Social Innovation: Examples within Hungarian context

Nora Rodek
University of Pannonia, Hungary
Zoltán Birkner
University of Pannonia, Hungary
Tivadar Máhr
University of Pannonia, Hungary
Tamás Rentz
University of Szeged, Hungary

Abstract

There are many definitions of social innovation, out of which the most commonly accepted may be that it is a complex solution or, sometimes disruptive, change that is more efficient, effective, sustainable and fair than existing alternatives on the broadest level of society. A further, essential characteristic of it is a community framework, manifested in the creation of new relationships and the restructuring of the entrenched modes of cooperation. Adding to the significance of the phenomenon is that nowadays every social challenge is deemed an economic one as well. Hence, its solution is in the interest of the national economy. The most important sectors and challenges: demography, poverty, climate change, education, digitalization, public administration, health care. Some highlighted recent examples of social innovation are the following: social enterprise, creating shared value (CSV), emissions trading, fair trade and social webshops. The goal of the paper is to interpret social innovation as widely as possible through individual examples within Hungarian context.

Introduction

Innovation is a key factor in economic growth. Economists estimate that 50-80% of economic growth comes from innovation and new knowledge (Helpman, 2004). Economic operators have recognized and even empirical research has shown that there is a direct link between the economic and innovation performance of a municipality or region (Bhatti et al., 2011). Individual cities and regions can only improve their competitiveness if they produce high value-added products and services using innovative solutions (Ojo et al., 2015). Thus, the task is twofold: on the one hand, we have to increase the competitiveness of individual regions, and on the other hand, social tensions and problems for which traditional, economy-based innovations are often unable to offer adequate solutions need to be addressed. At an international level, among the Member States of the European Union, it is often experienced that social problems are recurrent and cannot be remedied by a one-off financial intervention or periodic projects (Fougère et al., 2017). Here comes the social innovation, which, moreover, can provide effective responses not only to society but also to technology-oriented problems.

The goal of the paper is to discuss the notion of social innovation, both concerning the previous research and in the context of Hungarian examples.

Social innovation

Social innovation can be interpreted along three dimensions (Choi & Majumdar, 2015). First, as a social process where innovation takes place through social participation, secondly, in the context of social values, norms and needs, and thirdly as an activity aimed at renewing society.

Social innovations are usually new combinations of existing ideas and solutions. They are not limited by the organisational, sectoral or disciplinary boundaries; what's more, they build new kinds of social relationships (Mulgan et al., 2007). Social innovation is the development and implementation of new ideas (products, services, processes) improving well-being and quality of life. These innovations respond to societal needs, create new social relationships and collaborations, and not only benefit society but also strengthen the active participation of the citizens. In our experience, social innovation reflects societal needs. These can be physiological needs (e.g. pollution, malnutrition, people with disabilities), security needs (e.g. wealth risk, crisis management, addictions, workplace, basic needs, funding models), relationship needs (e.g. loneliness, exclusion, FOMO) and the need for self-esteem (e.g. viability, creativity), self-fulfilment (e.g. arts, family roles) and lifelong learning (e.g. digital society, financial education in old age, social skills development, language learning, digital competences).

Social innovation (together with technological innovation) supports the development of the community (Toivonen, 2016). However, there are individual mechanisms. Social innovation alone is not enough to improve the standard of living of a community, but it can articulate issues and problems that allow for the effective channelling of technical, scientific or other innovations.

In this respect, international studies and other examples show, that each actor in the "quadruple helix" can be considered as a social innovator driven by a common goal. Such common goals include, for example, improving environmental factors, public safety or consumer protection (Carayannis & Campbell, 2010).

The process of social innovation requires a complex, high degree of flexibility from all actors. The tasks are given, but the "rules" are not set in stone. In our interpretation, social innovation as a concept describes the whole process that

results in new responses to existing social needs that lead to more favourable social outcomes. They can include fair trade and restorative justice, hospices and kindergartens, distance learning, traffic calming and much more (Mulgan et al., 2007).

