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Co-creation of Service Innovation in Europe

Co-creation of Social Innovation

Policy Brief: Co-creation of Service Innovation in Europe (CoSIE) 11/2019

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Executive Summary

Complex societal challenges, such as an ageing society in conjunction with austerity in public services are immune to quick-fix solutions. Societal challenges are wicked in a sense that they have multiple possible solutions and the 'goodness' of each solution always depends on the adopted approach.

This policy brief acknowledges the conventional approach to social innovation in terms of innovative activities and services that are motivated by the goal of meeting societal needs. Such needs are predominantly disseminated through organisations whose primary purposes are societal, and who call for changes in both our thinking and our actions. Wicked challenges should not be thought of as problems to be solved per se, but conditions to be managed.

Drawing on public service logic, service-dominant logic for value (co)-creation and complexity thinking, this policy aims to broaden policymakers' mindsets and provide heuristic tools to practitioners to capture emergent social innovation.

It proposes the following five recommendations: 1) support self-organisation and enable emergence, 2) cultivate the ecosystem of social innovation, 3) tackle uncertainty by providing small wins, 4) ensure diversity by promoting feedback and sense-making and 5) enrich interaction through digital technology. The recommendations emphasise the interactive nature of social innovation and speak of the need for systemic change.

The policy brief includes several highlights from the CoSIE project.

CoSIE

The CoSIE project (12/2017–6/2021) was launched to increase service innovations based on co-creative design. More precisely, the project aims to develop initiatives that 1) advance the active shaping of service priorities by end users and their informal support networks, and 2) engage citizens, especially hard-to-reach groups. The project includes several pilot projects developing innovative solutions to complex social challenges.

Introduction

Social innovation refers to the novelty in actions that aim to satisfy social needs that tend to be unrecognised or unaddressed by commercially motivated actors, but which often involve collaborations between public, private and community sectors. Social innovations are valued because they generate societal good in a way which cannot be provided solely by the market. The presupposition of social innovation is that the problems linked with the generation and influence of services are resolved when the actors involved are adequately innovative. The 'value' is created at the nexus of interaction (cf. Osborne 2018, Brandsen et al. 2018, Fox et al. 2019) and rests on social innovation's congruence with citizens' needs and expectations.

There is a growing consensus among the research community, practitioners and policy makers that social innovation enhances society's capacity to act. A great number of studies have been published in recent years. However, despite the increased interest, our understanding of the social innovation phenomenon remains incomplete.

> *Social innovation targets social needs and involves collaborations between public, private and community sectors.*

This policy brief is intended to raise awareness of the interactive nature of social innovation. Drawing on **public service logic** (Osborne 2018), **service-dominant logic for value (co)-creation** (Vargo & Lusch 2017) and **complexity thinking** (Byrne & Callaghan 2014), this policy brief helps practitioners to capture emergent social innovation. The policy brief includes several highlights from the CoSIE project and provides five recommendations on how social innovations can be created through multi-stakeholder collaboration.

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Many Shades of Social Innovation

Social innovation is high on the policy makers' agenda both at national and international levels. The EU's Europe 2020 strategy, for example, counts on social innovation as an important means to achieve smart, sustainable and inclusive growth. Similarly, at the national level, social innovations are linked to nations' and citizens' welfare. It is argued that the new participatory elements of policy making have not only deepened democracy but also helped to develop more customer-oriented public services.

Social innovation has been depicted as a buzzword with multiple and contradictory meanings (Pol & Ville 2009). Although there is no 'one-size-fits-all' approach to social innovation, however, there are four rather commonly accepted attributes of social innovation identified from the literature. Firstly, social innovation addresses the basic societal needs and demands of society's most vulnerable groups (e.g. the unemployed, the elderly, the disabled). Social innovation fixes the problems where the market fails. Secondly, social innovation refers simultaneously to both the means and the ends of action. Social innovation encompasses new products and services that address social needs and new processes that make use of social relations to deliver products and services in more efficient ways.

Thirdly, social innovations are 'systemic', meaning that they require several actors from public, private and non-profit sectors. This means that social innovation necessitates the reconciliation of various interests and co-operation over organisational and administrative borders. Fourth, social innovations usually address 'wicked problems' (Rittel & Webber 1973), i.e. problems that have multiple possible solutions and the 'goodness' of each solution always depends on the adopted approach. (Mulgan et al. 2007, Phills et al. 2008.)

