The ITSSOIN perspectives on ‘context’

Following the tradition of ‘new institutionalism’ – according to which organisations are seen as less technocratic and more engaged in aligning with the logics and expectations of their environment (Meyer & Rowan, 1977) – or ‘new institutional economics’ – according to which institutions and institutional change are considered as key drivers of economic performance (North, 1990) – we may not assume that social innovation can be meaningfully analysed in isolation that is detached from surrounding institutional and perceptual structures.

The ITSSOIN project has set out to investigate the contribution of third sector organisations to social innovation holistically and therefore takes the surrounding environment of these organisations into account in four distinct but interconnected ways. In view of its partner countries ITSSOIN in (Czech Republic, Denmark, France, Germany, Italy, the Netherlands, Spain, Sweden, and the UK) has:

1. Explored differences in welfare state traditions and political economies in order to derive a rationale as to where social innovation could be expected to be most pronounced;

2. Conducted a policy analysis to explore where social innovation is recognised as a distinct concept, what are its desired outcomes according to political discourses, and which entities are expected to be most engaged in fostering social innovation.
3. Analysed *media perceptions* of third sector organisations, since news media and specifically newspapers play a pivotal role in shaping public discourse. The image they convey of third sector organisations is therefore a good measure for assessing which country specific roles these organisations take on with regard to their social legitimacy, their primary functions, and their relation to social innovation.

4. Used available survey data to find out how *citizens perceive* third sector organisations, in particular with regard to their socially innovative capacity. It has, for instance, been explored how national levels of volunteering and general trust affect people’s assessment of the sector or which type of organisations (small vs. large or local vs. national) are deemed more innovative.

The baseline created for these issues is summarised in the ITSSOIN hypotheses (Anheier, Krlev, Preuss, & Mildenberger, 2014a). It is only possible to trace if, how, and under which conditions third sector organisations contribute to social innovation by means of empirical investigation of these hypotheses. The analyses which have been performed so far, the highlights of which are outlined in this policy brief, represent first empirical results and will furthermore serve as key references for the in-depth cross-national case studies on dominant social innovation streams that will be conducted within the framework of the ITSSOIN project. The current insights into all four perspectives, which are thus of a preliminary nature, will be presented.

**THE NATIONAL CONTEXT**

**Country traditions and social innovation potential**

The strategy applied in the ITSSOIN project with regard to the partner countries’ welfare traditions and political economies has been twofold. Firstly, a theoretical discussion on existing country classifications was performed, in the framework of which three different approaches were considered: (1) the ‘Social Origins Theory’ (Salamon & Anheier, 1998) outlines where nation states stand with regard to the scale and scope of civil society (measured by the size of the third sector and the scope of volunteering); (2) the ‘Worlds of Welfare Capitalism’ (Esping-Andersen, 1990) refers to the marketisation of welfare or the absence of it and the proximity or distance between individuals in society in one nation state (measured by ‘strength of market influence’ and ‘social inequality’); (3) the ‘Varieties of Capitalism’ (Hall & Soskice, 2001) reflect on the nature of innovation processes across nation states ranging from incremental to radical (related to the state’s influence in the economy, whereby innovation is more incremental where this influence is high, i.e. in ‘coordinated market economies’ (CMEs), and more radical where it is low, that is in ‘liberal market economies’ (LMEs).

Even though these classifications use different points of reference when observing nations, they are all of relevance to the ITSSOIN project, since said points of reference correspond with key components of the project, namely: (1) The hypothesised crucial importance of the third sector and volunteering for social innovation (Anheier et al., 2014a); (2) the significance of context conditions in shaping social innovation (Krlev, Bund, & Mildenberger, 2014); and (3) the strong relation between social innovation and other types of innovation (Anheier et al., 2014b).

