ACHIEVING GROWTH THROUGH SOCIAL INNOVATION:

A BEYOND GDP TRIAL. CASE STUDIES OF TURKEY AND RUSSIA

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DECLARATION OF ORIGINALITY

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ABSTRACT

Achieving Growth Through Social Innovation: A Beyond GDP Trial.

Case Studies of Turkey and Russia

Beyond GDP approach emphasizes that GDP alone is not comprehensive enough to capture the factors that contribute to the growth in the society. For several years, academicians try to identify the perfect indicator, which describes state of our well-being in the best way. The thesis' novelty is in its aim of identification of the conceptual relationship between Beyond GDP and social innovation by analyzing the ecosystem of social innovation.

There are three major aims defined. The first one is to identify the potential of "beyond GDP" on social innovation. The second one is to propose a novel approach to defining social innovation ecosystem in the light of Social Progress Index, Global Innovation Index and the Legatum Prosperity Index. Volunteering was added to the ecosystem as a unique enabler of social innovation. The development of optimal social innovation ecosystem is to be followed by the specific ones for Turkey and Russia, based on the analysis of respective index indicators scores. The third one is to conduct a case study of social innovation initiatives in Turkey and Russia. Two examples of local foundations that operate with a help of volunteers were examined. At the end of the thesis, policy making recommendations based on the best practices are provided.

ÖZET

Sosyal İnovasyon ile Büyümeyi Elde Etmek: Bir GSYİH Ötesi Denemesi.

Türkiye ve Rusya Vakkaları

GSYİH Ötesi yaklaşımı, GSYİH'nin tek başına toplumda büyümeye katkıda bulunan faktörleri tespit etmede yeterli kadar kapsayıcı olmadığını vurgulamaktadır. Birkaç yıldır akademisyenler esenlik ve iyi durumumuzu en iyi şekilde tanımlayacak mükemmel göstergeyi tespit etmeye çalışmaktadırlar. Tezin sunduğu yenilik, sosyal inovasyonun ekosistemini analiz ederek, GSYİH Ötesi ile sosyal inovasyon arasındaki kavramsal ilişkiyi tespit etme amacıdır.

Üç temel hedef tanımlanmıştır. Birincisi GSYİH Ötesi kavramının sosyal inovasyon üzerindeki potansiyelinin tespit edilmesidir. İkincisi Sosyal Gelişim Endeksi, Küresel İnovasyon Endeksi ve Legatum Refah Endeksi ışığında sosyal inovasyon ekosistemini tanımlamaya yönelik yeni bir yaklaşmıdır. Gönüllülük ekosisteme sosyal inovasyonun eşşiz mümkün kılıcı etkeni olarak eklenmiştir. Optimal sosyal inovasyon ekosisteminin geliştirilmesini, Türkiye ve Rusya için ilgili endeks verilerinin analizine dayanan özel ekosistemler takip etmektedir. Üçüncü hedef ise, Türkiye ve Rusya'da sosyal inovasyon girişimleri ile ilgili vakka çalışmaları yürütmektir. Yerel kurumlardan gönüllülerin yardımı ile faaliyet gösteren iki örnek incelenmiştir. Tezin sonunda, en iyi deneyimlere dayanan politika yapma tavisyeleri sunulmaktadır.

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CHAPTER 1

INTRODUCTION

Nowadays, very restricted measures of market and economic performance are misused to measure such a broad concept as well-being. Due to the direct relationship between measures and actions, massive ignoring of the fact that what we measure affects what we do harms the inner condition of the nation states as indicators that we use affect the policies applied.

Since the official introduction of the “beyond GDP” approach, many scholars are engaged in the discussion. The proposed research is going to contribute to the debate as it is going to identify, examine and discuss the social aspect of innovation and its influence on the well-being of the nation states and their citizens.

There are three major aims defined. The first one is to identify the potential of “beyond GDP” on social innovation. The second one is to propose a novel approach to defining social innovation ecosystem in the light of Social Progress Index, Global Innovation Index and the Legatum Prosperity Index. The development of optimal social innovation ecosystem is to be followed by the specific ones for Turkey and Russia, based on the analysis of respective index indicators scores. The third one is to conduct a case study of social innovation initiatives in Turkey and Russia and provide policy making recommendations based on the best practices.

CHAPTER 2

LITERATURE REVIEW

2.1 Beyond GDP: Conceptual framework

For a long time there is the dissatisfaction with GDP as an indicator of well-being (Fleurbeay, 2009), which has repeatedly been addressed by a number of initiatives. GDP is criticized for not distinguishing among positive and negative impacts on well-being. Almunia (2007) provide examples, when of war and natural disasters resulting in an increase in GDP. GDP does not reflect the state of such important modern issues as environmental impacts, inequality and gender issues, work conditions, health and intangible capital, which refers to human and social capital (Almunia,2007). Misuse of GDP is just one of many examples of how standardized measures may motivate our society to develop in wrong directions (Stiglitz, Sen & Fitoussi, 2009). The ambivalent assessment of GDP that emerges from this debate points at the need for a wider analysis of how indicators are produced and used for governance, in order to identify what makes an indicator useful and relevant. (Kovacic & Giampietro, 2015)

It has become widely accepted that focusing exclusively on income growth may lead to a too narrow-sighted measure of changes in well-being. People care about other dimensions of life, such as their health, employment, social interactions and personal safety. Moreover, an exclusive focus on income growth remains blind to the distribution of income and well-being in the society (Decancq & Schokkaert, 2015).

Fritz and Koch (2014) mention distinction between “growth” and “development”, which had been previously introduced by Daly. While the definition of “growth” states for the quantitative positive change of GDP, the “development” aims to depict the qualitative change. Following the logic of the previously mentioned definitions, the authors came to an optimal model of the modern life style, where continuing development of technology together with shorter, but more efficiently used, working hours provide necessary conditions for the improvement and maintenance of high living standards in a better ecological environment (Jackson & Victor, 2011; Koch & Fritz, 2013). The described situation defines “degrowth”, a modern concept which can help us to balance the quantitative and qualitative parts. Fritz and Koch (2014) also mention researchers who stick to the idea of linkage between ecological sustainability, social equity and individual well-being and define “degrowth” in terms of “an equitable downscaling of production that increases well-being and enhances ecological conditions at the local and global level, in the short and long term” (Kallis, 2011; Schneider et al., 2010).

Stiglitz, Sen and Fitoussi (2009) conducted an invaluable research with an aim to identify the limitations of GDP, which is actually an indicator of economic performance lately used to characterize social progress. Their report (the Report) opened the doors and provided certain framework for everyone who wished to go “Beyond GDP”.

In the Report Stiglitz et al. (2009) mention that many indicators are misused, they stay that GDP tops the list but is definitely not the only one. Although statistical systems were created for assessment of market economy performance, they are currently used to a measure the societal well-being. But it must be noticed, that the

benefits of growing GDP may be going to quite a small number of people, with the majority being worse off. Misuse of GDP is just an example of how standard and one-sided measures of our life may encourage the society to move in wrong directions (Stiglitz et al., 2009) by creating and implementing policies based on the measures of "growth".

For the last years, the debate on the definition of well-being and quality of life have been held worldwide (Burchi & Gnesi, 2015). For the sake of the further research, it is important to identify the most important and reliable definitions. So Dahl (2014) refers to the definition of well-being stating that it is also a controversial term the definition of which changes depending on a view point. To systemize the possible points of view, the author refers to two main philosophical movements such as materialists and humanists. In this way it can be stated that as for materialists, people are simply social animals, their well-being is determined by simple satisfaction of physical and social needs. However, humanists, believing in more complicated nature of the human being, believe that an ethical dimension, such as responsibility for the fellow people and the environment. Dahl (2014) fairly notices that each of the above mentioned definitions describe different levels of prosperity and well-being.

Smith (1973), sharing the ideas of the materialists, applied the term well-being to describe the objective life conditions of a population. However, the personal issues also found place in his research and were referred as quality of life that consisted of subjective assessments by the people of their lives (Langlois & Anderson, 2002). Sen (1999) argues that "the quality of life a person enjoys is not merely a matter of what he or she achieves, but also of what options the person has

had the opportunity to choose from" (pp. 69–70) while well-being states for the people's achievements (i.e., functionings). Defining the prosperity, which represent even wider term, two additional dimensions should be considered. Those refer to social inclusion and equity together with individual well-being and the quality of life (Wilkinson & Pickett, 2010).

The above mentioned definitions show that there is a certain difference between the concepts. Nevertheless, when they need to be measured, the used sets of information are the same (Burchi & Gnesi, 2015). Stiglitz et al. (2009) identified the adjustments that should be made for the shift from measuring economic activity to measuring individual well-being. Those adjustments include intermediate goods, security, defensive expenditure, leisure, non-market activity and depreciation. Though some of the features shape subjective perception of well-being there are basic features that shape the objective ones, that do not require adjustment to gender, age, nationality etc., those are health, education and balance of time. Stiglitz et al. believe that leisure must be included and is inevitable part of an individual's well-being.

As a logical conclusion to the report Stiglitz et al. propose three approaches to measure quality of life: subjective well-being, capabilities approach and the fair allocation approach. However, they finish the paper accepting that it should be admitted that nowadays there is no single indicator to capture our complex society, therefore open and public discussion of our system of metrics.

The Report provided the ground for other scholars and opened the topic which is now actively discussed. Michalos (2010) starts his paper with the historical note concerning the fact that the ideas provided in the Report have been known for

quite a long time. For example, from his point of view, the ideas of Sen are very close to Aristotle's. Micholos mentions that the "Beyond GDP" is not new as since 1960s practically all scholars are absolutely aware of the "limits of GDP" and the fact that GDP is not wrong as an indicator of economic and market activity, but today it is wrongly used to measure broader concepts. However, he points out that Stiglitz et al. emphasized on generating better measures of wealth distribution is inspiring and may lead to systematic changes in the field.

Noll (2010) believes that report seems to be well known but novel as it comes to social indicators prospective. Although many recommended measures seem to be either a part of social indicators research or are results of previous research on this topic, it is mentioned that the Report meant to address political leaders, policy makers, academic community and civil society organizations. Therefore it reached the target audience and provided necessary basis to go "Beyond GDP".

2.2 Beyond GDP: Practical application

The BRAINPOoL Commission (2014) identified the types of demand for the right indicator that is going to depict the actual condition. The types of demand are:

1. Societal demand for new models. What can be clearly tracked through the occasions of the last decade is that this kind of demand defiantly exists in certain parts of civil society. It can be tracked through more frequent cases where an appetite for social change is seen. For example, a desire for transformation of the economic system itself, in a response to the impacts of the financial crisis. Taking into consideration that even recently only

statisticians and economists could impact the debate, the fact of present situation when civil society can impact as well shows tremendous progress.

2. Political demand for new measures. Lately, a growing political demand was noticed for a single and simple, but nevertheless multi-dimensional indicator of well-being and improved environmental indicators. This kind of demand seems to be the strongest at the local and regional levels, due to the relative proximity of local leaders and civil society. In this way, the decent implementation of the policy can be tracked easier.
3. Democratic legitimacy. Continuous demand for more active democratic participation, especially in the construction and development phases of Beyond GDP indicators was tracked. For now, the discussion of Beyond GDP is highly technical and is commonly led by the high-level actors. However, a statistical information which is public and easily accessed by the society is needed. That is going to lead to the increase of civil society participation, which is actually in demand.

Bleys (2011), in his turn, modeled his paper relying on classification for the alternative measures of the “Beyond GDP”. The following indicators’ classification has been proposed:

1. Indicators adjusting GDP. Methodology of constructing such indicators takes common economic and market performance indicators, such as GDP, as a basis which is to be adjusted. Those indexes are updated by including monetized environmental and social factors. Examples of such indicators are Index of Sustainable Economic Welfare, Green GDP, Genuine Savings, etc.

2. Indicators replacing GDP. These indicators concentrate on well-being more precisely than GDP. Such indexes may address such questions as average the life satisfaction or the ahievement of basic human functions. Examples of such indexes are Human Development Index, Ecological Footprint, Happy Planet Index, Environmental Sustainability Index, etc.
3. Indicators supplementing GDP. The indexes of this group adds to GDP information on the environment and society. There is a couple of instruments which can be used for it. First is the creation of satellite accounts. Second is relating GDP to other social and environmental indicators.

Bleys (2011) mentions that since the early 1970s development as well as promotion of new measures of well-being that can be used for policy-making has begun. It was fairly accepted that the majority of the researches focused on the creation of individual indicators, in this way neglecting the existing ones. The indexes, that are widely used were presented by Robert Costanza and colleagues in 2014. For the research the original table has been updated (See Appendix A).

Each of the indicators' types has a potential for future contribution by scholar and researches. Clers, Gainin and Blanchet (2010) share this point of view and proposed that the Report must rather be read as providing guidelines to be followed for constructing such a dashboard. The question to answer, referring to the Report, is which indicator to use to choose the correct policy.

