

Social innovations – the role of the local community

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The theme of this paper is innovative creation of shared social values, which in the literature is associated with the term social innovation. More specifically, the paper discusses development and organisations of social services delivered through third sector and voluntary work and which aims to support social groups such as younger not finishing their education or individuals of different age categories facing difficulties of getting a job. The empirical cases of the paper are from respectively Norway and Sweden. Our particular contribution to the social innovation research field is to conceive and demonstrate the way geographical contexts of places and local community networks are important factors for how social innovations evolve.

1 Introduction

This paper aims to investigate innovative creation of shared social values, which in the literature is associated with the term social innovation. This refers in particular to the innovative process by which values that is created captures targeted social groups such as younger not finishing their education or individuals of different age categories facing difficulties of getting a job. Lack of sufficient individual resources, health or social problems are reasons for why some individuals fall behind regarding how well they can function in relation to existing education arrangements and skill requirements for gainful employments. Higher formal qualifications are also increasingly expected requirements but do not fit everyone. Individuals having well developed practical skills but who lack the capacity to obtain the necessary theoretical competence might choose to quit school. These risk categories refers to the young, and also to other persons with short education background, those with minor psychological disorders and persons who have been on long-term sick leaves.

Not being qualified and able get a job as we just have described represents social problems that are not easily captured by traditional welfare schemes. It is however found that third sector organisations in many EU-states, the US and elsewhere are taking important and increasing role of dealing with social challenges and in this way supplementing and to some extents relieving the public sector from this responsibility (Bacq and Janssen 2011; Lindsay et al 2014). In other cases can these tasks be a collaborative task across sectors. Ratten and Welpel (2011) did in fact point out that the traditional boundary between the public and private sectors becomes blurred as

individuals, public and private institutions form innovative ways of dealing with social problems.

The two cases from respectively Norway and Sweden in this paper illustrate the current re-negotiations of divisions of roles between the public sector, the private sector and the third sector or non-profit institutions and even more loosely connected voluntary or hybrid organizational constellations. Our particular contribution to the social innovation research field are insight in the way geographical contexts of places may nurture feelings of shared experiences among local actors contributing with social capital and motivations to join forces in a local community context. . The two cases represent differences regarding how they are formed, organised and approach employability. The Norway case can in short be described as a voluntary initiated network constellation organised as a mentor program targeting youngsters that have dropped out of secondary school to return or get a job. The two cases do somewhat differ in the way they are organised The Norway case is organised as a joint project with senior pensioners from the business community, a representative from the local employment agency and a co-ordinator from the local chamber of commerce. The Swedish case is organised as a cooperative social enterprise for job training and recruitment support. Both cases involve ways of introducing and including persons in different social risk categories, to join education and job programs. Both cases concerns helping people to believe in themselves and with some support, be capable of solving their own problems. This paper discusses ways, motives and goals of local community initiatives aiming to reduce the numbers of school leavers and to introduce persons with marginal positions at the labour market into employments.

The paper is organized into five sections. This introduction is followed by section two, with a literature background and presentation of core concepts. Section three present the methodology of the study, whereas section four covers the two empirical cases from respectively Nordhordland in Norway and Mjölby in Sweden. Section 4 discusses the results of this study, whereas section 5 contains a wider discussion and conclusion

2 Literature background and important concepts

This paper is about social innovations which is a phenomenon that has engaged broad academic and political debates and which has developed into different policy initiatives. Various governments and governance organizations and programmes, at the international (e.g. EU, OECD), national and regional levels stress the importance of social innovations to meet societal challenges and to support the development of cohesive and sustainable societies (Grimm et al., 2013). For the aim of this paper— i.e. to explore geographical and spatial aspects and contexts for social innovations —we have found some features of the debate – and how this is found through academic outlets – to be of particular relevance.

2.1 Social innovations – key aspects of social space, societal qualities and immateriality

The elements of social institutions and social space are central to understand processes of social innovations embedded in geographical space. Social institutions involve collective interpretations of the environment and this has implications for how entrepreneurs may be motivated to join forces with others (Hargrave and Van de Ven, 2006). Social institutions direct legitimacy (Cajaiba-Santana, 2014) have implications for how resources are directed and distributed. From a social-institutional approach it is maintained that social space is a means for social innovations (Granger, 2014). In this paper we use “space” primarily with geographical connotations. Social institutions, norms and practices associated with particular geographical settings (i.e. regions or locales) are not necessarily transferable or similar between places (Rusten and Bryson, 2010). Through this paper we introduce the importance of geography for the features and development of social institutions and social space and which is discussed more at length in the section below and through the concept of local community initiatives.

