

## Social Innovation: From idea to impact – the ‘4-i-process’<sup>1</sup>

Usually, life is routine in many respects, and so are the usual practices. As long as the practices applied are functional, little effort is required to do ‘business as usual’ and stay on track. The proverbial everyday way of life consumes least energy from individuals as well as from societal organizations and institutions in ongoing operations.

### ‘Idea’

If functionality is challenged, or new opportunities are identified and evaluated as promising, first a few and later potentially more or even the majority of stakeholders (individuals, groupings, private or public organizations) will look for alternative options. This initially means adequately recognizing and comprehending the issue at stake and devising an *idea* about how to deal with the situation (presented as a challenge, crisis or problem). This very first stage on the way to creating and establishing an innovation, regardless of whether we are considering a product innovation or a social innovation, must be followed by a second step, i.e. finding a method to intervene and solve the problem.

### ‘Intervention’

The *intervention* may consist of scientific research in a corporate business to e.g. provide new substances, or the proposal and advancement of a new combination of production factors. The same holds true in the case of social challenges. The way to solve a problem may consist of the combination of existing practices (e.g. bringing together the knowledge of previously segregated groups of experts and/or laypersons). Another possibly necessary and successful intervention may comprise awareness-raising and influencing opinions eventually to change common practices. In business, this stage usually ends in prototyping, a concept which is seldom, but can be, adopted for social innovations as well.<sup>2</sup> Here, the nexus between social practices (e.g. ways of communicating) and technologies (e.g. smart phones, computers, the internet) are often so close as to appear inextricable (cf. Kurvinen et al. 2008).

### ‘Implementation’

The third stage of making an idea or an invention into an innovation is *implementation*. This is the most critical, as it determines success or failure and whether efforts and investments in the previous stages will pay off or not. Will a new product become commercialized? Will it find a market? Will consumers as end-users or other clients install it in their value chain or value networks? Will a new social practice (be it a real novelty or the result of a combination of established ones) meet acceptance by the individuals, groups and organizations concerned?

It is one of the difficulties social innovators – and researchers of the subject– face that until now no suitable indicators and methods exist to measure their success in terms of dissemination and impact, as compared with the well established indicators, methods and data for business innovation. These enjoy quantitative measurable criteria like return on investment, sales figures, profit, impact on employment etc. The methodology developed is documented and available for international use in the so-called ‘Oslo-Manual’ (OECD, EUROSTAT 2005). Indicators to identify and measure innovations such as products, processes, marketing and business organization are used again and again, providing ample data to allow the scores of nations, business sectors and corporations to be compared.<sup>3</sup> Resulting statistics deliver successive information for new strategies and measures, both on the corporate level as well as on the plane of national and regional policies in support of RTDI (research, technology development and innovation).

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<sup>1</sup> Excerpt from: Josef Hochgerner, 2013: Social Innovations and the advancement of the general concept of innovation. In: Carmen Ruiz Viñals and Carmen Parra Rodríguez, eds., Social Innovation. New forms of organisation in knowledge-based societies. London and New York: Routledge; pp. 12-28.

<sup>2</sup> <http://www.socialinnovator.info/process-social-innovation/prototyping-and-pilots>.

<sup>3</sup> Most prominent, e.g. the Innovation Union Scoreboard, IUS: [http://ec.europa.eu/enterprise/policies/innovation/files/ius-2011\\_en.pdf](http://ec.europa.eu/enterprise/policies/innovation/files/ius-2011_en.pdf)

The social sciences are challenged to introduce a coherent concept of social innovation, one suitable for empirical testing, and to adopt appropriate methods for measurement. Measures may include economic figures, but cannot sufficiently rely merely on these. Indicators covering various dimensions are required to determine the social outreach and impact of innovations. This applies to social innovations as well as business innovations in order to enable *their* social dimensions to be taken into account, too, because *all innovations are socially relevant*.

Indicators for social innovations will therefore become important tools for identifying the overall social relevance of all sorts of innovation, thus helping to analyse and evaluate the social impacts of various types of innovations, trends of effects and capacities of innovation policies to contribute to human development (denoted by the Human Development Indicators, HDI<sup>4</sup>). The demand for social innovation indicators does not subordinate its often 'soft' qualities to the hegemony of 'facts and figures', as is appropriate for business-driven innovations. On the contrary, as indicators for social innovations necessarily reflect social dimensions (from 'input' on to 'output'), a comprehensive concept of innovation will help to overcome the existing limitations of a too narrow focus on the economic relevance of innovations.

Ultimately, this will facilitate a better appreciation of considering the *economy as part of society*. All too often, and mainly without reflection, economic processes or apparently anonymous 'markets' are accorded precedence to social issues and needs in the name of human development or sustainability. The current crisis, name it debt crisis, financial crisis or moral crisis, actually originates in 'the great transformation' Karl Polanyi analysed and presented as early as in 1944. Polanyi (1978: 82) asserts that society became an appendix to the economy in the 'system of the market economy'.<sup>5</sup> If social innovations were to reach for the highest goal in order to contribute to solving the paramount social problems of the world, as discussed under the heading of 'Grand Challenges' (from ageing to climate change, production and consumption of energy and resources, financialisation,<sup>6</sup> poverty and insufficient education) or condensed in a nutshell in the 'Millennium Development Goals',<sup>7</sup> the most relevant social innovation of the 21<sup>st</sup> century may become the re-integration of the economy in society.

Social innovations are usually processes and hardly ever completed, not even if implementation succeeds. As social innovations consist of practices, many may never enter the state of a (final) 'product', ready for use. Though a social practice may be implemented in the strict sense of an institutionalized norm, from case to case a certain degree of flexible interpretation may remain, depending on the social milieu, divergent interests and benefits attainable by deviant behaviour. Changes may occur over time, in particular resulting from use, experimentation and learning from experience. In terms of the social system of law: legal custom can differ from legal rule.

### **'Impact'**

In spite of such ambiguities after implementation, innovation processes feature a fourth stage, i.e. *impact*. This is the final phase in which an innovation, a new product, process, or a new social practice, actually becomes standard or routine itself. At this stage, completing the '4-i-process', innovations reach the end of their life cycle. Any innovation is 'new' and 'innovative' as long as it has not utilized the full potential of its market (prior to saturation of the market) or, in the case of a social innovation, has not become common practice. The impact of innovations has not yet received much attention beyond measuring economic success. However, as outcomes of any kind of innovation have social dimensions, it is necessary to assess and evaluate innovations at least in the case of *systemic* social innovations (Hubert et al. 2010), or if business innovations produce impacts on sustainability in any of their social, economic or ecological dimensions.

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<sup>4</sup> Established by the UN Development Programme: [http://hdr.undp.org/en/media/hdr\\_1993\\_en\\_indicators1.pdf](http://hdr.undp.org/en/media/hdr_1993_en_indicators1.pdf).

<sup>5</sup> 'Whereas History and Anthropology know of different economic forms, most of which contain the setting up of markets, they do not know of any economy before ours that was even remotely so dominated and controlled by markets.' (translated from Polanyi 1978: 72)

<sup>6</sup> Cf. Palley 2007.

<sup>7</sup> <http://www.un.org/millenniumgoals/>