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Increasing the European Union's Innovative Potential by Supporting Social Innovation as a Source of Global Competitiveness within EU's Public Policy

Summary

In recent decades in the European Union's development, strengthening innovation has been viewed as a desirable direction for further development trends, which can be seen as an opportunity to increase the EU's global competitiveness. Achieving this goal will not be possible without taking into account the requirement of understanding innovation in the far broader context than the purely technological one. In recent years, social innovation boldly entered into the mainstream debate on public management, public governance and public policy. Its popularity is due to the complex changes taking place in the model of development of states, societies and economies. Social innovations are a part of multidimensional thinking about the ongoing social changes taking place in a globalised society and have led to the creation of flexible solutions with a high potential for adaptation and modernization.

The aim of the paper is to introduce the phenomenon of social innovation, including in the light of other innovation's concepts, as a chance to increase the innovation potential of the European Union in relation to global competition. An important element that needs to be considered is the importance of the role of public

policy in shaping and creating space for social innovation. The main intention is to point out the basic directions of European Union's activities while strengthening social innovation planned for the coming years, the implementation of which may be an answer to the global challenges of development.

KEYWORDS

social innovation, innovation, European Union, public policy,
Europe 2020

ZWIĘKSZANIE POTENCJAŁU INNOWACYJNEGO UNII
EUROPEJSKIEJ POPRZEZ WSPIERANIE INNOWACJI
SPOŁECZNYCH JAKO ŹRÓDŁA GLOBALNEJ
KONKURENCYJNOŚCI W RAMACH PROWADZONEJ
POLITYKI PUBLICZNEJ

Streszczenie

W ostatnich dekadach rozwoju Unii Europejskiej pożądanym kierunkiem jest wzmacnianie innowacyjności, w której upatruje się szansę na zwiększenie unijnej konkurencyjności w wymiarze globalnym. Osiągnięcie tego celu nie będzie możliwe bez uwzględnienia wymogu rozumienia innowacyjności w kontekście zdecydowanie szerszym niż wyłącznie technologiczny. W ostatnich latach innowacje społeczne coraz śmielej wkraczają do głównego nurtu debaty dotyczącej zarządzania publicznego i polityk publicznych. Swoją popularność zawdzięczają kompleksowym zmianom zachodzącym w modelu rozwojowym państw, społeczeństw i gospodarki. Innowacje społeczne wpisane są w wielowymiarowe myślenie o nieustających zmianach społecznych zachodzących w społeczeństwie i prowadzą do tworzenia elastycznych rozwiązań o dużym potencjale adaptacyjnym i modernizacyjnym.

Celem artykułu jest przybliżenie zjawiska innowacji społecznych, w tym w świetle innych koncepcji innowacyjności, jako szansy na zwiększenie potencjału innowacyjnego Unii Europejskiej w globalnej konkurencji. Istotnym elementem rozważań jest naświetlenie roli polityki publicznej w kształtowaniu przestrzeni dla innowacji społecznych. Główne zamierzenie polega na wskazaniu podstawowych kierunków działań Unii Europejskiej we wspieraniu innowacji społecznych zaplanowanych na najbliższe kolejne lata, których wdrożenie może stanowić odpowiedź na globalne wyzwania rozwojowe.

SŁOWA KLUCZOWE

innowacje społeczne, innowacyjność, Unia Europejska, polityka publiczna, *Europa 2020*

INTRODUCTION

The European Union recognizes the importance of innovation as a significant factor of socio-economic development; that is why it emphasizes the importance of supporting it within implemented public policies. Activities in this field accompany European integration since the formation of communities: projects aimed at a common market, at support of scientific and technological research, a common policy in the field of development, education and training emerged in the Treaties that led to establishment of the European Coal and Steel Community, European Economic Community and the European Atomic Energy Community. Also further treaties stressed the importance of competitiveness of the European economy, the development of innovative technologies, research and development and put an emphasis on innovation's potential for the European Union. Thinking in this field related initially mainly to technological innovation and product innovation and their positive impact on society. Today – together with global market transformations – there is a change in the perception of innovation, while extending the spectrum and including social innovation. In recent years, social innovation boldly entered the mainstream debate on public management, public governance and public policy. Its popularity is due to the complex changes taking place in the model of development of states, societies and economies. Drivers of social innovation are emerging in the knowledge-society and the knowledge-based economy, which enhance the mobility and activity of society, its level of expertise, scale and the extent of the globalization of cultures, markets and consumption. They are also favored by the growing culture of participation and inclusion of various groups of stakeholders/users. In particular, within the EU there is a visible trend in the transition from the competitiveness of individual profit-oriented entities, companies or states for broad and multi-level cooperation that brings profits to many social groups. Social innovation are inscribed in multidimensional thinking about the ongoing social changes taking place in society and lead to the creation of flexible solutions with significant potential for adaptation and modernization.