Social innovation is about the creation of common goods and more particularly of social values for society, including quality of life and well-being (Bonifacio, 2014). It concerns the generation of social values to meet recognized social needs (Grimm et al 2013; Phillips et al. 2015). A much cited definition of social innovation is that of Phillips, Deiglmeier, and Miller (2008): “a novel solution to a social problem that is more effective, efficient, or just than existing solutions and for which the value created accrues primarily to society as a whole rather than private individuals” (p. 39, cited in Phillips et al. 2015, p. 442). The societal quality effects of social innovations concern social inclusion and cohesion. It is for instance about increasing employment rates and improving labour market conditions; “social innovation is about social change” (Cajaiba-Santana, 2014, p. 44).

We do find that social innovation replaces or supplements conventional institutions and form new alliances. Social innovations in the way they are formed and operate do also vary according to geographical scale and context. Social innovation requires novel combinations of ideas, resources and capabilities for the creation of social value. This entails the creation of benefits or reduction of cost for the society in ways that goes beyond private and commercial gains. Social innovations do sometimes cover social needs that otherwise are underprivileged or unsolved.

The societal effects of social innovations will be further elaborated in the section below regarding social entrepreneurs and the purposeful actions associated with

“intended, planned, co-ordinated, goal oriented and legitimated actions” (Cajaiba-Santana, 2014, p. 44). Such purposeful actions are formed by their spatial contexts. Vision to do something for the (local) community is an important motivation we have found in the two cases in our study.

Social innovations involve immaterial processes and outcome. The concept of social innovation is contrasted to that of technical innovations. It is claimed that the faster pace of technological change compared to societal change in the twentieth century has recently been reversed (Cajaiba-Santana, 2014). For social innovations, the organisation is a critical issue (Bonifacio, 2014) and which for the empirical cases of this paper includes cross-sector interactions and renegotiated roles of different societal sectors (private, public and third sector). The contrasting logics of activities in these institutions bring challenges and coherent collaborations and work among the parties (Le Ber and Branzei, 2010). Pertaining the outcome of social innovations, the cases of this paper are examples of immaterial effects linked to strengthen confidence, networks, competence, skills and experiences of persons and which support their prospects to be integrated into gainful employments.

2.2 Social entrepreneurship, social enterprises and non-profit strategies

Phillips et al (2015) review article on social innovations point to the way intertwining of social innovations and social entrepreneurship stress the inherent features of agency for social innovations (c.f. Bacq and Janssen 2011). The discussion of this paper adheres to such an approach and the concept of social entrepreneurship is besides social innovations and local community networks the third corner of the “concept triangle” for the paper. The definition of social innovation highlights aspects of contents and effects, whereas social entrepreneurship focus on agency but again this can concern projects by individuals as well as networks of institutional collaborating. Initiative for social entrepreneurship can be initiated by individuals, network or more formally be connected to different sectors and organisations, including commercial enterprises, public institutions, non-profit organizations. One suggested definition of social entrepreneurship is ‘a process of bringing together resources to address a social need’ (Ratten and Welppe 2011, p. 283).

Then there is the question of why various players are engaged in these forms of initiatives. Porter and Kramer (2011) and Shaw and Bruin (2013) refer to the strategic turn whereby enterprises now not only are doing pure market oriented business but also see the advantage of being actively engaged in environmental, social, cultural, educational and health-care concerns. The business community will like anybody else enjoy the benefits of being part of a well-functioning society. Social engagements can also be used as part of a branding strategy as well a way of making the firm attractive when recruiting new employees as well as ensuring loyalty

and reduce the numbers of costly staff turnovers. The business sector may in this respect be motivated by a wish to do something for their community (corporate citizenship) sometimes as way of paying back the benefits they have enjoyed in this location. These form of strategies is also demonstrated through new reporting practices intended to demonstrate corporate citizenship by highlighting engagement with employees, customers, the local community, other locations (e.g. aid projects) or society in general (Aras and Crowther, 2010). Social entrepreneurship in this way relates to aspects of CSR of companies and norms of “double bottom line” which is about motivations “... to perform both financially and socially” (Phillips et al 2015, p. 454, c.f. Bacq and Janssen 2011).

For this paper’s focus on social entrepreneurs in the third sector, financial performance is not a main motivation, nevertheless it is an important and required means to be able to run a social enterprise unless the activities are based on external support. The former situation is the basis for the Swedish case, where as the Norwegian case is fully dependent on external support both financially to cover the salary of the coordinator, as well as hours and places for work that the involved businesses do offer through this project. Besides the coordinator of this project, is partly financially covered by the county level and local chamber of commerce.

