Chapter 7
Conclusion and Policy Implications

In 2015, the global economy had not yet fully recovered from the 2008–2009 global financial crisis. Although the U.S. economy has picked up, Europe has experienced subdued growth with an average annual GDP growth of 1.3 %, compared with America's 3.7 % in the same period (*The Economist* 2015a). In Europe, unemployment ranges from 4.7 % in Germany to 22.2 % in Spain and 25 % in Greece (*The Economist* 2015a). The economic development in China is weakening (*The Economist* 2015b). The sluggish performance in Europe leaves it vulnerable to China's slowdown, especially Germany—the hub economy of the euro area.

In addition to the above economic issues, social challenges such as poverty, aging, health care, climate change, and carbon emissions require innovation that cuts across sectoral and administrative boundaries. For example, cutting carbon emissions requires interdependent changes in hardware, infrastructure, local government and lifestyles. Problems of aging require changes concerning employment law, pensions, new models of care such as self-managed care and new types of housing. Responding effectively to these social needs requires partnerships between public and private organizations big and small alike and initiatives by citizens, communities, entrepreneurs, and organizations (BEPA 2010:14).

Innovation is the best means of successfully tackling major societal challenges, such as climate change, energy and resource scarcity, health and aging, which are becoming more urgent by the day (European Commission 2010: 2; Hochgerner 2012). For example, the electric car is a type of innovation with advances in batteries and energy management for coping with resource scarcity and reducing greenhouse gas emissions. Green roofing is effective for energy use reduction. Healthcare innovation based on information and technology mitigates health and aging problems. Such issues have been placed at the heart of global economic development and in Europe 2020 Strategy (Hochgerner 2012). However, according to the Bureau of European Policy Advisers (BEPA 2010: 13), there are still not enough developed models and institutions to support social innovation, in contrast to the mature R&D investment models, methodologies and research in science and technology. Therefore, BEPA suggests member countries to experiment with new

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policies and promote social innovations in a more systemic manner, so that public authorities can accelerate change, improve service design and delivery, ensure added value and increase the trust and social acceptance of innovations.

Hopefully, social innovation can empower relevant parties and strengthen the economic and social fabric to cope with global challenges through creating novel interactions between the public sector, the third sector, social enterprises, the social economic operators and civil society in responding to the above-mentioned issues (BEPA 2010: 16; Heinze and Naegele 2012). Such innovation is not only good for society but also enhances society's capacity to act (European Commission 2010: 21). Stanford professors Phills et al. (2008) also report that social innovation offers a way forward by providing new solutions to pressing social demands while making better use of available resources.

To echo the need for more mature social innovation models and methodology, we studied four macro-societal innovation cases, four micro-social innovation cases and proposed a two-stage LERP-PEARL model to induce successful societal and social innovation. The societal innovation cases covered the transformation of four UNESCO creative cities—Kanazawa in Japan, Lyon in France, Ostersund in Sweden, and Norwich in the United Kingdom. The social innovation cases covered the Paper Windmill Theater for children, NCCU's EMBA-NPO for a dying rice village, the Taiwan Taxi Academy Association for taxi drivers, and *Four Way Voice* for immigrants and migrants in Taiwan.

Many authors explain social innovation in various ways. To revisit what societal and social innovation is, the following section matches some of our cases with relevant statements. Since most of the literature does not differentiate societal innovation from social innovation irrespective of macro or micro issues, in the following section, we follow the original literature and use the term social innovation when it refers to societal innovation as well.

The case of Kanazawa in Japan reflects the statement "social innovation tries to tackle social issues by making the best use of the strengths of the various parties in a network—working together towards sustainable growth, academics and professional practitioners joining forces" (Feissen 2014: 30). Having escaped the damage of wars, Kanazawa preserved traditional Japanese crafts and arts very well. To save its withering economy, Mayor Yamade proposed that Kanazawa become a World City by introducing traditional Japanese crafts and arts and he wrote it into a long-term plan in 1996. Capitalizing its well-preserved traditional arts and crafts, relevant parties, such as craft schools, experienced artisans, museums, and businessmen, work together toward sustainable growth. With generous resources investment, academic and professional artists add high-tech elements to those arts and crafts. Kanazawa citizens appreciate their own arts and thus have created local demand supporting the sustainability of relevant industries. Kanazawa was designated a UNESCO city of crafts and folk art in 2009. The rebirth of Kanazawa is an achievement realized by making the best use of the strengths of the various parties involved.