The statement of Keynesian economists that demand creates its own supply is true for Beyond GDP movement. Shortly after the publication of the Report various scholars tried their chance in creating the index which would include all the necessary indicators.

Competitiveness was the first topic which attracted the researchers interested in beyond GDP. Sala-I-Martin et al. (2007) contribute the debate defining global competitiveness as a "set of institutions, policies and factors that determine the level of productivity of a country" (p. 3). The academicians pointed out that the traditional investing solely in physical capital was insufficient. It can be tracked through failure of many developing countries, which did not manage to grow despite the vast amount of money being invested. The situation proved that such kind of investment was not enough to boost aggregate wealth.

Porter, Delgado and Ketels joined the global academic conversation in the same year, 2007, stating that competitiveness is a main preoccupation of not only developing countries, but of the developed ones as well, due to the consequences of globalization, such as interconnection of world economies. Recently, the wealth of a nation state was considered to be one of the main factors of the country's competitiveness. The wealth was considered to be goods and services which represent a product of utilization of human capital and natural resources. Today the concept changed and the factor that really matters is human capital and well-being of the nation. To effectively engage in economic activity individuals need to a decent level of education, affordable health care, and clean environment. Those are the factors state for the basic human capacity. In order to support the idea, Porter, Delgado and Ketels (2007) provide evidence for the increase in prosperity levels as a result of increase in quality and quantity of training and higher education.

Though the focus on competitiveness prevailed on the field for quite a long time, the shift that occurred a couple years ago with the creation of such indexes as the Global Innovation Index (GII) and the Social Progress Index (SPI).

Presented in 2007, but gained its power and became annual only by 2011, the GII is still under development in pursuit of perfection. The framework is revised and adjusted every year. Global Innovation Index 2014 (GII) consists of two sub-indices. The first on is the Innovation Input Sub-Index which is built around five input pillars. Those pillars describe the elements of the national economy which facilitate innovative activities. Those elements are institutions, human capital and research, infrastructure, market sophistication, and business sophistication. The second sub-index is the Innovation Output Sub-Index, which is built on two output pillars. Those pillars account for the actual evidence of innovation, the result of innovative activities. They refer to knowledge and technology outputs and creative outputs. Each of the above described seven pillar is divided into sub-pillars which are composed of individual indicators (81 in total).

The major aim of the GII Report is a ranking of world economies relying on its innovation capabilities and results. However, a couple of ideas compose the inevitable part of GII's implication. GII not only shows the result of innovation application, but also provides background for the detailed understanding of the human aspects behind innovation. This understanding is vital for the proper design of policies, aimed on promotion of economic development and innovation oriented environment. After all, GII helps the developing countries in particular to recognize the crucial role of innovation as a facilitator of economic growth and prosperity.

2.3 Social innovation: Conceptual framework

The primary interest of global public opinion is the discussion on how to measure the well-being of individuals. Though GDP is certainly remains crucial as a way of national economic results measure, it is still necessary to support it with indicators,

which are able to provide a clear and understandable picture of the present state and progress of the society (Radermacher, 2014).

Spreading the usage of the social innovation concept, in the presented research social innovation is proposed to be a novel indicator of well-being. This assumes that in order to obtain a full explanation of the living conditions improvement, a new class of innovations should be introduced. This kind of innovations is not referred to business and therefore is identified as a new class of the social innovations. (Pol &Ville, 2009). Social innovation can serve as an indicator of well-being because it is strongly connected with a social change, which can be tracked through the rather diffuse shifts and developments that affect societal attitudes, behaviors, and compartment (Eurich & Langer, 2015).

The world economy is currently going through a third industrial revolution characterized by rapid development and diffusion of ICT; globalization of economic activities through foreign direct investments, international trade and cross-border alliances; increasing specialization, complexity and knowledge-intensity of production processes; growing differentiation of demand patterns in consumer and producer markets; and spread of cooperative network organizations (Hämäläinen, 2003). Heiskala (2007) argue that, in addition to the challenge of techno-economic adjustment, the third industrial revolution calls for social innovations that would transform the relative, normative and cultural aspects of social systems, and their interplay with each other and the techno-economic structure. With this mindset, many individuals, entrepreneurs or social entrepreneurs have started using technology and innovation in combination to bring social change for larger social impact (Singh & Majumdar, 2015).

The concept of “social innovation” became renown in social science research since the 1990s. During that years innovation at the community level gained the interest of academicians and became more notable in the literature. Relying on Baker and Mehmood (2013) this fact can be attributed to the “growing awareness of the value of social innovation in promoting social processes of integration and assimilation” (p.2).

The Local Economic and Employment Development Committee (LEED) of the OECD suggested its own definition of social innovation, in the framework of its Forum on Social Innovations (FSI) in 2000. As mentioned by Noya (2010), for the OECD social innovation implies “conceptual, process or product change, organizational change and changes in financing, and can deal with new relationships with stakeholders and territories” (p.196).

According to Noya (2010) social innovation tries to find a solution to social problems by several means. The answers can be found by identification, development and further delivery of novel services, which are to improve the quality of life of individuals and communities. With social innovation novelty can be brought to the labor market integration processes, competencies, jobs, and forms of participation. The new forms can be identified and implemented, contributing to improvement the position of individuals.

Therefore, social innovations can influence the welfare of individuals and communities, which can be considered as both consumers and producers (Noya, 2010). Noya (2010) also points out the difference of social and economic innovation, providing a definition of OECD/LEED Forum on Social Innovation 2000, stating that “social innovation is distinct from economic innovation because it is not about

introducing new types of production or exploiting new markets in themselves but is about satisfying new needs not provided for by the market (even if markets intervene later) or creating new, more satisfactory ways of insertion in terms of giving people a place and a role in production" (p.214).

It is worth mentioning, that the OECD was the first intergovernmental organization that provided the definition of social innovation. The definition proposed connection between social innovations and local development. In this definition social innovation is considered to be a way to improve the welfare of individuals with the reference to the territories (Noya, 2010).

A number of academic sub-disciplines applied the concept of social innovation (Hillier et al., 2004). The range of those management related disciplines varies from organizational innovation to organizational leadership. In addition to it, the concept of social innovation is also broadly used in regional development studies. In that field the concept is used to explain the role of social, economic and environmental capital in promoting innovation dynamics in a certain geographic area (Moulaert & Nussbaumer, 2005).

Noya (2010) points out the exceptional need in social innovation due to the resistance of many social challenges to common approaches to solving them. In contrary to them, social innovation provide new ways of meeting the needs of society and solving the challenges. However, not only the outcome of social innovation application is important but also its process. There are two types of social innovations can be identified relying on its intensity. The first type is incremental social innovations, which are not radical and are built on the available grounds. The second type refers to the radical social innovation which transform approaches and

situations. The scale of the changes caused by the social innovations may differ as well. It can be as large as fighting global climate change and reducing poverty, or as small as creating a community garden (Goldenberg et al., 2009).

According to Eurich and Langer (2015) the key understanding of "innovation" stresses "the object dimension of innovation and is derived from improvements in the effectiveness of any form of social service that improves the quality of social society" (p. 84). This can be achieved through different means such as new principles, forms of organization, sources of financial investment and resource, actors, research- based knowledge, and development of new skills.

Roth (2009) presents his own understanding of the dimensions of social innovation. From his point of view, it is advantages resulting from different forms of new relations, such as to oneself (as self-perception), others (as effort for social interaction), and the relations of others (participation and social cohesion). Therefore, social innovations cannot be perceived separately from the social dimension, which is to be recognized as its integral part as well as the economic advantage.

The Centre for Social Innovation (2008) has tried to purify the term as follows: "Social innovation refers to new ideas that resolve existing social, cultural, economic and environmental challenges for the benefit of people and planet. A true social innovation is system-changing—it permanently alters the perceptions, behaviors and structures that previously gave rise to these challenges."

Another definition that proposes a clear demarcation between social and other types of innovations is the one adopted by the Bureau of European Policy Advisors

(BEPA), which defines social innovations as “new ideas (products, services and models) that simultaneously meet social needs (more effectively than alternatives) and create new social relationships or collaborations” (Hubert, 2010).

The definition of social innovation proposed by Phills et al. (2008) is thus as follows: “a novel solution to a social problem that is more effective, efficient, sustainable, or just than existing solutions and for which the value created accrues primarily to society as a whole rather than private individuals”. The innovation can be perceived to be social as long as the balance is “tilted towards social value – benefits to the public or to society as a whole, rather than private value – gains for entrepreneurs, investors and ordinary (not disadvantaged) consumers” (p. 39).

The research is relying on the definition of the macro-quality of life that refers to the set of valuable options that a group of people has the opportunity to select (Pol & Ville, 2009). The quality of life is determined by a number of characteristics. Pol and Ville (2009) stick to the point that those determinants of the quality of life at the aggregate level include “material well-being, education opportunities (including quality of teaching and learning practices), health domain, job security, family life, community life, environment (climate and geography), political freedom, political stability and security, and gender equality” (p. 6) . Therefore, “social innovation” definition can be slightly updated as any new ideas with the potential to improve the macro-quality of life, e.g. increase the number of the valuable options.

Moulaert, Martinelli, Swyngedouw, and Gonzalez (2005) add to Pol and Ville (2009) identifying three main dimensions of social innovation. The first one refers to the satisfaction of human needs which are currently unsatisfied. The second

one states for the changes in social relations, with a special attention to those with regard to governance. That kind change not only provides opportunities for the satisfaction of needs, but also increases the level of participation, especially of deprived groups in society. The last dimension is an increase in the socio-political capability and access to resources, which enhance rights to needs' fulfillment.

In the literature an incredible amount of social innovation definitions may be found. For the sake of simplification and facilitation of the future studies, in 2010 OECD provided a very informative table, which comprised almost all the most reputable definitions available by that time (See Appendix B).

However, the number of definitions is so high, that Rüede and Lurtz (2012) provided different systems of classification. They point out the existence of several different points of view on categorization of understandings and meanings of social innovation. Relying on National papers submitted to the United Nations Conference on Science and Technology for Development (UNCSTD), Dedijer (1984) identified three types of definitions for social innovation based on the question the definition answers. Those types are: 1) "What it is" definition (e.g. something new, such as a law, an organization, a social network, etc.); 2) "Who can make it" definition. 3) "How to make it" definition (e.g. imported vs. created).

Another classification provided as an example by Rüede and Lurtz (2012) focus less on the style of a definition as it is but more on the content of social innovations. The researchers provide an example of Zapf (1987, 1991), who found seven different (in part overlapping) approaches to social innovations. They suggest that social innovation perceptions can be grouped as following: "(1) restructuring organizations or relationships; (2) new services offered (compared to new goods); (3)

technologies used to solve social problems; (4) the inclusion of the people involved with the innovation process; (5) larger political innovations (compared to regular political decision and reforms); (6) changing patterns of goods and services structure in an economy; (7) new lifestyles expressing one's values and status aspirations, observable through changes in one's spending of resources" (Rüede and Lurtz, 2012, p. 4).

A classification provided by Moulaert et al. (2005) identifies four edges of social innovation. The first one corresponds to the management science, which deals mostly with an increase of efficiency and effectiveness of work organization due to the improvements in social capital. The second edge cannot be identified as a single field as it is concerned with alignment of commercial success with social and environmental progress and therefore represents a multidisciplinary issue. The third edge, representing the most creative part of the issues, refers to the interconnection of individuals and is concerned with intellectual and social creativity. The final one stands for the territorial and regional studies and aims to describe the development issues on the local level.

To present their own classification, Rüede and Lurtz (2012) was a systematic conceptual literature review analyzed with a narrative approach (Petticrew & Roberts, 2006). As a result, they managed to come up with 7 categories of social innovation definitions.

The first category of definitions addresses social innovation as a tool to do something good in/for society. The common assumption for this category of definitions is that "innovations can be used to address challenges in society, to benefit groups that are struggling in society, and to improve the well-being of

individuals" (p. 10). A common question answered by this category would be: "Which innovations are needed for a better life?"

The second category refers to the definitions that describe social innovation as a tool which is used to change social practices and/or structure. The distinguishing feature of that kind of definitions would be that social innovation is seen as a change in social practices. A common question answered by this category would be: "What can we say about changes in how people interact among each other?"

The third category of social innovation definitions describes social innovation as a facilitator of urban and community development. A common question answered by this category would be: "How can we approach development at a community level when we put human needs and not business needs first?"

The fourth category of definitions describes social innovation as a work process reorganization. A common question answered by this category would be: "What else can we say about innovations within organizations if we leave out technological innovations?"

The fifth category of the definitions states that social innovation inculcates "technological innovations with cultural meaning and relevance" (p. 20).Such definitions propose that technology invention solely is not enough for successful innovations. To reach the desired level of success technical invention must be adjusted according to the cultural context. A common question answered by this category would be: "What else is needed for a technological invention to become a successful innovation?"