Another dimension to be mentioned is that social entrepreneurship concerns the personal drivers behind the activities and traits of the entrepreneur and the entrepreneur’s networks. The factors involved include socializing motives: trust, self-realization, reciprocity, norms and social control. The initiatives can be organised by individuals (entrepreneurs) wanting to build a positive reputation, or simply doing something of social value for their community. In practice as we see it demonstrated through our cases, both these motives seems to count.

For the spatial approach for this paper the work by Johannisson et al (1989 and 1990) and their definition of community entrepreneurship is highly relevant. The community entrepreneur is an alternative concept for social entrepreneur and is defined by Johannisson and Nilsson 1989 to be an altruistic person and who embraces ‘... the development of the community as a main personal goal...’(p. 5). The issue of altruism is however an elusive aspect and is intertwined with being rewarded though social confirmations. These arguments mean that social values are both means and ends of community entrepreneurship. (Johannisson and Nilsson 1989). The term community refers to several dimensions including *community* in the way individuals and organizations are joining forces carrying out these activities rather than operating on their own. The *community* also refers to the geographical framework and location of these projects. It would however be an oversimplification to link entirely the *community* label to the reward aspect. To put it short we can either find local communities being the initiators behind social entrepreneurial activities, or communities that are the goals for the shared values that are produced, or the combination of both (Ratten and Welpe, 2011, Maclean et al, 2012). This also

suggests a common culture identity which represent an important basis for entrepreneurial activity.

Later work by Johannisson et al (2015) suggests the introducing of the notion of societal entrepreneurship and into which important arguments from the earlier discussion about community entrepreneurship are imported. The conceptualisation of societal entrepreneurship aims a particular interest towards the mobilizing of people (Johannisson et al 2015). Thus it is important to clarify that the motivations for social entrepreneurship is through interplay between societal context, available collective resources and features of individuals and who need to have motivations for the entrepreneurship. From the definition of social enterprises being non-profit organisations, sources for motivations are suggested to derive from visions about improving quality of society and living conditions. It can also be about the identity and pride of the entrepreneur and emotional motivations. And it can be about a sense of responsibility for the civil society of the local community (c.f. Johannisson and Nilsson 1989; c.f. Bacq and Janssen 2011, c.f. Lyons et al 2012). Community used in our paper do both refer to an aggregation of persons that share the same goal as well as operate in the same geographical context. Still communities are however not about homogeneity, fixity or exclusively, on the contrary they are multiple, transforming and permeable. Social entrepreneurs have roles for social sustainability of places and communities. And place and space have impacts on the local development of social entrepreneurship. This will be illustrated through the empirical cases of this paper and how these activities bring empowerment for socially marginalised groups (c.f. Muñoz 2010).

The discussion about societal entrepreneurship is focusing on the mode of organising and particularly integrating private, public, non-profit and voluntary sectors. Overall, processes of social or societal entrepreneurship and social innovations are conceived to be involved in social systems and networks and collective learning. Social entrepreneurship means that groups are coming together that would otherwise not interact and what is important for cohesion of societies (c.f. Muñoz 2010). Interactions between social actors across sectors can be a source to consolidate resources and it can also induce ‘... new norms, values, and rules, rocking the boat and challenging the status quo’ (Phillips et al. 2015, p. 447). Thus, it is important to stress that social institutions, social capital, local communities and social innovations are mutually integrating processes under constant transformations. .

2.3 Local community networks – and the role of social capital

The empirical evidence presented in this paper demonstrates that local community networks play major roles for social entrepreneurship and social innovations to be realised. Local community networks are the local and place specific constellations of

actors and their social capital and which is derived through local or extra-local relations. According to Putnam (1995), social capital may already exist, but it needs to be activated and confirmed from time to time. The academic debate on social capital is wide and for the aim of this paper the overview by Malecki (2012) is found useful. Malecki's discussion primarily refers to the role of social capital for regional development through "regular" entrepreneurship, but similar arguments are also relevant for social entrepreneurship and social innovations on a local scale. Malecki claims that the meso-scale of analysis of social capital is particularly relevant for a spatial perspective analysis of entrepreneurship and what corresponds to the scale of for instance the firm and a local milieu. Social capital and social networks are primarily conceptualised to be key "trigger factors" for processes to take place rather than to be entities and measurable resources in themselves. Trust is a central element of social capital. There is a balance between the requirement of trust for social capital and which takes time to consolidate and the need of social networks to be open to new members and to make room for entrepreneurial and innovative processes. It is important to consider that local social capital and local community networks – if these become closed systems – can cause lock-in and hinder the introduction of social innovations (cf. Pihkala et al., 2007).

