

**Social Economy Organization's Modes of
Collaboration for Social Innovation:
Constructing a Social Innovation Index and
Analyzing Network Governance**

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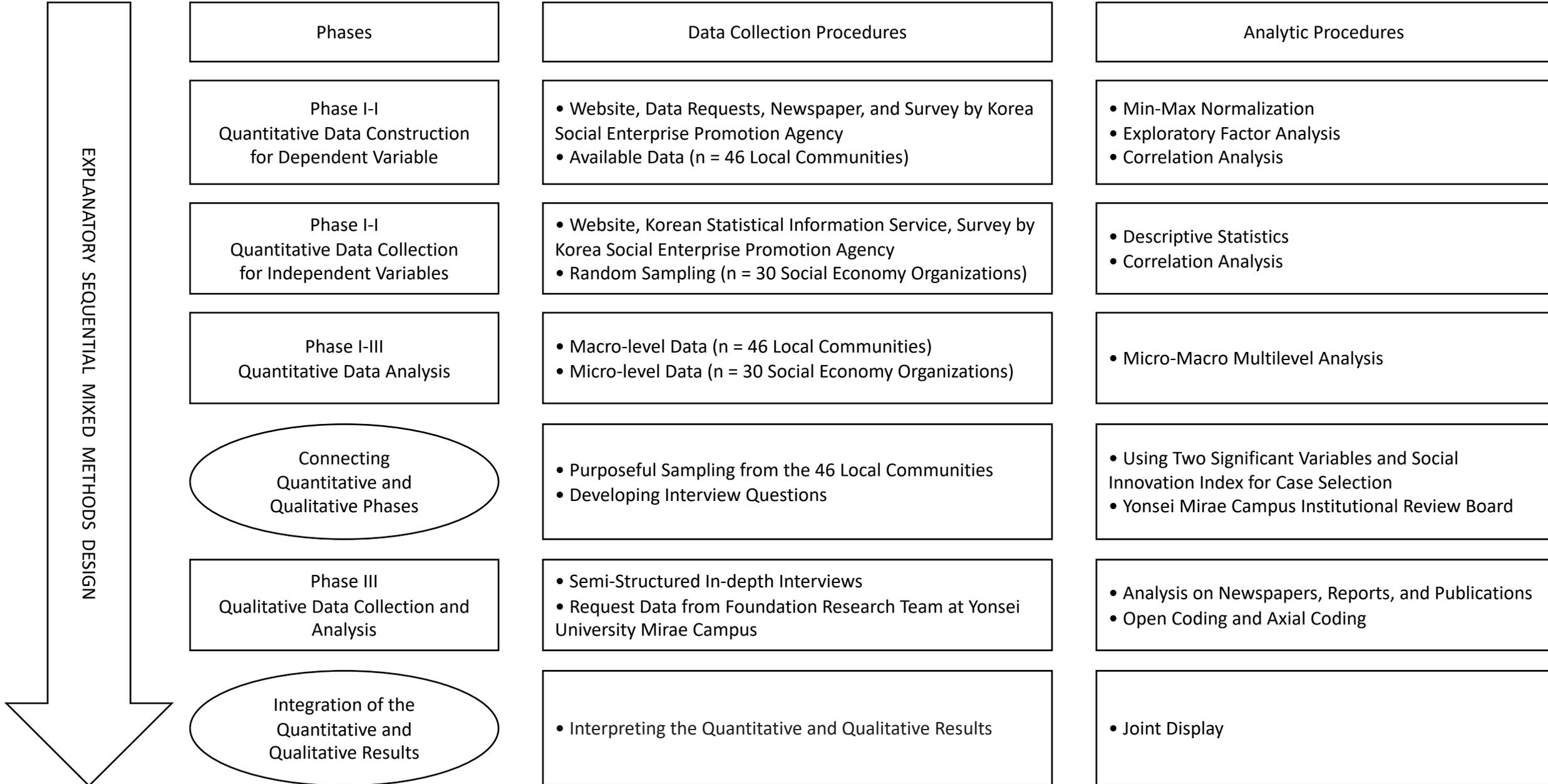
Introduction

- This dissertation explores social economy organization's modes of collaboration with local organizations to promote social innovation in the local community.
- As social economy organizations play a significant role in generating new ideas, implementing creative projects, and sustaining innovation through collaboration, this study focuses on how such collaboration, especially with local government and other social economy organizations, fosters social innovation.
- Three primary objectives of the dissertation
 1. It aims to develop a Social Innovation Index that assesses the level of social innovation in local communities.
 2. It seeks to investigate the impact of collaboration between social economy organizations and various local organizations at both macro and micro levels on social innovation.
 3. It aims to explore the role of different forms of network governance employed by social economy organizations, specifically in their interactions with local government and other social economy organizations, in promoting social innovation within local communities.

