

THE INFLUENCE OF THE SOCIAL INNOVATIONS ON THE COMPETITIVENESS OF THE NATIONAL ECONOMY

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Summary

The connection between the innovations and competitiveness derives from the many factors, which promote the implementation of the modern, previously unknown, solutions of the problem, process and the appearance of the new product or the other facilities considered on a global scale, for example, which improve the functioning of the state.

Key words: society, technologies, planning, innovations, development, business, knowledge, competitiveness, social capital.

1. Introduction

Nothing could be further from the truth that the innovations deal usually with the engineering, technology, economy, and there are no relationship between the novations and the society. The innovations are very important not only for the entrepreneurs, but also for the whole society. The societies are gaining strength and becoming more aware about their needs, which they could express by the different ways, for example, through the internet. Also, the societies are powerful enough not only to make the social changes, but also to support the initiatives, the need of which is significant. These changes are not only the challenges for the entrepreneurs, but also, the chance to develop and compete with other very successfully. The cooperation between the non governmental organisations, entrepreneurships and science help to develop the social innovations. The revolutionary solutions

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could be found in the interface of the sectors, which bring the profit for the companies and, at the same time, contribute to create the solutions of the social problems.

The innovations are usually initiated by the people who are called the social innovators because they perceive the problems comprehensively and try to solve them. Also, the innovators are very curious people who face the difficult problems and find the solutions. Because of their strength and disagreement with the reality, they convert their ideas into life and teach the others the new attitudes.

Nowadays, the whole world, including Poland, is fighting with a lot of challenges where the social problems are dominated such as: the old citizens, climate changing, responsibility of the society and other. As a result, the solutions of these problems should be focused on how to improve the quality of life and the living standards.

2. The marketing and the social innovation planning

The goal of the innovations, which are the new social activities, is to increase the living standards of the people, societies, and the whole communities. This fact can result not only from the introduction of the unique solutions, but also from the implementation of the already known which have the modern social context. The popularization and extension of the innovative changes are the parts of the innovations².

According to the National Center of Research and Development, the social innovations are the solutions which cause the long-term social group changing and, at the same time, respond to the demands of the community. These solutions could be connected with the innovative products, services or processes which allow to solve the common social problems. Also, there are many definitions which describe the innovations as the association with the solving of the community problems. The defining of the social problems and dedication of the programs, which includes the long-lasting changes, are the key aspects of the novations.

The process of the introduction of the innovation has some constituents such as: the planning, growth of the product/social innovation, testing, implementation of the innovation, controlling and evaluating. The planning program procedures of the social marketing could be used during the process of social innovation planning. The preliminary analysis is the most important step of the planning because it describes the definition of

² A. Olejniczuk-Merta, *Innowacje społeczne*. (in:) *Konsumpcja i Rozwój* nr 1/2013.

the social challenges and examine the details of the problem area and the possible consequences. Then, the people should define the target market, make the decisions concerning the product and other techniques. Also, the partners, budget and financial resources should be indicated, too. Next, the methods of the evaluation of the effects and the methods of monitoring the implementation of the social innovation programs should be chosen³. The innovations of the community are a new global obsession. Even if this designation is only a vague idea of the novations, it has a great potential (according to Yvonne Roberts). The word *social* is usually added to the term of the innovation by the many authors as they believe that the each innovation includes the social elements, which influences on the lifestyle. Despite the fact that the novations influence on the life style, the usage of the term *the social innovation* could be confirmed by the description of its scope and nature. Moreover, a lot of concepts of the social innovation designations are raised and connected with the other categories. The innovations of the communities are referred to the organizational strategies, concepts, ideas and schemes which are provided to expand and reinforce the role of the civil society in reference to the different public needs. As a result, they include: the new products and services, the novel models of the organization, the new institutional forms, the progressive roles and functions, and the modern mechanisms of management.

