



## Solving Social Problems Effectively

Joint EU-sponsored Project on Social Innovation



The start of the year saw the launch of the TEPSIE Project, which is being implemented by the CSI, among others, with funding from the European Commission. TEPSIE (Theoretical, Empirical and Policy Foundations for Building Social Innovation in Europe) focuses on examining innovations that contribute to solving social problems.

Pollution, climate change, financing pensions and social security systems, integration of people with disabilities, increasing social inequality, the consequences of demographic changes: Those are the topics that today command attention in the media and among policymakers. Nevertheless, there is little to no consensus on how these problems can be solved rapidly and sustainably.

The old approaches are reaching their limits. New solutions – “social innovations” – must be found to address the problems that lie before us. Social innovations are new products, programmes, services or processes that address social problems or pursue social goals and do so more efficiently, effectively, sustainably or equitably than approaches we have seen thus far.

Governmental and profit-oriented actors – once considered the main sources of innovation – are not seen as the key force behind this kind of innovation. Rather, high expectations are being placed on the *social economy*, which is said to

play a pivotal role in the solution of existing social problems. Solutions that are financially sustainable and targeted to particular needs can emerge and be further developed from within the nonprofit sector.

A variety of social economy organisations are involved throughout the process of developing social innovations: social movements and NGOs raise awareness about a problem; social enterprises introduce and disseminate new solutions; others ultimately contribute to the systemic change of the welfare state infrastructure.

However, the public sector still plays a crucial role in social innovation. In regulatory and financial terms, the supportive and enabling structures and measures provided by the public sector are important building blocks for the introduction – and particularly the establishment of new approaches. The public sector takes on an important role in the dissemination of innovations which can work especially well if they still need made “ready for production” somewhere else beforehand.

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## Editorial

Dear Readers,

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in this issue we focus our attention on those glimpses of our multi-faceted work which stress the importance of social impact.

But do not let yourselves get distracted by buzzwords to only think of economic efficiency and marketisation. At the CSI we use these terms to connect the thinking of a multiplicity of disciplines.

We are interested in the impulses which private players provide to society at large as well as to its capacity to innovate and to resolve societal problems.

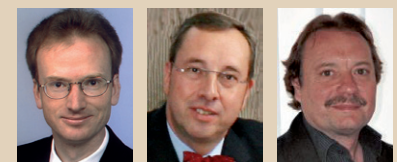
We understand social investment to be far more than money – peoples’ time, social ties and trust, value propositions and efforts in advocating for political interests and convictions which citizens as well as organizations invest in society.

It seems obvious that just as the investors themselves, we are interested in the “return”, in what “are the results”. As you will be able to read in the lead contribution to this CSI report, this is a highly political question which touches on our common future as Europeans. This is why the EU Commission is interested in it just as we are.

We hope that you are, too.

With heartfelt thanks,

Stefan J. Geibel  
Volker Then  
Helmut K. Anheier





## First Skills Workshop for Social Entrepreneurs at the CSI

Social entrepreneurship has been one of the CSI's key focus areas since its founding. The very first "Skills Workshop for Social Entrepreneurs" will take place in Autumn 2012 in the Stift Neuburg Cloister near Heidelberg.

Over the years we have been able to gain a wealth of experience and generate knowledge in the field of social investment and innovation through our teaching, research and consulting. In our Master's programme on "Nonprofit



Skills development like at blacksmith's shop...

Management & Governance", the seminar on social entrepreneurship plays an important role in terms of content and because of its didactic concept. The findings produced by the MEFOSE research consortium demonstrate clearly what form and significance social entrepreneurship can have in the welfare state-organised German society. Building on this experience and knowledge, we have developed the "Skills Workshop

for Social Entrepreneurs", an executive training program that fulfils the special requirements of leaders engaged in social enterprises. Social entrepreneurs are fully engaged in their day-to-day professional activities. Opportunities for systematic reflection on one's own activities, the further development of the social enterprise and individualised skills training are few and far between. The Skills Workshop offers just such an opportunity.