How social capital is activated, endured, reproduced or undermined in places depends on a number of variables being conceived structurally or contingent. Population turnover, and social profiles may be considered to have structural effects for how trust is nurtured and for the balance between closed interactions and "cross-groups" relations. The latter may contribute to open systems and hinder lock-ins and challenge the components of trust and even undermine resources needed to be able to join forces in a community project.

Local community networks – and its important features of social capital and trust – develop through particular profiles of local institutions, organisations and activities of individuals of particular places. Shared norms of local social institutions are important frames for how actors and activities are integrated into social innovations. Social linkages and capital secures information flows, generates trust and eases negotiations between parties in community projects. Lack of networks is "...a significant barrier to social entrepreneurship and a reason for the failure of many social innovations' (Phillips et al. 2015, p. 453, with references to Mulgan 2007). Places (through their local networks and social capital) may facilitate feelings of shared experiences among local actors and which is particularly valuable for achievements of the more challenging cross-sector relations (compared to intra-sector interactions). Such cross-sector interactions were assumed by Johannisson et al (2015) to be a specific feature of societal entrepreneurship. It is anticipated that the local community networks have important roles for "community empowerment" and for "...why and how community action becomes translated into socially enterprising behaviour" (Muñoz 2010, p. 308).

The discussions about the role of social capital for regional development covers four different elements have been defined and which are norms, networks, links and holders (Birch and Whittman 2008). Norms refers to collective and shared values of the local society. Networks are local and extra-local ties and connections of individuals and organisations characterised by long-term relations of trust. Links refer to cross-sector interactions, with diversity that is accepted and embraced through the community networks of the investigated entrepreneurship. Holders are the main agents and entrepreneurs of the investigated projects.

In this paper we address how social entrepreneurship and innovations develop through local community networks and how interactions – across and within sectors and places – trigger such processes. This may be expressed in terms of to understand entrepreneurship through local “anchoring processes”. Anchoring is a spatial concept for interactions and relations of actors in territorial settings and how this involves networks and links with local and with distant partners (Dahlström and James 2012). Local community networks represent the local anchoring processes triggering societal entrepreneurship and social innovations. Through the notion of anchoring we want to counteract the delusion that local community networks are closed territorial systems. Norms, networks and links of the social capital of local community networks are in many ways importantly integrated in extra-local systems. These are temporary networks under constant renegotiations. For example mya changes of economic market conditions effect the extent businesses can be involved in side activities such as social projects. What the notion of local community networks means is that we focus how relations are played out locally and through local holders.

3 Methodology and presentation of the case studies

The case studies presented in the paper are based on projects in two manufacturing-based towns with around 20-30 000 inhabitants in Norway and Sweden. These towns are located in comparably sparsely populated regions and are smaller settlements where large global engineering companies and strong industrial traditions are present. The two cases are respectively a mentor/placement project for high-school dropouts in Nordhordland Norway, and a cooperative within gardening and janitor services from Mjölby Sweden. Both empirical cases concern creating shared values that bring social benefits to the community.

The empirical evidence combines use of open source and grey literature document, some secondary data, as well as interviews with key informants in each case. For Nordhordland this has included a 2 hour interview with the coordinator (February 2014) as well as shorter informal conversation with one of the pensioners as well as an interview with one of them published in a media article and website presenting the

project. The positions and roles will be described in further detail in the case presentation

For the Mjölby case two persons were interviewed (June 2015) through a joint meeting lasting around 1,5 hours. The interview was an open discussion. The interviewees were the chair of the board for the cooperative and one of the employed managers. Both these persons have been engaged in the cooperative since its inauguration in 2010. The interview data is also supplemented by printed information material, pp-presentation and annual reports made available from the cooperative.

3.1 The Nordhordland case: Mentor/placement project for high-school dropouts

This example of social innovation for education in Nordhordland in Norway is a mentor project aiming to help early school dropouts to gain skills and vocational job training related to their interests and capability.

The core members are a team of ten pensioners who are all members in the local chamber of commerce and industry (NHIL). They are long term members of extensive business networks developed from established professional and social ties in the community; many have known each other for a years through their job careers and the fact that most of them are born and have lived there all their life.

This activity was initiated in 2011 by ten senior citizens with backgrounds from management and leading positions in different businesses, eventually with financially support from the country and organisational representation with members from the local branch of NAV (The Norwegian Labour and Welfare Administration) an a person from the Secondary School taking part in some of the meetings. The project can be characterised as a voluntary consortium supported by an organisational infrastructure of formal institutions, but where the pensioners are the ones setting the agenda and doing most of the practical arrangements, especially when it comes to meet and motive the youth to get a job. Likewise trying to engage companies to offer a job. These mentors have through their strong social position, knowledge and influence been able to motivate workplaces and businesses to take a social responsibility and find placements to help these youths that otherwise probably would have problems of getting out of this situation by their own. The achievements so far (status feb 2014) have been to support around 20 of these young persons to either get a job, apprenticeship or return to school. NAV introduces the youth to the program and coordinates the meetings involving the youth and the mentors. The candidates are interviewed and asked if they wish to try to find a solution by either getting a job, an apprentice or finish school. These young do in many cases wish to make it a try. A practical job experience is for some of them a way of finding a better

match to what their interests and capabilities are. It may also be a form of social training, as appreciation for the work they do, is of value to their self-confidence. This also includes helping them strengthen their social skills like getting up in the morning and meeting regularly for work.