The aim of the paper is to introduce the phenomenon of social innovation, including in the light of other innovation's concepts,

a chance to increase the innovation potential of the European Union upon the global competition. An important element of consideration is to highlight the role of public policy in shaping and creating space for social innovation. The main intention is to point out the basic directions of the European Union's activities while strengthening social innovation planned for the coming years, the implementation of which may provide an answer to the global challenges of development.

SOCIAL INNOVATION – BASIC DEFINITIONS AND CONCEPTS

The term “social innovation” has not been clearly defined yet, which opens space for multiple approaches and concepts. This also confirms a broad field that fits into this issue depending on the specific disciplines, of the sector and the area in which it operates. Social innovation is inherently interdisciplinary, cross-sectoral and cross-geographical. Undoubtedly, this contributes to the diversity of meanings and applications. The diversity of possible approaches stems from the fact that social innovation is firmly embedded in institutional practice. Moreover, one can perceive social innovation as being generated from the bottom up, as an expression of social mobilization, and that which is generated institutionally, from above, when it is an element of public policies that has a strategic dimension and is implemented into the system.

Those findings that are currently available as part of the academic discussion on social innovation, have a feature of “heuristic models” and provide more guidance to research on the phenomenon, and do still not create any independent theory. So far, attempts to qualify the concept of social innovation to innovation theory, or to the theory of social development, or even in terms of institutional practice has itself failed. E. Lindhult, drawing upon the studies of F. Moulaert et al. [2005] and M. Mumford [2002], lists various dimensions which may be a basis for the definitions and characteristics of social innovation, and which therefore distinguish them from technological innovations:

- an increased focus on process, adapted to the social practice;
- an increased dependence on context and situation;
- special dependence on actors, their experience, skills, interests, values;
- greater flexibility in terms of forms diversity;
- greater precision according to the implementation under specific interactions;
- rather a "hybrid" in the meaning of the connection of the new with the old;
- stronger normative nature due to its integrative character of values and interests;
- a greater extent directly dependent upon social relations [Lindhult 2008, p. 31].

Lindhult further stresses that social innovation does not always have to be "good." It can be used for manipulation, exclusion and exploitation in processes of integration, emancipation and democratization [Lindhult 2008].

It is also worth recalling the typology of characteristics of social innovation, proposed by J. Cunha and P. Benneworth [2014]. The researchers found that the first group of traits of social innovation concerns social justice, and covers the following aspects:

- recognition that social innovation relates primarily to individual and social needs, which means a broader scope than purely jobs and incomes [Moulaert, Nussbaumer 2005];
- focus on social value creation and community development [Sharra, Nyssens 2010; Moulaert, Nussbaumer 2005], and not on commercial purposes [Dawson, Daniel 2010];
- importance of joint actions and the role of networks: the spread of networks, global information infrastructures and social networks are main drivers of new social practices which create social innovations [Cunha & Benneworth, 2014, p. 7].

Secondly, the researchers find that the major feature of social innovation can be regarded as the fact that it changes the system by nature. For instance, F. Westley and N. Antadze stress that social innovation is a challenge for the social system and social institutions that govern people's behavior through its impact on the basic division of power and resources, and can change the basic beliefs that define the system or rules and procedures which govern it [Westley,

Antadze 2010, p. 3]. Another way of analyzing social innovation in this regard is the perception of their catalyst character [Christensen et al. 2006]. Social innovation must exceed many social boundaries to reach out to a larger number of different people, a larger number of different organizations, organizations acting at different levels (from local, regional, national, supranational to global) and connected in social networks [Westley, Antadze 2010].