Introduction

- In pursuit of the objectives, the dissertation addresses the following research questions:
 - 1) How can social innovation be effectively measured at the local level;
 - 2) To what extent and in what ways does the social economy organizations' collaboration with the local government and other social economy organizations influence social innovation;
 - 3) How do the various networks formed by social economy organizations with other local entities, such as the local government and social economy organizations themselves, foster social innovation.
- In order to answer the questions, this study adopts explanatory sequential mixed methods design, that conducts the quantitative research first and then do a subsequent qualitative research phase to understand the initial quantitative findings.

Procedural Diagram on the Explanatory Sequential Mixed Methods Design



Conceptualization of Social Innovation

Dimensions of Social Innovation		
Input	Social Needs	The identification of a social needs in a local community often leads to the investment of resources to address and effectively tackle the identified need.
	Intention	In pursuit of solving social problems, innovative actors purposefully allocate a range of resources to support and engage in social innovation activities.
	Resources	Social innovation necessitates a variety of resources as it is not a cost-free endeavor.
Process	Legitimacy	The legitimacy of social innovation is essential for the process to begin, as it requires the recognition and acceptance of the innovation by local people in order to address social needs effectively.
	Novelty	In order to generate effective output and outcome, the process of social innovation demands the development of new ideas to address social needs.
	Citizen Participation	Citizen involvement plays a crucial role in the implementation of new ideas for social innovation, as they actively participate in the innovation process and contribute to its successful implementation.
Output	Measurability	Measurable outputs in social innovation are important as they contribute to achieving measurable outcomes.
	Competitiveness	The competitiveness of social innovation outputs is important as it enables them to challenge and overcome existing solutions or approaches in the local community, ultimately driving positive change and addressing social needs more effectively.
	Replicability	Replicability of social innovation outputs is crucial for widespread dissemination and scaling up of innovative practices, allowing for their successful implementation in different contexts and promoting broader societal impact.
Outcome	Effectiveness	Social innovation is driven by the goal of addressing social problems and meeting social needs, aiming to provide effective solutions and improve the well-being of individuals and communities.
	Endurance	To enhance the quality of life for local people, social innovation should strive for long-lasting and sustainable solutions that continue to have a positive impact over an extended period of time.
	Broadness	Social innovation should aim to have a broad impact, extending beyond individual beneficiaries to encompass the wider community and society as a whole.