The voluntary resource team of mentors meet on a regularly basis once a month to discuss how they in the best way can help and follow up these teenagers. The mentor has the communication with the young and takes action if the job initiative fails and look for ways of solving this..

A majority of the young ones that this team has mentored have been boys, probably partly because boys are over represented in the group of early school leavers. This priority for boys in the projects may also have to do with the fact that all the mentor members of the network are men with professional careers, in most cases technical mechanical and engineering jobs, occupations typically dominated by men. It also have to do with the fact that some of these men also had experienced some difficulties during their time at school The one we talked to expressed that he neither were that keen of being at school for years doing theoretical studies when he were at that age. He added that good practical skills are important for the industries, and these skills should be valued more than what they do nowadays. According to him we need to accept that not everybody should go through a long academic education but can in stead be quite useful with their practical skills.

The development and drive of this project initiative is very much dependent on enthusiasts with social engagement both by the businesses that offers the jobs and the mentors that are engaged. It is according to one of the coordinative team members seen as an obvious inspiration that the results are to the benefit for the community: "It does something to you personally to experience that individuals that have asked for a second chance have proven to manage". And she added: "These elder men have clearly expressed the wish to take care of our young ones, which indicates a pride and responsibility for the community". Some of interviewees also expressed that the commitment work through the network is a quality of Nordhordland and normally not an engagement that you will in a larger city like Bergen nearby (the second largest city in Norway with 270 000 inhabitants ,Statistics Norway 2014).

The coordinator assisting the pensioners is also running a long term Competence Program in which this mentor project is one of the activities. Other tasks include running the choice of education course for secondary education. In this way the program informs the students about career choices through practical job training and by attending classes at the local upper secondary school. The education and training coordinator do also organize the annual regional education and career exhibition in Nordhordland. The event takes place over two days, and is visited by students and parents. Both businesses and education institutions are exhibitors. She is engaged by the local chamber of commerce (NHIL). This position is 50/50

financially covered by Hordaland County and the municipalities of the Nordhordland region. NHIL takes charge of the management of the project, with support from a steering committee with members from the county administration, municipalities and industries.. Her local background and not least earlier job career as a teacher has given her a wide network and it seems that she has a quite well recognised and important position both in the relation to the schools and the business community.

The organizational motivation, composition and effects demonstrated through this project, matches the definition of social innovations in several ways. It represents a new solution that aims to solve the social problem of school dropouts. It is innovative also in a way that it represents an involvement that otherwise would not have existed. It also represents something new regarding its target group and can be seen as an example of a voluntary initiative that replaces a public task. It also represents an innovation in the way this project is organized. It is social also regarding the fact that rather being an individual initiative it is a collective effort. The project is based on an alliance between senior citizens member of the Chamber of commerce along with members of state institutions and schools. The human resources for this initiative is also social in the way it is made up by a mix of social citizenship in which individuals wish to do something for their community and corporate citizenship in which businesses see the interest of taking an active supporting role. Finally is this project social in the sense that the financial structure represents a non-profit solution. it also represents a social gathering for those running the project. Not least this does seem to be a valuable social gathering the pensioners. Finally, do the mentor express that this project built up associations across generations. The coordinator said that this was quite valuable for some of the young that did not always have the best relations with their parents.

3.2 Mjölby case: work integrating cooperative enterprise

The case from Mjölby is a cooperative with the name Rondellen. Rondellen is Swedish for the roundabout. A cooperative is owned by its members. It is described to be a “work integration enterprise” and which is required to cover its costs through incomes from sales. The member of Rondellen are the employees, the board and the real estate company for the premises where Rondellen reside. This cooperative was inaugurated 1 April 2010 and it is a spin off from the municipal local sector. In 2014 Rondellen had 17 members and owners. The main goal of this cooperative is to integrate unemployed persons in work life and into society. The first paragraph of its mission states that “the individual is in the centre”.

