

# Third Sector Impact as Social Innovation (WP1)



The research done on social innovation as the main aspect of Third Sector impact serves as the foundation for all subsequent work phases. The aim was to build a conceptual framework to determine the factors which contribute to the innovative capacity of the Third Sector in relation to the contributions of the public and the for-profit sectors.

The research process thereby followed five major steps, leading to the insights given successively:

## **1. The Third Sector and Social Innovation? (Meso level)**

We started off with an in-depth discussion and evaluation of the central claim of ITSSON. Literature on impact and performance measurement as well as on innovation turned out to support the assumption that the impact of the third sector can be measured by evaluations of social innovations.

By focusing on innovations as one central way in which the Third Sector unfolds its impact we are able to avoid problems of measuring the performance by the means of structural data and economic figures. Looking at the Third Sector's innovative capacity thus enables us to evaluate its performance in comparison to public agencies and business firms.

Our literature review further supports another core assumption of the project. Third Sector organisations appear to be better equipped to foster social innovations than public agencies and business firms. Several overlaps between typical traits of third sector activity and important influences on innovation processes were found.

Addressing the question of how to systematise the ways in which the Third Sector fosters innovation we identified two perspectives out of a big range of diverse approaches from various disciplines. We will differentiate between individual, organizational, and societal level as well as between different types of innovation (technological, governance, social innovation).

These different types of innovation might be interrelated. Other evidence led us to suppose that innovation may be more dependent on factors such as policy frameworks or other regulative structures. We thus synthesised knowledge from fields that are usually being treated separately and established a nexus between impact, social innovation and Third Sector properties.

## **2. Civic engagement and Social Innovation (Micro level)**

What does civic engagement contribute to the emergence of social innovation and what factors enable it to make such contributions? In this part of our research, out of the different perspectives mentioned above we focused on the individual level of organisations. To this end another literature review was carried out, this time focusing on the connection between volunteering and social innovation as well as on research on trends in the organisation of volunteering.

The insights collected were systematised by means of a matrix including three levels (macro-, meso-, micro level) and the parameters 'motive', 'organisation' and 'outcomes'. Nine classes of social innovation were identified and rendered visible not only the ways volunteering can lead to social innovation, but also the negative effects of innovation fostered by volunteers. As the responsibility to solve societal problems is increasingly being transferred from the state to the individual, as exemplified by the concept of 'Big Society' in Great Britain, the openness to and demand for volunteer activity altogether is rising.

These findings on these two points are elaborated in detail in [ITSSOIN\\_D1\\_1\\_Social Innovation as Impact](#)

### **3. Enabling policy frameworks (Macro level)**

In this part of the project we investigated if there are certain policies and policy frameworks that are likely to capture and nurture social innovation in the Third Sector. As comparable research hitherto did not exist, we based our research on a document analysis of policy statements and reports, considering both the conditions specific to fields as well as to countries. The results will serve as the foundation for more in-depth exploration within the subsequent field case studies.

The EU-projects that link social innovation and the third sector are few. Flagship initiatives exemplify the existence of such a nexus. The approaches thereby range from a focus on raising awareness to legislative and more regulative changes, and next to social innovation accentuate also more recent and still not clearly defined concepts such as social enterprises and social entrepreneurs.

In ITSSOIN-countries (Czech Republic, Denmark, France, Germany, Italy, Netherlands, Spain, Sweden, UK) a large variation of the links between policy discourses and social innovation was found. They range from dealing social innovation as an explicit means for social and economic development much in line with the intentions in the EU policies to being more or less non-existing in the policies related. The concept of social innovation is

translated into the different country-specific environments and policy fields. The Third Sector is viewed as an actor with relevance to social innovation in all countries, albeit with differencing views on its functions and hence with different links to the concept of social innovation.

The results for each country can be found in [ITSSOIN\\_D1\\_2\\_Policy frameworks third sector](#)

#### **4. Perception dimension (Macro level)**

The Third Sector is not only characterized by its structural dimensions and framed by policies. It is also socially embedded. Therefore the characterization of the sector will have to be complemented by the dimension of “perceptions” in mainly two perspectives. What do citizens think about the sector and how is it covered in the media? In this section of the research we provided a theoretical framework for the empirical analysis of these questions and designed the more in-depth research questions for the subsequent empirical analysis of perceptions of the third sector. Another focus was put on the methods that will be used to answer these questions in a valid and reliable way.

Pre-existing research on the topic of perceptions of the Third Sector turned out to be very limited. However, looking at three dimensions on the individual (micro), organizational (meso) and macro level of perceptions as well as taking into account the goals and positions of actors, preceding findings provided relevant insights for the more detailed research questions. For example, when addressing the views of European citizens on the importance, performance, impact and innovativeness of Third Sector organizations, we will need to take into account cross-national variations and changes over time.

The development of these ideas is presented in [ITSSOIN\\_D1\\_3\\_Perceptions of the third sector](#)

#### **5. Building testable hypotheses**

In this part of the research we proposed a set of testable hypotheses regarding the impact of the Third Sector on social innovation. In order to form these, findings from the precedent steps of investigation were brought together, including information on framework conditions as well as assumptions on the role of the Third Sector in generating social innovation. Our analysis looked at four different levels:

(1) organisational properties, (2) volunteering and volunteers, (3) institutional frameworks, (4) citizen perceptions and media influence.

For each level we took into account empirical findings and theoretical insights in order to develop a more detailed understanding of how the Third Sector's social innovation potential can be captured and how the hypotheses will be tested in the following steps of the ITSSOIN project. Two core propositions were formulated:

*Main proposition I: Social innovativeness varies by organisational form and actor involvement, in the sense that the properties of third sector organisations and volunteering make its formation particularly likely.*

*Main proposition II: Against this background, social innovativeness further varies by framework conditions, that is by institutional and perception environments.*

All other hypotheses directly relate to these two propositions and define specific conditional factors that lever social innovativeness and further specify the causal relations that we are expecting to find with regard to the impacts of volunteering, media and citizen perceptions, or policy discourses. The main propositions mentioned above thus serve as the baseline for the following research to be performed.

This step in the project thereby served as an orientation and operationalization for the analyses to be done next, one milestone being the accomplishment of 27 case studies in

which we will cross-nationally look at examples of dominant social innovations in seven fields of activity.

All hypothesis can be found in [ITSSOIN D1 4 ITSSOIN Hypotheses](#)