The sixth category of definitions perceives social innovation as a tool for implementing changes in the area of social work. Social work is crucial for transforming a state to the social one. For this transition a state should have "goals such as the provision of social security and social justice" (p. 21) and feeling of duty to reach that goals. A common question answered by this category would be: "How can we improve the professional social work provision in order to better reach the goals of social work?"

The last category of definitions refers to the social innovations which use advantages provided by means of digital connectivity. This kind of social innovations is the most recent one and is characterized by the integration of social innovations and the digital world. A common question answered by this category would be: "What possibilities to innovate do we have in a world where people are digitally connected in social networks?"

Though all above mentioned information from the definitions of social innovations to their classification may seem inapplicable to our everyday life, the results of social innovation are around us. The products of social innovation, which can be defined shortly as new ideas that meet unmet needs, follow us from the very early years of our lives on the community (e.g. kindergartens, distance learning, hospices, traffic calming) and global level (e.g. fair trade and restorative justice). According to Mulgan et al. (2007) the driver of innovation is "awareness of a gap between what there is and what there ought to be, between what people need and what they are offered by governments, private firms and NGOs" (p. 9). Unfortunately, today the gap is constantly widened due to the quick development of new technologies, which are available for a small part of the global population, and

new scientific knowledge. To fight the gap, social innovation can be transferred between the sectors. The most common case can be presented as the private sector improves and further develops the social innovation initiated by the non-profit sector. (Noya, 2010).

NESTA (2008) supports that social innovation can take place not only in public and private sector, but also be initiated by the third sector (voluntary and community groups and social enterprises). According to this classification, public sector is responsible for the innovations is public services which aim to improve the services or decrease the costs. The private sector, both non- and for profit, may not only improve the public services but also introduce the new ones. The third sector may find its place in spreading the public services within the community. Relying on this information, it can be stated that social innovation cannot be developed within a single sector or in a single form, but rather it needs diversity, both in sectors and forms, to reach the highest number of recipients.

While in developed countries social innovations are commonly initiated by governments, in developing countries almost everything relies on the above mentioned third sector consisted of voluntary and community groups. Therefore, volunteering represent one of the main concepts necessary for discussion of social innovation.

Volunteer work can be defined as “any activity in which time is given freely to benefit another person, group or cause. Volunteering is seen as a part of a cluster of helping behaviors, entailing more commitment than spontaneous assistance but narrower in scope than the care provided to family and friends” (Wilson, 2000, p. 215).

Van Willigen (2000) states out that topic of volunteering is also broadly covered in the media. The evidence of the volunteering's benefits are noticed both on the well-being of a nation as a whole and individual. Van Willigen (2000) found out that older adults benefit in term of life satisfaction improved by the volunteering as the younger adults do. Oman et al. (1999) strengthened the point with evidence of mortality decrease by 44% in a sample of elder volunteers over a 5-year period. The phenomenon can be explained by health habits and social support provided by the society. Moen et al.(1989, 1992) in her turn studied the impacts of the volunteering on the sample of women. The results of longitudinal study revealed that participation in voluntary associations had positive effects on physical health and longevity

Wilson and Musick (1999) begin the discussion by presenting a common definition of a "volunteer" that to most people is "someone who contributes time to helping others with no expectation of pay or other material benefit to herself" (p. 141). However, this does not mean that volunteer work is of no consequence for the volunteer.

In his later paper Wilson (2000) examined the impact of volunteering on the volunteer and noticed that the action of volunteering is beneficial not only for the recipient of the help but also to the donor. According to the number of related studies reviled positive effects on life-satisfactions, self-esteem, subjective well-being and mortality. For the younger volunteers, Wilson (2000) states, that the involvement in volunteering reduces the probability of engagement in problem and self-destructive behaviors.

Wilson and Musick (1999) continued developing the topic relying on the recent updates in medical sociology which have proved the physical health benefits

of social integration and social support (House et al., 1988). Helping others facilitates social networks establishing which is followed by the stress reduction. Wilson and Musick (1999) proposes that the volunteer's health improvement can be explained by the ease of access to the information on the medical healthcare prevention and benefits of exercises. At the same time the scholars mention that subjective evaluation of personal well-being improves as well due to the social integration. (Wilson & Musick, 1999).

Meier and Stutzer (2008) develop the idea that volunteering's positive impact on the individuals' well-being studying theoretical background for the motives to volunteer. The motivation comes from two channels previously identified by Menchik and Weisbrod (1987). The first group of channels refers to the situation when people's well-being increases because "they enjoy helping others per se; the reward is internally due to an intrinsic motivation to care for others' welfare" (Meier & Stutzer, 2008, p. 41). The second group refers to the opposite way of thinking, when people "volunteer instrumentally in order to receive a byproduct of volunteer work; it is not that they enjoy volunteering as it is, but their utility increases because they receive an extrinsic reward from volunteering" (Meier & Stutzer, 2008, p. 41).

As the first class of the reasons is quite clear and understandable for the majority of people, for the research the second class of reasons represent high interest. When people volunteer "instrumentally"; they perceive volunteering as an investment and expect receiving certain benefits in the future (Meier & Stutzer, 2008). The possible benefits can be classified as following.

The first possible benefit states for the investment in human capital, as participating in volunteering may increase future earnings on the labor market

(Menchik & Weisbrod 1987; Hackl et al. 2004). For example, there are a lot of factors, such as illness, childbearing, etc. which result in depreciation of human capital. However, engagement in volunteer activities during that period of time may help to maintain the existing ones and acquire new skills necessary in business life. (e.g. Schram & Dunsing, 1981). In such case, the improvement of subjective well-being corresponds to the expectations of earnings' increase in the future.

As a second potential benefit of the volunteering, the authors present establishing of a strong social network. While volunteering establishing social networks is inevitable, however, some of that contacts may be useful for further employment. In this case, the subjective well-being will be improving as the reward is going to be material (expected future income).

The third benefit is different due to the fact that the reward is not going to be material, but the volunteer is to get social approval by the reference group. In this case, social approval is perceived as a characteristic of prestige (Harbaugh, 1998), which is definitely influencing volunteer's well-being.

These reviews of Wilson and Musick (1999) and Meier and Stutzer (2008) on the effects of volunteering merely leave any doubt in broad individual benefits of volunteer work that spread far beyond the donor and recipient of the volunteer help and have long lasting positive impact on the society.

2.4 Social innovation: Practical application

Innovation represents a complicated concept which was recently widely discussed. (El Elj & Abassi, 2014). However, policymakers, who focus on the innovation design and orientation, should understand not only the complex nature of the concept, but also its determinants and effects. But unfortunately countries are not the same in terms of ease of obtaining information and providing innovative data. Generally, the ease of obtaining information and innovative data are correlated with the economic development of the region, therefore the North African and Middle Eastern countries are scoring lowest in this respect (El Elj & Abassi, 2014).

Fritz and Koch (2014) in their study assume that the major function of economic development is the provision of conditions that enable people to prosper in their private and social lives. The academicians question whether this kind of prosperity can be achieved in the countries, with lower economic development than in the leading countries of OECD, and whether the indicators of prosperity are relatively independent from GDP. Fritz and Koch (2014) define social inclusion, which they consider to be one of the dimensions of prosperity, in terms of equity, cohesion and civic participation. In this case inclusion does not refer to the assimilation to a certain social system, but rather states for the mutual relationships of individuals and social groups.

The OECD (2011) defines a cohesive society as one “where citizens feel they can trust their neighbors and state institutions, where individuals can seize opportunities for improving their own well-being and the well-being of their children. It is a society where individuals feel protected when facing illness, unemployment and old age”. In addition to it, the OECD sticks to a point that social

cohesion is based on three pillars, which are social inclusion, social capital and social mobility (Dhéret, 2015).

Easterly (2006) defines social cohesion as “the nature and extent of social and economic divisions (such as by income, ethnicity, political party, caste language or other variables) within society, which represent vectors around which politically salient societal cleavages can develop” (Dhéret, 2015, p. 2). Therefore, a cohesive society can be defined by the presence of strong relations, a positive emotional connectivity between the members of community and the community itself, and a common aim of achieving the good for the society (Dhéret, 2015).

Dhéret (2015) modeled his study to define the connection between the social cohesion and macro-economic indicator, such GDP per capita and unemployment. The study revealed that there is a strong relation between them. For example, Dhéret (2015) reveals strong lineages between the social cohesion and that social indicators such as level of poverty, inequality, and level of social protection expenditure. However, it should be noticed that the social cohesion and social indicators do not always correlate.

Dhéret (2015) comes up with two conclusions. First of all, a low level of poverty and inequality can be a pre-condition for an increased level of social cohesion but do not always result in more cohesive societies. Secondly, increase of budgeting on social policies cannot be considered as a goal by itself. Dhéret (2015) states that social cohesion needs the proper mix of policies that provide people with necessary conditions to live in wealthy societies, member of which feel protected from social risks. In such societies people have an environment that allows them to use fully their potential by taking part in social and economic life of the society.

Supporting the idea of social cohesion and social part of our lives in general, Michael Porter introduced the SPI that that is constructed in the way that social and environmental aspects are at the top of the policy and corporate agenda. The Guardian, in the article of Confino (2013) dedicated to the creation of the SPI, points out that Porter also criticized its own work that states that well-being and happiness should be integrated into the economic agenda. In the article the idea of the failure cause of the previously presented indexes is mentioned. According to the author, the fact that previously scholars tried to mix economic and social metrics is the reason for the failure of the previously presented indexes. The SPI is different as it pays attention only to the social and environmental aspects and in this way provides them with a certain level of authority which is needed to allow them to be compared with traditional economic measures.

According to the Social Progress Imperative web-site, SPI is consisted of 52 indicators in three dimensions (http://www.socialprogressimperative.org/). The first dimension is basic human needs which includes nutrition, air, water and sanitation, shelter, personal safety. The second one is foundations of well-being that includes access to basic knowledge, health and wellness, ecosystem sustainability. The third dimension refers to opportunity and consist of personal rights, access to higher education, equity and inclusion. Each of the dimensions is calculated as the sum of its components and is weighted equally in the overall index.

The result is presented in the form of an aggregate score for each country. The score measures country's social progress, which is defined by Porter et al. (2014) as "the capacity of a society to meet the basic human needs of its citizens, establish the building blocks that allow citizens and communities to enhance and

sustain the quality of their lives, and create the conditions for all individuals to reach their full potential" (p. 5).

Antal and Van den Bergh (2014) claim that that there is no evidence that the global society is ready to replace GDP by a corrected GDP or another aggregate welfare indicator. However, the fact that Paraguay has already agreed to adopt the SPI and Costa Rica, Peru and the UK tend to follow the trend quickly shows the opposite and encourages the indicator entrepreneurs to struggle with political, indicator, process and structural barriers in order to satisfy the societal demand for new models.

To consider social side of well-being SPI can be complemented by the Legatum Prosperity Index. The Legatum Prosperity Index offers a unique insight into how prosperity is forming and changing across the world. The Index is distinctive in that it is the only global measurement of prosperity based on both income and well-being.

The Legatum Institute (2014) (http://prosperity.com/#!/) one more time reminds us that recently a nation's prosperity has been defined only regarding macroeconomic indicators such as a country's income, represented in form of either GDP or GDP per capita. Though such approach is considered to be traditional, the majority of people tend to agree with the fact that the prosperity is broader than the concept of material wealth and should also include satisfaction with everyday life and opportunity to build a better life. Recently, governmental bodies, academicians, international organizations and other legal bodies switched their attention and consider more indicators which measure well-being as a complement to GDP. Indeed, the Legatum Prosperity Index recognizes the need for a country to promote

high levels of per capita income, but also promotes changes in the policy that should include the subjective well-being of its citizens. All of the needed information included in the Legatum Prosperity Index and grouped into respective sub-indexes. The description of sub-indexes and answers, they are aimed to answer, presented in Table 1.

Table 1. Sub-indexes of the Legatum Prosperity Index

Sub-index	*Question Answered*
Economy	Which factors in a nation's economy are associated with higher levels of per capita income? Which economic conditions are linked to higher levels of well-being?
Entrepreneurship & Opportunity	What are the characteristics of a society that encourages citizens to be entrepreneurial, innovative, and seek opportunities that are related to higher levels of income and well-being?
Governance	What are the government institutions and types of government functions that are related to higher per capita income and higher levels of well-being?
Education	Which aspects of an educational system are linked to higher per capita income through their contribution to human capital, and which elements in a learning environment relate to higher levels of well-being?
Health	What are the characteristics of a healthy society that are linked to higher levels of income? How does personal well-being benefit from physical and mental health-related factors?
Safety & Security	How does the personal safety of citizens and the national security of a nation relate to growth in per capita income and higher levels of well-being?
Personal Freedom	Does freedom of expression, belief, association, and personal autonomy promote higher income and well-being? And does tolerance of immigrants and minorities affect prosperity?
Social Capital	What kinds of social networks, relationships, and institutions are associated with higher levels of well-being and national income?

