
SOCIAL ENTERPRISE AS A SUPERIOR INNOVATION DRIVER. EVIDENCE FROM ROMANIAN SOCIAL IMPACT AWARD WINNERS

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Abstract

There has been a growing interest in learning about how to spur social innovation in the community economies to support their continuous learning and drive change. Recent research points out the role of social enterprises as a superior social innovation driver. The paper aims to explore the diversity of social missions and goals of the Romanian social impact award winners as well as the categories of beneficiaries reached. This article brings together evidence on the types of social innovation among the selected social enterprises for the period 2012-2017. The data about social enterprises was analysed using content analysis based on the following criteria: (1) social mission and goal, (2) social innovation types, and (3) beneficiaries. The research revealed that sustainable cities and communities, responsible consumption and production and industry and innovation are the most prevalent fields of activity among the studied social enterprises and there is a wide range of social innovations addressing these areas. Beneficiaries are of a wide and mixed range as well. Quality of education, good health and well-being are other preferred core areas for social innovation and sustainable development among our studied group of social enterprises. The types of social innovations that address these fields are diverse, either in regards to the tools and methods used, the thematic curriculum of the learning programs or the beneficiaries' lifestyle. Further research could use the results of the present study to design an empirically based framework of potentially core antecedents and effects of community social innovation.

Keywords

Social innovation, social impact award, social entrepreneurship, social enterprise, community, Romania.

JEL Classification

O35; L31; M14

Introduction

Social innovation is about creation of better or more effective products and services, that are readily available to markets, governments, and society to meet social needs. The core mission of social innovation is to create new jobs and training opportunities which will help with integration of those more disadvantaged groups in their local communities. Also, through social innovation there are created new or extended goods and services, accessible

in low income markets, for satisfying the social needs. Recent research emphasizes the complex role of social enterprises as a superior social innovation driver (Sepulveda, 2015; Farmer et al., 2016; Păunescu & Evans, 2018).

The paper aims to explore the diversity of social missions and goals of a selected group of social enterprises from Romania as well as the categories of social customers and other beneficiaries targeted. Also, this article brings together evidence on the types of social innovation among the winners of the Social Impact Award for the period 2012-2017. The paper starts with a brief review of the literature and identification of the problem investigated. Then it explains the methodology used to assess the types of social innovation and diversity of the social goals fulfilled. Finally, analysis is conducted on selected data and conclusions are drawn based on results. Specifically, we suggest several useful directions for future research.

Social Innovation as a Driver for Change

Social innovation is seen as an interactive process that involves multiple stakeholders within and across organizational boundaries with the purpose to solve a societal need. It plays a very important role for all types of organizations. For private companies, social innovation is helping with cutting costs, renewing products/ services, improving the quality of delivery service and opening new markets. In the public sector, social innovation is gaining in importance as well. It is seen as a multi-layered process that involves many actors and many services at the same time (Fuglsang et al., 2014), for example for the purpose of extending the service delivery to disadvantaged communities or of giving access to quality affordable products and services in different markets.

New models of social innovation are emerging in the society, usually those being brought by new established firms, and these models are rapidly replacing traditional innovation labs created by large organizations as the sole source of new knowledge (Kankanhalli et al., 2017). Also, nowadays, the rapidly developing information technologies are enabling organizations everywhere to identify and foster new ideas from a myriad of knowledge sources. The continuous changing environment worldwide, influenced by globalization, advanced technology development, and increased complexity in all parts of society prompted public policy makers to rethink the way they manage and develop communities and create more innovative approaches (Munthe-Kaas, 2015). Enhanced collaboration between public and private entities will enable the participating actors to exchange and share knowledge, experiences, know-how and expertise, which will bring about closer and faster ideas for social innovation and solutions to societal challenges. This collaboration will help to bring a broader set of skills and talents and a more responsible and responsive work culture into public sector organisations, along with innovative thinking and creativity specific to private entrepreneurial companies (Cankar & Petkovšek, 2013).