With this customised training programme based on the latest research findings from a variety of academic disciplines, we offer social entrepreneurs the time and freedom to reflect on, develop and test their individual goals, needs and questions in a collegial setting with other professional social entrepreneurs – and so, within the "protected surroundings" of the Skills Workshop, gain concrete experience and knowledge about their potential impact.

As always, the CSI ensures that the contents of the workshops are interdisciplinary and tailored to the needs of each participant. As part of a holistic and personalised learning environment, the Skills Workshop will be guided by two experienced facilitators providing thematic inputs and practical stimuli, with the added option of personal coaching. The first Skills Workshop for Social Entrepreneurs will take place in Autumn 2012 in the Stift Neuburg Cloister near Heidelberg. If you are interesting in learning more, contact Markus Strauch at the CSI:

[markus.strauch@csi.uni-heidelberg.de](mailto:markus.strauch@csi.uni-heidelberg.de)

### Educational offers at CSI

The Master's Programme on "Nonprofit Management & Governance"

- You would like to get involved with civil society in the long run?
- You seek skills that prepare you to take on a leadership position in the social welfare field?
- You would like to advance the development of your organisation and are seeking the best way?
- You want to have a solid education that will help you realise your goals?

The Master's Programme on "Nonprofit Management & Governance" is geared toward emerging as well as established leaders in the third sector who are searching for more than just know-how.

The CSI has set itself the goal of training experts: providing committed individuals the tools, skills and networks they need to realise their ideas and ambitions. For further information please contact:

[tobias.vahlpahl@csi.uni-heidelberg.de](mailto:tobias.vahlpahl@csi.uni-heidelberg.de)

## Solving Social Problems Effectively

The European Commission has recognised the importance of social innovation for Europe. Under the Seventh Framework Programme for Research (FP7), the EU finances large research projects and other activities in this field.

In addition to the Centre for Social Investment and Innovation, participants in the EU-wide research project known as "The Theoretical, Empirical and Policy Foundations for Building Social Innovation in Europe (TEPSIE)" include the Danish Technological Institute (as overall



coordinator), the Young Foundation (England), the Catholic University of Portugal, Atlantis Consulting (Greece), and the Wroclaw Research Centre (Poland). The project officially began on January 1, 2012.

The research covers issues ranging from clarification of the terms "social innovation" and "social economy" (as well as their theoretical embeddedness), to measurement, financing, and proving impact, to identification of factors promoting growth and barriers to social innovation, as well as establishment of

enabling network structures. In particular, it seeks to identify policy options for promoting or supporting innovative approaches, while also pointing out the differing challenges and cultures existing within the individual EU member states.

The results of the project should contribute to the EU's strategy to develop an innovative society. The 3-year project ending in December 2014 has an overall budget of 3.2 million euros.

[bjorn.schmitz@csi.uni-heidelberg.de](mailto:bjorn.schmitz@csi.uni-heidelberg.de)

## No Transparency Problem in the Third Sector?

A Different Governance Logic than in the USA and in Great Britain

**A joint research project with the Hertie School of Governance examined accountability and transparency.**

Calls for greater accountability and transparency are heard now even louder in the wake of the recent economic crises. In a joint research project with the Hertie School of Governance in Berlin, financed by the Hertie Foundation, the CSI examined the extent to which these demands relate to Germany's third sector.

The analysis shows that while cases of abuse and scandal exist in the German third sector, they are not endemic. The scale of the (publicly known) scandals has not yet grown large enough to have sparked a major or continuing debate among the general public. The same is true for discussions among policymakers and for the position of the federal government. In fact, the government sees no need to take action and does not want to expand the reporting and public disclosure obligations for organisations.