Against this background an up-to-date image of the classifications was created by drawing on recent empirical data. This combined with a conceptual discussion on which factors most likely enable social innovation has resulted in a classification of national social innovation potential. Unsurprisingly, the different classification approaches result in different propositions as to where social innovation can mostly be expected. However, in some countries social innovation is more markedly or more frequently pronounced than others. The following list gives a brief overview of the rationale for the country selection and lists only those countries with the highest estimated social innovation potential. For more details please refer to the full report (Anheier, Krlev, Preuss, Mildenberger, & Einarsson, 2014).
1. **Social Origins Theory** – following ITSSOIN’s main hypothesis social innovation will be highest where the third sector is large (in terms of share of GDP, funding, or workforce) and where the scope of volunteering is large (in relation to paid workforce).

   - Highest social innovation potential: The UK;

2. **The Worlds of Welfare Capitalism** – following the logic proposed by ITSSOIN that civic involvement and a relative absence of market pressures and state coercion are generally most favourable for social innovation, social innovation will be highest in countries at the intersection of conservative and social-democratic welfare regimes (these are characterised by low state influences and moderate market pressure).

   - Highest social innovation potential: The Netherlands, Sweden, Denmark, France, and Germany;

3. **Varieties of Capitalism** – in relation to what has been outlined above economies that allow for a substantial degree of individual civic activity relatively protected from heavy state influence, on the one hand, and from the pressures of economisation, on the other, seem to be the most promising settings for social innovation. This mostly applies to LME-like countries which are located in the middle of the above-mentioned continuum. Hybrid countries where national structures are in a process of transformation are expected to be least innovative, since the unsettled state they find themselves in prevents the establishment of innovations.

   - Highest social innovation potential: The Netherlands, Sweden, and Spain.

It has to be noted that these estimations of the innovative capacity are based on theoretical reflections. They still have to be tested empirically. Some preliminary insights can already be gained from the policy analysis and the reflection on media and citizen perceptions and will be presented in the following.

---

**The first empirical approach on how social innovation is embedded in policies**

The empirical policy analysis relates to insights from a previous deliverable of the ITSSOIN project in the framework of which a screening of relevant policy documents was conducted (Anheier et al., 2015; Eriksson, Einarsson, & Wijkström, 2014). In this previous report it has been emphasised that an explicit link between social innovation and the third sector is mostly drawn in flagship initiatives on the EU level rather than on the national level but also that research on this matter or other related systematic analyses are scarce. The subsequent policy analysis presented here is therefore one of the first empirical endeavours to deliver in-depth insights into country-specific policy approaches to social innovation.

The analysis draws on five to nine central policy documents for each of the nine European partner countries and for the EU level. Overall, 53 documents from 2001-2014 were assessed by means of a code book with 25 analytical categories for a quantitative analysis employed, for instance, to evaluate (on the basis of a word count) the question as to whether social innovation is at all recognised as an important concept; this code book also allowed for a qualitative analysis in order to describe, e. g., national variations in political structures and resulting particularities with regard to social innovation discourses.

Based on the empirical results four central questions have been evaluated:

   - How are social innovations generally described in policy documents?
How are social innovations related to other kinds of innovations in policy documents?

What kinds of contributions are expected from social innovations in policy documents?

What function is ascribed to the third sector in policy documents as regards social innovation?

Social innovation – a policy priority?

Although the discussion on social innovation issues is still in its early stages, the overall prominence of the concept in policies is nevertheless high in Denmark, France, Germany, the Netherlands, and Spain. It is less strongly implemented in the policy discourse in the UK and is of weakest prominence in the Czech Republic, Italy, and Sweden. National variations were also found as to the degree to which policies relate to local, regional, and national levels.

Even though LMEs (UK and Denmark) show a focus on the national level, they reveal a strong orientation towards the local level. The focus on the national level is surprisingly stronger in ‘hybrid countries’ (Czech Republic and Italy) which are in the middle of the continuum between CME and LME. In these countries policies seem to concentrate on the national level to implement obligatory structures. In contrast, CME countries (Germany and France) refer at the same time to the national, regional, and local level, thus focusing on interrelations between levels rather than one level only. Of all the analysed countries Spain (an LME-like country; another in-between category with a tendency towards LME) seems to have developed a policy framework that relates most strongly to social innovations and also integrates the third sector. In the Czech Republic the situation is reversed, since the social innovation policy discourse is fairly undeveloped, with almost no direct connection to third sector activity. Based on these insights there are mixed results as regards the following hypothesis:

H3.6c: Social innovation policies in CME countries will be more locally-oriented, whereas social innovation policies in LME countries will be more nationally-oriented.