Rondellen engages persons for work through different tax-substituted employment programs aiming to support labour market integrations. These arrangements include employments and apprenticeships. The most recent figures for number of workers at Rondellen states 14 employees and 15 apprentices. In the outline below these groups will be discussed together and will interchangeably be called workers or

employees of Rondellen. Management and supervisions for the daily activities at the work cooperative is through two full time employees with regular employment (without tax-reduction schemes) and through a board with six members. Over the years and since Rondellen was founded in 2010, major shares of workers who have left Rondellen have moved into gainful employments. Several of the employees have also chosen to stay for longer periods and some persons have been at the cooperative throughout the whole period from the start in 2010.

Rondellen offers services towards two different markets. One market comprises the state employment agency, municipal employment agency and other public sector bodies involved in placement programs for unemployed and to which Rondellen offers apprenticeship placements and employments for tax reduced programs. Persons who come to Rondellen have in most cases a background from long period of unemployment or sick leave. The second market of Rondellen are customers for the services that workers at Rondellen deliver. This includes services for gardening, cleaning services, repair and construction work, janitor services, sewing and upholstery work. These services are in general rather unqualified. Rondellen has also been able to offer temporary staffing. The services delivered by the workers at Rondellen are offered to clients in the local area including the municipality and other public sector bodies, private companies, associations and private households.

Salaries for employees at Rondellen are low. This is an effect of modest revenues from the routine services the cooperative offers and also because their workers in general are not able to work at a very high tempo.

The networks and the social capital of the members of Rondellen and particularly of the full time employed manages and the board members are very important to consider. All these key persons live in the local community. Starting with the chair of the board, he has long experiences from work in regional and local public sector bodies. At the time for the spin-off and inauguration of Rondellen in 2010 he was pursuing an investigation for the regional public body about social cooperative activities. Thus, he found it timely to combine this theoretical desk work with practice and to lead the development of a cooperative in reality and which became Rondellen. The different board members – through their present or earlier employments - represent the municipal sector, the cultural sector and the private sector through large-scale manufacturing. It is important to note that the local municipality (and which is an important partner and customer) is not represented through the board. The board members are importantly contributing through their social capital to gain client relations. They are representing experiences across sectors – i.e. links in the analytical model. Through board discussions the ‘business minded’ members with background from companies share and interact their experiences with those from the public and cultural sectors. This means that new alternatives and ways to organise the cooperative, manage the job flows, develop new service offers, and to find new markets and clients are continuously invented t

through the synergies of shared and diverged knowledge, experiences, expertise gained from backgrounds of different societal sectors.

Pertaining important networks and links of the cooperative, the relations with the municipality have been substantial throughout the years although there is no formal agreement between these parties. The temporary staffing for a major multinational company located in the neighbouring municipality is something maintained very positive and an important 'reference client' for the cooperative. Rondellen has close relationship with two other work integrating cooperatives located in the region. One of these where the mentor cooperative when Rondellen was established and one is a spin-off cooperative from Rondellen. In this way it is illustrated how social entrepreneurship is learned and diffused regionally and through networks..

The interviewees stressed the importance of trust to be able to maintain and develop the activities and revenues for Rondellen. Trust is gained through the long and extensive experiences of the board members and the managers of the cooperative. Trust is described to take long time to establish and something that can erode quickly if, Rondellen delivers services with low quality. It is a strategic issue for the cooperative to be able to offer new and more advanced services and to keep quality in the supply to clients. Trust and mistrust is also described to relate to wider issues of fair or unfair competitions with local companies offering similar services. Hence, the explicit strategy described by the chair of board has been to set "fair" prices in par with market and not to develop services in fields with harsh competition. This cooperative makes all procurements locally, in which is appreciated among local companies. Rondellen recently celebrated their 5 years anniversary through inviting visitors to an open house arrangement and in this way try to support the local good will of the cooperative.

"...it is appreciated that we are present. There are many positive effects from being local; making local procurements, acting local and have local clients. We will never move from the municipality, we will always be here. As long as we are able to continue" (Chair of board).

Voluntary work for Rondellen may be associated to the conceptualisation of community entrepreneurs (Johannisson 1990) and which suggests altruistic entrepreneurs caring for their local community. The voluntary work for Rondellen is primarily through the board members and the chair of the board has regularly chosen to use his remuneration for his work for Rondellen to support a joint activity for the employees and members of the cooperative. If board members are doing work time for the cooperative their hourly remuneration is at the lowest level of hourly wage at Rondellen. At present this corresponds to around 11 Euros per hour. The motivation for the board members and managers to contribute to the work for the cooperative was found to be derived from a genuine interest for the society and the community. The board members also get something back from being part of a creative

community, which has accomplished a well-functioning cooperative “The board members are enjoying to work together” (Chair of board).