There are four important elements of the process. Identification of new, unsatisfied or inadequately satisfying social needs, development of new solutions that respond to these needs, evaluation of the effectiveness of new solutions in the light of the needs, and scaling and dissemination of effective innovations.

Social innovation is not limited to the non-profit sector; a whole spectrum of stakeholders can be identified (Tanimoto, 2012). Researches show, that many of the most successful innovators could successfully operate across the boundaries between different sectors and the secret of a good innovation hides in the effective alliances between small organisations, entrepreneurs and big organisations (Mulgan et al., 2007).

Thus, to promote social innovation the active participation of all stakeholders is needed. Universities and research institutes have to work together to develop a solution strategy based on the experience of economic actors, NGOs, government, and decision-makers, in the implementation of which economic operators also play a major role (Chin et al., 2019; Hunady et al., 2019).

The role of universities in these processes is unquestionable: taking into account international and EU experience and guidelines, they are not only becoming more and more serious economic operators but also their social role is evolving. Universities can be ideal innovators as they provide appropriate knowledge and keep it up-to-date, with the wide range of several innovations (e.g. Mete et al., 2018).

The range of potential collaboration opportunities is, of course, huge and it is far more beyond the university-city relationships. As social innovations often lead to technical innovations and solutions, the involvement of the R&D&I sector in the processes is essential. It is equally important to involve social actors (non-profit organizations, associations, foundations) who maintain contact with society through several channels. Universities and knowledge centres carry out several types of research that contribute to the development of social well-being. In this respect, each actor should not be considered as a competitor but as a cooperating partner. Each stakeholder of the "quadruple helix" is a potential collaborating partner, making the process sustainable and, most importantly, the result is a solution.

Relationship between social innovation and the third mission

In the age of the knowledge-based society, not only researchers but also businesses and external actors concerning the university have recognized that innovations require different types of collaboration. In addition to the first and second missions (education, research) of higher education institutions, dating back to 1,200 years of tradition, the third mission (innovation, local engagement, social engagement) is gaining more and more important, so universities have an important task to expand knowledge through relationships and collaborations. Not only by increasing the wealth of knowledge, but also by utilizing solutions that are measurable for society.

The third mission means not only the utilization of the knowledge created in higher education but also all activities that utilize the endowments of the institution, outside its territory in its wider environment. An essential condition for this is that universities cultivate a close relationship with society (representatives of the civil sphere) and actors in the economic sphere, all with the support of the State.

One of the great challenges for higher education institutions is that university knowledge capital, teachers, researchers and students, the so-called "homo academicus" how can become more a tangible part of the society and the economy, so how can it be transformed into "homo oeconomicus". In the knowledge- and economy-oriented environment of the 21st century, higher education institutions need to reposition themselves and strengthen their competitive position at regional, national and international levels. The third mission is a distinguishable factor that can give a real picture of what kind of "commitment" characterizes a given higher education institution. Universities can find solutions to social problems, to generate innovative ideas that they can later successfully apply with other members in the quadruple helix.

The collaborations of the university-city dimension can also be connected to the third mission. Experience and research show that in cities where stakeholders are involved and addressed already in the concept development phase, and members of the local community are aware that the development of the city is not only a common issue but also a common responsibility, sustainable solutions can be successfully developed and maintained. Local communities must recognize their local values and resources, and based on them, together with the members of the community, it is necessary to plan and implement local and regional developments. Municipalities have a key role and responsibility in the success of these processes. It is the responsibility of the local government to establish the operational mechanism by which it can channel the interests of the local communities into decision-making processes. By doing so, it not only fulfils a legal obligation, but also provides one of its most important resources, the commitment of local communities, and the support of local groups and businesses that can be mobilized for the local goals. Inclusive self-government implements mechanisms, which initiate dialogues between local authorities, organizations, businesses and the citizens following democratic principles, to develop and sustain innovative operation involving stakeholders as widely as possible, taking their expectations into account.

Social Innovators in Hungary

Higher Educational Institutions as Social Innovators

Based on the above, universities can be key to social innovations. Within this article, we present three of the socially most active universities in Hungary. Their role is well-verified by their results and previous attempts in the field of social innovations.