Source: http://prosperity.com/#!/

To calculate the rankings the raw values are standardized and multiplied by the weights. The weighted variable values are summed to produce a country's well-being and income score in each sub-index. The income and well-being scores are then standardized so that they can be compared.

CHAPTER 3

SOCIAL INNOVATION ECOSYSTEM

3.1 Modeling an optimal social innovation ecosystem

There are many studies focusing on social innovation as an indicator of development as a part of Beyond GDP approach (Paunescu, 2014). In this study social innovation is proposed to be an indicator of well-being. The increased satisfaction with living conditions of people can be explained better with the inclusion of social innovations (Pol & Ville, 2009). Social innovation has a strong relation to social change due to the fact that this kind of innovation is characterized by the development which affect societal attitudes, behaviors and compartment (Eurich & Langer, 2015) and can serve as an indicator of well-being.

Though people, by their nature, innovative and desire to improve living conditions, social innovation cannot always be implemented easily. It is supported by the evidence of innovations being strangled at birth in societies with monopolized power and lack of independent money sources. Therefore, social innovation need certain background that facilitates its development. (Mulgan, 2006)

The core idea of the proposed research relies on the assumption that all of the above named dimensions may be highly connected with the well-being of the society and therefore a social innovation ecosystem can be built.

In the twentieth century the majority of scholars saw ecosystem as "complicated machines, suggesting that once their functioning was understood, policies could be designed to control and maintain ecosystems in some "optimal" state" (Cortner & Moote, 1999, p. 1). Nowadays another point of view is widely

spread. Now ecosystem is compared to complicated machines. Modern ecosystems are believed to be constantly evolving and changing systems, similar to living organisms (Levin, 1998, Norberg & Cumming, 2008). The changes do not have a common pattern, they can be both slow and gradual or large and rapid. (Eldredge & Gould, 1972, Holling & Gunderson, 2002, Repetto, 2006).

Complex systems can be characterized rather by the interactions among its parts rather than by the parts themselves. These interactions have special characteristic called “emergence”, which cannot be predicted from the individual parts (Holland, 1999, Manson, 2001). Due to this characteristic estimation of the uncertainty and risk as well as ecosystem outcomes cannot be done solely relying on the expert analysis. In addition to the expert analysis deliberation amongst relevant stakeholders is required (Cortner & Moote, 1999, Bocking, 2004, Millenium Ecosystem Assessment, 2005).

Being found on the complex system view, the social-innovation framework does not only describe processes of change, but also emphasizes the factors and leverage points that may facilitate the emergence of transformative change (Biggs et al., 2010). Keeping this strength in mind, the proposed social innovation ecosystem was built.

The construct of the study is built upon two cooperative studies on social innovation. Each of them offers a separate set of potential areas where social innovation would contribute. First one employs a social innovation definition based on the macro-quality of life. In this case the macro-quality of life is understood as “the set of valuable options that a group of people has the opportunity to select” (Pol

& Ville, 2009, p. 17). According to Pol and Ville (2009) the determinants of the quality of life at the aggregate level include the following elements:

> material well-being, education opportunities (including quality of teaching and learning practices), health domain, job security, family life, community life, environment (climate and geography), political freedom, political stability and security, and gender equality. The quality of life a person experiences today is determined by the valuable options she has had the opportunity to choose from and what she has been able to achieve. (p. 18)

The second study, which is used in the formation of construct, determines the potential areas where social innovation may make considerable contributions. Mulgan (2007) identifies some of the fields with severe innovation deficits, but also offering great opportunities for new creative solutions that may be provided by social innovations. Those include:

> rising life expectancy (which requires new ways of organizing pensions, care and mutual support, new models of housing and urban design), climate change (which demands new thinking on how to reorder cities, transport systems, energy and housing to dramatically reduce carbon emissions), growing diversity of countries and cities (which demands innovative ways of organizing schooling, language training and housing), stark inequalities(which tend to be associated with many other social ills, ranging from violence to mental illness), behavioral problems of affluence (including obesity, bad diets and inactivity as well as addictions to alcohol, drugs and gambling), difficult transitions to adulthood (which require new ways to help teenagers for more stable careers, relationships and lifestyles) and happiness (deriving from the mismatch between growing GDP and stagnant well-being and declining real welfare). (p. 9)

Those stand as the most prominent project areas that would bear significant contribution to the beneficiaries of social innovation. At the same time Nussbaum (2006) identified ten central human capabilities that are needed for the objectively decent quality. Those qualities range from physical health and integrity to the control of one's environment. The majority of the elements on Nussbaum's list of central human capabilities barely require any material resources.

Social innovation is considered as an important element of social development that requires enablers to become fully functioning. European Commission (2014) detects that transport, mobility, humanitarian aid and transformative tools to open policy perspectives are the enabling factors that increase the social impact of social innovation. Project management, cooperation and technology are the factors that contribute to the development of social innovation culture.

For Beyond GDP approach, the construct of the study employs Bleys (2012) classification and take indicators supplementing GDP for to form a model comprehensive set of indicators. SPI and GII serve as the basis because the mixture of their indicators can better depict the effect of social innovations. The indicators of GII and SPI are presented in Table 2.

SPI concentrates solely on the social side of well-being while GII provides an opportunity to evaluate elements of national economy that enable innovative activities. In the study, SPI and GII are used as the set of indicators that provide insight on social development in order to formulate the ecosystem of social innovation.

Table 2. GII and SPI indicators

SPI Indicators of Social Innovation Ecosystem*	
Basic Human Needs	Nutrition and basic medical care
	Water and Sanitation
	Shelter
	Personal Safety
Foundations of Well-being	Access to basic knowledge
	Access to information and communication
	Health and wellness
	Ecosystem sustainability
Opportunity	Personal rights
	Personal freedom and choice
	Tolerance and inclusion
	Access to advanced education
GII Indicators of Social Innovation Ecosystem**	
Institutions	Political environment
	Regulatory environment
	Business environment
Human capital and research	Education
	Tertiary education
	Research and development (R&D)
Infrastructure	Information and communication technologies (ICTs)
	General infrastructure
	Ecological sustainability
Market sophistication	Credit
	Investment
	Trade and competition
Business sophistication	Knowledge workers
	Innovation linkages
	Knowledge absorption
Knowledge and technology outputs	Knowledge creation
	Knowledge impact
	Knowledge diffusion
Creative outputs	Intangible assets
	Creative goods and services
	Online creativity

Source: * http://www.socialprogressimperative.org/ ** www.globalinnovationindex.org

However, when the major challenges and drawbacks in the social development are taken into consideration, it is believed that there is also one more index that needs to be incorporated with our understanding of the environment of social innovation. This is the Legatum Prosperity Index as it provides detailed information on health and education, which are the two most important project areas for the disadvantageous groups in the society. The indicators of Health and Education sub-indexes of the Legatum Prosperity Index listed in Table 3.

Table 3. Legatum Prosperity Index, as the supporting indicators of social innovation ecosystem

Legatum Prosperity Index	
Health	**Education**
Infant Mortality	Gross secondary enrollment
Life Expectancy	Pupils-to-teacher ratio
Immunization Against Infectious Diseases	Net Primary Enrollment
Incidents of TB	Girls-to-boys enrollment
Undernourishment	Girls-to-boys enrolment ratio
Meals Immunization Rate	Gross Tertiary enrollment
Health Expenditure per Person	Secondary education per worker
Satisfaction with Health	Tertiary education per worker
Level of Worrying	Satisfaction with education quality
Satisfaction with Environmental Beauty	Perception that children are learning in society
Hospital Beds	Net primary enrolment
Health Expenditure per person	
Water quality	
Infant mortality rate	
Health-adjusted life expectancy	
Sanitation	
Death from Respiratory Diseases	
Undernourishment	
Well-rested	
Health problems	

Source: http://prosperity.com/#!/

The construct of the study is developed upon SPI, GII and the Legatum Prosperity Index indicators as the basic factors of social innovation ecosystem. The challenges that the beneficiaries face are transferred from Mulgan (2007) and enablers of social innovation are partly derived from the European Commission's (2014) approach to the potential policy contributions to the social innovation environment. As a result, ecosystem presented in Figure 1 was constructed.

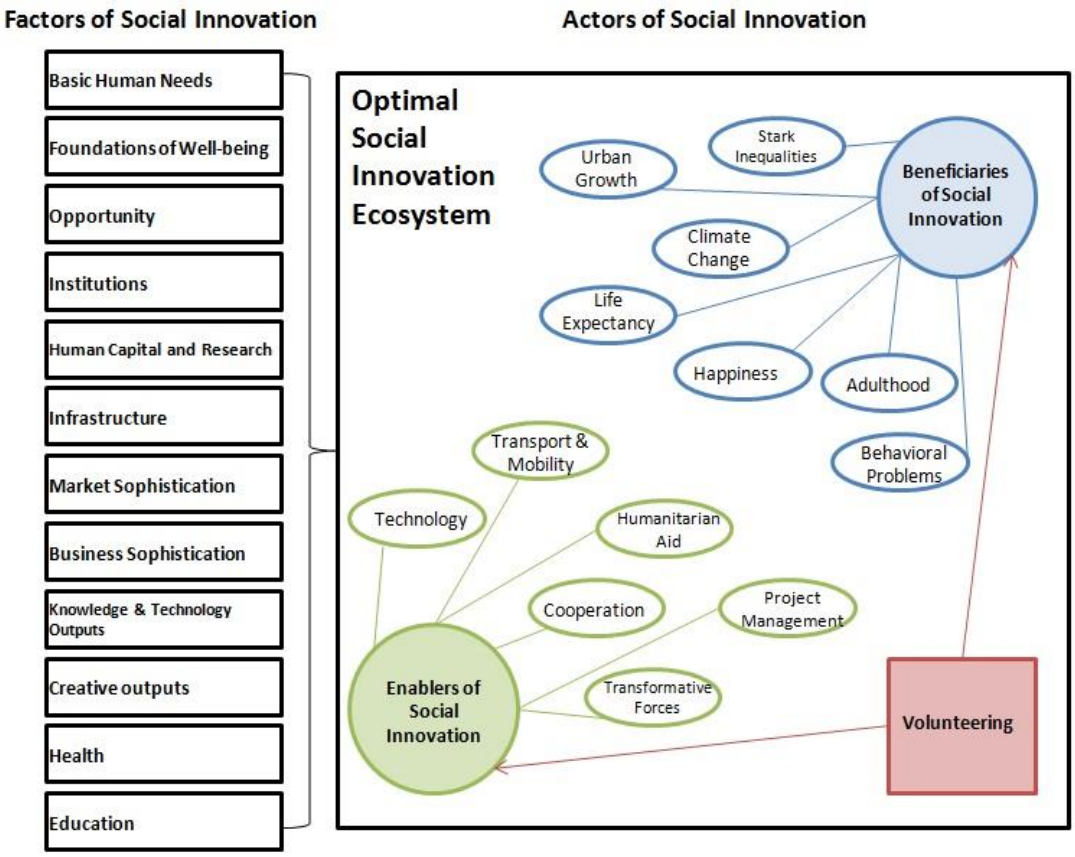

Fig. 1. Indicators of social innovation ecosystem.

The proposed optimal ecosystem is a generalized one, which includes all relevant indicators from the selected indexes, high number of enablers of social innovation and all beneficiaries of social innovation named by Mulgan (2007). By designing this ecosystem an attempt to form a model, which could be used for any country, has been made. Of course the model in its optimal form does not fit and describe needs of a particular country, but it can be redesigned to do so.

The presented factors, that determine social innovation ecosystem, were chosen be analyzing the vast amount of related literature and previously selected indexes. On those factors comparable, sustainable, credible and accessible data can be found, that is an inevitable for conducting a credible research.

For the ecosystem the most important aspect is the capability of actors and they gain it through positioning in the system. Both literature and practice show that there are two group of actors beneficiaries and enablers of social innovation. Beneficiaries face challenges and need social innovation to improve their condition. Meanwhile, enablers contribute to the social innovation ecosystem by taking part of social innovation creation.

Contribution of the study is that volunteering is presented as another set of actors that have significant role in the social innovation ecosystem. Though in this case volunteering can be perceived as an enabler of social innovation, in the proposed ecosystem it stands separately due to the several reasons. First of all, other mentioned enablers of social innovation are work from the outside of the disadvantaged part of the society. The problems of those in any kind of need cannot be fully understood as the government representatives or social workers cannot understand all the edges of the need fully. At the same time a volunteer is a representative of society that work and collaborate with the beneficiaries of social innovation. Secondly, even if to refer to the French and Latin roots of the word "volunteering" it can only be seen as freely chosen activity, basically satisfying and rewarding. Even culture of giving is developed in various societies spreading benefits of volunteering. Therefore during the process of volunteering a mutual gain can be seen: win not only the beneficiaries, but also those who give (volunteers). Thirdly, volunteering, despite being an activity that generally practiced by individual or a small group, can show the actual "bottom-up" way of spreading. The idea, which is developed by several people, can later attract attention of huge multinational corporation which will develop its social responsibility policy towards

the proposed line. Therefore, volunteering can be perceived as one of the major motivators of civil society.