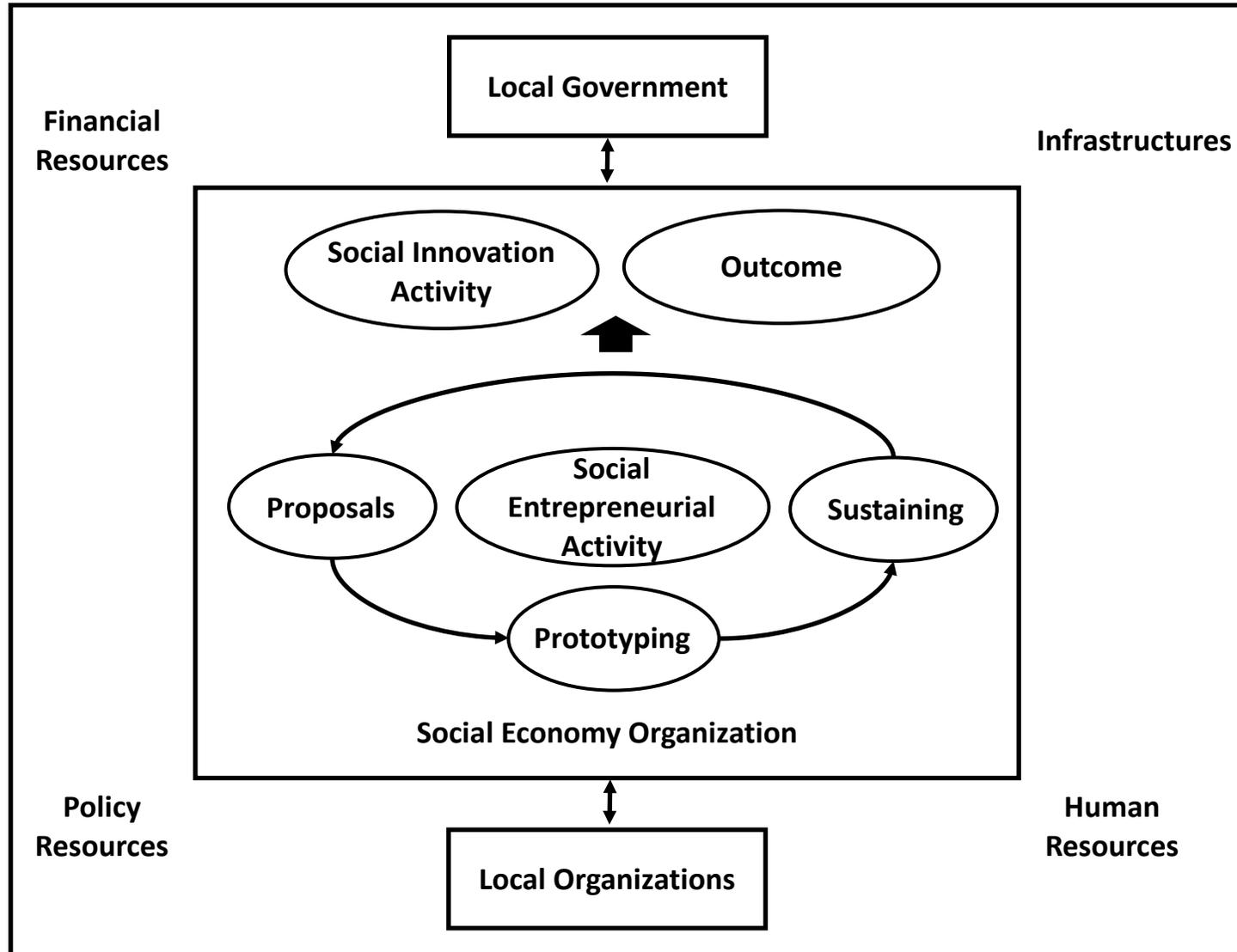
Literature Review

- This study examines how the collaboration between local government and social economy organizations impacts on social innovation within the local community.
- Some studies argue that social economy organizations can drive social innovation without collaboration with local government, emphasizing their autonomous efforts and initiatives.
- However, considering the long-term nature of social innovation, ongoing collaboration fosters continuous efforts and enables the effective development, implementation, and dissemination of social innovation initiatives.
- Therefore, this study hypothesizes that the level of collaboration developed between local government and social economy organizations directly influences the promotion of social innovation.
- Hypothesis 1: social innovation is more likely to occur when social economy organizations and local government maintain continuous collaboration.

Literature Review

- Social economy organization's networks with various entities are crucial for social innovation.
 - 1) Networks with other social economy organizations that offer valuable information and resources to meet social needs can lead to collective action and promote social innovation.
 - 2) Networks with local government promote social economy organization's performance as the organization is more likely to participate in government programs that can enhance the organizations' performance.
 - 3) Networks with state-owned enterprises facilitate public value creation, wherein social economy organizations contribute to addressing social needs and creating social impact through the provision of public services.
 - 3) Networks with local businesses that provide social economy organizations access to financial resources, commercial knowledge, and management skills, enhance organizational resilience and ultimately foster social innovation.
- Hypothesis 2: the networks formed by social economy organizations with other social economy organizations, local government, state-owned enterprises, and local businesses are expected to have a positive impact on social innovation.