The case of Ostersund in Sweden explains the statement "social innovation activities are often started at the local level, meeting specific unmet needs and

thereby helping address a societal challenge and, through its process it contributes to social transformation in the direction of participation, empowerment and learning (Heinze and Naegele 2012)." A chef and restaurant owner, Fia has great passion to revive her hometown—Ostersund. In her eyes, the cold weather is a blessing for developing organic farming. Her mission is to rekindle the love for Swedish cuisine by using healthy ingredients. After persuading the city mayor to allocate some resources for the application for UNESCO City of Gastronomy, she invited farmers, distributors, other chefs and relevant parties to participate, helped them learn the value of such efforts and empowered them to contribute to the task. She successfully facilitated the transformation of the local food industry and helped obtain the fame of UNESCO City of Gastronomy for Ostersund. The transformation started from her own restaurant (local level) to provide healthy food (unmet needs) for Ostersund to be a city of gastronomy (societal challenge), involving the above-mentioned players to participate and learn together.

The case of the Taiwan Taxi Academy Association explains the following statement well, "Social innovations create value through synergies, such as public–private partnerships (ppps) in which corporations work directly with the government to achieve development goals and business growth for greater social impact" (Saul 2010). Certified taxi drivers in the Taiwan Taxi Academy Association collaborated with the local government to transport the elderly for doctor visits with partial taxi fare subsidized by the local government. Such collaboration shows the synergy of public–private partnerships for the effective usage of welfare funds, the convenience of old people unable to take public transportation, and a better taxi business. It solves the transportation problem of the less privileged people in rural areas as well. The social innovation that helps improve the image of taxi drivers, trains them to provide good quality personal service, certifies them to be reliable transportation providers and educates them to carry out social responsibility harmonizes society.

The case of NCCU's EMBA-NPO matches the following statement well, "Social innovation is about tapping into the ingenuity of charities, associations and social entrepreneurs to find new ways of meeting social needs which are not adequately met by the market or the public sector. Social innovations empower people and create new social relationships and models of collaboration." (European Commission 2010: 21). The promised charity pledged by the class of 2012 NCCU EMBA students went to a dying rice village. Through the active association of relevant parties by some initial leaders and the guaranteed purchase of 10,800 kg of organic rice by 18 EMBA student-owned companies, the village not only survived but also thrived thanks to the expanded organic farming. Now, the empowered farmers' association runs their own village with organic farming training and conducting its own rice planting and harvesting fun activities for families. This social innovation taps into the ingenuity of charities, and the associations of relevant parties to find new ways of meeting social needs (reviving a dying rice village) which were not adequately met previously. This social innovation empowers Sing-Chien Village farmers and creates new social relationships

and models of collaboration now that the farmers' association is actively sharing organic farming skills.

The case of *Four Way Voice* reflects the following statement well, "The real value behind social innovation is to discover the hidden or unrealized business potential in social change. It is about creating new forms of value, derived primarily from achieving socially desirable outcomes. Social innovation finds ways to create profitable business opportunities from intractable social issues" (Saul 2010: 37). This case taps into the hidden and unrealized need of connecting to the outside world of immigrants and migrants from Southeast Asia in Taiwan. *Four Way Voice* soothes the nostalgia of these newcomers, allows them to voice their opinions to arouse the attention of the government and facilitate their integration into Taiwanese society (desirable outcome). Although the motivation for publishing the *Four Way Voice* newsletter was not to make a profit, the radio broadcasts and the Sing Four Way TV program are products of its developed business.