Cooperation and project culture are the two other important elements of social innovation enablers as mostly delivered as a voluntary action under the scope of social entrepreneurship.

As the social problems differ from country to country, it was decided to modify the ecosystem structure for the target countries of this research. Turkey and Russia were chosen for the detailed research and the modification of the optimal social innovation ecosystem as, first of all, both of them are developing countries that lack entrepreneurs and innovative leaders. But what is even more important, both of the countries have a sharp need in social innovation due to huge social gap and problems of social inclusion. Therefore, it is proposed that the situation may be improved by the application of social innovation that can contribute to the development and growth of Turkey and Russia.

For the modification of the proposed social innovation ecosystem a third research is used. Local social innovation ecosystems are built not only on index indicators but also on cluster analysis of Fritz and Koch, conducted in 2014. Fritz and Koch (2014) apply cluster analysis. This statistical method is used to classify elements (for this research, countries) according to similar characteristics for which information is provided (for this research, indicators on prosperity). The total of five clusters was formed by the authors. Turkey and Russia belong to the different clusters. The results of cluster analysis conducted by Ritz and Koch (2014) support the results, which were received while analyzing the indexes.

3.2 Modeling social innovation ecosystem for Turkey

According to the recent World Bank Group – Turkey Partnership: Country Program Snapshot (2015) Turkey can serve as a case study for other emerging markets as it has many remarkable achievements. In 2001 Turkey was in deep economic crises, which afterwards provided the necessary background for the comprehensive macroeconomic and structural reform program. Since that time Turkey managed to triple its nominal GDP. The second incentives for the GDP growth was the European Union accession negotiations which started in 2005. Nowadays, in terms of GDP per capita, which is equal to US$ 10,500, Turkey belongs to the group of upper-middle income countries. Turkey is among the 20 largest economies in the world, which makes it a member of G20, and a member of the OECD.

In 2013–14 a number of consequential negative events took place in Turkey that led to the weakening of private demand. Among those events election-related uncertainties, geopolitical developments and corruption scandals can be named. The stable economic growth (4.2% in 2013) was followed by a considerable decrease of 2.9% in 2014. Furthermore, Turkey, as well as other emerging markets, went through significant currency and financial market volatility since 2013.

The World Bank (2015) advises the measures that would boost the hidden potential of Turkey. Turkey is a very promising country due to its considerable human capital that consist of a young and active population, gradually improving public services, a large domestic market, and a strategic location, complimented with strong infrastructure. Hence, foreign investors still consider Turkey being unpredictable and lacking transparency in the business environment and weak trust to key institutions. Nevertheless, according to the World Bank (2015), structural

reforms may improve institutional trust. There are several factors which are needed to improve productivity and accommodation of the labor force. Those are an increase investments in innovation and education sectors.

Fritz and Koch (2014) positions Turkey to the first cluster, which also includes consists of the Latin American. The cluster can be characterized in the following way. The cluster shows best results in terms of the CO2 emissions per capita and the ecological footprint, however when the economy of this cluster becomes more competitive the worsening of this indicators is expected. In terms of the economic development and living standards, achieved with relatively similar with other clusters unemployment rates, the cluster scores the lowest. The very low degree of social inclusion is tracked through the high GINI and homicide rates. This facts demonstrates potential challenges that Turkey, together with other countries of this cluster, may face while integrating into the global economy (Svampa, 2013). Relying on the presented information, the main challenge can be summarized as developing social inclusion while maintaining the positive ecological performance (Fritz & Koch, 2014).

Relying on the Turkey scores in the previously determined social innovation indicators (see Appendix D), those with the lowest scores have been chosen for the further research and composed the social innovation ecosystem factors for Turkey shown on Figure 2.

SPI web-site provides information on the alerting low levels of scores in various domains. For Turkey the lowest score refers to Foundations of Well-being domain that refer to access to knowledge, access to information and communication, health and wellness, ecosystem sustainability.

For GII components, only those have been selected that scored lower than 40 points, the score level that the majority of developing countries are at. After the process of data evaluation only Human Capital and Research (education, tertiary education, research and development), Infrastructure (ICTs, general infrastructure, ecological sustainability), Business Sophistication (knowledge workers, innovation linkages, knowledge absorption) and Knowledge & Technology Outputs (knowledge creation, knowledge impact, knowledge diffusion) have been selected for the further precise research.

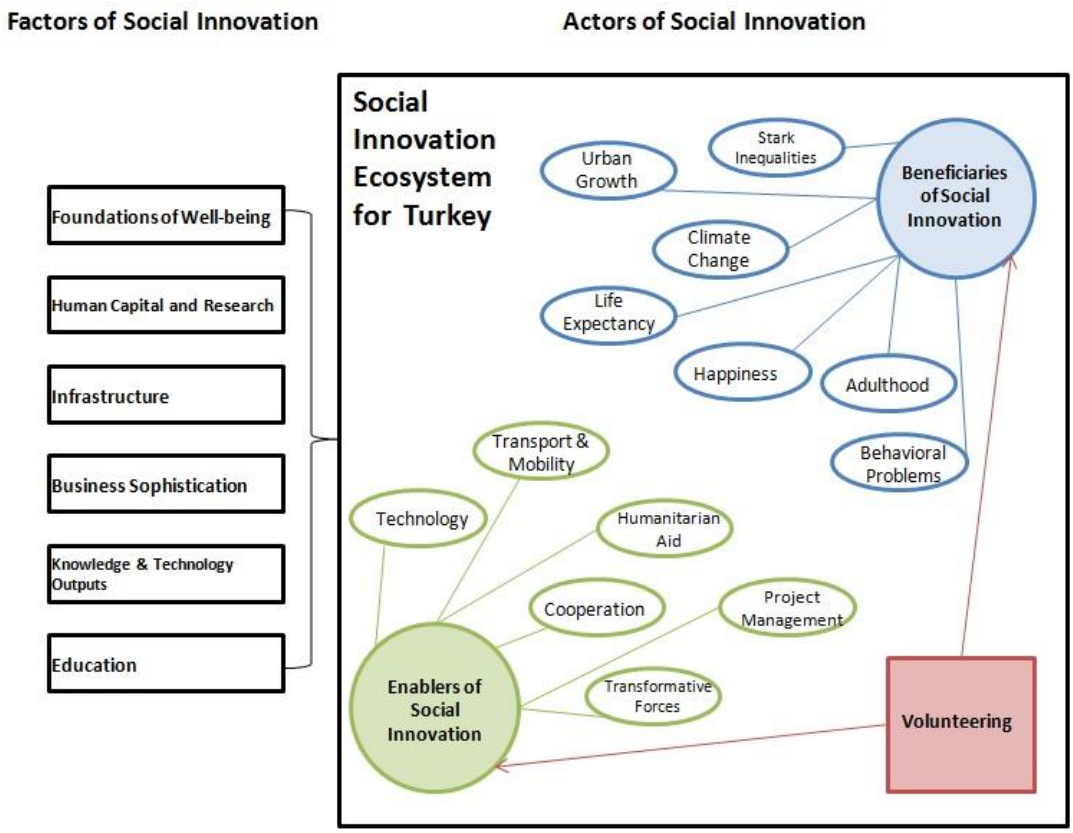

Fig. 2. Social innovation ecosystem for Turkey.

The lowest scores for the Health and Education domains of the Legatum Prosperity Index support the above described selection of the indicators of GII and SPI, proving that the Education domain in Turkey lacks development.

In general, the results of the precise analysis of indicator's components support the above presented conclusion of Fritz and Koch (2014) that Turkey has very low level of social inclusion, that can be tracked through the education domains of all indexes, and civic participation. By fighting the cause of social inequality the country may improve its scores concerning economic development and material living standards. However, it should be mentioned that though the determined factors of social innovation have alarmingly low levels, components of indicators with higher scores can be used to identify areas of potential application of social innovation later on.

3.3 Modeling social innovation ecosystem for Russia

According to the latest World Bank country Snapshot published in October 2014, the economy of Russia is in the phase of stagnation. The signs of recession, which were evident in the first half of the year, were further adjusted by the slight growth close to zero. The stagnation can be tracked from 2013, as structural problems led to weak consumer and business sentiments. As a result, the growth of Russian economy decreased to 1.3 percent from 3.4 percent in 2012. The first half of 2014 was remarkable in a negative way due to the increased geopolitical risks which resulted in mutual sanctions that brought the economy down. Those changes influenced the Russian economy through three channels. First of all, the volatility on the exchange rate increased that came along with the considerable and quick depreciation of the Russian ruble. Secondly, the situation worsened due to the limited access to international financial markets for banks and non-financial corporations. Thirdly, consumer as well as business confidence regarding the growth prospects was suppressed. Relying on the analysis, provided by the World Bank, the economic depression is going to continue in 2015-2016. Nevertheless, for now, in Russia GDP

per capita is reported to be US$14,600, which brings the country to the high income non-OECD countries.

Taking into consideration present political climate, the main predictions are connected with heightened geopolitical risks and policy uncertainty. Though global demand is predicted to stay unchanged and oil prices are projected to volatile around US$100/bbl, there are still a number of major challenges that require more precise examination. Firstly, the economic recession taking place second consecutive year, leading to the increased household debt burdens and high inflation rates, combined with high uncertainty, are predicted to negatively influence consumer demand, which is believed to be the main source of growth for Russia. Secondly, though import substitution is being massively promoted as a new direction for the local business, without major structural reforms implemented a very moderate impact of this measure is predicted. The projection of a slower investment demand recovery (compared to previous estimates) can be considered as a supporting evidence for this point of view.

Meanwhile, Russian labor market can be described the tight one, unemployment rate stays low for years and the demand for labor remained essentially the same. The seasonally adjusted unemployment rate has positive dynamic and showed steady improvement from 5.6 % in 2013 to 5.3 % in the first half of 2014.

Fritz and Koch (2014) in their country analysis, assign Russia to the smallest in terms of number of countries (just Russia and China) but the most significant in terms of population and position in the global market. Characterizing this cluster, academicians stick to the opinion that those countries have comparatively lowest

development level, while having the highest growth rates. The countries of this cluster are also distinguished by high CO2 emissions. This fact is supplemented by the drastic situation in subjective and objective quality of life indicators. Relying on the evidence, the authors state that social inclusion indicators reveal high inequality and inconsiderable opportunities for civic participation. Despite Russia and China having weakly developed economies, the cluster features not only potential for further economic development but also huge potential for prosperity (Fritz & Koch, 2014).

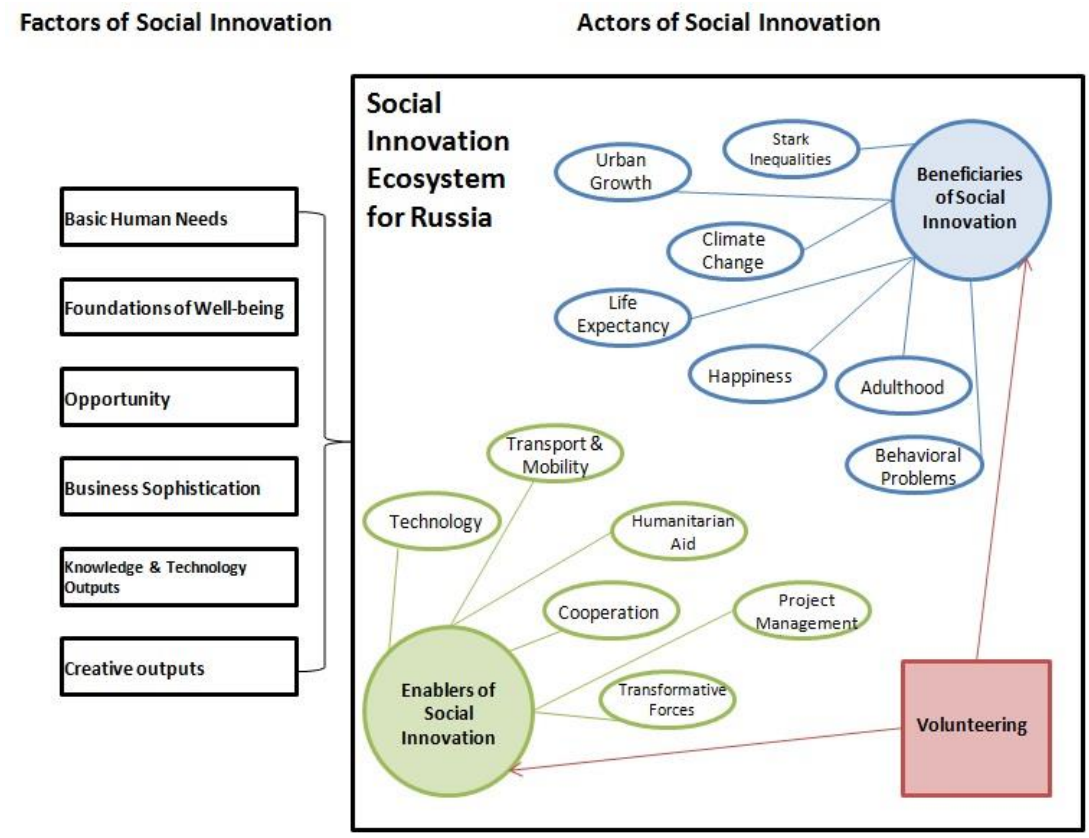

Fig. 3. Social innovation ecosystem for Russia.