Voluntary self-regulation is the alternative to government regulation. Numerous initiatives along these lines have emerged over the past years in diverse forms. Our analysis demonstrates, however, that none of these initiatives has been able to obtain a critical mass and that they work in a relatively uncoordinated fashion.



On the basis of the available data, we could not show evidence of a transparency and accountability problem in Germany. The German third sector has a different governance logic than the United States or Great Britain. Accountability and transparency mechanisms in Germany mainly follow a state-bureaucratic logic and less that of a civil society openness to the public. This system leads in effect to a paucity of information on the behaviour of organisations in the German third sector. Instead, there seems to have emerged a relatively stable system that is particularly focused on reporting for tax purposes. The most important question for the future is thus how long the steady-state thesis regarding the efficiency of the German third sector's accountability regime can be upheld.

[annelie.beller@csi.uni-heidelberg.de](mailto:annelie.beller@csi.uni-heidelberg.de)

The results of the study have been published in the research journal *Forschungsjournal Soziale Bewegungen* [Social Movements Research Journal]: Helmut K. Anheier, Annelie Beller & Rabea Haß (2011): *Accountability und Transparenz des Dritten Sektors in Deutschland: Ein Paradox?* [Accountability and Transparency in the German Third Sector: A Paradox?], *FJSB* 24 (3), 96-105.

## SROI Meta-analysis

How can we measure the social impact an organisation or project achieves? Over the past years, great progress has been made in the development and application of the so-called Social Return on Investment (SROI) method, which seeks to extend the measure-



ment of the value created by a social project beyond simple economic value to include socio-economic and social value creation.

However, there is little information about how what domains SROI studies have addressed to date, which impact indicators were used, etc. Our study, analyses published SROI reports and examines the SROI method in terms of its practical significance and reach. The findings should contribute to shedding light on a prospering field, in order to both improve practice as well as promote the methodological development of SROI. Our findings will be published on the CSI website.

The research team would appreciate any information about SROI studies that have been published, thank you!

[www.csi.uni-heidelberg.de/SROI/](http://www.csi.uni-heidelberg.de/SROI/)  
[SROI@csi.uni-heidelberg.de](mailto:SROI@csi.uni-heidelberg.de)

## New Release: "Soziale Investitionen"

by Helmut K. Anheier, Andreas Schröer and Volker Then

**Social investments encompass diverse forms of private contributions to the public good. What should be understood as a contribution to the public good, however, is the topic of discussion both within civil society and among the general public.**

In this new volume, CSI colleagues test the explanatory power of the social investment concept from the perspective of a variety of economic and social science disciplines. In doing so, they compare different contributions to the public good, such as the work of foundations, donations, volunteering, and

social entrepreneurship, seeking in particular to capture phenomena at the borders of the sectors. Such an endeavour requires interdisciplinary exploration and measurement of social impact.

Conceptual efforts to improve our understanding of private contributions to the public good and to develop corresponding theory must necessarily be conceived in an interdisciplinary way. In that regard, the application of the term social investment and the effort to develop theory represent an exercise in practical interdisciplinarity. The chapters in this volume help in



the formulation of an analytical framework, created out of the diverse theory traditions that have dealt with private contributions to the public good.

Helmut K. Anheier/ Andreas Schröer/ Volker Then (2012): *Soziale Investitionen: Interdisziplinäre Perspektiven* [Social Investment: Interdisciplinary Perspectives]; Wiesbaden: VS-Verlag für Sozialwissenschaften. 367 pages (ISBN: 978-3-531-16546-2).





## Personalia

**Eva Bund** studied cultural geography, special education and public law at the University of Würzburg, where she earned an M.A. and completed the first state examination (1. Staatsexamen). Her main interests are regional research and development, social development processes, and the impact of human activity on the environment. She will be working at the CSI on "Measuring Social Innovation" as part of the EU-sponsored TEP-SIE project.