Through the analysis of the eight cases, we introduced the "LERP to PEARL" model for both societal innovation and social innovation. The initial triggering stage goes through leadership, successful execution, resource accumulation, and partner involvement (LERP) processes. Once the partners are fully committed to discernible results, the cycle needs to function as a self-organizing unit with a reverse direction through the involvement of an enlarged partners, efficient and effective execution, activation, a critical mass of resources, and multiple leadership (PEARL) processes. The key success factors at the triggering stage are strong leadership, determined execution capability, matching resources, and devoted partners. Committed leadership is the first step. Alvord et al. (2004) reported that "successful social entrepreneurship initiatives are often founded by leaders with the capacity to work with and build bridges among very diverse stakeholders." At the self-organizing stage, key partners need to become the initiators of a virtuous cycle and nurture multiple leaders through the process of execution, activation, and garnering matching resources.

For societal and social innovations to be successful, an enabling environment is required. The "LERP to PEARL" two-stage model shows the pattern for constructing an enabling environment. With a proper trigger, societal, and social innovation can be developed as the driving force of social advancement. A broader understanding of societal and social innovation can help us identify, support, and assess the gradual transformation from conventional innovation processes to societal or social innovation processes that will hopefully be more responsive to social needs and problems, be more accepted, have less negative side-effects and make society more flexible in dealing with societal challenges (Degelsegger and Kesselring 2012).

In Chap. 2, we introduced four innovation theories, namely, development theory, decision-making theory, ANT theory, and action theory. In what followed, we used the eight cases to explain the application of these four theories. Development theory focuses on the process of developing innovations and examines how the exploration, acquisition and management of knowledge and innovative people affect innovativeness (Greve 2003). In this study, we use a seven-step

transformation process to examine the development of each case. In our LERP-PEARL model, we emphasize the importance of visionary leader(s) who are capable of acquiring initial resources and attracting critical partners for effective execution to bring about initial success. Decision-making theory focuses on the decision to launch developed innovations into the market and examines how organizations solve the opposition between innovations and organizational stability, legitimacy, and risk aversion (Greve 2003). The Paper Windmill case explains why and how the founders decided not to depend on government money by totally relying on private funding for their performances. Its business model provides organizational stability to support the livelihood of performers and administrative staff members. If it had relied on government money, the troupe would have run the risk of government budget cuts.

The key characteristic of actor–network theory (ANT) is that it proposes the involvement of new entities or new combinations of entities, with evolving associations of mediators to chains and actor-networks. ANT theory defines four overlapping phases or "moments" of the innovation process, namely problematization (problem identification), interessement (interest assessment), enrolment and mobilization (Degelsegger and Kesselring 2012: 64). The Ostersund Sweden case and NCCU's EMBA-NPO case illustrate the ANT theory well. Fia, the initial leader of the Ostersund Sweden case, wanted to help revive the economy of her hometown via organic food (problem identification) and invited farmers, food artisans and chefs to join in the efforts to do so (interest assessment). Then, she called for the support of restaurant owners, distributors and writers (enrolment) to mobilize the local government for the final effort of applying for the UNESCO City of Gastronomy (mobilization). With her passion, she successfully networked the critical actors for the same goal. Mr. Owen Wang of NCCU's EMBA-NPO case played the same role as Fia, by involving new entities (EMBA students) and new combinations of entities (farmers, agricultural experts, EMBA students and event designers) as the mediators and networks of the rice production chain. Our LERP-PEARL model also explains that in the second stage of self-organization, it is imperative to activate more people (enrolment) to take part in the efforts so that multiple leaders will run his/her subsystem (mobilization) for lasting effect.

Action theory explains that only when an idea is implemented and disseminated does it become innovation, thereby making a contribution towards the overcoming of a concrete problem and meeting existing new or long-standing social needs (Hochgerner 2012). Our LERP-PEARL model emphasizes the implementation and dissemination of the societal or social innovation. In the first triggering stage, the initial leader needs to have strong executive power (implementation) in order to attract more partners (dissemination) to take part in the task in the second stage of self-organization. In the PEARL stage, the "E" represents the execution of a larger scale than the first stage.

In other words, our proposed model is the application of the above-mentioned four theories.

7.1 Policy Implications

Each of the eight cases introduced in this study is a unique story of its own. Readers may gain some insight from different angles. These stories also share common features that can provide a frame of reference for relevant parties. In the following section, we briefly describe five policy implications for the reader to contemplate. They are: foster an enabling environment for visionary leaders to act on their vision; establish a private–public partnership mechanism to solve societal and social problems; encourage vertical and horizontal integration to solidify structural and systemic change; capitalize on one's own strength or unique culture; and involve stakeholders in creating a sustainable ecosystem.