Who shapes social innovation policies?

It was surprising to observe that, cross-nationally, a large variety of ministries and other political bodies have engaged in social innovation. Despite this variety, we could, however, perform a classification of the related responsible actors that mostly deal with social innovation policies. Interestingly, it is either ministries responsible for economy and labour issues or for social affairs; frequently both of these areas of responsibility are at the same time involved in social innovation discourses (for instance in Germany). As the analysis revealed, this may partly be explained by and related to the significant link of country-level policies to EU proclamations and agendas and thus to the fact that several General Directorates of the EU (mainly the DG Research & Innovation, the DG Employment, Social Affairs & Inclusion, and the DG Growth) engage in social innovation issues as an emerging subject.

Overall and in relation to the hypotheses of the ITSSOIN project, we can reject the hypothesis:

H3.6: Social innovation policies in CME countries will be more social policy-directed, whereas social innovation policies in LME countries will be directed by the tradition of technological innovation policies.

It is again the hybrid countries (Italy and the Czech Republic) that most strongly relate their innovations policies to technological innovations expected for LME countries. In contrast to the hypothesis, the UK and Denmark as LME countries concentrate on social policies by implementing social innovations especially to restructure the welfare and healthcare system. In CME countries (France and Germany), on the other hand, technological innovations (in Germany) and economic growth (in France and Germany) are central to social innovations policies. These results have to be treated with some caution, as policies do not always differentiate between social and
technological innovations but refer to innovations in general. Furthermore, different policy streams as regards social innovations may coexist without systematically relating to each other; in Germany, for example, social policies are also discussed in the context of civic engagement and its socially innovative capacity. With the given caution it can be said that in a country the concept of social innovations may be used more in the sense that policy approaches are implemented which contradict the established policy tradition of a LME or CME.

**Policy goals and interaction in view of social innovation**

With regard to policy goals in relation to social innovation which were pronounced in the analysed documents two separate streams could be observed. Firstly, social innovation is mentioned with regard to volunteering and civic engagement, both of which in turn are related to questions of solidarity and social cohesion. Secondly, social innovation is mentioned in relation to economic growth and thereby often connected to the support of social enterprises or technological innovations. This thematic and coincidental difference has been detected in Denmark, France, Germany, Italy, and the Netherlands.

A special focus in the discussion on social innovation was found in the Czech Republic, Spain, and Sweden, where national measures in the context of social innovation are mostly directly related to regulations, initiatives, and guidelines on the EU level. In terms of related themes a strong connection between knowledge and research policies and those that target (social) innovation could be found. This is the case for the Czech Republic, Spain, and the Netherlands.

Considering the focus on the sector expected to be the most innovative institutional setting and the degree in which third sector involvement is related to social innovations, it is possible to assess whether social innovation is rather a grassroots phenomenon (such as the establishment of relations between sectors or third sector involvement) or whether it is implemented top-down (characterised by a focus on the state as social innovative setting). Based on the findings the following hypothesis can be rejected:

**H3.6b: Social innovation policies in CME will focus on grassroots involvement, whereas social innovation policies in LME countries will be more top-down.**

In most countries, regardless of their characterisation as CME, LME, LME-like, or hybrid countries, social innovations policies focus on grassroots involvement. Only the UK, as a LME country, and Spain, a LME-like country, apply policies based on top-down processes. Still, both countries show indicators for grassroots involvement. In the UK, for example, market and especially the state are described as innovative institutional settings, and the relation between social innovations and the third sector is only rarely pronounced. However, this top-down approach is complemented by pronounced expectations as to the innovative capacity of civic engagement.

**Innovation levels and innovation actors**

In the Netherlands, the UK, and Germany social innovations are expected to result in organisational field transformations, that is broader impacts in an entire service field, whereas in Spain, Sweden, Denmark, and on the EU level the development of specific products, services, and processes is of greater importance. Only in the Czech Republic, France, and Italy all levels are equally relevant to policy makers. Overall, at present a high degree of aspirations regarding social innovation in combination with a low degree of specificity as to what is expected from social innovation, can be detected. Across countries these expectations are mostly formulated in regard to the fields of ‘social services’ and ‘health’. However, they remain unspecific in the description of actors that are expected to implement innovations. Most policy documents do not elaborate on relations between organisations and social innovations at all.