**Gunnar Glänzel** studied economics and sociology in Heidelberg, London and Darmstadt, focusing on strategic management as well as the sociology of organisations and management. He received his doctorate from the University of Oldenburg in economic philosophy. He worked at the CSI on the project "Governance of Hybrid Organisations" and is now involved in the TEP-SIE project.



**David Hubrich** studied sociology at the University of Heidelberg with a focus on organisational and leadership development. His primary interests are organisational sociology, neo-institutionalism, and system theory. While he studied, he helped conduct a survey of alumni and students for the University's Institute for Sociology and worked at the CSI on the "Civil Society in Figures" project, among others. Currently, he is involved in the "Measuring Social Innovation" component of the TEP-SIE project.



## Investments of Time, Money & Knowledge

### Panel discussion in Berlin on social investment.

Older people who volunteer as tutors or foundations that finance climate-friendly mobility concepts are private actors that champion the public good and make "social investments". But how is the term defined concretely? And how do social investments help solve societal problems? These questions were discussed in December by Prof. Helmut K. Anheier and Volker Then (CSI) along with social entrepreneur Carsten Rübsaamen (Bookbridge) and Johannes Weber, founder of the Social Venture Fund. Journalist Petra Pinzler (Die ZEIT) moderated the discussion, which took place on the occasion of the opening of CSI's Berlin office in the Stiftung Mercator's ProjektZentrum Berlin, as well as the publication of the volume "Social Investments" by VS-Verlag für Sozialwissenschaften.

To begin, Then emphasised that social investments are more than monetary contributions: "That would be too simplistic because social investments refer above all to non-monetary investments such as time or knowledge." Nor are they synonymous with charitable activities. The decision about what can be legitimately called a

social investment lies ultimately within society. "The point with social investment is how societies invest in their own future," underscored Anheier. In many countries, behavioural economics is gaining importance in the setting of policy goals. The focus then becomes what people need beyond material goods find satisfaction. In this sense, social investment could also contribute to better quality of life.

Taking up that idea, Weber and Rübsaamen described two real-life social investments. The Social Venture Fund enables people to invest their money in a philanthropic way. "Our goal is to generate a social return in addition to monetary returns," said Weber. Rübsaamen explained the goal of the social enterprise Bookbridge: "We seek to promote access to education worldwide and improve the quality of education. We do this by establishing libraries in Mongolia and Cambodia."



The panel in Berlin (dec 15th, 2011)

In closing, the guests discussed how much private actors can accomplish. It was emphasised that the added value of social entrepreneurship or foundation activities lies in testing new approaches that the state can take over if they prove to be successful.

[sebastian.wehrsig@csi.uni-heidelberg.de](mailto:sebastian.wehrsig@csi.uni-heidelberg.de)

## CSI on Tour

The annual conference of the Association for Research on Nonprofit Organizations and Voluntary Action (ARNOVA) took place in Toronto, November 17-19, 2011. Volker Then together with Konstantin Kehl presented papers on "Social and Monetary Returns of Multigeneration Housing and Community Developments in Germany" and "Social Investment: A Conceptual Outline". At the same conference, Thomas Scheuerle and Björn Schmitz presented their research results: "Investigating the Social Entrepreneurship Landscape in Germany – A broad Empirical Inventory". CSI was also represented at the conference of the International Research Society for Public

Management (IRSPM) that took place in Rome, April 11-13, 2012. Björn Schmitz introduced together with Gorgi Kriev their paper on "Myth of Emergence – Why do SEOs Appear on the Scene" and with Thomas Scheuerle a paper on "Scaling Strategies and Scaling Challenges of Social Entrepreneurs – An Anchor for a Typology". Also in Rome, CSI's Annelie Beller and the Hertie School's Rabea Haß contributed "The New Federal Volunteer Service in Germany – Novel Ways of Cooperation between Third and Public Sector".

For further information on any of these contribution, please do not hesitate to contact the authors.

## Imprint

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