As well as for Turkey, relying on the Russia scores in the previously determined social innovation indicators (see Appendix D), those with the lowest scores were chosen for the further research and the social innovation ecosystem was formed as it is presented on Figure 3.

In SPI Russia scores lower in all three domains, than do countries with the similar level of GDP. Those include Basic Human Needs (nutrition and basic medical care, water and sanitation, shelter, personal safety), Foundations of Well-being (access to basic knowledge, access to information and communication, health and wellness, ecosystem sustainability) and Opportunity (personal rights, personal freedom and choice, tolerance and inclusion, access to advanced education).

However, in GII the situation is opposite and Russia has much better scores, though still lacking development in the following domains its components: Business sophistication (knowledge workers, innovation linkages, knowledge absorption), Knowledge & Technology outputs (knowledge creation, knowledge impact, knowledge diffusion) and Creative Outputs (intangible assets, creative goods and services, online creativity).

Despite the incredible low score in SPI, Russia does not have any alerting issues concerning Health and Education relying on the information provided by the Legatum Prosperity Index.

In the case of index's components analysis for Russia, the results support those of Fritz and Koch (2014) cluster analysis. The point of controversy between the highest growth rates and comparatively lowest level of economic development is supported by the low levels of GII Output indicator scores, both for Knowledge & Technology and Creative outputs.

The authors' statement concerning the high inequality and small possibilities for civic participation is supported by dramatically low scores in all domains of SPI

due to very weak social inclusion. All of it results in above mentioned the worst subjective and objective quality of life.

Relying on the conducted analysis which was based on the research of Fritz and Koch (2014) and indicators of well-being, it can be stated that, though belonging to different clusters, Turkey and Russia have a common problem of weak social inclusion, which is later followed by consequential problems in economic development. In the current research, it is proposed that social inclusion problem can be solved through application of social innovation which can be spread through volunteering. To support this hypothesis case studies, both from Turkey and Russia, are following.

CHAPTER 4

METHODOLOGY: CASE STUDY

4.1 Methodology

The qualitative case study is described by Baxter and Jack (2008) as following:

> an approach to research that facilitates exploration of a phenomenon within its context using a variety of data sources. This ensures that the issue is not explored through one lens, but rather a variety of lenses which allows for multiple facets of the phenomenon to be revealed and understood. (p. 544)

There are two key approaches that guide case study methodology. The first one was presented by Robert Stake in 1995. The second one was described by Robert Yin in 2003and updated in 2006. Both of the approaches try to provide the necessary guidelines to ensure that the various aspects of the explored topic are covered, and that the essence of the phenomenon is revealed.

According to Yin (1984) as a research method, the case study is "used in many situations to contribute to our knowledge of individual, group, organizational, social, political, and related phenomena" (p. 1). Due to its broad area of application, the case study has been a generally used as a research methodology in psychology, sociology, political science, social work (Gilgun, 1994), business (Ghauri & Gronhaug, 2002), community planning and economics. Application of the case study methodology is particular interesting in economics, as it allows to investigate a particular industry, city or region in a certain context and understand a complex phenomena.

Classification of the definitions of case studies was a topic of interest for many scholars. For instance, according to Schramm (1971) the essence of a case study is a decision or a set of decisions. Therefore the definition is aimed to cite the

topic of such decision answering the following questions: why they were taken, how they were implemented, and with what result.

Yin (2003), in his turn, proposed the situations, when a case study is believed to be most appropriate methodology. The first condition refers to the type of questions the study is aiming to answer. To use the case study methodology the focus of the study is supposed to be answering “how” and “why” questions. Secondly, to use the case study methodology, the researcher is prohibited to manipulate the behavior of those involved in the study. Thirdly, the coverage of the contextual conditions, relevant to the phenomenon under the study, needs to be covered. Lastly, the case study methodology is to be used if the boundaries between the phenomenon and context are unclear.

Stake (1995) and Yin (2003) point out the importance of the one’s perspective, therefore it can be stated that they base their approach to case study on a constructivist paradigm. This paradigm “recognizes the importance of the subjective human creation of meaning, but doesn’t reject outright some notion of objectivity. Pluralism, not relativism, is stressed with focus on the circular dynamic tension of subject and object” (Miller & Crabtree, 1999, p. 10).

However, several authors including Yin (2003) and Stake (1995) believe that boundaries are to be set to avoid subjectivism while using the case study methodology. To bind the scope of the case study the following boundaries can be set: (1) time and place (Creswell, 2003); (2) time and activity (Stake); and (3) definition and context (Miles & Huberman, 1994).

Stake (1995) ad Yin (2003) use various terms to describe a diversity of case studies. Yin (2003) categorizes case studies as explanatory, exploratory, or descriptive. Stake (1995) identifies case studies as intrinsic, instrumental, or collective (see Appendix C).

In the present research explanatory cases are used to discover linkages between social innovation program implementations of NGOs on social inclusion and the program effects in Turkey and Russia's societies respectively. The particular foundations were chosen to a number of reasons. First of all, these foundations are the ones of not so many that actually using the words "social innovation" while setting their goals and promoting their projects. Secondly, they are corporate and provide open regular reports to their trustees and public, so the actions and progress can be tracked. Thirdly, the foundations run the projects with very high number of beneficiaries and thanks to it manage to gain extra publicity, so those are the foundations which are well-known to an average person. Lastly, both of the foundations covered by the case studies provide their help to deprived social layers with a help of volunteers, that presents special interest for this research. All the information used for the case construction is extracted from the official web-sites and reports of the foundations.

4.2 Turkey: The Dreams Academy

According to European Commission (2014) Turkey's economic climate provides complicated environment for innovators. Though, Turkey is a rapidly developing country with dynamic economy, and the largest national economy in Central and Eastern Europe, nowadays it can be characterized as a mix of modern industry and a traditional agriculture sector that provides 30% of working places (Sozmen & Tutal,

2015). The government participation is still quite high in key sectors of industry, banking, transport and communication. Yet, Turkey has a strong, rapidly growing and active private sector. The term social innovation has recently gained popularity in Turkey, mostly due to the support of a limited number of NGOs and private sector organizations (Sozmen & Tutal, 2015) which reached broad audience by marketing their activities properly.

Sozmen and Tutal (2015) in the report for European Commission point out that despite rough economic climate and uneasy political situation, social innovators in Turkey are trying to establish their activity to address a range of social problems. Those social problems include education, social inequality, unempoyment and a marginalizing approach to disabled people, who, relying on the latest reports constitute 12% of the population.

Sozmen (2011) reminds to the readers that Turkey is a signer to the UN Disability Convention. It means, that Turkey is obligated to find solutions for the country's disabled population. As it was previously mentioned, social projects are mainly supported by the enthusiasm of private sector and foundations. In Turkey a majority of private sector organizations, including the UNDP and Vodafone Foundation Turkey yearly allocate budget for social innovations and social projects (Sozmen & Tutal, 2015). Currently, the privately companies, that allocate their funds to NGOs, are the most important financial sponsors for social innovation projects. However, presently a lack of statistical data, official information and documents on the related issue is identified. Sozmen (2011) assumes that the reason for this is the small number of a public addressees in Turkey.

Probably the best example of social organizations in Turkey is Alternative Life Association (AYDER) which is, according to its web-site, “a non-governmental organization with the purpose of increasing awareness of the needs of socially and physically disadvantaged people, and easing their integration into social life” (http://www.ayder.org.tr/en). AYDER also manages its activities in the way to facilitate partnerships among disadvantaged groups with governments, local authorities and the private sector.

AYDER has produced a number of social innovation projects, which are believed to be self-sustaining (Jarett, 2015). Relying on European Commission (2014), the Dreams Academy is the latest in a series of projects that provide “alternative” solutions for active involvement of people with disabilities in society. In the Dreams Academy cultural and artistic training is provided free of charge for the disabled and socially disadvantaged young people. Up to date, 70% of people with a disability in Turkey are reported to be supported by the Dreams Academy (Jarett, 2015). Furthermore, the Dreams Academy activities have considerable impact on the ones beyond its target audience. The Dreams Academy has a strong political impact and manage to influence legislation around employment, education, sports and tourism. Jarett (2015) mentions probably the most ambitious legislative initiative of the Dream Academy. The project is currently preparing “10 basic principles of a barrier free life Turkey”, a declaration which is to be signed by public and private sector organizations as a commitment to the integration of disabled people.

The Dreams Academy promotes a unique for Turkey model of equal participation opportunities with an “art for everyone” approach, providing training

opportunities in different branches of art for the disabled and socially disadvantaged individuals. The Dreams Academy project is composed of art studios, which provide numerous programs, such as vocal, rhythm, dance, photography, DJ, instrument, painting and design. Various workshops like personality development and motivation can be organized as well. The distinguishing point of the Dreams Academy is that a special importance is given to the fact that after the completion of a program or workshop trainings for the disabled and socially disadvantaged participants, the graduates are provided with an opportunity to get jobs on the respective branches.

To bring social inclusion concept to the highest possible point of its development at least within the scope of the Dreams Academy and spread the information through the society, several well-marketed projects are run nowadays.

They include:

1. Social Inclusion Brand. The essence of this project is bringing together the artists from all around the world and the Dreams Academy rhythm workshop students to arrange a series of additional workshops and concerts. Among the organizers of such events are such companies as Efes, Coca Cola and Akbank.
2. Dreams Academy Society of the Spectacle. Thanks to this project students of the Dreams Academy drama workshop have an opportunity to take part in a play full of theatre and dance.
3. Dreams Academy Production Studios. The project can be seen as the next stage of the Dreams Academy workshops, as it helps graduate students to apply their new acquired knowledge providing them with freelance jobs.

It can be noticed from the examples, that the Dreams Academy provide not only participation in various activities within the center but also gives special importance to the employment of their students. The Dreams Academy is the first complete model implementation of the “universal design for everyone” period in Turkey.

The Dreams Academy is addressing several weak points of Turkey at the same time. As it was concluded in the Chapter 3, Turkey has very low level of social inclusion (Fritz & Koch, 2014), that can be tracked through the education domains of all indexes. The Dreams Academy educate those, who are not accepted by the traditional system, and provide them with further employment, not only making the graduates included in the society, but also promoting their abilities in the society, in this way creating real social inclusion.

4.3 Russia: Naked Heart Foundation

According to Mosley et al. (2004) the region of Central and Eastern Europe and Russia, since the Soviet Union collapsed that is almost 25 years by now, has been undergoing a process of difficult transition from centrally planned to free-market economy. For the majority of countries the transition did not pass smoothly and each country faced certain problems. During all that time, informal social groups, previously called “third sector”, played crucial, essential role in different aspects, from poverty reduction to the complicated process of democratization.

Mau (2012) sticks to a point that development of human capital may enable Russia to achieve economic growth. However, to facilitate the human capital development structural reforms in education, healthcare and pensions are required.

Those reforms should correlate with major trends in service provision and therefore facilitate the increasing role of individual choice and satisfy the need to deliver lifelong learning and healthcare.

Developing human capital is a complex process, consequences of which can be grouped in two sets. The first set refers to the need of discovering a way for additional budget resources allocation. Mau (2012) provides the statistics that in compresence with the average OECD country, Russia presently spends approximately twice less on education. The situation with healthcare is also far from the level of the average OECD country, as the Russian spending on this sector is 3 to 4 times less as a percentage of GDP. The second consequence of the policies aimed on the human capital development refers to structural reforms (Mau, 2012), due to the fact that the quality of the services provided in the education and healthcare sectors mostly depends on the improvements in how those systems operate.

Mosley et al. (2004) point out that the economic productivity of social institutions is usually achieved with an impact of social capital. The World Bank defines this (2000) as “the ability of individuals to increase their well-being through involvement in social networks”. Many studies, such as study of Northern and Southern Italy, conducted by Putnam in 1993, and several cross-country econometric studies of Temple and Johnson (1998), provide an evidence that the return on social capital can actually be very significant. However, academic debate, while acknowledging the importance of social capital, reveals the significance of altruism and reciprocal obligation within communities, rather than only the pursuit of individual gain (Bowles & Gintis, 2002).