The Eötvös Loránd University in Budapest (ELTE) has a wide knowledge base. According to the Web of Science database, ELTE has the highest publication activity in the field of "Humanities" and "Social Science" compared to other Hungarian universities, and more than a third of these publications have been published in different international collaborations. ELTE performs well in these areas in the international rankings as well. The university's Center for Innovation is a dynamically developing organizational unit of the institution, established to perform its tasks related to innovation, corporate cooperation and technology transfer. It aims to form a bridge between the University and the industry, thus promoting the industrial utilization of the research results generated at the University. Its other main task is to improve the innovation potential of the university.

Similarly, to ELTE, social innovation has key importance in the University of Pannonia as well. The university developed numerous solutions and projects belonging to the social innovation category. These include mobile applications, the

Marketing Focus Laboratory, the EKF Point, participation in the KRAFT index and the Pentor program.

Based on the needs of the community, the University of Miskolc has launched its pieces of training in Ózd and Sátoraljaújhely to provide the supply of specialists necessary for the operation of the local economy and to keep highly qualified specialists in the region. The primary aspect of the selection of the courses was aiming to satisfy the needs of the labour market and to provide local, qualified human resources.

Social Innovation Labs

Although the sectors and potential stakeholders are identified, the collaboration between the actors needs more acceleration. Universities have to keep their capacity for building innovation, rather than spending efforts on finding the best partners, but at the same time, they have to perform their responsibilities in knowledge sharing. This means, that an intermediator is needed to save valuable resource. In our view, the best "connector" between the different groups of an innovation system is a social innovation lab. Social innovation labs provide a useful approach to solve the most challenging problems faced by local people and marginal groups. The unique process offered by these labs involves diverse stakeholders in a given field, creating a supportive environment for innovation and experimentation.

Social innovation labs work as intermediates creating cross-sector stakeholder working groups, providing space and/or process in which these collaborations can find support to develop new ideas (Wascher et al., 2019). The term of social innovation includes organisations such as centres for social innovation, design labs, change labs, public innovation labs, impact labs, impact incubators, impact learning labs, collective impact learning labs and more (Papageorgiou, 2017).

To understand the value of social innovation labs The Rockefeller Foundation launched a project in September 2013 in Hungary. Their goal was to find out if these labs could provide better, efficient solutions while building innovation capacity.

Because of their project, they found out that with the help of a social innovation lab a deeper understanding of the problems in ensured, which leads to new solutions and innovative opportunities. The diversity of the included stakeholders - which is the core of every social innovation lab – makes it possible to design solutions with a greater likelihood of scale.

Conclusion

Innovation promotes economic growth; however, innovations are not always focused on social problems as well. Thus, if we provide innovative solutions for social and technological problems we not only support economic growth, but we also promote social cohesion. An effective social innovation, however, needs strong collaboration between the stakeholders, creating a diverse innovation system. Universities, as knowledge bases, are key innovators, which are ideal for this kind of cooperation, but not always have enough capacity for building new connections. In this paper, we focused on the role of the social innovation in Hungary, with the elaboration of roles of universities and innovation labs in fostering social innovations, contributing to the body of research investigating social innovation within an European context (e.g. Roblek et al., 2020).

Our work should be considered to be of preliminary nature, since we have provided an overview of social innovations in Hungary. This indeed could be considered as a limitation of our research, but also the venue for the future research

in this area, which should provide a systematic evaluation of the social innovation initiatives in Hungary, and possibly other Central Eastern European countries.