Thirdly, social innovation is dependent on the context, basic needs, the relationship with the social environment, including actors in different spatial scales [Moulaert, Nussbaumer 2005]. Westley and Antadze [2010, p. 12] stress that social innovation does not necessarily generate various kinds of products or services that are always of interest to the market. It is born in a certain context, under certain circumstances in response to specific needs and problems. If innovation has a wider social impact, it depends on the interaction between political, social, economic and cultural factors.

Finally, social innovation is cross-sectoral, multi-disciplinary and spatial [Dawson, Daniel 2010].

On the basis of these features of social innovation, Cunha and Benneworth recognized that real social innovation changes the system through innovative solutions in open learning communities to create social value and support the development of communities by undermining existing social institutions through joint efforts of expanding the network [Cunha, Benneworth 2013].

The current scientific debate is dominated by four lines of discussion on defining social innovation around which the main concepts and detailed statements are formulated [Bekkers, Tummers, Voorberg 2013].

Firstly, it is noted that social innovation aims to create long-term effects relevant to society as a whole or to individual social groups due to the needs and challenges they face [Howalt, Schwarz 2010]. In this way, a broader perspective is required, rather than solely the prism of technological innovation in order to determine which innovations constitute added public value, and how they should be generated.

Secondly, social innovation implies a change of social relations between the actors involved [Osborne, Brown 2005]. They transform in a series of often disposable and personalized practices, which is the essence of innovation. In this way, the aim is to transform institutional and previously existing norms, rules and schemes.

The third direction in the concepts of social innovation emphasise public participation and co-management. Representatives of this approach emphasise that to obtain a solution that proves to be effective, it is necessary to involve all stakeholders in the process of designing, implementing and consolidating [Sörensen, Torfing 2011].

Social innovation in this approach is a tool of modernization of the public sector and relates to the idea of participation and collaboration between stakeholders, including multi-sectoral partnerships. This corresponds to the concept of “open innovation,” in which it is assumed that stakeholders contribute their knowledge, information, experiences and resources that they have been used in the creation of desired solutions. In this way, operators are able to co-create innovations that are appropriate to their needs and useful.

Fourthly, the concepts of social innovation not only raise the issue of the production of new solutions, but also focus on the process of innovation [Albury 2005]. In this regard, it may be viewed as a learning process. It must be treated comprehensively as the ability to learn of an organization, and not a single case which may be a result of the capacities and capabilities of a particular entity or limited to the activities undertaken in the field of research and development. The concepts in this approach assume that innovation processes require the ability and willingness of relevant actors to collaborate, to share knowledge and ideas, to share resources and experiences. At the same time, one has to remember that an open innovation process takes place in a specific local and institutional context, which it determines. Therefore, for the understanding of social innovation it is necessary to recognize the specific conditions in which there is a process of innovation [Bekkers, Tummers, Voorberg 2013].

Today, social innovation becomes – in parallel to its subjective dimension – the subject of public policy, which addresses the issues of social development and increasing values in areas of public service. The social innovation approach means that the primary feature of this specific type of innovation is to be recognized as a change that should be associated with a novelty, the implementation of innovative ideas that ultimately bring a positive return. Finally, for the definition of social innovation, particularly in the context of institutional measures that in the short-term should introduce positive change, social innovation can be seen as a new connection or configuration practices in

social activities undertaken by some of the actors or constellations of actors in order to better deal with the needs and problems than is possible than implementing current practices. Social innovation is therefore social as far as changing social action, is socially accepted and disseminated in society (regardless of whether in society in general, the larger its parts or only in certain groups of social impact). Depending on the circumstances of social changes, business, politics and power, social ideas, social innovation can be modified and eventually institutionalized as a regular social practice or activity routine. After completion of the cycle, when innovation becomes a standard, there may be new requests for changes and demands for further social innovation [Howaldt, Butzin, Domanski, Kaletka 2014, p. 122].