1. **Foster an enabling environment for visionary leaders to act on their vision**

An enabling environment facilitates visionary leaders to act on their vision through implementing innovation. This suggestion implies different types of enabling environment for macro-societal innovation and micro-social innovation. Macro-societal innovation requires initial government support as in the cases of Kanazawa, Lyon, Ostersund, and Norwich. In Kanazawa, with the stated intention of becoming a World City, a budget was allocated, relevant schools were set up and private associations were encouraged to build a web of supporting systems for goal achievement. In Lyon, the establishment of the "Imaginove" cluster was dedicated to the creation and cross-fertilization of multimedia content for building creative industries. It not only facilitated synergies between the different image sectors (video games, cinema, audio-visual, animation, and multimedia) to increase the competitiveness of product design, production and distribution, but it also increased the city's "media center" identity. In Ostersund, local government provided a small amount of money and 0.5 manpower; it also assigned a government officer to provide the necessary support that enabled the visionary chef—Fia—to apply for the status of UNESCO City of Gastronomy. In Norwich, the Writers' Centre Norwich, a literature development organization, was formed in 2004 to systematically promote literature and enhance relevant knowledge of its citizens. Every year, Norwich Summer Reads and Writer Centre Norwich Book Club are run in collaboration with University of East Anglia. Each of these four cities created an enabling environment for societal innovation to flourish.

For micro-social innovation, usually the visionary leaders were able to garner the required resources and attract key partners for the initial success. As a result, the enabling environment needed to be built for internal operation. For the Paper Windmill Theater, the art performers did not have to worry about the administration, marketing, or the logistics of each performance, or whether they would earn enough for their living. The business model stipulated that as long as the Paper Windmill raised about US$12,000, they would perform in a particular county. The four founders are well-known in Taiwan; they have been able to recruit a sufficient number of talented employees and volunteers to take care of the fundraising, marketing, and logistics for each and every performance. For NCCU's

EMBA-NPO, the enabling environment was the guaranteed purchase at a fixed unit price for the first harvest of the organic rice farming. With such a guarantee, the farmers showed confidence in experimenting with a new planting method. The initial leaders showed the farmers how they could organize educational and fun activities in the form of children's planting and harvesting experience to arouse the local citizens' awareness about the value of organic food, thereby promoting their products. For the Taiwan Taxi Academy Association, the enabling environment was the improved taxi dispatching system that provided taxi drivers with increased income and a higher occupancy rate. Such initial success promoted the value of improving the image of taxi drivers and attracted more drivers to join the association. For *Four Way Voice*, an enabling environment came into being by creating a platform for the immigrants and migrants from Southeast Asia to submit their articles written in their own language or paintings to the newsletter for publication. When a foreign people can express their feelings in their own language, they become more emotionally stable and enjoy a better relationship with the family or organization they serve. In addition, it facilitates their integration into the local community.

2. **Establish private–public partnership mechanism to solve societal and social problems**

For macro-societal innovation, conventional top–down decision-making cannot get things done effectively and efficiently without the private sector's collaboration. In the Kanazawa case, promoting traditional Japanese crafts and arts to the whole world required the support of experienced artisans, institutions that nurtured qualified artisans, museums that exhibited the crafts, and private art associations that helped with marketing by using their own channels. However, without the endorsement, resource investment and coordination of the city government, the private sectors could not have achieved their goal. In the Lyon case, the Light Festival needed various image sectors (video games, cinema, audio-visual, animation and multimedia) to collaborate in creative design, production and the projection of lights onto private buildings. Without the consent and involvement of the local citizens, the festival would not have been so successful. In addition, the Lyon City Government allocated a plot of land and created "Imaginove" for the relevant sectors to be located near to each other for cross-fertilization and to breed more innovation. In the Ostersund case, without the support of the city government, Fia would not have been able to apply for the UNESCO City of Gastronomy. After she obtained initial support from the government, she was able to invite the support of organic farmers, restaurateurs, chefs and writers to help promote gastronomy as well. In the Norwich case, the Writer's Centre needed citizen participation for various types of activities to nurture the appreciation of literature. Its partnership with the University of East Anglia (representing the public sector) was critical for the successful application for the status of UNESCO City of Literature.