Even though nowadays the importance of social capital is widely accepted, there is still no compromise on the optimal strategy of its development (Mosley et al., 2004). In the conditions of high poverty in Russian regions, social capital not only cannot be created but what is even worse social exclusion begins from the early childhood, disregarding the physical or mental abilities of the child, but relaying solely on the poverty. To fight the problems low social inclusion and lack of decent development during childhood in 2004 Natalia Vodianova set up Naked Heart Foundation. The famous top model founded the charity foundation with an aim of constructing modern play parks in urban areas of Russia. By 2013 the area of coverage was 103 cities and town in Russia, in which 136 accessible play parks were built. Location of the play parks is determined by the level of need that is why those are constructed also at orphanages, children's hospitals and rehabilitation centers. The projects of Naked Heart Foundation are one of the biggest in Russia in terms of the geographical coverage and number of recipients. Just in one year, the foundation builds an average of 20 play parks and 10 playgrounds which benefits 80,000 children living in the disadvantaged areas.

The official web-site of the Foundation provides quite realistic summary of the conditions for child development in Russia (http://www.nakedheart.org/en/). It is stated that though now playing facilities are taking for granted, children in many developing countries, including Russia, do not have an opportunity to use them. The major reason for this is poverty. Talking about Russia, living conditions of an average Russian family do not provide a child with an access to play. Naked Heart Foundation point out benefits of playing as following: "It is playing that helps children to get to know the world, to develop their imagination, creative thinking, physical form and confidence. It is playing that helps children to gain

communication skills, to learn to make friends regardless of age, status and physical capacities". Their statement is supported by a famous psychiatrist Stuart Brown (2009) is sure that violence and despair can be eliminated by playing and instead stamina and positive thinking can be developed. Naked Heart Foundation state though they do not have an opportunity to help the families to fight the poverty, but the foundation can provide children form those families with exciting and safe outdoor play facilities.

The major project of Naked Heart Foundation is "Play with purpose" program which goals is to provide the Russian regions in need with playing space. The web-site of Naked Heart Foundation provides detailed information on rules of participation. According to the information provided by the foundation, the potential participants of the "Play with Purpose" should go through the standard application procedures. The range of the potential applicants is quite broad and consists of district and city councils, municipal parks and specialized child care institutions such as orphanages, social rehabilitation centers, etc.

To be eligible to receive support from the foundation, an applicant should meet several requirements. First of all the applicant should prove the necessity of building the play complex. The necessity is proved by providing the documents that depict the state of the region. The list of documents provided on the web-site of the foundation is the following: "the economic conditions of a town and a region, and the financial resources of a local government; the general and children population size, the need of inclusive playgrounds ; the availability, quantity and condition of play parks and playgrounds".

The second requirement to be met is the land assignment for the purpose of building a play unit. This factor is crucial as the foundation needs the granted access to the land because it does not engage in land transactions with the applicant. To minimize the risks of the foundation, the applicant must verify the property ownership or the long lease of the land.

The third factor, which is probably the most important for the final recipient of the help (in this case: children), is the facilities to maintain the playground. Up to the works completion, Naked Heart Foundation signs an “Agreement for the Graduations use of the Play Facility” with the applicant that specifies the applicants obligation to clean, maintain and provide security of the playground. After the process is completed, the ownership of the object is transferred to the applicant.

The design of the play facilities, arranged by Naked Heart Foundation, responds to the special needs of the local community. The constructed playground aims to satisfy needs and provide equality to the children with disabilities. Therefore the playground should provide conditions not only for physical development but also for mental readiness for social inclusion.

Later on, Naked Heart Foundation monitors the play park on a regular basis. This is done to insure that the conditions of an agreement are met and a decent maintenance and security measures are provided. The control also includes collecting feedback from the target audience (parents, children and local children’s organizations) on misuse or damage to the play facility. If a play facility is not used or maintained properly, so the conditions of the agreement are not met, the foundation reserves the right to relocate the play park.

Last several years, Naked Heart Foundation spread the area of its influence for the “Play with Purpose” program. Though the majority of the recipients are still located in Russia, the foundation also built play facilities abroad. Among them: 1) A playground in Simferopol (Ukraine) opened in early 2012; 2) three playgrounds in UK opened in Greenwich, Glasgow (2011) and Liverpool (2013); 3) Play park in Gagra, Abkhazia (2013).

Though the “Play with Purpose” program is the core activity of Naked Heart Foundation, they initialized the development of a new program called Every Child Deserves a Family in 2011. The foundation believes that the positive environment of a family facilitates the development of a child. Developing this idea, Naked Heart Foundation developed 18 projects in Russia, including a Family Support Centre in Nizhny Novgorod, the first ever “play library”, set up in the Tula Region, continuing sponsorship of the publishing and legal departments of the Centre for Curative Pedagogics (CCP) in Moscow and Summer and Autumn camps for children with special needs and their parents in the Tver, Tula and Orenburg regions.

4.4 Findings

It was noticed by the European Parliament (2013) that social partners and civil society organizations play a crucial role in fighting social exclusion, unemployment and poverty. Following this logic, it can be concluded that the involvement of the social partners and civil society organizations in mutual learning and in the development, implementation and dissemination of new policies should be applied. Though nowadays it is hardly practiced in developing countries, the discussed cases provide an evidence for positive tendency towards collaboration for the sake of creating an inclusive society.

The case of the Dreams Academy shows process of solving several vital problems of the modern Turkey. The project not only provides classes, camps facilities, etc. for the disabled people to promote social inclusion and increase their participation in education and social life, but also fights one more important problem which is unemployment. After graduation from the Dreams Academy, its students are employed according to the abilities and knowledge they gained while studying. Luckily, the project grew up from the one being established on the volunteer basis solely and now gained support from the several municipalities.

The case study for Russia emphasized the fact the matter of social inclusion is much deeper there, than, for example, in Turkey, as the NGOs have to fight for the social inclusion of poor and solve the problems instead of the government. Naked Heart Foundation is a great example of organization which is trying to provide the children of poor regions with a decent background for development at least while playing. The campaigns run by Naked Heart Foundation (see Appendix E) can serve as a great example of how voluntary actions of people in different countries, with different incomes and different opportunities to help can be united for the facilitation of spreading such simple social innovation as inclusive playgrounds.

Both of the discussed cases despite having differences definitely have the one thing in common – both of them were initiated and operate with a help of volunteers, in this way supporting the proposed ecosystem which included volunteering as a novel enabler of social innovation.

CHAPTER 5

POLICY RECOMMENDATIONS

5.1 Intellectual debate of policy making recommendations

Rittel and Webber's (1973) conducted the analysis, which enabled them to formulate the argument that the majority of solutions for the public policies problems are to fail due to the fact that they can be referred as "wicked problems". That kind of problems is defined by Bache et al. (2015) as the ones "which are by their nature difficult to define and for which there are no definitive and objective answers" (p. 2). Therefore, due to the lack of clarity, as an essential characteristic of the wicked problems, traditional solutions cannot be applied. Bache et al. (2015) suggest that promoting happiness and well-being can be considered to be a complex wicked problem due to the multidimensional nature of the concepts.

The growing interest to the topic and debate on the well-being, according to Bache et al. (2015), came a point, when the community questions to which extent the government can influence the well-being of the citizens. Following the debate, the increasing recognition of the fact that applied policies, which rely on the GDP as a measure of well-being, are unable to produce desirable outcomes (Cobb et al., 1995; Easterlin, 1973). This recognition served as a motive for developing alternative or complementary multi-dimensional measures of progress (UNDP, 1990; Sen, 1999; Anand et al., 2009).

Four dilemmas regarding the well-being, its measurement and policy application were identified during the research initiated by Bache et al. (2015). These dilemmas provide an evidence that the question on the agenda ca be related to the

wicked problems, but the measurement part of the question is less wicked than the one concerning the policy.

The first dilemma refers to the reliability. The academicians assume that well-being cannot be measured objectively and therefore cannot be used for public policy purposes. Bache et al. (2015) believe that the issue cannot be referred in this case as "subjective versus objective" measures. Talking about well-being there are no one who could be actually objective in design or application, therefore there are only "more" and "less" subjective measures. That is why the data collected on the well-being should not be used for the policy making with a purpose of providing solutions for the wicked problem, but rather be used to facilitate a deeper understanding of the issue.

The second dilemma is responsibility of those, who are in charge of promoting well-being. Bache et al. (2015) claims that government may be not the most appropriate and effective body to promote well-being. The researches mention that the current focus of the global debate on well-being can be used by the politicians as a rhetorical shift from the old and difficult to improve indicators to the set of the new ones. Bache et al. (2015) stick to a point that, assuming well-being to be a wicked problem, the government cannot be considered to be the one to find the solution to the problem, as by the definition the problem cannot be solved, but the government definitely may still play a certain role. According to this viewpoint, the government should be rather seen as the part of the wicked problem, as it may have an impact on the domains of well-being and therefore being involved in creating the response.

The third dilemma mentions the issue of distrust, so that the politicians may manipulate the data and therefore the well-being data will not be trustworthy. Bache et al. (2015) suggest that the politicians are going to use the data to promote self-interest but not for the democratic and public good.

Addressing the last dilemma Bache et al. (2015) point out that in pursuit of improving the well-being indicators the government may neglect solving other issues (e.g. economic) and desirable political goals.

Considering well-being as a wicked problem points out the multidimensional nature of the issue and reveals the difference between subjective happiness and well-being. Nowadays global issues of objective well-being health, better housing, improved nutrition, help for the aging, greater financial security, less environmental damage (Poret & Kramer, 2011). To create the shared value the societal needs are to be identified as well as benefits and possible risks. At the same it must be taken into account that nowadays the environment is not static and continuously changes as the technologies and economy develop and priorities of the societies shift.

Bache et al. (2015) point out that understanding well-being as a wicked problem emphasizes that the issues under discussion mostly consider value choices and political action: "…in the pursuit of a wicked planning problem, a host of potential solutions arise…It is then a matter of judgment whether one should try to enlarge the available set or not. And it is, of course, a matter of judgment which of these solutions should be pursued and implemented" (Rittel & Weber 1973, p. 164).

One of the solutions for the developing of social innovations can be creation of clusters. Poret and Kramer (2011) defined clusters as units that incorporate

businesses as well as institutions. The institutions include academic programs, trade associations, and standards organizations. The clusters serve not only the creation of the target product, such as social innovation, but also create the broader public assets in the surrounding community.

Poret and Kramer (2011) claim that establishing clusters for social innovation may create benefit not only to direct recipients of support but also have spill-over effect in this way creating shared value. The concept of shared value is defined by Porter and Kramer (2011) as “policies and operating practices that enhance the competitiveness while simultaneously advancing the economic and social conditions in the communities in which it operates” (p. 2). They accept that markets are defined not only by economic but also societal needs. Therefore, shared value refers to the expanding the total pool of economic and social value but not to the personal value.

As an example Porter and Kramer (2011) provide the following chain of actions. Creation of new products and services, that respond social needs, will require new value chain choices (e.g. production, marketing, and distribution). Those newly created value chains are to be supported by the involvement of higher number of employees and create demand for equipment and therefore boos employment and production. In this way not only disadvantaged groups of society will receive the required support but the society is going to win is a whole.

Meanwhile, Conklin (2005) proposes that the first step in dealing with a wicked problem is “to recognize its nature” (p. 9). And it must be noticed that the best policy makers to that concern are the one of the developed countries (the EU and OECD), therefore their practice in terms of social innovation is considered to be an example to the developing countries, such as Turkey and Russia.

Many actors and institutions are involved at each stage in the policy-making process. While some bodies, engaged in the policy making, may influence throughout the policy cycle, others may do it only on the certain stages. Policy-making actors can be divided into two groups: institutional and non-institutional actors. Members of the formal government (the executive, the legislative, or the judicial branch) are considered to institutional actors. The most obvious examples of institutional actors at the federal level include the president, members of Congress, members of the judiciary, and members of individual bureaucracies. Non-institutional actors are non-governmental actors who can exert a significant amount of influence on the policy-making process as a result of their expertise, knowledge, access, or ability to disseminate large amounts of information to the public, but they do so without formal institutional credentials. Their level of success or influence in the policy process is often determined by the degree of their involvement within the various stages of the policy cycle. The most obvious examples of non-institutional actors include interest groups, lobbyists, the media, think tanks, and to some extent the general public.

Nowadays, policy actors and therefore the instruments used vary greatly from developing to developed countries. While developed countries came to point when their actions in terms of social innovation and social inclusion are determined by institutional actors and have governmental instruments which are supported by strong legal, political and financial framework, the developing ones are on the stage of introduction of social innovation by the non-institutional actors. In this way, we face a contradiction which can be described as a situation of absolute need in social innovation but at the same time lack of support from the institutional actors and therefore governmental instruments.