Social Innovation

See the comprehensive *Atlas of Social Innovation* (https://www.socialinnovationatlas.net/) which identifies global trends of social innovation, maps social innovations in world regions, discusses social innovation in policy fields and explores future challenges and infrastructures of social innovation. See also the *Digital Social Innovation* (https://digitalsocial.eu/) community whose aim is to use digital technologies for tackling social challenges.

Recommendations for Spurring Social Innovation

Social innovation assumes a collaborative process whereby professionals from different organisations, as well as politicians, citizens, private companies and NGOs, are integrated into the innovation process, increasing the quality and quantity of services through the wide variety of participants' innovation assets. Collaboration should affect the whole innovation process, from enabling the integration of ideas to proper solutions and the selection of the most promising solutions to the building and testing of prototypes. Likewise, collaboration strengthens the assessment and sharing of risks and benefits, as well as commitment to the implementation of new solutions. It also helps mobilise resources and disseminate innovation (cf. Hartley et al. 2013, Torfing 2019).

Exploring Social Innovation

The CoSIE project views social innovations as services that address social needs (goal-oriented social innovation) or new processes which make use of social relations to deliver services in more efficient ways (process-oriented social innovation). One of the innovations of the CoSIE project is to link thinking on co-creation and social innovation to the concept of social investment. This helps us to bridge the divide between macro-level social policy adjustments and local and individual experiences of service provision.

While acknowledging that every social innovation has its unique characteristics, this policy brief aims to argue for particular courses of actions. Based on the analysis of nine CoSIE pilots and with the help of relevant research literature, the policy brief proposes the following five recommendations:

Support self-organisation and enable emergence

Cultivate the ecosystem of social innovation

Tackle uncertainty by providing small wins

Ensure diversity by promoting feedback and sense-making

Enrich interaction through digital technology

Support Self-organisation and Enable Emergence

Social innovation is a demand-driven process aimed at helping the life of the most vulnerable members of our societies. Social innovation is not a product whose consumption can be detached from its production. Instead of a top-down rational planning process, it is claimed that social innovation arises from bottom-up interaction. The outcome of the process cannot be known in advance. Social innovation emerges from a self-organising process (cf. Byrne & Callaghan 2014). It means a more or less spontaneous process without externally applied coercion or control (Mitleton-Kelly 2003). Self-organisation consists of phases such as production uncertainty, chaos, reduction of uncertainty and, finally, new organisation. A clichéd saying "the whole is more than the sum of its parts" implicates that self-organisation can produce emergence, which cannot be predicted or decided in advance.

Promoting Bottom-up Initiatives

In Estonia, the Co-creating Social Services pilot uses social hackathon events as vehicles for challenging traditional top-down processes by bringing together different stakeholders and promoting the emergence of solutions through co-creation. The pilot encourages all stakeholders to solve their problems with their own, unique solutions instead of forcing them into the given framework provided by professionals. The pilot has paid attention to local identities and traditions. It reduces the risk of failure by embracing the importance of 'idea holders', as it is expected that ideas will only survive after the social hackathon event if idea holders manage to recruit a creative and effective team around them.

In everyday practice, emergence and self-organisation happen when public organisations, private firms, third sector organisations as well as citizens continually decide with which other entities and initiatives to engage and what information they will share. If things go smoothly, emergence can produce "unpredictable creativity" (Johnson 2002).

Engaging Local Leaders

In Hungary, the Household Economy in Rural Areas pilot aims to raise target groups' (families) social capital, prestige and self-consciousness. Therefore, the pilot promoted self-sustaining and self-organising practices in local co-creation workshops. Enabling self-organisation was seen as an important factor for motivating the service users to participate in the pilot activities. It was also found critical that local leaders were engaged in the planning of the pilot interventions. Their engagement was seen as a necessary condition for the emergence of the community-based public service model, and also the revival of the forgotten culture of household economy.

Cultivating self-organisation

In the Netherlands, the Co-creating Employment pilot aims to create a reflective environment for professionals, civil servants and citizens, which increases the chances of a sustainable and successful match between employers and jobseekers. The pilot team has undergone significant training and mentoring to enable them to independently use Community Reporting methodologies. It is anticipated that this will become a tool for cultivating self-organisation processes beyond the life span and the domain of the pilot.