Framework of Social Innovation

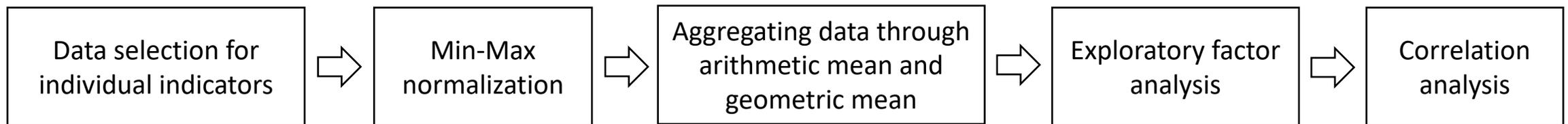


Research Design and Methods

- This dissertation adopts mixed-methods research to understand how the collaborative efforts of social economy organizations influence social innovation.
- Given the absence of a developed measurement scale for social innovation in local community, the dissertation begins by constructing a social innovation index and analyzing its causal relationship through a multilevel analysis.
- The quantitative findings are then further elucidated through a subsequent qualitative study.
- By combining the quantitative and qualitative results, this research aims to provide new insights into social innovation.

Development of Social Innovation Index

- This study develops a Social Innovation Index to assess the level of social innovation within local communities.
- As social economy organizations play a pivotal role in social innovation, the index incorporates diverse resources related to these organizations, their activities, and performance, effectively capturing collective social innovation efforts in tandem with local governments.
- The social innovation index is developed using a composite indicator approach, which involves combining individual indicators representing different dimensions into a single indicator.



Process of constructing a composite indicator

Social Innovation Index

Dimensions		Indicators	Source
Input	Financial Resources	Local Government's Budget for Social Innovation	Each Local Government's Website
		Local Government's Budget for Social Economy	Each Local Government's Website
	Actors	Volunteers	Data Requests
		Social Economy Organizations	KSEPA, KDISSW, Ministry of the Interior and Safety
	Infrastructures	Social Innovation Platform	Happy Change
		Social Economy Intermediary	KSEPA and Search on the Internet
	Policy Resources	Ordinance for Enhancing Social Innovation	ELIS
		Ordinance for Enhancing Social Economy	ELIS
Process	Social Entrepreneurial Activities	Proposal	Capacity to create ideas to meet social needs
		Prototyping	Capacity to create projects to implement new ideas
			Capacity to create projects to mobilize the participation of local people
		Sustaining	Capacity to mobilize resources such as volunteers and donations
		Innovation Performance	Contribution to the provision of social services
			Contribution to creating local start-ups
			Contribution to increasing local income
			Contribution to creating employment in the local community
			Contribution to local finance
			Contribution to reducing the poverty ratio
Contribution to increasing a sense of local community			
		Survey on Social Economy Regional Resource conducted by KSEPA in 2020	
Output	Socially Innovative Activities Supported by Government	Living Lab Projects	Happy Change and Search in Newspaper
		Hackathon Projects	Search in Newspaper
		Digital Social Innovation Projects	Happy Change
		Public Service Design Projects	Data Requests
		Participatory Budgeting Projects	Data Requests
		Coproduction Projects	Data Requests
Outcome	Happiness		Survey on Social Economy Regional Resource conducted by KSEPA in 2020
	Perception of the local community as a good place to live		
	Local community satisfaction		

Note. KSEPA = Korea Social Enterprise Promotion Agency, KDISSW = Korea Development Institute for Self-Sufficiency and Welfare, ELIS = Enhanced Local laws and regulations Information System.

Initial Index Measures and Descriptive Statistics

Measures	Score	Sample (N=46)	
		Mean	S.D.
Local Government's Budget for Social Innovation	0 to 1	.054	.181
Local Government's Budget for Social Economy	0 to 1	.188	.202
Volunteers	0 to 1	.251	.177
Social Economy Organizations	0 to 1	.344	.200
Social Innovation Space	0 to 1	.036	.161
Social Innovation Center	0 to 1	.130	.341
Living Lab Space	0 to 1	.191	.179
Social Economy Center	0 to 1	.145	.218
Ordinance for Enhancing Social Innovation	0 to 1	.065	.250
Ordinance for Enhancing Social Economy	0 to 1	.978	.147
Living Lab Projects	0 to 1	.055	.197
Hackathon Projects	0 to 1	.051	.172
Public Service Design Projects	0 to 1	.457	.313
Digital Social Innovation Projects	0 to 1	.120	.283
Local Social Innovation Projects	0 to 1	.174	.285
Coproduction Projects	0 to 1	.054	.181
Capacity to create ideas to meet social needs	0 to 1	.507	.231
Capacity to create projects to implement new ideas	0 to 1	.550	.282
Capacity to create projects to mobilize the participation of local people	0 to 1	.473	.198
Capacity to mobilize resources such as voluntaries and donations	0 to 1	.408	.192
Contribution to the provision of social services	0 to 1	.484	.185
Contribution to creating local start-ups	0 to 1	.416	.202
Contribution to increasing local income	0 to 1	.503	.218
Contribution to creating employment in the local community	0 to 1	.467	.240
Contribution to local finance	0 to 1	.533	.265
Contribution to reducing the poverty ratio	0 to 1	.440	.220
Contribution to increasing a sense of local community	0 to 1	.495	.228
Happiness	0 to 1	.490	.236
Perception of the local community as a good place to live	0 to 1	.522	.197
Local community satisfaction	0 to 1	.539	.198