The innovative aspect of the work for Rondellen is illustrated through the lengthy discussions in the interviews pertaining developing new products (for instance sewing activities), new organisations (how teams can be organised to deliver services) and new markets (particular local companies). It is also described how such ideas have over time been transformed into innovations through their implementation into practice for work at Rondellen.

4 Results and discussion: how, why, effects and implications of social innovations in the two cases

The literature review discussed who the driving forces behind social innovations can be seen as a result individuals’ feelings and engagements for their community and these persons can become engaged together with others in various social projects through their main job positions or side activity in commercial businesses and public or political organizations or NGOs. Individuals may also find it socially rewarding to be able to come together and work with these tasks. It may simply also be seen as a way of both developing and maintaining social and professional networks. Persons we have interviewed in both of the cases have expressed the way it is socially rewarding and fun to be able to work together.

The initiatives can also be driven by public or political motivations to make the civil society a better place to live in as well as reducing public spendings. Commercial interests might also see this as a branding and goodwill strategy that will have a positive impact on their reputation and position related to employment or market.

We have already pointed out how social projects may operate within and across institutions. It is sometimes demonstrated through collective actions of what the Norwegians call *dugnad* – which refers to a collective voluntary work where friend, neighbors or other community members come together to help each other without financial compensation.

We know this quite well from many examples from sports events and the organizing of music festivals in Norway and Sweden, and probably also in other countries. This seems to be a norm that is especially well developed and kept intact outside the larger cities where considerable shares of the populations either socialize, know or at least know of each other. These activities are often repeated, and which participation balance between the expectations of reciprocity and social control. The reciprocity aspect refers to the informal expectation that ever one in the community should take their turn. By helping others you can usually expect that they will help you when

needed. This effect of neighborhood engagements does also occur when people for instance come together to pick garbage along the roads before the national holiday. Reciprocity may also influence the way the business act. In their local community Nordhordland has for example lately due to the economic down turn of the economy experienced that some businesses have moved or even gone bankrupt. This has represented an extra challenge in those cases where these businesses have had apprenticeship students. In those cases has the business community through the chamber of commerce come together to find companies that can take over these apprenticeship contracts so that the students will not be delayed in their training. The same example can actually also be linked to aspects of social control as its really expected that all that can take their turn. It will in fact be really bad for the reputation of the business (and perhaps even the managers personally) if they behave as “free riders” by just enjoying the benefits with others using resources on training the youth. The social control in a smaller community will occur due to the fact that words about businesses not acting as a corporate citizen in this way easily will travel around. It should also be mentioned that a community in which a company has a to dominant position in social work, can be negative if this downplay the practises of doing dugnad.

Table 1. summarises features of the social capital of the two empirical cases explored through the paper. Dugnad along with a blend between interests for individuals and organizations of various kind can therefore be said to be the important norm and network component for Nordhordland in table 1. In the Nordhordland case are the pensioners of the Chamber of Commerce the core initiator and drivers of the projects, and which can be placed in the links and holder box of the table. The interviewees of the Mjölby case repeatedly returned to the commitment of Rondellen to be a social enterprise aiming to empower individuals and their employability. This gave a strong impression about the importance of motivations and dedications of such enterprises and what is a critical source for the ability to maintain revenues from work in Rondellen. This requires to overcome a number of daily challenges derived from personal issues among the workers as well as changing conditions to operate including the market and the regulatory contexts.

Table 1. Main characteristics of cases of social innovations in Nordhordland (Norway) and Mjölby Sweden

	Definition	Nordhordland	Mjölby (board members and managers of the cooperative)
Norms	Bonds or intra-community ties	Dugnad and the complex compositions of institutions, positions and interests	Background of board members from voluntary work in sports etc. Genuine societal interest and engagements. Values to be part of a joint project.
Networks	Binding or extra-community ties	The pensioners being the core and initiators of the project but with support of other parties	Sister cooperatives in neighbouring communities. Respective network (in different sectors) of the board members and managers.
Links	'Diversity' or the difference between communities	A way of extending and utilizing existing and new private and professional networks	Multi-sector board from private companies, municipalities and the cultural sector. Links with clients in different sector. The municipality is a particularly important partner.
Holders	'Bridge-builder' or change agents	An ideal mix between the professional network of the pensioners and the professional network of the coordinator combined with the fact that they are all inhabitants of the community.	The chair of the board is an important driving force through initiating different activities that supports the ethics and goal of the cooperative. Dedicated and competent managers, experiences and time.

Committed individuals and the holders in the table have important roles for how the social innovations investigated through the paper takes off, consolidate and effects the community. It is found that the social capital activated for the cases explored are importantly integrated into local community networks and which have developed and consolidated through long-term trajectories of local communities.