What is more, there is no special mentioning of third sector organisations as actors of social innovation. In the Czech Republic, Italy, and Sweden the third sector is neither mentioned as a setting for social innovation nor is the third sector strongly related to social innovations. Only in Italy some documents relate civic engagement to social innovation, a connection not found in the
two other countries. In France, Spain, Germany, the Netherlands, and the UK some relevance is ascribed to the third sector but this is either related to specific subjects or not more pronounced than the involvement of business firms or state agencies in social innovation. Only in Denmark the third sector is described as particularly innovative. This is accompanied by the fact that Denmark is the only country where third sector organisations are regarded to assume two functions simultaneously, which is service provision and advocacy. In all other countries either none or only one of these roles is explicitly mentioned in documents that relate to (social) innovation.

The media analysis: objectives and procedure

Since it was not possible to provide a comparative analysis of the great variety of existing media (including television, internet, etc.), the media analysis conducted within the framework of the ITSSION project focused on two national and two regional newspapers in each of the nine partner countries (Brink Lund & Lilleor, 2015). Newspapers are especially interesting sources for a public discourse analysis, since they report on the basis of predefined frames and thereby set agendas or reflect such discourses (Brink Lund, 2013). The media analysis was conducted by using databases of 36 newspapers and by searching for articles that mentioned at least one of six predefined keywords (‘civil society’, ‘associational live’, ‘non-profit sector’, ‘voluntarism’, ‘social innovation’, and ‘civic engagement’). The analysis of the articles was divided into two steps. Firstly, the media coverage was analysed quantitatively by comparing the frequency of these keywords between 2003 and 2013. Secondly, a qualitative analysis of the content of articles from 2013 was conducted to explore four central hypotheses of the ITSSOIN project, as described below.

Regional versus national third sector images

Partly in accordance with the context-specific nature of social innovation, which at least in the first stages of its emergence is often geographically limited and concerns certain communities or regions rather than entire countries, it was assumed that media perceptions of third sector activities at the micro level will be more positively framed than those of macro level activities. Since national news media tend to be more macro level-oriented and regional news media are more micro level-oriented, it was assumed that:

H5.1: The press framing of third sector activities in regional media is expected to be more positive than in national media.

The hypothesis is supported by the content analysis of national and regional newspapers. In almost all countries regional media relate to third sector activities more positively than national newspapers. The only exception is Sweden, where the opposite situation can be found, which means that regional media refer to the third sector less positively than national media. This implies more favourable perceptual conditions for third sector organisations to, for instance, test out new approaches regionally rather than to scale existing approaches nationally.

Social innovativeness versus other civil society traits

The second hypothesis tested in the media analysis connects the third sector and social innovations. Given that social innovations are rather new phenomena and in accordance with the above-mentioned policy analysis, social innovativeness is expected to be less pronounced in media characterisations of third sector organisations than other characteristics:

H5.2: Social innovativeness is expected to be relatively less pronounced in press coverage of third sector activities than a number of other civil society values, e.g. voluntarism and civic engagement.
This hypothesis is confirmed by the findings of the analysis, which show that third sector activities are only rarely described as innovative, whereas the third sector as a setting for voluntarism and civic engagement is strongly pronounced. Overall, social innovation as a concept is, indeed, seldom mentioned in the European media landscape. However, if innovation in relation to the third sector is the focus of press reporting, it is much more related to specific fields of activity than to country contexts or to the level of press reporting. In this regard, the fields of community development, work integration, and healthcare appear much more often than other fields (for instance the other ITSSOIN fields, i.e. arts & culture, social services, consumer protection, or environmental sustainability).