Exploratory Factor Analysis

Indicators	Input	Process	Output	Outcome
Financial resources	.803	-.004	.018	-.166
Participants	.797	.202	-.279	.087
Policy resources	.599	-.201	.174	.127
Infrastructures	.585	-.165	.179	.138
Capacity to create projects to implement new ideas	-.115	.894	.123	.029
Capacity to create ideas to meet social needs	-.051	.864	.136	.073
Contribution to local finance	.059	-.12	.886	-.129
Contribution to increasing local income	.059	-.095	.873	-.172
Contribution to reducing the poverty ratio	-.076	.135	.830	.057
Contribution to creating local start-ups	-.004	.256	.814	-.048
Contribution to creating employment in the local community	.209	.224	.802	-.123
Perception of the local community as a good place to live	.100	.12	-.252	.909
Local community satisfaction	.041	.195	-.235	.900
Happiness	.029	-.153	.108	.816

Correlation Analysis

Indicators	1	2	3	4
1 Resources	1.000			
2 Social Entrepreneurial Activities	-.089	1.000		
3 Innovation Performance	.014	.181	1.000	
4 Quality of Life	.128	.069	-.213	1.000

* $p < .1$, ** $p < .05$, *** $p < .01$.

- The correlation matrix revealed that there is no statistically significant relationship between the input, process, output, and outcome factors of social innovation.
- This suggests that the four factors, which measure different stages of social innovation, are not overlapping and represent distinct aspects of the phenomenon.

Data Sources

Variables	Source
Local level Variables	
Collaboration between Local Gov't and Social Economy Organizations	Survey on Social Economy Regional Resource conducted by KSEPA in 2020
Local Governor's Political Party	National Election Commission
ln(GRDP per Capita)	Each Local Government's Statistical Information System
Population	Korean Statistical Information Service
Tertiary Education	Korean Statistical Information Service
Organizational level Variables	
Membership in Social Economy Association	Survey on Social Economy Regional Resource conducted by KSEPA in 2020
Connected with Local Government	Survey on Social Economy Regional Resource conducted by KSEPA in 2020
Connected with State-owned Enterprises	Survey on Social Economy Regional Resource conducted by KSEPA in 2020
Connected with Local Businesses	Survey on Social Economy Regional Resource conducted by KSEPA in 2020

Note. KSEPA = Korea Social Enterprise Promotion Agency.

Descriptive Statistics

Variables	N	Mean	SD	Min	Max
Dependent Variable					
Social Innovation	46	.44	.11	.16	.63
Local level Variables					
Collaboration between Local Government and Social Economy Organizations	46	3.46	.14	3.13	3.75
Local Governor's Political Party	46	.83	.38	0	1
ln(GRDP per Capita)	46	3.34	.56	2.33	4.89
Population	46	433703.50	236547	25394	1200000
Tertiary Education	46	35.69	10.33	18.90	69.57
Organizational level Variables					
Membership in Social Economy Association	1,380	.54	.50	.00	1.00
Connected with Local Government	1,380	5.67	2.87	.00	10.00
Connected with State-owned Enterprises	1,380	4.00	2.78	.00	10.00
Connected with Local Businesses	1,380	4.84	2.80	.00	10.00