It is worth noting that emergence does not only imply a bottom-up process. A higher-level emergent process causally influences its lower-level constituents. In line with the critique concerning the usage of originally biological concepts in the societal domain, we emphasise that social-economic systems differ from natural ones because man-made ones have the mind and capacity for intentional actions. Therefore, due to bi-directional influence, it is important that policymakers make sure that the emergent pattern does not become too powerful. A process evaluation demonstrates that all CoSIE pilots aim to achieve a dynamic balance between top-down and bottom-up processes. In Estonia, for example, it is not only an attempt to increase citizens' involvement into service design and development, but also to challenge the traditional format of social and health care services, shifting from service-centred approaches to more person-centred solutions. The CoSIE pilot was successful in transcending a narrow focus on social service design and engaging diverse stakeholders in a holistic approach that address social problems multidisciplinary and intersectoral.

Cultivate the Ecosystem of Social Innovations

In contrast to the rational and linear process approach, the ecosystem (cf. Moore 1996) view emphasises the complex nature of the social innovation process. Complexity derives from two interlinked sources: first, the process itself is complex due to the interdependence of a variety of stakeholders; and second, stakeholders have different and contradictory expectations and demands for social innovation. In addition, ecosystems typically comprise organisations and individuals who are in both cooperation and competition, i.e. co-opetition, with each other.

Scaling up Local Ideas

In Estonia, the pilot builds a bridge between new ways of co-creating social services and Estonian e-Government initiatives. The pilot collaborates on a regular basis with the Estonian start-up ecosystem in order to be inspired by and to inspire others. In addition, it scales up the local ideas to a national level by engaging representatives from ministries.

We deem the following elements as essential characteristics of the social innovation ecosystem. An ecosystem is a functional whole which is made up of all related actors from private, public and third sectors, as well as economic, cultural and legal institutions. These actors and institutional arrangements

are strongly connected with each other. Instead of top-down management, there is a need for intelligent orchestration of various actors (Stenvall & Virtanen 2017). Connectivity and interdependence point out that actions by any actor may affect (constrain or enable) related actors and systems. Ecosystems are also connected to their environment. Therefore, it can be said that an ecosystem and its environment co-evolve, with each adapting to the other (Byrne & Callaghan 2014).

Seeking systemic change

In Sweden, the Personal Assistance Services pilot aims to co-create added value for people with disabilities and achieve systemic change in municipal social services, shifting focus from the system towards user capacities, participation and influence. The pilot influences service managers' perceptions of their environment and strengthens their abilities to act for change by introducing concepts such as "change leaders", "health promoting leaders", "health promoting employeeship". The pilot was actively and successfully linked with the national regulations and policy aspirations, which emphasise a search for more co-creative individual service design and implementation. With the help of the Living Lab, it was able to make visible the tensions and even conflicts of interest and value among participants from different levels.

Institutionalising local initiatives

In Finland, the Youth Co-empowerment pilot aims to provide a new channel for young people to impact on public decision making about their wellbeing. The pilot draws on strong institutional arrangements (incl. education), policy support for social innovation and evidence-based social service development, which stresses the equal importance of scientific, professional and user knowledge. Co-creation is framed as a broad social service development discourse and all citizens are seen as potential co-creators.

The need for the coordination and co-operation of different stakeholders is evident especially in the context of social innovations which are usually based not on concrete products, but on changes in relationships, typically between service providers and users. Instead of individual and isolated actors, social innovations are typically invented, implemented and disseminated in complex relationships between different actors. An ecosystem approach to social innovation is fruitful because it induces actors to pay attention to relationships. The ecosystem approach has been supported by applying a theory of change (ToC) in each pilot. Developing a ToC involves articulating the desired change based on a number of assumptions that hypothesise, project or calculate how that change can be enabled. ToC is also a convenient way to analyse the interests of different stakeholders. In the CoSIE project, the ToC approach has helped to identify the desired outcomes of social innovations and the aspects that might prevent those desired outcomes as well as to visualise the actions needed to mitigate the barriers of social innovations. Each pilot developed their ToCs in collaboration with the Living Lab team (see figure below The Initial Theory of Change model: Household economy in rural areas, Hungary).