SOCIAL INNOVATION IN THE LIGHT OF OTHER INNOVATION'S CONCEPTS

The essence of innovation as such, including social innovation, is the recognition that it is any deliberate and conscious change to the new, which occurs under certain conditions, both spatial and temporal, is expressed in a tangible or intangible form, is followed by actions deviating from the routine, is combined with additional effort and risk, and refers to the individual and society as the final targets of innovations. This broad understanding of innovation means that social innovation was considered to be an integral part of innovation; it did not have its own identity and was seen rather as a result of the implementation of innovations to stimulate economic development. Such an approach is represented, among others, by S. Myers and D.G. Marquis. They understand innovation as a complex process, which consists of: a concept, a new idea, a solution to the problem, followed by the current use of economic and social advantages of the new solution [Myers, Marquis 1969, p. 1]. In the economic literature until the end of the last decade, social innovation was seen as an integral part and consequence of technical, technological and organizational innovation. Technical innovations were conceived as any changes in the technical parameters of machines and devices that improved them by introducing new elements to them or by revising the solutions. Technological innovations have expressed changes in the technology

of the manufacturing process by introducing them with new elements or entirely new technology. Organisational innovations referred to changes in the organizational scheme of the entity and they expressed in a complete reorganization of regimes or replacing some old parts with new components on the organizational chart. Social innovation in this context were understood as changes in the social structure of the population, in patterns of behavior, human attitudes and even the general culture of the nation. All of the above mentioned types of innovation are mutually conditioned and complementary, and organizational, technical and technological changes govern the social transformation [Olejniczuk-Merta 2013]. Today, due to the rapid changes of civilization, including under the influence of increasing globalization, social innovation began to be treated autonomously as an independent process that occurs as a result of bottom-up or conscious public policies. They ceased to be passive, which was a result of technological innovation, and have become a means to improve the quality of life of society. Today, social innovation is seen as a separate area of human inquiry and practices which – supported by organizational arrangements and/or technologies, or without their support – generate solutions in response to their needs. Going further, it can be concluded that social innovation, aiming to satisfy social needs and social change would also affect the new business models, because both society and management currently face significant technological, demographic, climate and environmental changes associated with the ICT revolution and globalization.

REASONS FOR AND IMPORTANCE IN CREATING A SPACE FOR SOCIAL INNOVATION WITHIN PUBLIC POLICY

Currently, one can observe many reasons why it is necessary to activate public policy for social innovation. The most important are:

- social needs are now more pressing: the global crisis has made it clear that most of the challenges we face today have taken on an increasingly social dimension (migration, unemployment, poverty, ageing and better-off population, climate change);

- at a time when resources are limited, new solutions must be found: government responses to the crisis have involved major fiscal stimulus packages, but at the same time they are confronted with budgetary constraints;
- social challenges are also opportunities: traditional solutions are often inadequate when facing these developments, so they can and should be viewed as also offering economic and social opportunities. They can also be regarded as offering economic and social opportunities, rather than simply creating social problems or exacerbating social needs. Developments in information and communications technologies have created exciting possibilities for improving our ability to meet social needs;
- social innovation is today discussed at the international level, in the OECD and at the highest political level in countries such as the USA, Canada and Australia. It is a major component of aid programmes targeted at developing countries. All these authorities express the same needs regarding the “scaling-up” of social innovation, networking the stakeholders and promoting public-private partnerships, developing common methodologies for measuring the impact and social return, and providing funding, including by creating capital markets and appropriate regulations to attract investment [Hubert 2010, p. 7].

When defining public policy, one should indicate its three key attributes. Firstly, public policy is a response to a problem that needs attention and solutions. Secondly, it is conducted on behalf of society and thirdly, is oriented towards a goal or desired state, which seeks to solve the problem [Birkland 2010, p. 8]. It is worth emphasising that decision making related to solving social problems need not always take place at the central level. Many solutions are created at the local or regional levels. In addition, some public tasks are actually carried out by the non-governmental sector or private sector. It is therefore essential that public policy is not only restricted to government actions but recognize it more broadly, including also the activity of other sectors delivering services on behalf of the authorities. This is particularly important when analyzing the issue of social innovation and the role of public policy plays in stimulating them. Finally, it is essential that public policies focus on actually implemented activities and their outcomes rather than on political

declarations [Peters 2012, pp. 5-6; more: Wiktorska-Święcka, Klimowicz, Moroń 2015, p. 80].