Media reporting and policy discourses

As known from other themes and subjects, press reporting is often in line with national policies. With regard to social innovation the situation is no different. Overall, the prominence of the phenomenon is low in both spheres, however, where social innovation is mentioned in the media, the opinions reiterated by the press are mostly in line with the existing political positions in the respective country. On the basis of the available data it is impossible to conclude, whether this means that media reporting follows the prevailing political positions instead of challenging them. However, it can be said that there does not seem to be much controversy between policy and media discourses and therefore confirmed:

H5.3: Press reporting on national social innovation is expected to be in line with the national policy discourse on social innovation.

Third sector functions

We have previously suggested that advocacy and service provision are not only central to third sector operations in general but could also be useful in classifying fields of activity that will be studied empirically in the ITSSOIN project. The importance of these fields for third sector organisations and the allocation of empirical fields according to variations in service provision and advocacy as primary characteristics could be explored to test the following hypothesis:

H4: The main dimensions used by the press to frame third sector actors are expected to be roles of advocacy and roles of service provision.

The findings support the previously suggested allocation of fields along the two dimensions. Only community development and work integration do not seem to accord properly with the classification, since community development seems to be perceived as exercising a service function less than expected and the level of service provision and advocacy seems only weakly pronounced in work integration. Overall, it seems useful to maintain this scheme for the further empirical analysis in the project. In addition to the comparative media analysis it was possible to classify not only fields but entire countries according to how the third sector is altogether perceived in relation to the service provision and advocacy roles. While in France and the Czech Republic the third sector is primary described as an advocate, service provision is a more pronounced function in Spain, Italy, the Netherlands, and Sweden. In the UK, none of the functions are strongly pronounced in the media, whereas Germany and Denmark are characterised by a media focus on both functions. Both dimensions, fields of activity and countries, are summarised in the following table:

<table>
<thead>
<tr>
<th>Advocacy</th>
<th>Serv. prov.</th>
<th>less pronounced</th>
<th>more pronounced</th>
</tr>
</thead>
<tbody>
<tr>
<td>less pronounced</td>
<td>arts &amp; culture</td>
<td>The United Kingdom</td>
<td>social services; healthcare</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Spain; Italy; Netherlands; Sweden</td>
</tr>
<tr>
<td>more pronounced</td>
<td>environmental sustainability; consumer protection</td>
<td>France; Czech Republic</td>
<td>work integration; community development</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Germany; Denmark</td>
</tr>
</tbody>
</table>

(cf. Brink Lund & Lilleor, 2015)
Citizen’s perceptions of third sector organizations are important

Citizen’s perspectives on third sector organizations of crucial importance for social innovation. Third sector organizations rely on citizens for support of their missions in the form of contributions of money and time. Without the efforts of citizens, the work of third sector organizations would not be possible. The level of effort that citizens display depends on citizen’s perceptions of third sector organizations. Central results on citizen perspectives of the third sector in Europe are presented by (Bekkers & Verkaik).

A lack of data

Empirical data on perceptions of the third sector that cover all the relevant dimensions of third sector organizations in Europe are extremely scarce (Bekkers & Verkaik, 2015). Key dimensions of perceptions concern the importance, confidence, impact, trustworthiness, innovation, legitimacy and efficiency of third sector organizations.

Perceptions of the third sector should be studied at three levels: (1) at the individual level of third sector activities, (2) at the meso-level of third sector organizations, and (3) at the macro-level of the third sector as a whole. Micro-level characteristics of citizens that are likely to be correlated with perceptions of third sector organizations include socio-economic position, personality, prosocial values, generalized trust, participation in third sector organizations and activities. Meso-level characteristics that are likely to be correlated with perceptions of third sector organizations include the age and size of organisations and membership of accreditation programs and accountability clubs. Macro-level characteristics that are likely to be correlated with perceptions of third sector organizations include legal requirements for third sector organizations, self-regulation efforts, government control, corruption, GDP, and the wealth of nations.

There is no single source that combines data on each of these dimensions in one dataset. We have relied on data from the Eurobarometer survey, the World Values Survey, and the Giving in the Netherlands Panel Survey on trust in third sector organizations, on perceptions of the societal impact of third sector organizations, and the benefits of participation.

Positive perceptions of third sector organizations

Our findings show that perceptions of third sector organizations in Europe are positive. Two thirds of the population of Europe say that they tend to trust third sector organizations. This level of trust is fairly uniform across Europe.