Household Economy in Rural Areas (Hungary)
Theory of change
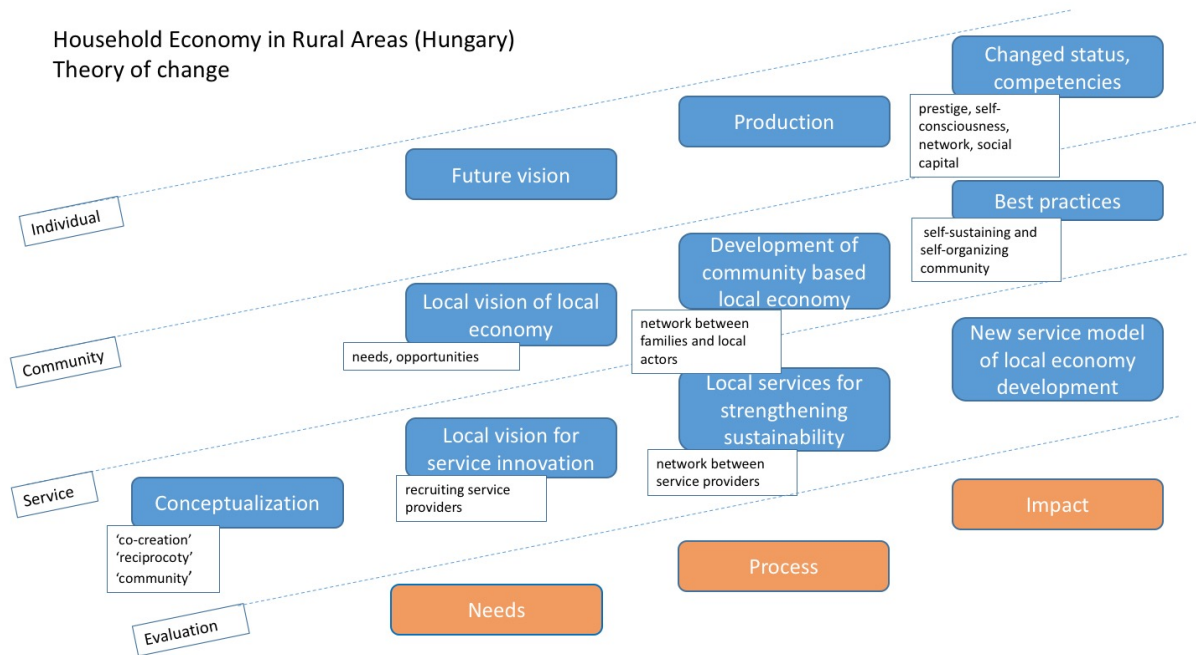
Tackle Uncertainty by Providing Small Wins

Despite positive connotations associated with the concept of social innovation, it should be noted that the potential value integral to social innovation may or may not be realised in the future. Given that the future entails uncertainty, it is reasonable to postulate that uncertainty is inherent in every innovation project (Jalonen 2012). The social innovation process consists of and requires action to be taken under conditions of uncertainty. Social innovation is a process of muddling through, where one steps into the unknown.

Failing Fast and Moving Forward

In Italy, the Reducing Childhood Obesity pilot aims to develop new low-threshold digital services for young people and their families. With the help of Community Reporting, the pilot gathered user stories and people's experiences of public services. One of the stories gathered highlighted some unintended negative consequences of an intervention the service had made. This intervention has subsequently been reversed as the Community Reporter story highlighted the experience of the service-user of the intervention. Instead of a small win, the Community Reporter story identified a small loss which could have grown into a larger issue later on.

Uncertainty is typically characterised as a state which causes dissatisfaction. The reason for that is obvious: individuals and organisations simply feel dissatisfaction because they do not know how to proceed in an uncertain situation. There is strong desire for certainty and a tendency to deny uncertainty.

Due to the negative consequences (real or perceived) of uncertainty, people typically prefer to avoid it. Nonetheless, within the context of social innovation, uncertainty also carries positive, or at least neutral, meanings. It can be argued that tolerance of uncertainty is a necessary condition for making things happen. It has also pointed out that uncertainty may actually improve decisions, because it can help to achieve agreement when "honest differences in fact and values might otherwise lead to intransigence" (Hanft & Korper 1981).

Uncertainty in social innovation can be tackled in many ways. We favour a small wins framework (Termeer & Dewull 2018). In a nutshell, the idea is to make progress by cultivating small changes in a way that makes them larger and stronger. The aim is to energise different stakeholders instead of paralyzing them. The framework draws on a non-linear process, allowing people to embrace uncertainty and to aim at mutual understanding. A small wins framework is based on the following three steps: 1) identifying and valuating small wins (and avoiding small losses), 2) analysing whether the right propelling mechanisms are activated and 3) ensuring the results feed into the policy process (Termeer & Dewull 2018).