Clearly, social innovation can be generated within a framework of public policy, shaped both by the public sector and by other sectors as well. P. Windrum and P. Koch [2008, p. 3] emphasize the importance of the public sector as a generator of innovation. Although they indicate that today most frequent debates about innovation are related to the private sector – in terms of production, but also services provided by the market – but according to them, the public sector is also an important source of innovative solutions. In this aspect – based on the typologies proposed by T. Halvorsen et al. [2005, p. 5], P. Windrum and P. Koch [2008, pp. 8-11] and P. Koch and J. Hauknes [2005, p. 8] – one can distinguish the following types of innovations that occur in the public sector:

- product innovation: new or improved services (products); it involves offering completely new products or services or introducing innovative changes in the previously provided services. It is a result of the search for new solutions to social problems or modification of existing ways of solving problems in order to better meet social needs;
- process innovation: it refers to changes in the way of the production of a service or a product, or its delivery to the customer; it is linked to product innovation, but does not involve changes in the product (service), but the way of production, supply or service provision;
- administrative and organizational innovations: these include the use of new instruments, changes in management, changes in organizational structures and procedures for the provision of services; they are also associated with the need to change beliefs, mental structure of public sector workers who have to adapt to administrative changes;
- system innovation: it includes the creation of new or reform of existing systems so far of providing services and products. A particularly emphasized type of system innovation is the introduction of solutions involving entities from different sectors in addressing social needs and public service. This refers to the public-private partnership, cooperation with the third sector or multi-sector partnerships;

- conceptual innovation: it changes views, the use of new concepts, which become the engine of further innovative changes, it affects the change of worldview, for example in the way of solving social problems, the status of social categories, the role of the state in the provision of services and includes the creation of new visions, mission, objectives and strategies;
- political innovations: new political concepts, political projects, election ideas, which translate them into innovation in terms of policy. They include the setting of new goals of actions, developing political decisions. They are associated with conceptual innovations, however, characteristic of the first ones is the elaboration and establishment at the political level [Wiktorska-Święcka, Klimowicz, Moroń 2015, p. 83-84].

The public sector has the potential for innovation, but often it is unrevealed in connection with the operation of traditional, bureaucratic procedures and a lack of willingness to make changes. In addition, a particularly important aspect of innovation generated by the public sector is being able to obtain the so-called economies of scale, i.e. the capacity to implement and test solutions on a large scale. In addition, the public sector has adequate resources (property, finance, employees), which the private sector often lack, it has access to infrastructure and has a direct impact on the regulatory and legal system. It seems that the implementation of social innovation by the public sector to a large extent depends on changes in the management/governance system. The emphasis on efficiency in service delivery and the introduction of solutions enabling the implementation of new ideas helps to generate innovation. In this context, the key role of innovation in the public sector is attributed to the concept of New Public Management [Windrum, Koch 2008, p. 15].

An important feature can also be attributed to the public sector as supportive innovative solutions in other sectors. This means that public policy implemented by the public sector should be focused on measures that will stimulate the creation and implementation of innovative solutions in other sectors, in that they will enable their verification and the dissemination of innovative ideas. Supporting social innovation can occur through:

- design and implementation of special programs to support innovative solutions: primarily in terms of financial support, by

enabling the implementation of innovative ideas, and – in the case of positive verification – by their dissemination (e.g. competitions for innovative projects);

- the creation of incentive systems for the generation and implementation of innovative solutions for non-public entities performing tasks on behalf of the administration (e.g. bonus points in competitions, tenders for entities implementing innovative activities);
- the creation of incentive systems for generating and implementing innovative solutions in activities of private and non-governmental entities (e.g. tax benefits, PR);
- the introduction of legislation to facilitate innovation (e.g. patent law, regulations concerning statutory activities/business to enable the use of non-standard solutions).

When locating social innovation within public policy one should indicate the classification presented by A. Hubert. The researcher noticed in relation to the process of social innovation, that social innovation can be schematically classified into three broad categories:

- grassroots social innovations that respond to pressing social demands not addressed by the market and are directed towards vulnerable groups in society;
- a broader level that addresses societal challenges in which the boundary between “social” and “economic” blurs and which are directed towards society as a whole;
- the systemic type that relates to fundamental changes in attitudes and values, strategies and policies, organisational structures and processes, delivery systems and services. Initiatives relating to actions to make citizens more aware of climate change and recycling are examples of this last category. These social innovations, which are often initiated by institutions, play a part in reshaping society as a more participative arena where people are empowered and learning is central [Hubert 2010, p. 8].

This third dimension is related to the public policy pursued by the European Union [Wiktorska-Świącka, Klimowicz, Moroń 2015].