For micro-social innovation, the four cases reported in this study show that it is possible but rare that social innovation does not require the support of the public

sector. The Paper Windmill Theater is a special case in that it chose not to rely on government financial support in order to avoid bureaucratic uncertainties. The main reason for the decision lie in the fact that before receiving government money an application needs to go through troublesome procedures of proposal evaluation, in-process supervision and final evaluation against key performance indicators (KPI), culminating with a formal report. However, most of "First Mile, Kids' Smile" drama productions were performed on elementary school playgrounds at public schools. For NCCU's EMBA-NPO case, the initial success of Sing-Chien Village drew the attention of its governing Yi-Lan County Government. As a result, Yi-Lan County obtained a grant from the central government to designate Yi-Lan an organic county. In addition, NCCU's EMBA-NPO together with the Yangshan Foundation successfully pushed through legislation for organic farming to increase the impact of its initiative. The taxi drivers of the Taiwan Taxi Academy Association continue to help the Yi-Lan local government to provide welfare for the elderly, which has led to a win-win situation. *Four Way Voice* relies more on support from the immigrant and migrant community and private companies than on the public sector. Nevertheless, the newsletter has raised society's awareness about their needs and rights resulting in improved policies. For example, the Taipei Main Station provided logistical help that enabled Indonesian migrants to celebrate the ending of their month-long fasting in its Main Hall.

It can be concluded, therefore, that public–private partnership is essential for the final success of societal and social innovation.

3. **Encourage vertical and horizontal integration to solidify structural and systemic change**

For both societal and social innovation, structural and systemic change results in a lasting self-organizing effect supported by vertical and horizontal integration. In the Kanazawa case, vertical integration is from children/students/adult human resource development to product advancement and then to marketing. Workshops were held at the Kanazawa Children's Craft School over a period of two years. Upon completion, children were able to receive further training in the Takumi-kai Association, where they acquired professional knowledge and technical skills. Horizontal integration is the multifacet infrastructure building. For example, the Kanazawa Craftwork Business Creation Agency was established to promote crafts and to expand sales. An experimental store "Mono to hito" was also established to capitalize craft business for daily use, aiming to expand sales channels and human resource development. In addition, the city developed the infrastructure for international art exchange. It also lends out business rooms, ceramics facilities, and traditional houses in the city center to serve as studios which support youth entrepreneurship. Furthermore, a consulting service staffed by experienced artists was introduced to support young entrepreneurs to improve and commercialize their creative products.

In the Paper Windmill case, vertical integration involved setting up the "Green Light Performing School" and the "Winds Art Workshop" to nurture art performers,

the not-for-profit 319 township performances and the for profit "Green Light Drama" to make up deficits stemming from the 319 township performances, if there were any. The four groups continue to support each other to sustain the Paper Windmill Cultural Foundation, resulting in structural and systemic change over the years. Horizontal integration can be seen in the power of the Paper Windmill to integrate the support of the project's suppliers, performers, volunteers, and the administrators of the performance sites to ensure safe and coordinated performances.

With vertical and horizontal integration serving to solidify structural and systemic change, a self-organizing ecosystem can be put into place to ensure sustainability.

4. **Capitalize on one's own strengths or unique culture**

This study introduces four UNESCO creative cities, which sought to revive their economy and culture, and four nonprofit organizations that aspired to satisfy unmet social needs. A smart way to achieve one's goal is by capitalizing on one's own strengths or unique culture. Preserving traditional Japanese crafts and folk art enabled Kanazawa to capitalize on this precious cultural heritage for the sake of city development. Lyon was an important city in the Roman Empire and has an advantageous position in developing the arts, architecture and the like. The Lumière Brothers (born in Lyon) invented cinematography and shot the first film in history in 1895. In addition, the legend that the Virgin Mary saved the city from the scourge of the plague and in respectful memory of this the Lyonnais used to decorate their windows with multicolored glasses illuminated with candles in December. Such a rich cultural heritage provided the ingredients for developing creative industries as video games and the Festival of Lights. Ostersund turned its seemingly disadvantageous cold weather into an advantageous environment for organic farming, leading to a boom in its food industries. As a city of many renowned writers and publishers, Norwich would like to pass its literature tradition onto the next generation and so designed various mechanisms to acquire the status of UNESCO City of Literature.