Correlation Analysis

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	VIF
Dependent Variable											
Social Innovation (1)	1										
Independent Variables											
Collaboration between Local Gov't and S.E.O.s (2)	.15***	1.00									1.13
Local Governor's Political Party (3)	-.04	-.02	1.00								1.1
ln(GRDP per Capita) (4)	.05	-.22***	-.06*	1.00							1.24
Tertiary Education (5)	.33***	-.19***	-.16***	.40***	1.00						1.26
Population (6)	.18***	-.20***	.21***	-.04	.07*	1.00					1.12
Membership in Social Economy Association (7)	.07**	.06*	.01	-.04	-.01	.05	1.00				1.05
Connected with Local Government (8)	.01	.12***	-.04	-.04	-.07*	-.03	.18***	1.00			1.49
Connected with State-owned Enterprises (9)	.07*	.05	-.11***	-.01	-.01	.03	.10***	.51***	1.00		1.68
Connected with Local Businesses (10)	.08**	.03	-.07*	.00	.04	.03	.17***	.46***	.57***	1.00	1.60

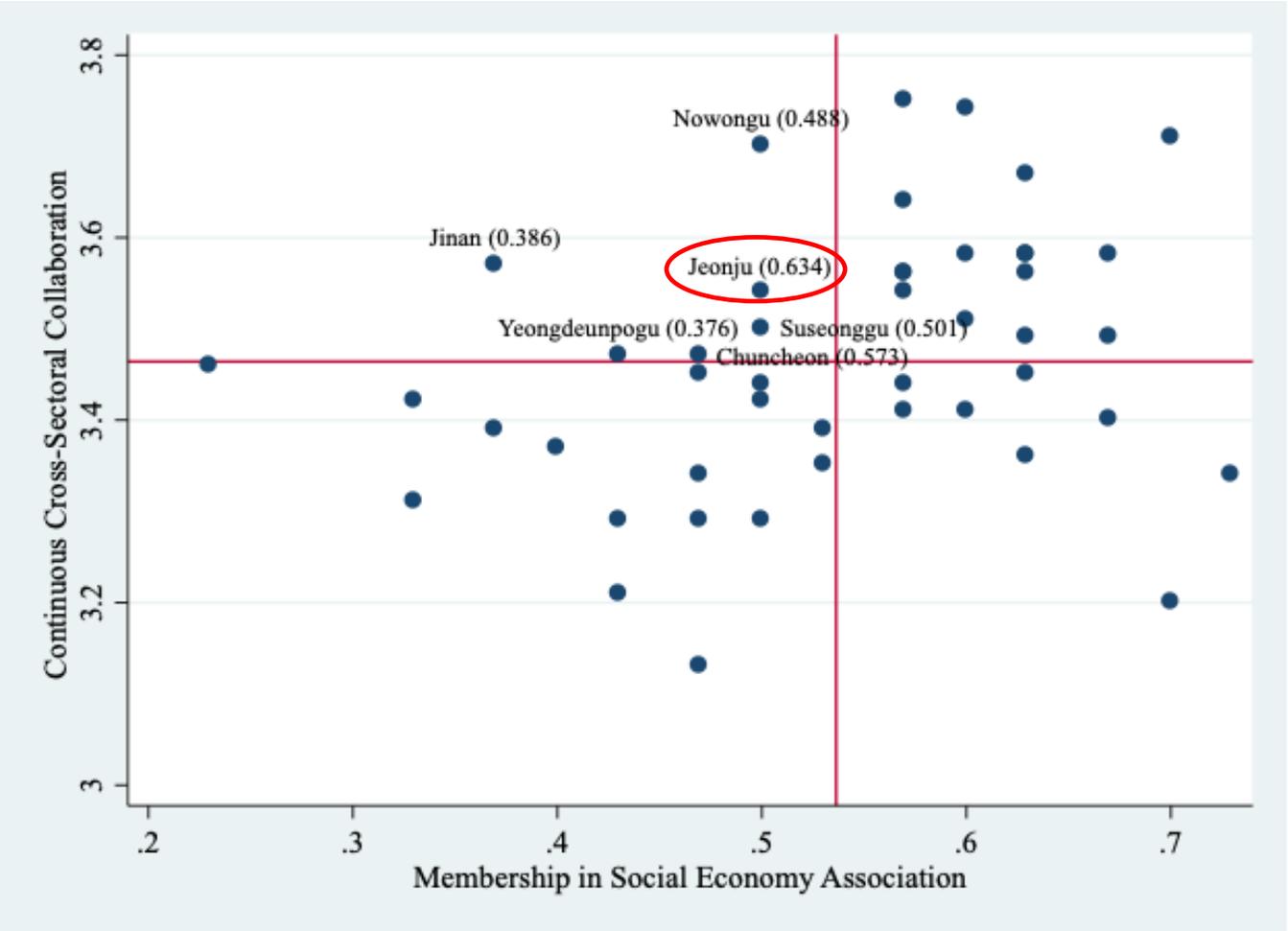
Micro-Macro Multilevel Analysis

Variables	Social Innovation
Local level Variables	
Collaboration between Local Gov't and SEOs	.214(.102)*
Local Governor's Political Party	-.014(.037)
ln(GRDP per Capita)	-.009(.027)
Tertiary Education	.004(.001)**
Population	.000(.000)
Organizational level Variables	
Membership in Social Economy Association	-.028(.013)*
Connected with Local Government	.005(.004)
Connected with State-owned Enterprises	-.010(.003)**
Connected with Local Businesses	-.004(.003)
Constant	-.412(.392)
Multiple R^2	.449
Adjusted R^2	.311
F-statistic	3.261**

Note. Standard error in parentheses.

* $p < .1$, ** $p < .05$, *** $p < .01$.

Case Selection for Qualitative Analysis



Case Study

- The study employs a case study method to explore the network governance formed in the Community Care Project, particularly the Healthcare Safety Net Project, in Jeonju to explore how social economy organization's modes of collaboration with local government and other social economy organizations facilitate social innovation
- Data collection
 - 1) All electronic newspapers and the annual policy research report
 - 2) Interview with public officials responsible for the Jeonju Community Care Project, staff from the Jeonju Health Welfare Social Cooperative, and an employee from an intermediary organization were conducted in between March 17 and March 27, 2023.
 - 3) Database from the 'Community, Entrepreneurship, Local Economy Revitalization: Construction of Database for Investigation of Causality and Application of Big Data' research team
- Data analysis: open coding and axial coding through Atlas.ti 23

Case Study

- The community care project indicates “a local-driven social service policy that provides elderlies integrated services including residence, healthcare, convalescence, care, and supports for independent living to help them to stay in the place they have lived in through services meeting their needs” (Ministry of Health and Welfare, 2019).