Harvesting the Low-hanging Fruits

In the Netherlands' pilot, the uncertainty was tackled by using the idea of small wins. Co-creation activities were supported by identifying and valuating 'low-hanging fruits', i.e. topics where 'energy' was already being created. In addition, stakeholders co-designed and tried out different 'prototypes' (such as 'open house' and 'digital buddy') that were anticipated to contribute to the successful and sustainable match between employers and jobseekers. Living Lab also helped to feed the policy process as it projected the nature and structure of the transformational process which was being promoted.

Simplifying Complexity

In the United Kingdom, Services for Low and Medium Risk Offenders pilot aims to co-create enabling plans and personalised rehabilitation interventions and stronger community involvement in and contributions to offender rehabilitation. The Living Lab approach was used for facilitating the pilot to identify with their stakeholders' inventive approaches to 'wicked' problems and better ways of getting things done. The Living Lab was seen as a propelling mechanism that supported and nurtured social innovations by making the roles and responsibilities associated with complex socio-technical systems and situations explicit and perspicuous.

Without the identification of small wins, there is a risk that they remain unrecognised and never become institutionalised. Propelling mechanisms are needed for scaling up, broadening or deepening small wins. Propelling mechanisms are a sort of chains of events that enable the accumulation of small wins through feedback loops. Identification of small wins and mechanisms of amplifying their consequences are useless unless there are procedures to ensure that results feed into agenda setting, policy design, implementation and evaluation. A process evaluation reveals several small wins during the implementation of the project.

In Italy, for example, the role of the Steering Committee transformed as the project evolved. The Committee has acquired a more active role and become the actual governing and planning body of the Italian pilot. This has increased the legitimacy of development activities. In Sweden, Jönköping municipality has successfully applied the Open Government approach. The municipality decided that its personal assistance units and service areas expose their operational plans, ongoing improvements and remaining goals online allowing users and colleagues to inform themselves and critically assess the ongoing work. As a result, Jönköping municipality is one of the most transparent among the 290 municipalities in Sweden. In Finland, a small wins approach was used for addressing administrative challenges. The pilot team developed and successfully implemented a concept of 'training about how to encounter a young person as a customer'. The concept was deemed promising and the city of Turku has been willing to provide the training for front-line workers in several sectors.

Ensure Diversity by Promoting Feedback and Sense Making

Social innovation is as much with people as for people. Therefore, we call for diversity of participants. Particularly important is the involvement of the most vulnerable. The rationale behind this argument is rather simply: people are the best experts with respect to their own needs. Putting people with different backgrounds together increases diversity and provides more opportunities to see things in a new light, which is sine qua non for any innovation (cf. Cox & Blake 1991).

Supporting the Polyphony of Ideas

In Italy, the pilot organised, with the help of People's Voice Media and the Newcastle Living Lab team, several workshops where they engaged a wide range of stakeholder groups (i.e. parents, children, healthcare workers, sports trainers and local policy makers) in co-creation conversations. The Community Reporting methods were used for identifying needs of families when tackling childhood obesity and this learning was used to inform recommendations for the app and the wider healthcare service. The Living Lab approach, in turn, facilitated participative sense-making and nurtured conversations by providing the transtheoretical model of change through which the stakeholders from different levels explicitly reflected their roles and relationships.

Defining diversity as a state or quality of being different, we argue that the diversity of the ecosystem's parts spreads into the rest of the system as a result of feedback processes. Feedback processes serve as a mechanism conveying the individual actions into broader collective actions. It is envisaged that negative feedback has constraining effects while positive feedback stimulates the behaviour. In a social innovation context, feedback processes are important, as they enable multiplying the consequences of small actions as such (Byrne & Callaghan 2014). Feedback processes can launch a nonlinear and unpredictable chain of actions. At best, the outcome may be positive development in which events and actors sustain themselves.

Finding the Change Agents

In Poland, the Co-housing of Seniors pilot aims to develop models of local solutions working with residents, business, public institutions and NGOs in the co-creation of municipal housing policies particularly for elderly people. As participation and co-creation is not a tradition in Poland, it was not a surprise that the pilot faced change resistance from several stakeholders. Instead of operating constructively and ideating, many stakeholders focused on opposing new ideas. To overcome change resistance, selected local leaders were engaged together with seniors to narrow the problem and work with the ideas that could be implemented. It helped to build a core group of local leaders who started to believe that they have influence and can change the reality.