CONTEMPORARY TRENDS IN THE EUROPEAN UNION'S PUBLIC POLICY ON SOCIAL INNOVATION

Because of its practical dimension, the concept of “social innovation” was recognized by the European Union as an attractive concept in public policy at the European level. The EU, as an innovative political construction in itself, has been prolific in developing programmes and policies empowering actors to address social needs and also to develop new interactive ways to shape and deliver policies. Being of great importance for the development of innovation in the broad sense, present since the beginning of the integration process, social innovation has gained a special importance in the past two decades, when it became a necessary approach related to the challenges of globalization. The inclusion of social innovation in the strict sense took place in the first key documents of the EU, such as the “Lisbon Strategy” and the “Europe 2020” Strategy.

The main objective of the Lisbon Strategy was to make the European economy the most dynamic and competitive knowledge-based economy in the world by 2010. It should be by then be also capable of sustainable economic growth with more and better jobs and greater social cohesion, and respectful for the environment. The strategy was based on three pillars: social, economic and ecological ones, and its priorities included: innovation, liberalization, entrepreneurship, social cohesion and sustainable development. Innovation came here as an extremely important priority, which could provide economic growth, but also should bring positive developments in the social sphere. It is worth noting that the strong emphasis on activating knowledge, strengthening education and promoting innovation in this Strategy, including its renewed formula, applied not only to technological innovation, but also social innovation. It was considered to be an important driver for two dynamic processes supported by the Lisbon strategy: modernization of the economy and the reform of policies and actions in the field of employment and social inclusion [*Zasada innowacyjności...* 2006, p. 4]. It was stressed within the Renewed Social Agenda, which was adopted by the European Commission in June 2008. It created an opportunity to shape Europe's response to new social realities and challenges. The Commission has redefined the ongoing

modernisation of European social policies around the three principles of opportunity, access and solidarity. This should remain the reference framework that translates these three principles into measures favouring prevention over repair, and investment in human and social capital from an early age to promote social inclusion, minimise the intergenerational transfer of poverty and ensure that people are prepared and secure for the flexible forms of employment of contemporary economies. In this context, the new paradigm of social intervention embodied by social innovation offers a way to address social risks “with,” rather than “for,” stakeholders. A new form of “enabling welfare state” is emerging that requires a change of attitude and involvement from citizens, public authorities at all levels and private organisations in order to improve the response to new social demands [*Lisbon Strategy 2005*].

The main program, which has supported social innovation since 2000, and also provided the basis for the development of innovative activities was the Community Initiative Programme EQUAL, funded by the European Social Fund and directly from the budgets of the countries participating in the program. The main aim of EQUAL was the implementation of innovative solutions in the social sphere, including unemployment, the development of the social economy and social inclusion, reconciling work and family life and flexible forms of employment and reintegration into the labor market. In its framework for the first time financial resources earmarked for the creation, testing and discussion of practical solutions that improve the situation of individuals and groups who, for various reasons, had limited access to the labor market or were even excluded from this market. For the first time the EU implemented a programme that focused on developing innovative methods in order to popularize them, or let them to be used in practice on a large scale or enter into system solutions. Implemented in partnerships EQUAL's projects developed innovations – new solutions and those that have proved their effectiveness, have been described and disseminated. Experiences of this Initiative have become a guideline for the further support of social innovation conducted by the European Union.

A continuation of, although it is somewhat different, this approach can be observed in “Strategy for smart, sustainable and inclusive growth – Europe 2020,” which was adopted in 2010 as a successor to

the "Lisbon Strategy." This Strategy sets out a long-term path of the development of the European Union [*Strategia na rzecz inteligentnego...* 2010]. The objective of the Europe 2020 Strategy is to achieve economic growth, which will be: firstly, an intelligent one – which will provide more effective investment in education, research and innovation; secondly, balanced – as a result of a decisive shift towards a low carbon economy; and thirdly, inclusive, with particular emphasis on the creation of new jobs and a reduction of poverty. The European Union's public policy established in the framework of the Europe 2020 Strategy aims to support innovation in its various dimensions. It is perceived as an important field of activities both as product and of technological innovation in industry and services, as well as social innovation, as innovative solutions to solve problems and provide services better than before. Social innovations are present in many of the European Commission's policy projects. To attain these objectives, and thus to achieve the goal of a smart, sustainable and inclusive development, efforts must be carried out both at national and EU levels and internationally. It will happen upon implementation of seven flagship initiatives of EU:

- for smart growth: "A digital agenda for Europe," "Innovation Union" and "Youth on the move;"
- for sustainable growth: "A resource-efficient Europe," "An industrial policy for the globalization era;"
- for inclusive growth: "An agenda for new skills and jobs," "European platform against poverty and social exclusion" [*Inicjatywy przewodnie* 2015].