For the four micro-social innovation cases, the four founders of Paper Windmill are artists. They know very well the imprinting influence of high-quality artistic performances on children's minds and hearts. The 319 township performances had a sweeping influence on a large percentage of Taiwanese children. The NCCU EMBA students were good at maximizing their investment and effective at goal achievement. With a clear goal of helping the less privileged and contributing to the environment at the same time, they conducted a market survey and identified a dying rice village as their target for practicing social responsibility. Their efforts reinvigorated the village with organic farming. For the Taiwan Taxi Academy Association, Prof. Hou understood the problems of the taxi industry very well from his dissertation research and he successfully transformed a large percentage of the taxi drivers in northern Taiwan. The editor of *Four Way Voice*, Mr. Chang, was a reporter and a Master's student in the Department of Southeast Asian Studies at National Chi Nan University. With such a background, he recognized the needs of the immigrants and migrants from Southeast Asia in Taiwan and facilitated the

publication of a Vietnamese language newsletter first and gradually added editions of five different languages in total, covering the countries of origin of a majority of foreign laborers and immigrants in Taiwan.

Innovation big or small in scale needs to be based on what a city or an organization has or is good at in order to build a lasting self-organizing system.

5. **Involve stakeholders in creating a sustainable ecosystem**

Building a sustainable ecosystem should be the ultimate goal of societal and social innovation, as a healthy ecosystem enables relevant subsystems run by themselves to achieve an integrated goal. Only when involving the stakeholders of each subsystem as described in the second stage PERAL model can innovation becomes self-managed and sustainable. In Kanazawa, the craft schools for training various levels of students, the experienced artisans, the government agencies, the museums and the private art associations knew its individual role and initiated relevant activities for a coordinated effort. With these in place, the capacity and ecosystem for promoting traditional Japanese crafts and folk art to the whole world became sustainable. Lyon established the "Imaginove" cluster dedicated exclusively to the creation and distribution of multimedia content. This allowed for the location of different image sectors (video games, cinema, audio-visual, animation and multimedia) in the same park to increase the dialogue between various stakeholders for more competitive product design, production and distribution. As a result, high-tech industries, software development firms, game design concerns, and internet services are growing concurrently to turn Lyon into a multimedia creative city.

For micro-social innovation, the Paper Windmill Theater provides a good example of involved stakeholders. Because of budgetary constraints, each of the 319 township performances involved corporate leaders, teachers, parents and even children themselves to undertake the necessary fund-raising. The logistic supply chain from transportation companies, platform builders, music control technicians, volunteers, and security and site maintenance personnel all became part of a self-organizing subsystem with multiple leaders coordinating with each other. *Four Way Voice* also involves stakeholders, including the immigrants and migrant readers, the authors, the language editors, the reporters and newsletter distributors, who reinforce each other in creating a sustainable ecosystem.

For successful societal or social innovation, traditional top–down initiative without stakeholder involvement does not work. For any change to be sustainable, the passionate involvement of the stakeholders is the key to creating a self-organizing ecosystem with lasting effect.

7.2 Future Directions

With increasing societal and social problems, an increasing number of individuals, small groups and government officials are devoting themselves to humankind's highest ideals—facilitating the well-being of societies. According to *Giving USA*

(Stannard-Stockton 2009), individuals make up about 82 % of total annual donations, while foundation grants accounted for only 13 %, with the remaining funds coming from corporations. Grass-root social innovation can form a powerful net to help solve problems that remain undetected by governments. Macro-level societal innovation needs the support of all parties involved, from citizens and organizations, as well as from local and central governments as shown in Chap. 3. Although micro-social innovation does not necessarily require government support, when an initiative needs legitimacy the government can facilitate its formalization for the sake of sustainability. Understanding how societal innovation and social innovation comes into being, evolves and performs requires more studies. This study shares the successful stories of four creative cities and four organizations for readers to appreciate their differences and similarities as presented in our LERP-PEARL model. In-depth analysis also reveals the following future six directions for interested parties to conduct societal and/or social innovations.