Enabling the Unheard to Have a Voice

In the UK, Community Reporting provided a tool through which services users, specifically people in the most marginalised groups, have been engaged in the co-creation processes. Through recording people's stories and using them as part of and to inform co-creation processes, it enables those who would not otherwise engage with such processes to be a part of them. Using the Community Reporters' own peer networks to help identify people in marginalised groups and gather their stories enables public services to understand the needs and lives of people who may need but not necessarily access their services.

In order to make full use of diversity and feedback, we suggest the need for sense-making. Sense-making is a process by which actors make their world meaningful through talking and acting (Weick 1995). It means framing the unfamiliar with familiar, structuring the unknown and placing stimuli into some kind of framework. In the social innovation context, sense-making is needed for several purposes such as observing what is happening, understanding and explaining why something is happening and forecasting what might happen in the future. Sense-making implies the idea that reality is neither given, nor discovered, but created in the process of enactment, that is to say, by experimenting and learning by doing. It is anticipated that it is the process, rather than the product, that represents the value. As highlighted in our White Paper (Fox et al., 2019) "the CoSIE project has a distinct understanding of the possibilities of developing co-creation between people and citizens in a bottom-up, person-centred approach". The CoSIE project is particularly ambitious in doing this in contexts where it is extremely challenging, working with groups who are often considered hard to reach and hard to help. In order to help 'hard to reach' people, several pilots have initiated 'narrative innovations'. In the Netherlands, for example, a new narrative was co-created within the Houten municipality. At the heart of the narrative is the returning the 'human factor'. It was agreed that "engaging our citizens needs to be a central part of our strategic agenda in the municipality of Houten". In Sweden, the pilot pursued the collective sense-making through the narrative which enables the understanding of how co-creation conditions and challenges are perceived and acted upon. The narrative approach was supported in all pilots by the People's Voice Media's Community Reporting concept. People's stories about their lives contain valuable insights that can be widely shared and act as a catalyst for changing practice, processes and policy.

Enrich Interaction through Digital Technology

The promises of 'digital governance' relate to openness, sharing, and increased communication and collaboration between the public sector, citizens, businesses and non-governmental stakeholders (e.g. Milakovich 2011, Townsend 2013). It is expected to make government more service-oriented, competent, and transparent, and enable the provision of personalised public services. Digital governance is a broad concept which embraces different technologies. Common for them all is that they transform the ways the government interacts with its stakeholders.

Exploring the Lived Experiences

In Finland, the pilot gathers authentic information and experience knowledge from the youth through social media. Through the combination of social media engagement and observation with digital story gathering, curation and mobilisation processes, the pilot tries to reach the young people in a low-threshold way and connect them with the service designers who aim to induce positive social change at individual, organisational and systemic levels.

Connecting Various Stakeholders

In the Netherlands, the pilot develops a digital app for handling diverse data sets and to be used for empowering co-creative employment. The app aims to tackle the problem which is that employers, public service professionals and job seekers can't oversee all the information available that is potentially relevant in order to match employers and employees. The app could help to manage data sets that are now separated into different siloes.

Digital governance promises opening and sharing of government data and increasing the efficiency and effectiveness of public administration. However, digital governance also includes a risk of unintended, unexpected and undesired outcomes and new kinds of political, governmental, ethical, and regulatory dilemmas. Instead of efficient and effective public services, digital technology has introduced a new kind of complexity (Helbig et al. 2009). It is noteworthy that digital development has also challenged our fundamental notions of human power and agency (Neff & Nagy 2019). It has been suggested that "the use of technological application may also reallocate control and power towards specific groups in society" (Lember 2018). There are also concerns over government capabilities regarding digital technologies (Ashton et al. 2017). Unsurprisingly, many scholars have pointed out that using digital technology for putting users at the heart of public service innovation is easy to say, but difficult to implement.

Empowering Communities

In Spain, the Empowering Entrepreneurial Skills pilot aims to provide a stable and supportive environment for people with little or no resources to find means of economic self-sufficiency and bring about systemic change in the way public services are being delivered and promote user involvement. The pilot supports collaboration through digital technologies run by the participants themselves.