The main principle of distinguishing this type of the novations from the others is that the welfare of the society is not only the consequence, but also the main aim of the social innovations. The social innovations are mentioned if the purpose of the innovation is to improve the well-being of the individuals and territorial units in terms of the social integration, creation of the new workplaces and improve the life quality. The European Commission identifies the social inventions as the origination and implementation of the ideas (products, services and models) to fulfill the social needs and create the new social relations and cooperation. Johannes Hahn ^{3/4}Laszlo Andor, the authors of this definition, claims that the innovations of the society not only increase the welfare of the community, but also have a good effect on the individuals' efficiency. It is considered that the participation and cooperation aspects are important. The social innovations are responsible for the main needs of the community, which influence on the social interaction process.

³ M. Daszkiewicz, *Innowacje społeczne w kreowaniu atrakcyjności miast*, Logistyka 2/2015.

3. The planning of the innovations of the community

Referring to the social innovations, the new social activities could be described as the activities which concentrated on the improvement of the life quality of the people, nations and communities. This fact occurs not only from the implementation of the unique solutions, but also from the solutions which are already known and have the modern social context. Also, the popularization and dissemination of the novative changes are included in the innovations of the society. According to the National Center of Research and Development, the social innovations are the solutions which cause the long-term social group changing and, at the same time, respond to the demands of the community. These solutions could be connected with the innovative products, services or processes which allow to solve the common social problems. Also, there are many definitions which describe the innovations as the association with the solving of the community problems. Kesselring (Leitner claims that the social innovations could be mentioned only if the ideas how to solve the community problems are put into the action. The key aspects of the social innovation are the designation of the community problems and devoting them the programs that allow for a making the long-term changes. Unfortunately, not every innovative idea is the social innovation. It is impossible to predict which idea would be successful and become a social innovation, and which one not. The process of the introduction of the innovation has some constituents such as: the planning, growth of the product/social innovation, testing, implementation of the innovation, controlling and evaluating. During the planning of the social innovation, the procedures which are appropriate to the social marketing planning programs could be used

- preliminary analysis (based on the introductory research),
- definition of the social problems,
- designation of the target market (the main addressees and secondary groups),
- making the decisions concerning the product (the levels of the product, positioning)
- establishment of the price, distribution and promotion,
- defining the partners (entities which would cooperate during the product realization)
- determination of the budget and financial resources,
- selection of the method of the evaluation of the effects and the method of the realization controlling.

One of the most important steps of the planning process is the preliminary analysis because it describes the definition of the social challenges and examine

the details of the problem area and its possible consequences. Also, it is very important to perform this step with greater diligence, from the point of view of the program effectiveness, as the main scope of the step is to gain the social changes.

The social innovations are based on the ingenuity of the citizens, non-governmental organizations, local communities, businesses and public entities. Then, the social novations describe the whole process where the new methods of the satisfaction of the people' needs are developed.

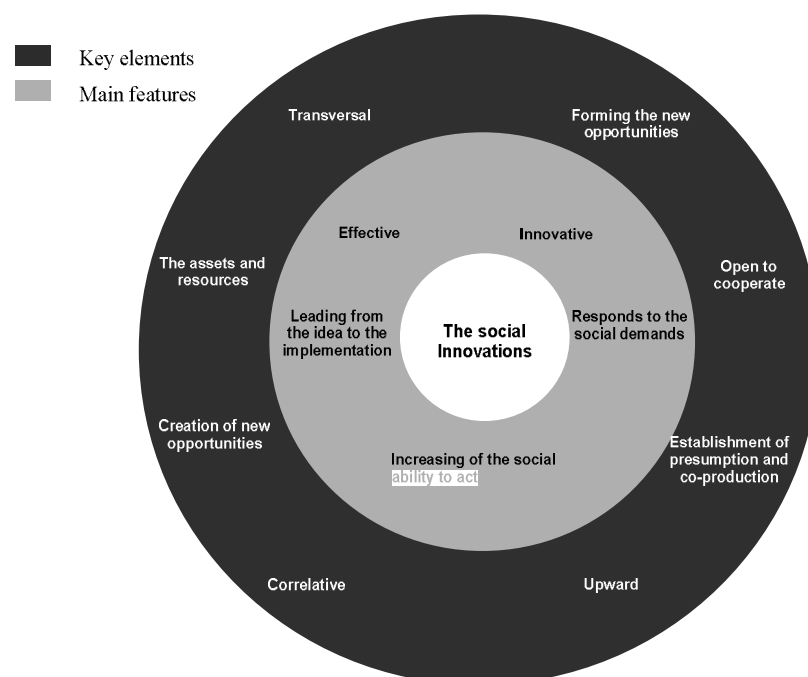


Figure 1. The key elements and the main features of the social innovations

Source: Defining Social Innovation. Part 1, Tepsie Project (2012).