Innovations immediately appear in the assumptions of one of the flagship initiatives, the "Innovation Union," which is focused on supporting innovative activities [*Projekt przewodni strategii...* 2010]. Its implementation takes place both at European and regional levels. Within its framework, together with other EU institutions, the European Commission declares the promotion of social innovation in many ways, including:

- networking: support in establishing contacts, mutual learning and sharing of experiences; for this purpose the European Commission launched the platform "Social Innovation Europe," which aims to combine policy-makers, entrepreneurs, researchers and third sector innovators from across Europe and to ensure

- the transfer of knowledge and experience between social enterprises and public and non-governmental sectors;
- competitions: among others, the European Social Innovation Competition, which directly supports new solutions and raises awareness about social innovation and others, such as Regio-Stars – a competition for the most innovative regional projects and those in which the EU is a partner, for example Naples 2.0 – International Social Innovation Competition and Social Innovation Tournament implemented as an initiative of the European Investment Bank;
 - European funds: the European Union offers direct financing of social innovation within the “Employment and Social Innovation Programme” (EaSI) and the “Horizon 2020” Programme, in particular under the SME instrument, which is aimed at social enterprises. Social innovation can also be financed in different countries and regions of Member States under the EU's structural funds;
 - financing: promotion of information on available sources of financial support for social innovation that has been offered by the public, non-governmental or business sector;
 - the creation of conditions: creating and improving conditions for social innovation and social enterprise in Europe, for example, the “Social Business Initiative” and the “Declaration for Social Entrepreneurship;”
 - results: collecting and disseminating of information indicating the benefits of social innovation and the presentation of the methodology of measuring the effectiveness of social innovation [*Strengthening social innovation* 2012];
 - incubation of social innovation: support for the creation of incubation structures for social innovation and their networks (Transition, Benisi);
 - economies of scale: encouraging innovators to extend the range of activities and contribute to strive for systemic change in Europe [*Projekt przewodni strategii...* 2010].

The implementation of the flagship initiative “Innovation Union” also occurs through regional policy. In this regard, one should refer to, among others, the Communication from the Commission to the European Parliament, the Council, the European Economic and Social

Committee and the Committee of the Regions “Regional Policy contributing to smart growth in Europe 2020” [*Polityka regionalna jako czynnik... 2010*].

Another flagship initiative of the European Union, which specifically addresses social innovation, is the “European platform against poverty and social exclusion” – a programme to ensure social and territorial cohesion in order to ensure the widespread availability of the benefits of economic growth and employment. In this initiative, the European Union narrows the understanding of public policy to social policy, and the aim of the initiative is the introduction of “evidence-based social innovation,” including “social experiments;” it means taking in practice and verification of innovative solutions on a small scale, to then, after demonstrating their effectiveness, implementing them on a larger scale [*Polityka regionalna jako czynnik... 2010*]. According to the European Union, social innovation is based on the “ingenuity of citizens, civil society organizations, local communities, entrepreneurs and government officials.” It should create new opportunities for both the public and the private sectors, so that “products and services will better meet the individual but also collective aspirations.” Moreover, social innovation refers to the entire process, in which “new responses to social needs have been developed in order to provide better social outcomes” [*Polityka regionalna jako czynnik... 2010*]. This process consists of four main components: identification of new, unmet or poorly met needs of society; development of new solutions in response to these societal needs; evaluation of the effectiveness of new solutions in meeting social needs; effective scaling social innovations [*Guide to social innovation 2013*]. This means that social innovation is not seen as an incidental event, but represents a continuum, a process, a result of interaction of interdependent organizations which, through numerous contacts acquire the necessary specialist skills. The search for values in contemporary Europe should be based on creativity and social innovations that involve innovative actions in the field of social issues and the process of producing innovative solutions within public benefit.