Pertaining the effects of the investigated enterprises these are found to contribute to the social sustainability of their respective regional environment. The social good and social effect of Rondellen is by the interviewees of this enterprise described to include to reduce costs for unemployment support and sick leave and to reduce unemployment. The employees at Rondellen increase their incomes and which in turn increase their local consumptions. The cooperative makes all procurements from local suppliers. These effects may be summarised in terms of supporting individuals' wellbeing, reducing tax spending, increasing tax incomes, and increasing local demand for local business.

The aspect of these social enterprises is however something "more" than the delivering of social good. It is also about invention processes. Describe incremental learning and social innovations from the cases...

5 Conclusions and discussion – the wider geographical and societal context

This paper has explored social innovations and social entrepreneurship through the lens of place and local community networks. Hopefully this paper has contributed to the awareness of the importance of a spatial approach for the understanding of how social innovations develops in places and regions. The cases of this paper illustrate movements of social services out from the public sector of the Nordic well fare states and how these are reorganised through third-sector and voluntary initiatives in local community settings. It is however also important to consider the results from a wider perspective and to consider how social innovations are framed within wider societal institutional transitions and through which sectoral divide and responsibilities are re-negotiated.

Although the cases explored for this paper in themselves may be considered to have features of success stories, there are nevertheless reasons to step back from the local position of our cases and to critically reflect on such initiatives from an aggregate and more general level. A more distanced approach generates more critical concerns. First, there is a vulnerability of third sector and voluntary work initiatives given the important role of the motivations, capabilities and resources of key individuals and holders. Second, the role of local contingencies for social innovations to evolve means uneven social and geographical development of such services. Third, minimizing of the well-fare state and that the supply of social services are increasingly in the hand of private initiatives may be considered to

involve democratic deficits. Four, the aspects of partnerships of cross-sector interactions for social innovations may involve competing logics and norms, and hence undermine the endurance of such projects.

From these reflections it appears important to continue to follow how the local social capital is realized for social innovations and to analyse how these initiatives bring aggregate effects for the distribution of social resources between population categories, regions and places. What can be anticipated is a reinforced uneven and more complex location pattern for social services.

Community-based solutions represent as we see demonstrated in these two cases shared values that are embedded in existing social structures. In fact these schemes are neatly formed by the decisions, resources and motivation by those that are engaged in these projects as well how this fits with the resources and motivations of the clients. In fact do this complexity demonstrate that it may be difficult to fully be able to duplicate these social innovation projects to other places. An alternative if one wishes to find solutions to school dropouts and other less employable persons in other places, can be to integrate these projects into more formal institutional structures. A general mentorship model across the country has in fact recently been launched as a possible solution to reduce the number of secondary school dropouts in Norway. The suggestion is that this can be managed by the public labour force agency. It is however doubtful that is an organisational format that will fully be able to succeed. The reason is that the NAV experts will often lack the important dedicated social committed network that the ex-managers have with the business community. Crucial network and community components to be able to engage firms to offer a workplace to individuals that otherwise have difficulties of getting a job may simply have been lost in translation. An earlier study of labour force agency for the government in Norway, pointed out the problems of having staff that did not have the sufficiently ties with the business community (Hansen and Rusten, 2005). Finding staff that have a combined school/business and local community link is demanding.

Networks and projects behind social innovations are no doubt important resources that make local communities more cohesive and resilient. These organizational forms may however because of their complexity and lack of fully formal commitment become more vulnerable due to co-ordination difficulties, tensions and conflicts. For example may these constellations forming social innovations face difficulties to survive when dedicated individuals in these projects resigns. Voluntary engagements from the business sector can also have a greater risk of ending in situations with economic downturn. Norway with an economy that now is being rather dramatically affected by lower oil prices, are for example seeing that several firms have to cut down on the number of apprenticeships as well as side activities such as culture and sports sponsorships. The fact that several firms are facing a situation with staff reduction will logically also involve that they will have more difficulties to be engaged in job training initiatives of the form demonstrated through the empirical case from Nordhordland.

Yet another argument that may question voluntary local initiatives is that these projects are causing regional differences concerning what social services that are locally offered to the public. This principle of equivalent public social service support has in fact been considered an important component of the welfare state model in Scandinavia. The similar type of argument are warnings of communities being too dependent of philanthropic support. Others would however argue that a local bottom up strategy may work more efficiently than formal public services as they are motivated and adapted to the specific local context. Further will these kind of local schemes improve the quality of the community, which favors principles of competitions between regions. Finally social innovations that succeed may represent an intrinsic value to the members. These persons feel they have a meaningful and appreciated role when they are helping individuals to believe in themselves and get a job or return to school. These initiatives is also a useful component keeping networks with social gatherings intact.

6 References

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