Worldwide, communities around the countries are facing a growing number of common social challenges for which traditional government action is failing. The global economic crisis in 2008 revealed that society was strongly in need of alternative models of growth and sustainable development as the limits of public sector have become evident. As it was stated in the Strasbourg Declaration (2014), society needs new growth models that are “fairer, greener and anchored in local communities”, models that value “social cohesion as a genuine source of collective wealth”. Thus, social entrepreneurship bears the potential of becoming an important driver of social innovation necessary in implementing the European Union’s sustainable growth strategy for 2020 and United Nations’ Sustainable Development Goals (SDGs).

Social entrepreneurship has been gaining increased attention in practice, policy and academia. It aims for the exploitation of opportunities with existing resources for social transformation and change rather than for maximization of profit or benefits for shareholders. Social enterprises attempt to target social needs that remained unfulfilled on the market by using (more or less) market-based approaches, aiming for implementing durable and sustainable solutions (Volkman et al., 2012; Păunescu & Evans, 2018).

In order for communities to survive of the contemporary societal challenge there is a need for new tools for local communities to use in the future (Garcia & Haddock, 2016). People together with local authorities should take more responsibility at the local level to improve their available livelihood, services and to create an active business environment that will help to further develop those areas. There are lots of local potential, embedded knowledge and skills in the communities to improve the service provision and employment, but people usually do not recognize them or do not know how to make fully use of it. Small communities are challenged these days with a demand for reaction to the diminishing of the quality of their life. There is an unambiguous need for local actors to learn to think and act like an entrepreneur (Ulfah & Dhewanto, 2015). Also, as any private company, the public authority must increase its capacity to innovate. In an effort to fulfil this goal, governments have increasingly turned to networks of public, private, and non-profit organizations in an attempt to open the avenue to integration, dialogue and collaboration (Bland et al., 2010).

In September 2015, United Nations adopted the 17 Sustainable Development Goals of the 2030 Agenda for Sustainable Development to “end poverty, protect the planet and ensure prosperity for all” (United Nations, 2017). Fulfilment of those goals has to be responsibility of everyone: the public sector, the private companies, non-governmental organizations, and civil society. For the goals to be reached, social enterprises have a significant role as well.

Methodology

To understand how the United Nations’ Sustainable Development Goals are put into practice, the paper investigates the diversity of social missions and goals of the Romanian social impact award winners as well as the categories of beneficiaries reached through their social innovation initiatives. This article brings together evidence on the types of social innovation among the winners of the Social Impact Award for the period 2012-2017. Social Impact Award was founded in 2009 to support early-stage social entrepreneurs in developing and implementing innovative business solutions to tackle the most challenging social needs of our times. Currently, it runs education and incubation programs in more than 20 countries in Europe, Africa and Asia. The Social Impact Award reached its seventh edition in Romania, running continuously since 2012.

The data was collected from the social enterprises’ websites in the period March – April 2018 and refers to 18 social enterprises from Romania, respectively the social impact award winners from 2012 up to 2017. These enterprises were analysed by using content analysis, based on the following criteria: (1) social mission and goal, (2) social innovation types, and (3) beneficiaries. Following this analysis, we put forward two research suggestions: (a) what are the potential core antecedents of

community social innovation, and (b) what are the effects of community social innovation and how we measure it. The research relies on the data available on the official websites of the studied social enterprises, therefore the reliability of our research results depends in a high extend on the accuracy of existent information.

Results

The 18 social enterprises investigated in the current research address 14 fields of activity or Sustainable Development Goals out of a total of 17 (table no. 1). There are four social enterprises in our studied group that address one SDG, eight that address two SDGs and six social enterprises that link their mission to more than three SDGs. Also, our studied group of social enterprises includes two social impact award winners from 2012, three from 2013, four from 2014 and three social impact award winners from each year that follows, up to 2017. The results of the content analysis of the data regarding each of the above mentioned criteria for our selected social enterprises, namely social mission and goal, types of innovation and beneficiaries, are presented bellow (table no. 2).