- Through the Healthcare Safety Net Project within the community care project, Jeonju aims to ensure the provision of comprehensive care services to individuals in need, promoting their well-being and enhancing the community’s overall health and quality of life.
- One of the key organizations responsible for the project is the Jeonju Health Welfare Social Cooperative.
 - The cooperative primarily has offered primary care services through oriental medicine treatment and dentistry.
 - Family doctors conduct monthly home visits for the elderly, while appointed community care supporters provide ongoing care on a weekly basis.

Case Study

1. The Relationship between Local Government and Social Economy Organizations

- The local government has embraced the lead organization model in the horizontal relationships within the Healthcare Safety Net Project.
- While assuming a leadership role, the government prioritizes maintaining horizontal relationships with participating organizations for the community care project's success.
- Deliberate efforts are made to build trust and provide prompt feedback to organizations' opinions.
- Interviewees from both public officials and the Jeonju Health Welfare Social Cooperative described this collaboration as “a mutually beneficial relationship”, emphasizing the advantages derived from the cooperative and the local government working harmoniously.

Case Study

2. The Relationship between Social Economy Organizations

- Collaboration among social economy organizations in Jeonju is somewhat limited, lacking robust connections.
- However, the Jeonju Health Welfare Cooperative has been actively participating in various networks. The cooperative has made deliberate efforts to establish connections and engage in projects initiated by other local organizations, particularly those aligned with the cooperative's goals and objectives.
- Using its networks with local entities, the cooperative proactively formed the Healthy Community Welfare Network which adopted the lead organization network model to facilitate the implementation of the community care project.

Case Study

1. The Effects of the Collaboration between Social Economy Organizations and Local Government on the Health Care Safety Net Project

- **Input phase including policy resources, financial resources, infrastructures, and participants**
 - 1) Regular meetings between the local government and participating organizations have become a foundation for policy development in the community care project.
 - 2) In order to achieve a common objective of nationalizing the community care project, the local government actively pursues an expanded project budget.
 - 3) The collaboration promotes the role of social economy intermediaries, especially, the Jeonju City Social Economy Support Center's assistance in projects.
 - 4) The local government's intention to collaborate with social economy organizations has led to the involvement of more organizations in the community care initiative.

