22)

Definition wars
(definitions understood as exclusive)

Here is the gist of the **problem**: Unless a non-profit organization is generating **earned revenue** from its activities, it is **not acting in an entrepreneurial manner**. ... It has reached the point where almost **everything new in the sector is called "entrepreneurial"** and the people who create these new approaches …walk away satisfied that they've changed the fundamental equation. They have not. (Boschee & McClurg, 2003, pp. 1–2)

Resource providers appropriate label and mobilize funds

(a) US academic institutions

(b) multinational corporations

(c) US entrepreneurs

(d) the UK government

This global **tidal wave** of social entrepreneurship . . the movement started to pick up steam probably right around 2000 or so. I really have felt . . . an **exploding** of interest. . . . it has really **escalated**. (#43)

Top left, clockwise: Harvard; World Economic Forum; Tony Blair; Jeff Skoll

Definition wars don't make sense in a growing field

…definitional disputes ….**have taken a toll**, according to those we interviewed. . . .. . . The challenge is to find definitional solutions that increase **precision and clarity** while . . . still including enough supporters to propel this field forward. . . . **too narrow a definition could . . . result in a field that is 'too special' for mainstream attention**. A community of practice is starting to emerge, including those who embrace all the different definitions (Developing the Field of Social Entrepreneurship, 2008, pp. 3, 5, 12)

Big tent: definitions as complementary

Market income

Innovation

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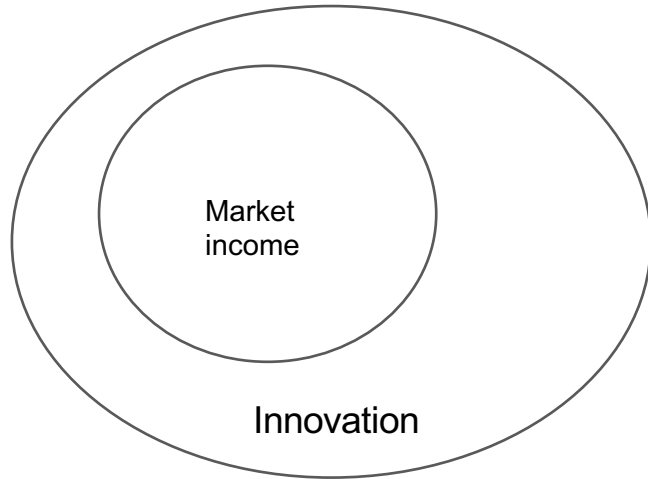
Let's examine some definitions…

Social innovation is driven by purpose, partnership, and accountability, in order to develop solutions that enable traditionally excluded people to participate in the economy. It is the process of applying new solutions to global problems, by creating or improving products, services, business models, and markets - and more effectively responding to unmet needs. (IMD for WEF)

Social enterprises are businesses which trade for a social or environmental purpose. …Social enterprises demonstrate a better way to do business, one that prioritises benefit to people and planet and uses the majority of any profit to further their mission. (Social Enterprise UK)

Let's examine some definitions…

At the Skoll Foundation, we view social innovation as the quest to solve a societal problem by applying a novel or reimagined solution that effectively contributes to lasting and systemic social change.

The Social Enterprise Initiative applies innovative business practices and managerial disciplines to drive sustained, high-impact social change. It's grounded in the mission of Harvard Business School and aims to educate, inspire, and support leaders across all sectors to tackle society's toughest challenges and make a difference in the world.

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An example of an inclusive definition

"A <u>novel</u> solution to a social problem that is <u>more</u> 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." (Phills et al., 2008)

➢ Consistent with Schumpeter's definition of innovation
➢ Agnostic to legal form / sector
➢ Value creation without value capture

How "novel" should novel solutions be? When does novel become not novel?

"social entrepeneurship is the pursuit of sustainable solutions to <u>neglected problems with positive externalities</u>" (Santos, 2012)

> As long as the need is still there, and value creation takes place, that is "novel" enough

**3' to discuss in pairs:
How broad or narrow a
definition do <u>you</u> prefer (in
terms of novelty, in terms of
income generation)? Why?**

Break time!

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Student Presentation

Assignments for next time

- 1 Pre-reading

- Team assignments:

    - One mini case write-up
    - One commentary on a mini case of another team

- Individual reflection

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or go to
https://presemo.aalto.fi/socinn2024

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References

Chliova M, Mair J and Vernis A (2020) Persistent category ambiguity: The case of social entrepreneurship. *Organization Studies* 41(7): 1019–1042.

Phills JA, Deiglmeier K and Miller D (2008) Rediscovering social innovation. *Stanford Social Innovation Review* 6(4): 34–43.

Santos FM (2012) A positive theory of social entrepreneurship. *Journal of business ethics* 111(3): 335–351.

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