Upside Down aims at promoting a new concept in society – upcycling, which means transforming by-products, waste materials, apparently useless, or unwanted products into new materials or products of better quality or for better environmental value.

Table no. 1 The studied group: Social Impact Award winners in Romania

No.	Social impact award winner	2012	2013	2014	2015	2016	2017	Sustainable development goals
1	Upside Down	X						Clean water and sanitation; Sustainable cities and communities; Responsible consumption and production; Life below water; Life on land
2	Șezătoarea	X						Responsible consumption and production; Life on land
3	Zendoo Kindergarten		X					Quality education; Industry, innovation and infrastructure
4	InoTech		X					Clean water and sanitation; Industry, innovation and infrastructure; Reduced inequalities; Sustainable cities and communities; Responsible consumption and production; Life below water; Life on land
5	Cooperativa de Artă		X					Sustainable cities and communities; Responsible consumption and production
6	Vreau Morcov Românesc!			X				Zero hunger; Responsible consumption and production
7	Panic Helper			X				Good health and well-being; Sustainable cities and communities
8	The Collective Art Neighbourhood			X				Sustainable cities and communities
9	Cobi Bicycle			X				Good health and well-being; Reduced inequalities; Sustainable cities and communities; Responsible consumption and production; Climate action
10	House for Everyone				X			No poverty; Affordable and clean energy; Industry, innovation and infrastructure; Reduced inequalities; Sustainable cities and communities; Responsible consumption and production

11	VisionBot	X	Industry, innovation and infrastructure; Responsible consumption and production
12	MEDX 3D Printing	X	Good health and well-being; Industry, innovation and infrastructure; Reduced inequalities
13	Fabrica de Experimente	X	Quality education; Industry, innovation and infrastructure
14	SPICO	X	Good health and well-being; Quality education;
15	THATS	X	Quality education; Industry, innovation and infrastructure; Decent work and economy growth; Reduced inequalities
16	Teen Tank	X	Decent work and economy growth
17	Smiles for the Future	X	Good health and well-being
18	IziBAC	X	Quality education

Source: Processed based on <http://socialimpactaward.ro/castigatori/>

Table no. 2 Social mission, types of innovation and beneficiaries of the studied group of social enterprises

Social impact award winner	Social mission/ goal	Types of innovations	Beneficiaries
Upside Down (upside-down.ro)	Giving an afterlife to waste	Upcycling	Companies, households, individual customers
Șezătoarea (villagelife.ro/projects)	Sustainable development in rural Romania	Rural tourism, rural development through responsible travel	Regular people and local families from rural Romania, urban travellers
Zendoo Kindergarten	Improving skills related to emotional intelligence	Teaching about emotions, impulse control, empathy and social skills using mixed learning tools	Kids of all ages
InoTech (madeinsocial.ro/inotech)	Communication solutions based on circular economy principles	Durable furniture solutions made from recycled materials and designed for extended service life	Companies, other social enterprises
Cooperativa de Artă (cooperativadearta.ro)	Empowering communities through art and giving art purpose	Produce canvas paintings on a wide variety of shapes and sizes signed by the artist	Designers, artists, other social enterprises
Vreau Morcov Românesc!	Supporting a healthy diet based on fruits and vegetables	Equip universities and corporations with automatic machines for local fresh fruit and vegetables	Employees from corporations, university students, local farmers and pomiculturists
Panic Helper	Guarantee safety when in need	Android application which helps people when in need	People of any age who have a smart phone
The Collective Art Neighbourhood	Provide a solid ground for critical exchanges and cooperation for artists	An unconventional space in which artists in residence together with local artists live, work and exhibit	Emerging and mid-career artists
Cobi Bicycle (cobibicycle.com)	Encourage biking, bicycle recycling and reconditioning	Bicycle recycling and reconditioning, customization of bicycle for students	University students, low income persons
House for Everyone	Help people improve their future through architecture	Housing prototype for emergency and temporary accommodation	Refugee, people affected by floods, earthquake, homeless, people at poverty
VisionBot (visionbot.net)	Assembly automatically and less expensively electronic products	A pick and place robot for turning a prototype into an industrial product.	Engineers, makers, hackers, hobbyists and small and medium sized enterprises
MEDX 3D Printing	Blend technology with medicine to build advanced medical devices	Build inexpensive, customized prosthetics and other medical devices with the help of 3D printing	People with physical disabilities, people in need of a prosthetics