7.2.1 Address Unmet Societal or Social Needs Through Cross-Sector Partnership

Phills et al. (2008) advocated that the world needs more social innovation. Therefore, all who aspire to solve the world's most vexing problems—entrepreneurs, leaders, managers, activists, and change agents—regardless of whether they come from the world of business, government, or nonprofit organizations, must shed old patterns of isolation, paternalism, and antagonism and strive to understand, embrace, and leverage cross-sector dynamics to find new ways of creating social value. Social cohesion through social innovation is needed for a successful economy. Unfortunately, social innovation faces a series of barriers which are rooted in a lack of coordination between the various actors engaged in social innovation within the policy domain (policy coordination), but also among the various players (networking between social innovators, financing institutions, incubators—operational coordination) (BEPA 2010: 102). In other words, both societal and social problems are generally multifaceted, which requires cross-sector partnership to tackle individual issues in a holistic way.

7.2.2 Measure the Impact of Societal and Social Innovation

BEPA (2011: 68) advocated that measuring the impact of social innovation is a priority for policy making as "what you do not measure, you do not achieve." However, value produced does not easily translate into quantifiable benefits, as innovation exists in a wide variety of forms, including products, services, processes, organizations, principles, laws and institutions, and especially a combination of all

or part of these elements (Djellal and Gallouj 2012). However, a society with a greater degree of social justice, more empowerment, and more democracy, one that is more dynamic and productive may provide some references (BEPA 2010: 55). In addition, an apparent impact is the renewed social agenda, a reform of social policies leading to opportunities, access and solidarity. In other words, measurements taking into account both tangible and intangible gains can be developed for quantifying whatever impact is made for decision-makers' reference.

7.2.3 *Make Innovation and Systemic Change a Core Element in Meeting Social Demands and Societal Challenges*

Social demands are traditionally not addressed by the market or existing institutions and are directed towards vulnerable groups in society. Societal challenges include financing, governance and coordination, legal issues, education, cultural recognition, skills and training, and the lack of data and measurements. Innovation is generally spurred through active sharing and dissemination of knowledge, good practices and experience among the actors that could meet the social demands and societal challenges. In addition, systemic change is critically needed to reform a society in the direction of more participative, empowering and learning for the well-being of a society (BEPA 2010: 118). For societal and social innovations to develop, a systemic approach, an enabling environment and ecosystem providing adequate incentives, finances, structures, and drivers are essential. To achieve such a goal, transforming traditional top–down, risk-averse, cautious organizational cultures, closed system single-issue solutions, and fragmented resource allocation into an enabling environment, good infrastructure, skills, design tools, validation, and evaluation through innovative measures are essential. Systemic change and the provision of sufficient stable and sustainable funding throughout all stages of the innovation cycle are also crucial for the development of a functioning ecosystem.

7.2.4 *Change the Top–Down Decision-Making Culture to Stakeholders' Involvement in Policymaking*

By estimation, each of the key industries in this century—health, education, and childcare and eldercare will take up a far larger percentage of GDP than information technology or cars. Coping with the demands of these industries requires very different approaches, partly because they are so deeply shaped by public policy, and partly because they depend so much on coproduction by user, patient, or learner (Mulgan 2006). For example, older people should not only be seen as consumers but as coproducers of social innovations (Heinze and Naegele 2012). Therefore,

relevant parties, including citizens, stakeholders, users and target groups, should be involved in how policies should be formulated, proposed, tested and implemented, challenging the traditional view of policymaking as a top–down process (BEPA 2010: 116). Policies concerning education need to take into account the learning behavior of the new generation. The design of childcare systems needs to take into account parental input. As a result, policy education, experimentation, and cultural change are required for societal and social innovation to be successful.