The European Commission stresses that social innovation meets social needs, especially those that are not traditionally satisfied by the private sector or public institutions and address vulnerable groups in society [*Strategia na rzecz inteligentnego... 2010*]. In addition the EC

shows that socially innovative actions should be based on the original use of existing resources, may involve the use of both proven solutions for new social groups or activity area, as well as to develop new, and even experimental solutions for well-known but still important issues [*Strategia na rzecz inteligentnego...* 2010].

It should also be noted that in the framework of public policies, the European Union promotes innovation not only within their institutions. The EU plays a role in encouraging Member States and regions to engage in social innovation by building up the skills, tools and methods of the many people whose work involves social innovation, in NGOs, governments, businesses, development agencies and universities. The Commission has, over the years, developed a large number of policies, programmes and initiatives that have contributed to empowering citizens and organisations to address social issues and societal challenges in a more effective manner, to help national, regional and local actors, and to shape socially innovative practices and new governance modes. Up to now, through the interaction with their respective stakeholders and fields of expertise, different policy sectors have developed their own understanding and pathways to social innovation, even if there are many common features in the various approaches and solutions.

In terms of the European Union's public policy, it can be stated that social innovation relates to the development of new forms of organisation and interactions to respond to social issues (the process dimension). As pointed out by A. Huber, it aims to address (the outcome dimension):

- social demands that are traditionally not addressed by the market or existing institutions and are directed towards vulnerable groups in society;
- societal challenges in which the boundary between "social" and "economic" blurs, and which are directed towards society as a whole;
- the need to reform society in the direction of a more participative arena where empowerment and learning are sources and outcomes of well-being [Huber 2010, p. 31].

These approaches are not mutually exclusive, but rather interdependent: the first approach is the foundation for the second which creates the conditions for the third – an innovation that addresses a social

demand (e.g. care of the elderly) contributes to addressing a societal challenge (ageing society) and, through its process dimension (e.g. the active engagement of the elderly), it contributes to the reshaping of society in the direction of participation and empowerment [Wiktorska-Święcka, Klimowicz, Moroń 2015, pp. 96-110].

CONCLUSION

In recent decades of the European Union's development, there has been a clear desire to strengthen innovation, which can be considered as a chance to increase the EU's global competitiveness. Achieving this goal will not be possible without taking into account the requirement of understanding innovation in the far broader context than purely the technological one. The current dominance of technological innovation in the context of socio-political thinking stems from the important role that has always been attributed to it in regard to economic relations. The public discourse oscillates today more broadly than in classical economics, between the orientation on the economy and technology and the knowledge that this orientation only is insufficient in solving social problems. The more that the solving of social problems takes place today in the context of accelerated global market economy. That is why the concept of "social innovation" appears to be so attractive. Social innovation is an effective way of responding to social challenges, by mobilising people's creativity to develop solutions and make better use of scarce resources. Social innovation can also promote an innovative and learning society. Social innovation relates to new responses to pressing social demands by means which affect the process of social interactions. It aims to improve well being. It covers wide fields which range from a large body of theoretical developments that occurred in the fields of *inter alia* innovation, territorial development, social economics, and public governance and emphasises the need to adopt new approaches to new (or emerging) problems, such as: climate change; chronic diseases; increasing inequalities in income distribution; high rates of unemployment (particularly, among young people); the impact of an ageing population; and mass urbanisation and the phenomenon of social exclusion. New technological developments and globalisation have had a strong

impact on societies and have therefore created a demand for developing innovative answers to poverty, exclusion, an aging society, work-life balance, communications and learning possibilities in the educational environment, the globalisation of financial-, production and general key markets, climate change etc. It is a starting point for creating the social dynamics behind technological innovations. Technology without social innovation will not advance civilization, and social innovation without globalization will not create a world of equal opportunity. Social innovations are the way to meet global challenges and are crucial for economic development. With the EU currently engaged in a new growth strategy for a smart, sustainable and inclusive Europe by 2020, social issues are being brought to the fore. The financial crisis and global challenges have revealed structural weaknesses and presented the social dimension of Europe in a new light: the long-held belief that economic growth creates employment and wealth that goes on to alleviate poverty has been disproved by recent events, and the time has now come to try new ways of bringing people out of poverty and promoting growth and well-being. Coordinated actions at EU level is essential, since many of the challenges that can be addressed by social innovation have a cross-border dimension, and thus require a multilevel governance approach in which the EU has the driving role.

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