Fabrica de Experimente (fabricaexp.com)	Change curriculum by colouring science	Scientific toolkit for experiments, a booklet with explanations and videos for each stage	Kids of 6-14 years
SPICO	Changing food options	Specialised kitchen that offers menus and food delivery free of gluten and lactose	People intolerant to lactose and gluten
THAT'S (http://thats.wiki/en/home/)	Help the blind to see by themselves embossed images	An e-learning tool: online encyclopedia, a web editor and a companion app to read these	Blind people
Teen Tank	Thinking outside the box	Develop skills by solving briefs from companies	Teen agers, high school students
Smiles for the Future	Prevention of illnesses associated with faulty hygiene	Interactive workshops about oral health using age-appropriate learning methods	Children and people of all ages
IziBAC (izibac.ro/#/)	Give pupils the pleasure of learning	Facilitate learning for the Bacalaureate exam using gamming techniques, multimedia, interactivity	High school students, pupils of all ages

They collect, for example, street banners from advertising campaigns, old truck tarpaulins, bicycle rubber chambers or scrap of textile materials and transform them into products like wallets, handbags, bags, laptop covers, etc.

Șezătoarea (Social Soire) aspires to promote sustainable development in rural Romania by connecting urban travelers with old village life in the heart of rural community. Their aim is to maintain and preserve village traditions, homes and way of life. Travelers are hosted in village households where they discover and actively participate in daily life in the countryside (e.g., wine making, cheese making, shepherding, tending to animals, Holiday festivals, etc.). Also, they can participate in seasonal local events or local products fairs.

Zendoo-Kindergarten aims at improving skills related to emotional intelligence of kids by using electronic interactive children's books, and combining storytelling, games and a state of the art platform developed for this purpose. Kids are taught, for example, about emotions and how to handle them, impulse control, empathy and social skills by using theater, lessons and games on smartphones, computers and tablets.

InoTech aims at providing companies with communication solutions based on circular economy principles through promotional and customizable objects, such as innovative furniture. All their products (e.g., bean bags, pillows, hammocks, indoor/outdoor creative sofas) are designed from the outset to be biologically recycled or decomposed, using materials such as wood, textiles, recycled sponge, PET fiber, cotton, wool, hemp.

Cooperativa de Artă (Art Cooperative) aims at empowering communities by engaging them in the development of contemporary art and giving art purpose. Artists' canvas paintings on a wide variety of shapes and sizes are exhibited in unconventional spaces and offered for sale together with a certificate of authenticity signed by the artist.

Vreau Morcov Românesc! (I want Romanian Carrot!) aims at sustaining a healthy diet based on fruit and vegetables for students and busy employees, by equipping universities and corporations with automatic machines plenty with fresh products. They encourage at the same time production from Romanian young farmers and pomiculturists from the local markets.

Panic Helper is an Android application which helps people when in need (e.g., emergency, car accident) to receive immediate assistance, by sending a SMS, a phone call, by posting a message on Facebook, or by sending a message on Facebook chat.

The Collective Art Neighbourhood has as a purpose to provide an unconventional space for a multifaceted exchange and collaboration, where residents live and work in a shared cross-cultural environment. They are linked to the local art community, according to the specific

needs and conceptual approaches of each individual project. This exchange covers various fields of activity such as painting, theatre, and film.