4. The influence of the innovations on the competitiveness

The innovation is the improvement of the life quality, the distinguishing process in the environment and conditions. The modern institutions, businesses, non-profit institutions (eg. schools, kindergartens, nurseries, nursing homes) face new and complex tasks. Nowadays, the programs and goals are changing and the current working methods do not always produce the satisfactory results. These institutions are required not only to create the climate of the security and give a sense of dignity, but also they should

enable a comprehensive development which improves the creative thinking. As a result, the employees of these institutions should modify the existing ways of the learning and working on an ongoing basis. So, the staff is created on the basis of the knowledge and skills so as to compete with the other institutions and encourage the people. The individuals should be enthusiastic, open to the others, and supplement their knowledge about the world in order to be competitive and become the leaders⁴.

The introduction of the social innovations is the source of social benefits which influence on the cities' development, the standard of the living of the residents, and the functioning of the operating entities. During the brainstorming about their strategic use in the creating of the city's attractiveness, it is better to start with the emphasizing of the main factors of the city's development. These factors include⁵:

- maintenance of the basic services and infrastructure at an appropriate level to ensure the satisfaction of the residents, business representatives and tourists,
- development of the facilities, attraction and territorial quality to raise the standards of living, keep the operating business institutions and attract new residents, tourists and investments,
- defining and achievement of the communication features to create a strong image,
- obtainment of the support of the citizens, leaders, organizations and other groups to realize the implementation of the development goals.

The attractiveness of the city depends not only on the introducing specific measures in order to keep and attract the new residents, business people and tourists, but also on the communication activities which support to implement the development purposes and build a strong city brand. It should be noted that this is a very complex task, since the decisions and actions, related to the development of the city, involve the different stakeholders. This influences on the need to deal with the city's attractiveness in the context of the different groups and the finding of the common ground for the development activities. Simplifying the attractiveness of the city, it could be divided into the three levels relating to the city's ability to maintain and attract the citizens/residents, the tourists/visitors and the businesses/investments. The city could use the social innovations so as to improve the attractiveness in each of these levels and keep the sustainable development of the city.

⁴ T. Pszczółkowski, *Mała encyklopedia prakseologii i teorii organizacji*, Ossolineum, Wrocław 1978, s. 21.

⁵ *Ibidem*, s. 32.

5. The social innovation program

The Social Innovation Program of the National Center of the Research and Development was implemented in Poland. This program supports the science sector, economic environment and NGO sector to realize the innovation actions and social initiatives, which are based on the achievements of the science and technology. The program concentrates on the individuals who have to stimulate the social development and improve the quality of life of society. The groups and areas which have a special need for the innovative solutions and new initiatives in society should be put into attention firstly. The main aim of the Social Innovation Program is a support of the social and economic activities, which means to implement the new products, services or procedures connected with the social and economic problems. The realization of this program enables the fulfillment of the guidelines of the National Research Program, which is concentrated on the stimulation of the sustainable economic development and the improvement of the life standards of the Polish society.

Also, the Social Innovation Program is a response to the foundation of the Europe 2020 strategy. The analysis of the National Development Strategy 2020 revealed that the social capital is at a low level in Poland. Moreover, it is accompanied by „ low level of the public debate and low quality of the social dialogue at the stage of the policy-making and the preparation of the regulations” (Strategia Rozwoju Kraju 2020 Aktywne społeczeństwo, konkurencyjna gospodarka, sprawne państwo, wrzesień 2012). According to the Social Innovation Program, it is planned to support the research projects because it results in the introduction of the „inclusion policy”, which creates a chance to build a sense of the efficacy even in the groups of the people who do not participate in social and economic life. There are many useful practices which support the social innovations such as: activities to create the sustainable education and transport facilities, the support of the older citizens, people with disabilities and the unemployed. The another example of the social innovations is: the interbank cooperation to facilitate the financing of the innovative investments, the progressive architectural or communication solutions, in which the cutting-edge technologies are used. The extremely important effect of the Program is “strengthening of the intersectoral links, especially between the higher education, the research sector and the innovation system”, which help to solve the important social and economic problems. It enables the cooperation between the public and private sectors which help to develop the social innovations that have the significant economic potential. These corporations have a good chance to minimize the time of the realization of the idea and get a quite good effect.