References

1. Bhatti, Y., Olsen, A. L., Pedersen, L. H. (2011), "Administrative professionals and the diffusion of innovations: the case of citizen service centres", Public Administration, Vol. 89, No. 2, pp. 577-594.
2. Carayannis, E. G., Campbell, D. F. (2010), "Triple Helix, Quadruple Helix and Quintuple Helix and how do knowledge, innovation and the environment relate to each other?: a proposed framework for a trans-disciplinary analysis of sustainable development and social ecology", International Journal of Social Ecology and Sustainable Development, Vol. 1, No. 1, pp. 41-69.
3. Chin, T., Yang, Y., Zhang, P., Yu, X., Cao, L. (2019), "Co-creation of social innovation: corporate universities as innovative strategies for Chinese firms to engage with society", Sustainability, Vol. 11, No. 5, Article 1438.
4. Choi, N., Majumdar, S. (2015), "Social innovation: towards a conceptualisation", in Majumdar, S., Guha, S., Marakkath, N. (Eds.), Technology and Innovation for Social Change, Springer, New Delhi, pp. 7-34.
5. Fougère, M., Segercrantz, B., Seeck, H. (2017), "A critical reading of the European Union's social innovation policy discourse: (Re) legitimizing neoliberalism," Organization, Vol. 24, No. 6, pp. 819-843.
6. Helpman, E. (2004), The Mystery of Economic Growth, Harvard University Press, Cambridge.
7. Hunady, j., Orviska, M., Pisar, P. (2019), "What matters: the formation of university spin-offs in Europe", Business Systems Research, Vol. 10, No. 1, pp. 138-152.
8. Mete, S., Abidin Cil, Z., Özceylan, E. (2018), "Location and coverage analysis of bike-sharing stations in university campus", Business Systems Research, Vol. 9, No. 2, pp. 80-95.
9. Mulgan G., Tucker S., Ali R., Sanders B. (2007), "Social innovation: what it is, why it matters and how it can be accelerated", Skoll Centre for Social Entrepreneurship.
10. Ojo, A., Curry, E., Zeleti, F. A. (2015), "A tale of open data innovations in five smart cities" in Bui, T. X., Spague, R. H. (Eds.), 48th Hawaii International Conference on System Sciences, 5-8 January, IEEE, Kauai, pp. 2326-2335.
11. Papageorgiou, K. (2017), "Labs for social innovation", available at: https://www.slideshare.net/ESADE/labs-for-social-innovationinstitute-for-social-innovation-esade (May 10, 2020)
12. Roblek, V., Bach, M. P., Meško, M., Bertoncel, T. (2020), "Best Practices of the social innovations in the framework of the e-government evolution", Amfiteatru Economic, Vol. 22, No. 53, pp. 275-302.
13. Tanimoto, K. (2012), "The emergent process of social innovation: multi-stakeholders perspective", International Journal of Innovation and Regional Development, Vol. 4, No. 3-4, pp. 267-280.
14. Toivonen, T. (2016), "What is the social innovation community? Conceptualizing an emergent collaborative organization", Journal of Social Entrepreneurship, Vol. 7, No. 1, pp. 49-73.
15. Wascher, E., Kaletka, C., Schultze, J. (2019), "Social innovation labs - a seedbed for social innovation", in Howaldt, J., Kaletka, C., Schröder, A., Zirngiebl, M. (Eds.), Atlas of Social Innovation (Vol. 2), oekom verlag, München, pp. 135-137.

About the authors

Nora Rodek, PhD, is a senior lecturer at University of Pannonia Nagykanizsa Campus. She received her PhD in Management and Business Administration at the Doctoral School of the University of Pannonia. Her research topics are CSR (Corporate Social Responsibility), sustainable and responsible management, social innovation. The author can be contacted at **rodek.nora@uni-pen.hu.**

Zoltán Birkner, PhD, is an associate professor at University of Pannonia Nagykanizsa Campus, a research specialist in the field of innovation performance of companies and regions and the manager of a water technology research and development centre. The author can be contacted at **birkner.zoltan@uni-pen.hu.**

Tivadar Máhr, PhD, is an active settlement development specialists, a tourism and innovation expert, the deputy mayor of a highlighted touristic destination and has a PhD degree in Management and Business Administration**.** The author can be contacted at **mahrtivadar@gmail.com.**

Tamás Rentz is a PhD student at the University of Szeged and has a degree in Biology, Slavic Studies and International Business Economics. The author can be contacted at **rentz.tamas@gmail.com.**