Compared to trust in other institutions, the level of trust in third sector organizations is relatively high. Trust in third sector organizations is substantially higher than trust in the national government or in big companies. Trust in third sector organizations is positively correlated with trust in other institutions.

Trust in third sector organizations is widespread in most countries of Europe. In almost all countries of Europe a majority of the population tends to trust third sector organizations. Europeans do not have much more trust in third sector organizations than citizens from other parts of the world. In the past decade, trust in third sector organizations has probably not changed much and remained high.

Younger and more highly educated citizens have more trust than older and lower educated citizens of Europe. The individual propensity to trust others in general is positively related to trust in fellow
citizens, to trust other institutions, and satisfaction with life. Volunteers and active members have more trust in third sector organizations than non-participants.

**Europeans perceived a broad impact of third sector organizations on society**

Citizens of Europe recognize the societal impact of volunteering in many areas. Most commonly cited were impacts on humanitarian aid, followed by health care, the environment, human rights protection, social inclusion, sport, active aging, and employment. Volunteering is rarely perceived as having an impact on European identity.

**Europeans perceive benefits of volunteering for society as well as for individual citizens**

The benefits perceived by Europeans include a mix of societal and individual benefits. Most commonly cited were benefits for social cohesion, self-fulfilment and personal development of volunteer workers, and solidarity. The least commonly cited benefit of volunteering was the role it plays in the economy of the European Union. Unfortunately, there are no data on the perceived benefits of volunteering for social innovation.

**Volunteers have somewhat more positive perceptions of third sector organizations…**

…but countries in which more citizens volunteer do not have more trust in third sector organizations. This finding suggests that the positive perception of third sector organizations is not just an experiential process. Volunteers have more positive perceptions of third sector organizations, but also in countries in which volunteering is less common citizens have fairly positive perceptions. Volunteers do recognize more benefits and more societal impact of volunteering than non-volunteers, and this difference is also emerges from a comparison of countries. Citizens in countries where a higher proportion of the population volunteers view volunteering as having a broader impact and as having more benefits for society and individual citizens.

**PROJECT IDENTITY**

**PROJECT NAME**

Impact of the Third Sector as Social Innovation [ITSSOIN]

**COORDINATOR**

Georg Mildenberger
Centre for Social Investment
University of Heidelberg
Heidelberg, Germany
georg.mildenberger@csi.uni-heidelberg.de

**CONSORTIUM**

Bocconi University – UB – Milano, Italy
Copenhagen Business School – CBS- Kopenhagen, Denmark
ESSEC Business School - ESSEC – Paris, France
Heidelberg University – UHEI – Heidelberg, Germany
London School of Economics – LSE – London, United Kingdom
Masaryk University – MU – Brno, Czech Republic
Stockholm School of Economics – Stockholm, Sweden
The Netherlands Institutie for Social Research – NLNA – Den Hague, the Netherlands
University de A Coruna – UDC, A Coruna, Spain
University of Oviedo – UNIOVI – Oviedo, Spain
VU University Amsterdam – VUA – Amsterdam, the Netherlands
<table>
<thead>
<tr>
<th><strong>FUNDING SCHEME</strong></th>
<th>FP7 Framework Programme for Research of the European Union – Programme for research, technological development and demonstration.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DURATION</strong></td>
<td>March 2014 – February 2017 (36 months).</td>
</tr>
<tr>
<td><strong>BUDGET</strong></td>
<td>EU budget contribution 2,496,037.80.</td>
</tr>
<tr>
<td><strong>WEBSITE</strong></td>
<td><a href="http://www.itssoin.eu">www.itssoin.eu</a></td>
</tr>
</tbody>
</table>
| **FOR MORE INFORMATION** | Contact: Georg Mildenberger  
Centre for Social Investment  
University of Heidelberg  
Heidelberg, Germany  
georg.mildenberger@csi.uni-heidelberg.de  
Gorgi Krlev  
Centre for Social Investment  
University of Heidelberg  
Heidelberg, Germany  
gorgi.krlev@csi.uni-heidelberg.de |