Also, the partnerships are very useful as they can create the market and the demand for the high technologies, improve existing instruments and initiatives, which function at the present time.

The main aim of the Social Innovation Program is an improvement of the life standards of the community, especially for the groups and areas where there is a real need of the innovative solutions and individuals' activities.

The basic goals of the Social Innovation Program are:

- the increasing not only of the implementation of the progressive technical solutions, but also of the new products, services or procedures connected with the solutions of the social problems,
- the growth of the intersectoral cooperation at the local, regional and national level

The research connected with the innovations usually associated with the technical and technological innovations – the new products and services. The innovations which promote the creative responses to the social challenges connected with the situation of the employment market (eg. the increasing of the unemployment of well-educated people) and the globalization of many activities of the economy are very important. The social novations are equivalent to the solutions that respond to the social demands and cause the long-term changes in the community groups. These solutions could be linked to the innovative products, services or processes that diversify the solutions of the typical social problems. As a result, the social innovations include the socially justified technical and technological innovations and the purely social novations. The solutions which are connected with the product adapted to the consumers' needs, for example, the residents of Polish regions with the poorly developed infrastructure, could be included in the technical and the technological innovation category. In contrast, the purely social innovations include the solutions, for instance, which concern the problems of the older citizens, the disabled and the unemployed or the groups requiring support from the state and society.

In conclusion, all projects should demonstrate a clear social context, define the problem, which they have to solve, and indicate a cause and effect relationship between the project and solved social problem.

6. The „500+” program

The government has adopted an innovative bill, which introduces the “Family 500+” program. The full title of the project is: Bill of the state support in the child's education (on 22 December 2015). According to this

program, the provision was introduced in the amount of 500 PLN per month for the second and subsequent child. Also, 500 PLN will be granted for the first child, if the income per the family member does not exceed 800 PLN or 1200 PLN in the case of the families with a disabled child. The governmental program was prepared by the Ministry of Labour and Social Policy.

This program is designed to help in the education of the children by the assigning of the provision. The payments might partially cover the costs of the life needs and the education of the child. Also, it might improve the family situations in Poland and increase the birth-rate. The research shows that the fertility indexing in Poland is 1.3 births per woman, while in 1983 it was 2,42. The „500+” program is more useful for the large families. Because of the governmental support, the average income of families with three children will increase by 25 percent (from 4000 into 5000 PLN). The birth of another child will not change their financial situation because the birth of fourth child will lower the income of these families, that meets the income criteria and also gets the resources for the first child, nearly 2000 PLN)⁶.

According to the Central Statistical Office research, the birth of the child means the deterioration of the financial situation of the family⁷. As a result, the 19% of the Polish citizens do not plan the (further) offspring⁸.

7. Conclusions

As a result of the impact of the social innovations on the competitiveness of the national economy, it could be said that the functioning of the society, knowledge, level of globalization and the development of the consumer markets still requires implementation of the new solutions and technologies, which will influence on the formation of the social development.

The social innovations are implemented both in the business and outside of the business through the many entities, institutions of the various types of the activities and forms of the ownership. The social innovations were created for the human, and the people inspire them, and implement.

The society, as an entity, creates a social capital, the values of which are based on the mutual social relationships and trust, which, thanks to it, can achieve more benefits. The role of the social capital is growing very quickly. Moreover, the company's value increasingly depends on the individual's knowledge and skills.

⁶ www.statgov.pl , GUS.

⁷ GUS, 2014.

⁸ CBOS, Warszawa 2010.

Also, the social capital is formed not only by the individual's knowledge and skills, but also by the strong bonds of the cooperation, the accepted division of the roles and leadership, the mutual trust and relationship with the clients and professional skills.

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