The CoSIE recognises that digital technology can play a role in social innovation but cannot provide a solution to all problems (Fox et al., 2019). A process evaluation shows that the adoption of digital technologies has been varied and has encountered both challenges and opportunities in implementation. It seems clear that the advances in digital technology may provide a bridge for bringing service providers and service users together. We propose the following benefits. First, the more accurate and real-time data available, the more effective the service provision will be. Second, the more citizen participation, the more tailored services can be co-created. Third, the more transparent governance becomes, the more legitimate and accountable it becomes. Fourth, governmental legitimacy increases societal trust which supports knowledge sharing and spurs innovation.

However, co-creation of social innovations – with or without digital technology – can be more complex, more unpredictable, and more political than what the rhetoric indicates. Of particular interest should be reflections on whether opportunities for co-creation through digital technologies "will exist for all, or only a selected few" (Lember et al. 2019). Social media may allow new possibilities for those who are already in control and able to navigate in co-creative processes but make people with disabilities and vulnerabilities as outsiders. To tackle negative side-effects, we suggest that it is important to strengthen public agencies' strategic, operational, and technological capabilities. It is worth noting that not everything that is technologically possible is ethically justifiable or even operationally preferable. Therefore, we propose that the aim of using digital technologies in co-creation processes should be in moving beyond standard practice, not only by increasing engagement, but also by broadening it. More specifically, the inclusion of vulnerable groups in co-creation processes requires focusing on the barriers that prevent members of vulnerable groups from participating and translate this knowledge into actionable guidelines and practical tools.

Future of social innovation

In the short term, the CoSIE pilots aim to identify the basic societal needs and demands of the most vulnerable groups and to develop new ways to engage various stakeholders in co-creating better services. In the longer run, it is envisioned that social innovations enhance society's capacity to act by linking these needs and demands to personalised welfare solutions and participative policy-making as well as to promote systemic change and strengthen democracy.

This policy brief proposes five recommendations for co-creation of social innovation. Instead of being a comprehensive list, the recommendations emphasise the interactive nature of social innovation and speak of the need for systemic change. They focus on social innovation in terms of processes, which do not operate simply under terms of command and control. However, it is quite clear that recommendations remain recommendations until they are institutionalised in local, regional and national policymaking. In order to put recommendations into practice, this policy brief argues for frames of reference which embrace the real-life complexity, acknowledge the dynamism of the processes, allow the emergent properties and support the adaptation to an ever-changing environment.

> *It is envisioned that social innovations enhance society's capacity to act by linking citizens' needs and demands to personalised welfare solutions and participative policy-making, as well as to promote systemic change and strengthen democracy.*

One possible avenue for the future of social innovation arises from the collaboration between public and private sectors. While usually we discuss social innovation from the perspective of the public sector, the phenomenon itself has also started to emerge in the corporate world. We use different terms and we might have different theoretical backgrounds, but if we look at the latest developments in business theories and practice, we can observe a decreasing gap between private and public interest (e.g. Ashrafi et al. 2018). Future companies can only be successful if they pay particular attention to their environmental and social impact. Embeddedness into local communities, focusing on long-term goals and acknowledging the social consequences of new technologies has brought enterprises closer to topics previously and almost exclusively dominated by the public sector.

No technological innovation can occur nowadays without taking into consideration the social and environmental impact of a new product or service. Without exaggeration, we can claim that most of the recent technological innovations (ICT and digitalisation, AI, robotics, automatisation) are also social innovations due to their enormous impact on people's quality of life, the future of work and the labour market, human relations, our political structures and community life. Complex innovation processes like urban developments, smart city developments, large scale transportation and communication projects

cannot be considered as pure business or infrastructural investments any more. Unconsciously or consciously they will also have a very strong social innovation dimension.

No technological innovation can occur nowadays without taking into consideration the social and environmental impact of a new product or service.

When it comes to co-creation of social innovation, corporations, companies and enterprises represent relevant stakeholders with reasonable resources. Taking into consideration their increasing interest in societal and environmental dimensions, it is worth looking at their strategies in order to engage them in social innovation. This is very much in line with the emerging concept of the sixth wave of innovation (e.g. Nicholls & Murdock 2012, Silva & De Sirio 2016) which stresses the need for reconfiguration around present environmental and social needs. We advise recognising the sixth wave of innovation by the EU and national policies for spurring smoother co-creation between the business and private sector.

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