Case Study

1. The Effects of the Collaboration between Social Economy Organizations and Local Government on the Health Care Safety Net Project

➤ **Process:**

- The relationship influences the prototyping phase, where discussions between the health cooperative and the local government are important for the effective implementation of selected programs;
- The mutual trust and respect between the entities contribute to a smoother implementation process, allowing for more effective social innovation within the community.

➤ **Output:** The collaboration has influenced the output of the community care project, contributing to the nationalization of the Community Care Supporters Project.

➤ **Outcome:** The relationship between the cooperative and the local government significantly improves the quality of life of local residents.

Case Study

2. The Effects of the Collaboration between the Cooperative and Other Social Economy Organizations on the Health Care Safety Net Project

- The network governance has influenced on the processes, outputs, and outcomes of the innovation.
- **Process:** the Healthy Local Community Welfare Network has played a platform for accessing resources and creating innovative ideas essential for sustaining the project.
- **Output:** the collaboration promotes job creation and increases regional income.
- **Outcome:** through collaboration and the pooling of expertise and resources from various organizations, the cooperative has made significant contributions to enhancing the well-being of local residents.

Joint Display of Quantitative and Qualitative Results

Descriptive Theme	Quantitative Results		Qualitative Follow-Up Interviews Explaining Qualitative Results	Mixed Methods Meta-Inferences
	Independent Variable	β (S.E.)		
Theme 1: The Effect of the Collaboration between Local Gov't and SEOs on Social Innovation	Social economy organizations and civil society sectors continuously collaborate with local administrative organizations for local development: (1) Strongly disagree (2) Disagree (3) Neutral (4) Agree (5) Strongly agree	.236 (.110)*	<ul style="list-style-type: none"> • Interviewee from the cooperative “The cooperative and the local government consistently strive for a win-win situation through their relationship. Both parties recognize the mutual benefits of working together to successfully implement the community care project. Prior to the community care project, the cooperative had already undertaken initiatives such as the primary care project and the health keeper project, as these activities were deemed essential responsibilities of the cooperative. Therefore, in pursuit of a win-win outcome, the cooperative and the local government have established a collaborative partnership to support each other’s objectives.” • Interviewee from the local government “The community care project has been instrumental in the significant growth and development of the health cooperative. Through the cooperative’s dedicated efforts, the local government has successfully implemented the project, gaining national recognition and praise. This mutually beneficial collaboration has created a win-win situation for both parties involved. The cooperative’s contributions, combined with the support and partnership of the local government, have positioned the community care project as one of the leading initiatives in South Korea’s community care sector.” 	Expansion
Theme 2: The Effect of Relationship between SEOs on Social Innovation	Does your social economy organization currently join or participate in an association according to its type of business, local, or organizational type? (0) No (1) Yes	-.03 (.014)*	<ul style="list-style-type: none"> • Networks among social economy organizations in Jeonju “The social economy organizations in Jeonju currently face challenges in terms of networking and collaboration. While there are existing networks, they may not be functioning optimally. However, the health cooperative stands out as an organization that actively engages in local activities and promotes itself effectively.” • Healthy Community Welfare Network “Through our organic network with social economy organizations, which includes the Healthy Community Welfare Network, we have successfully fostered collaboration and achieved positive business results. This network has provided us with access to the expertise and resources of various organizations, leading to significant improvements in the quality of life for local residents.” 	Expansion

* $p < .1$, ** $p < .05$, *** $p < .01$.

Conclusion

- This dissertation explored social economy organization's modes of collaboration with local organizations to promote social innovation in the local community.
 1. The study developed a composite index to measure social innovation in local communities. Through rigorous statistical analysis, it confirms that social innovation has four distinct phases: input, process, output, and outcome.
 2. Using the index, the research performed micro-macro multilevel analysis. It shows that the collaboration between social economy organizations and local government promotes social innovation. However, social innovation is less likely to be developed when social economy organizations have a high membership in the social economy association and are closely connected with state-owned enterprises.
 3. To explain the quantitative findings, the dissertation conducted a case study on the community care project in Jeonju. The local government established a lead organization network with the Jeonju Health Welfare Social Cooperative based on a horizontal relationship characterized by communication, interaction, trust, and a shared common goal. The cooperative established a lead organization network with other social economy organizations based on horizontal relationships to mobilize resources for providing care services.