Cobi Bicycle is a bicycle recycling and reconditioning centre that provides used bicycle to university students and other low income persons. It also helps young people to customize their bicycle, promote healthy lifestyles, and encourages environmental protection through selective recycling.

House for Everyone is a housing prototype for people in need of a shelter, which provide emergency and temporary accommodation for example for people affected by floods or people at extreme poverty. The house can be reused, recycled, updated as the materials are adequate for the four seasons.

VisionBot is a pick and place machine that helps makers to turn their electronic prototypes into industrial electronic products (e.g., electronic devices, computers, consumer electronics as well as industrial, medical, automotive, military and telecommunications equipment).

MEDX 3D Printing is an innovative approach to helping patients in need of prosthesis help or other advanced medical devices, including drugs, by blending 3D printing technology with medicine.

Fabrica de Experimente (Experimental Factory) aims to bring colour and life in the way the kids are taught sciences. They offer a scientific toolkit for experiments for 17 different experiments (from physics and chemistry), a booklet with explanations for children and educational videos for each stage.

SPICO is a specialised kitchen that offers menus and food delivery for gluten and lactose intolerant people. All their products are carefully selected and produced in their own space.

THATS (Touch & Hear Assisted Teaching System) is an educational solution for the blind, offering a digital library, a web editor and an app to read these. The digital library includes books and images (with audio description), ready for download and print in tactile format. The online editor is used to create personalized content, by linking audio descriptions to drawings and the companion app helps, by hand command, with playing the audio descriptions while the user explores the tactile drawings.

Teen Tank aims at developing young people's skills to work in a team, problem solving, brainstorming, innovation and creative thinking, and leadership. It gives teenagers the opportunity to develop their entrepreneurial skills by solving briefs received from companies.

Smiles for the Future aspires to raise awareness about oral health and educate institutionalized children about techniques for the prevention of illnesses associated with faulty hygiene. By using age-appropriate learning methods, they offer interactive workshops, during which children acquire essential notions about oral health such as: anatomy of the oral cavity, the main determinants of diseases in the oral sphere, as well as the main preventive methods.

iziBAC is a mobile app compatible with both Android and IOS systems that aims to give pupils the pleasure of learning, facilitate learning for the Baccalaureate exam, and increase the rate of graduation. The application uses a modern and entertaining method that combines gamming techniques with an innovative way of teaching, based on multimedia content, interactivity and community spirit.

Conclusions

The present paper offers valuable insights in regards to the types of innovation in social impact award winners from Romania in connection with the social mission they want to fulfil and by linking various categories of beneficiaries in need. Our research findings reveal that sustainable cities and communities, responsible consumption and production and industry and innovation are the most prevalent

fields of activity among the studied social enterprises and there is a wide range of social innovations that address these topics: from upcycling, recycling and reconditioning, rural tourism, housing prototype for emergency and temporary accommodation, up to designing modern e-learning tools, apps and interactive platforms and 3D printing. Beneficiaries are of a wide and mixed range: kids, teenagers, students, artists, people at extreme poverty, people in need, households, locals, people with disabilities, companies, and other social enterprises.

Quality of education and good health and well-being are other preferred core areas for sustainable development among our studied group of enterprises. The types of social innovations that address these fields are diverse, either in regards to the tools and methods used (e.g., gaming techniques, multimedia content, interactive workshops, digital library, educational videos, apps), the thematic curriculum of the learning programs (e.g., emotional intelligence, oral health, safety, sciences) or the beneficiaries' lifestyle (e.g., biking, food options).

However, the results have to be read with care as they are based only on the information publicly available on the social enterprises' websites. Thus, it might be possible that several innovations were not included in the analysis due to the lack or poor existence of reliable data. Further research could use the results of the present study to design an empirically based framework of potentially core antecedents and effects of community social innovation, which can be further tested by gathering primary data in regards to the social innovation initiatives taken by social enterprises. Therefore, we put forward for further exploration two research suggestions: (a) what are the potential core antecedents of community social innovation, and (b) what are the effects of community social innovation and how we measure it.

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