7.2.5 *Recognize the Contributions of Social Entrepreneurs and Enterprises*

Up to the present, there is a lack of recognition of social entrepreneurs and enterprises, which is rooted in both legal (the status of social entrepreneurs) and cultural dimensions (the idea that innovation is confined to the business domain) (BEPA 2010: 102). For social entrepreneurs and enterprises to become important partners to help solve social problems and meet societal challenges, recognition of their concrete contributions in generating innovation to address relevant issues needs to be promoted to and appreciated by the public to solicit the commitment of more social entrepreneurs and enterprises.

7.2.6 *Cases Combining Both Societal Innovation and Social Innovation Will Help Unveil a Comprehensive Measure to Create a Better Society and a Better World*

In a coevolving and cocreating world, the dynamic interactions between societal innovation and social innovation should be worth reporting. For example, a societal innovation concerning aging may be broken down into several interacting social innovations to achieve a specific goal. Several social innovations, such as various online education methods, may lead to solving the societal problem of educational inequality. Emerging countries may provide fertile research ground for such cases, like the Super Multimedia Corridor in Malaysia. The most intriguing case may be the recent refugee crisis in Europe. Future research may investigate such questions as, Who are societal leaders? What have they done to help the refugees integrate into the host countries? What types of societal and social innovation surfaced in such a desperate context?

In conclusion, societal and social innovation is a challenge that cannot be missed. According to Hochgerner (2012), the most urgent and important innovation advancement in the twenty-first century will take place in the social field. He also said that although technical innovations will continue and bring about an utterly changed environment and new living conditions in comparison with previous

possibilities, social innovations will be those that the inhabitants of this world must first produce or ensure. Social innovation is, therefore, an important element of the new economic thinking and should be central to the policy agendas of governments; even if progress has been made in some countries to support social innovation, more remains to be done (Franz et al. 2012: xi).

A triple triumph can be anticipated and achieved for societal and social innovation (BEPA 2011). They are a triumph for society and individuals by providing services that are of high quality, beneficial, and affordable to users and add value to their daily lives; a triumph for governments by making the provision of those services more sustainable in the long term; and a triumph for industry by creating new business opportunities and new entrepreneurship.

In OECD, the Forum on Social Innovations has since 2000 facilitated international dissemination of the best policies and practices in social innovation (Noya 2014). This new innovation paradigm by the experts of the OECD study "New nature of innovation"—is characterized by the opening of the innovation process to society. Alongside companies, universities and research institutes, citizens and customers become relevant actors within the innovation process. Based on these trends, innovation becomes a general social phenomenon that increasingly influences every aspect of our life (Franz et al. 2012: p. 2).

Recently, the President of the EU Committee of Regions, Markku Markkula (2016), has been advocating the development of attractive innovation environments, focusing on innovation communities operating as ecosystems through systemic value networking, catalyzing open innovation and encouraging individuals and communities to adopt an entrepreneurial mindset, experimenting and implementing demonstration projects by partnerships, and how to reach creative processes through the bottom–up movement. Those proposed endeavors are in line with the key elements of our societal and social innovation, such as attractive environment, ecosystem, systemic change, success stories, experimenting, and bottom-up movement.

There have been many case studies of social innovation within different fields (including health, education, and criminal policy), and useful attempts have been made to understand social innovation in some universities, including Stanford, Duke, and Harvard. However, these endeavors have focused on individual case studies rather than investigating common patterns or aggregating learning. As such, they have not yet provided widely acknowledged models or sufficient practical insights for practitioners (Mulgan 2006). Generally speaking, current social innovation studies have focused on a single charismatic entrepreneur, describing his or her success story only. Cajaiba-Santana (2013) comments that every social innovation represents a story, a rich account of the actions, events, and circumstances in which social context and actions are interwoven. Such accounts might be seen as mere description with little generalizable and theoretical relevance, but such narrations help theoretical development by highlighting patterns of behavior and providing more complex explanations.

This study goes beyond case description and expands to propose a two-stage LERP-PEARL model, explaining required processes and successful criteria from

the triggering stage to the self-organizing stage for both macro-societal innovation and micro-social innovation. Our cases answer the questions of how social entrepreneurs or decision-makers find out social problems, create matching schemes with unique ideas and resources, and diffuse them by involving various stakeholders in creating a functioning ecosystem. This study ends with a call to embrace societal and social innovation and put it on the agenda for solving pressing issues and creating a better life.