The situation in the developing countries can be described by the state and business keeping the dominant roles in policy making and the community having various roles in participation and motivation process (Hai, 2013). For the formulation of policy recommendations for developing countries, in this research Turkey and Russia, it is necessary to examine those of the developed countries to provide a better benchmarking. The experiences of OECD and EU are provided below.

5.2 OECD experience

The OECD is close to this extent to the EU in terms of setting goals from the "top". According to recommendations concerning social innovation (Noya, 2010) the governmental support is needed to develop research in social innovation. To clearly define social innovation more work is needed. The understanding of the key elements, components and conditions can help to design and develop social innovation.

Noya (2010), representing the OECD's view, recommends to establish innovation funds that can facilitate fostering of social innovation as dedicated funds are needed for development. These could be dedicated to specific fields where social innovation should happen (or to support experiments and models at national and regional levels).

Noya (2010), following the logic of OECD, emphasizes the need for creating incubators for social innovations, that is going to facilitate the creation of intermediaries. The aim of the created intermediaries is to connect social demand with the supply of social innovations. The above mentioned incubators can be considered as an intermediary as it plays a critical role in spreading social

innovations. The incubators act in the interest of a social enterprise, bringing together the skills and expertise and providing a space to experiment and assess new ideas in practice. The created incubators enable fast learning across a community of innovators and establish patterns for creation of the most promising models. The intermediaries play a crucial role as its absence is a key reason for the failure of innovations. To provide a synergy effect the intermediaries' action should be spread across state, private and social sectors.

Following the logic of shared value, OECD set its goals not only to create the background necessary for spreading social innovation but also for the afterward actions. It is recommended to the member states to evaluate the impact of social innovation in selected areas. The evaluation requires work on accountability, and the identification of quantitative and qualitative measurement tools.

5.3 EU experience

Relying on the EU experience, the nexus between policy, social innovation, and the third sector is most evident on policy level in the two flagship initiatives, the Innovation Union and the European Platform against Poverty and Social Exclusion which are developed, organized and directed by different EU bodies (Eriksson, M., Einarsson, T. & Wijkström, F. 2014). Moreover, the EU offers funding for social innovation through the Employment and Social Innovation Program (EaSI) and supports relevant research through Horizon 2020 – The EU Framework Program for Research and Innovation (European Commission, 2011).

By the official definition the EU regulation on the Employment and Social Innovation (EaSI) program is a "financing instrument at EU level to promote a high

level of quality and sustainable employment, guaranteeing adequate and decent social protection, combating social exclusion and poverty and improving working conditions". EaSI is managed directly by the European Commission. It brings together three EU programs managed separately between 2007 and 2013: PROGRESS, EURES and Progress Microfinance. Since January 2014, these programs form the three axes of EaSI. They support the modernization of:

> employment and social policies with the PROGRESS axis (61% of the total budget); job mobility with the EURES axis (18% of the total budget); access to micro-finance and social entrepreneurship with the Microfinance and Social Entrepreneurship axis (21% of the total budget). The total budget for 2014-2020 is EUR 919,469,000 in 2013 prices. (Article 5)

The Progress axis (Article 14) shall support "the development, implementation, monitoring and evaluation of the Union instruments and policies and which shall promote evidence based policy-making, social innovation and social progress" (Article 3, Paragraph 1, a).

The EURES axis (Article 19) which shall support various activities, included in the program, namely "the specialist services designated by the EEA states and the Swiss Confederation, together with social partners, other employment service providers and other interested parties". The support should include the development of "information exchanges and dissemination and other forms of cooperation, such as cross-border partnerships, to promote voluntary geographical mobility for workers on a fair basis and to contribute to a high level of quality and sustainable employment" (Article 3, Paragraph 1, b).

The Microfinance and Social Entrepreneurship axis (Article 25) includes actions, supporting microfinance for vulnerable groups and micro-enterprises and social entrepreneurship (Article 3, Paragraph 1, c).

The EU's program is highly comprehensive, applicable and motivates for action at least due to the fact that it is supported on the governmental level. The Government provides necessary premises, such as budgeting and legislative basis, to the social innovation actors to bring to life and fight social issues.

5.4 Policy making recommendations for Turkey

There are several challenges that Turkey faces nowadays. The first challenge is increasing the participation of youth and women in the labor market. The World Bank (2015) mentions that although recently a considerable progress was made in the sphere of job creation, nearly a half of the Turkish working-age population does not enter the labor market and the situation is even worse for the female employment, as women account only for the one third of labor force. More than 30% of young population neither work nor attend school, the indicator of inactive young population is the worst among OECD countries.

The second challenge is the law level of schooling which a prevailing characteristic of Turkey's labor force. Relying on the World Bank data, the majority of the work-age population has education of fewer than eight years. Younger workers are better educated and skilled but still lag behind their counterparts in OECD countries.

The third challenge is poverty. The governmental program on the assistance on increasing welfare and fighting poverty has been developed. The budget allocated on this program recently has been increased and accounts for the 1.26% of GDP. However, the number of recipients of this assistance is still quite low and covers approximately 10% of the households in need.

In order to successfully fight the challenges, Turkey have to implement social innovation as all of the above mentioned issues are followed by the social exclusion of huge group of population (women, youth, poor) which results in slower developing of economy. Though the Government is providing partial, mostly not enough, material support for the disadvantaged group of people the actions on preparing of the people for the active societal life are omitted. On that point, the actions are to be taken by the non-institutional actors such as NGOs, funds and volunteers in particular.

By providing support through explaining and demonstrating or just spreading a word about opportunities which can be open when a disadvantaged group of young women, for example, participate actively in working life, the increase in willingness to work or study may be achieved within the group. Additional work places may be created in this way as well, the representatives of the disadvantaged groups may be provided with a work place within the fund, NGO or a partner organization, like it is done in the Dreams Academy.

Following this logic of development and example of the EU policy, a proper support should be given not only to the disadvantaged groups but also to the NGOs. In this way, the improvement may be achieved by contribution of both formal and informal actors and multiplier effect is going to be achieved.

5.5 Policy making recommendations for Russia

In recent years, the indicator of shared value, defined by the World Banks as the measurement of “the average income growth of people in the bottom 40 percent of the income distribution” has considerably worsened as the real income growth of the

defined group of population declined by 7% in less than a decade. This negatively influenced poverty reduction. Apart from that, presently several major challenges can be identified for Russia.

Though women participate in labor quite actively, the first challenge refers to female participation in decision making bodies. In this situation, women lack an opportunity to speak up and influence policy making. The World Bank provides the data that the number of women in the Federation Council has declined by 1.5 in 5 years. The situation is slightly different in the lower house of the parliament (the State Duma) as women refer to approximately 14%, but the number is still very low in compresence with developed countries. The positive change in female engagement in policy making may cause an improvement in such issues as domestic violence.

The second problematic area for Russia is health sector. Russia generally score low on the health indicators compared to the countries on the same stage of development. Nevertheless, programs on fighting such illnesses as tuberculosis proved to be successful and be able to produce a positive change. However, despite the improvement of life expectancy at birth, according to the United Nations Development Program's Human Development Report, from 65.5 to 67.2 years in five years, male life expectancy is still low in comparison to the OECD average.

One of the challenges is increasing expenditures on education, as presently allocating about 4.6 percent of GDP in education Russia stays behind the OECD average of 6.1 percent. The same refers to the share of the overall government budget of Russia allocated to education which is as well less than the amount allocated by an average OECD country. In addition to it, the structure of education spending in

Russia is geared more toward tertiary education, what is not common for the developed countries.

However, though not that much obvious from the outside, but the case of disharmonized development of Russian regions is one of the major problems. According to the World Bank, the regional development is considered to be a challenge for the largest country in the world by land area. The government tries to apply gradual measure to provide comparable quality of social service access all around the country. However, the evidence of moderate success and not wide coverage of such programs can be supported even by the presented case of Naked Heart Foundation, which builds playgrounds in disadvantaged regions.

It can be noticed that the nature of Russian challenges are much into the governmental sphere and cannot be that easily overcome by the participation of non-institutional actors solely. However, the decision to the challenges may be found in improving the situation of women participation in decision making. Originally women tend to pay more attention to the aspects of health and education. While women, thanks to their number in decision making organizations, are able to lobby the interests of disadvantaged ones the improvement in health and education sphere may be achieved.

Nevertheless, such a creative way-out cannot be proposed to harmonize and equalize the development of the regions as the funding comes directly from the Government, therefore the major responsibility is on the formal actors of policy making. However, the same approach which was recommended for Turkey may be applied here as well. By increasing funding and creating legal ground, close to the one existing in the EU, the Government may facilitate actions of such NGOs as

Naked Heart Foundation. But the truth must be faced, in Russia the insufficient social policy, which is coming only from the top disregarding the feedback from the population, should be and can be changed by the application and promotion of social innovation by the Government. The formal actors may follow the paths which the informal ones found and facilitate their actions, in this way the synergy effect may be achieved.

CHAPTER 6

DISCUSSION OF FURTHER RESEARCH: OPPORTUNITIES AND LIMITATIONS

In this thesis by analyzing the academic debate in the field, supporting literature and documents followed by the detailed investigation of indexes and their components, all the previously set aims were achieved. However, there is also a need for defining opportunities and setting limitations for a further research.

Three major opportunities for the further development of the research are defined. First of all, both axis of the research: Beyond GDP approach and social innovation are very new areas for developing countries. The research can be developed by the defining new factors of social innovation ecosystem with a help of further investigation of existing and newly evolving indexes.

Secondly, in the discussed and other developing countries social innovation is a not so long ago born and therefore still developing phenomenon. It was previously stated, that in such countries there is a sharp need in social innovation. Therefore, there is an urge in private sector to provide money for the developing of such foundations and projects. Following the trend, the number of social innovation projects and appropriate cases for the analysis is going to increase.

In the ongoing academic debate on the topic, this research is the first one to propose model for an ecosystem, which provides a common pattern applicable to different countries as long as they are included in the index analysis and therefore suitable and reliable data can be found. The last opportunity refers to the fact that

having this information, further adaptation of the proposed social innovation ecosystem, its factors and actors, can be made.

However, it is fair to mention the existing limitations as well. The first limitation is similar with the first opportunity. Though, conducting the research in the novel area of studies brings particular opportunities, it provides the researcher also with limitations. Due to the novelty of Beyond GDP approach and social innovation for developing countries, the literature in the worldwide web of science is quite limited. For example, working on the case for Russia, it was noticed that there are provided articles of only one author that definitely does not help other researchers to compose an objective picture of the present situation.

Secondly, with regards to the case studies, communication with NGOs and access to data deriving from the NGO led projects cannot be gained easily because usually such projects are led by non-corporate bodies, which do not have formal reporting. In addition to it, the objective picture is worsened further, due to the fact that even if the foundations willing to provide the data, those are generally the "success stories" that while showing the positive sides of delivering social projects hide the information on failures, details and peculiarities of which could facilitate further research.

Third limitation also derives from the novelty of social innovation concept. This creates limitations for the projects as NGOs simply do not know and do not understand what social innovation is. Therefore, social innovation, remaining underestimated, stays underused and does not reach its potential beneficiaries.

The last identified limitation refers to the fact that all the factors of social innovation ecosystem are country-wise. All the analyzed indexes provide data for countries, but the region or city level is not accessible. Taking into consideration this limitation, the proposed optimal social innovation ecosystem may be adjusted only to countries but cannot be used for cities.

Having in mind all the above mentioned opportunities and limitations, the further research is going to stick to the developing and improving the proposed social innovation ecosystem by further analysis of possible factors and actors of social innovation ecosystem. As the novelty of Beyond GDP approach continuously attracts new academicians, the factors list can be updated relying on the recently proposed indexes. The scope of countries, for which the adjusted social innovation ecosystems are used, is going to be broadened and therefore new cases of social innovation application are to be discussed.

CHAPTER 7

CONCLUSION

Concerning the further development of social innovation in developing countries such as Turkey and Russia, relying on the above mentioned theory and practices of the developed countries, the following conclusion can be drawn. Although the actions of NGOs based on the enthusiasm of volunteers is of course helps to decrease the gap between the present situation and how it is ought to be, but following the best available practices of social innovation application it can be stated that the governmental support and centralized plan of action is needed. Only in this way of cooperation and collaboration the huge problems as of social inclusion, poverty and education can be solved. As NESTA (2007) fairly noticed:

> Scaling social innovations, requires "bees" – small organizations, individuals and groups who have new ideas, and are mobile, quick and able to cross pollinate to find big receptive "trees", that is big organizations – such as governments, companies or non- governmental organizations, which are generally poor at creativity but good at implementation and which have the resilience, roots and scale to make things happen. Much social change is a result of a combination of the two. (p. 3)

The actual challenge in this model can be defined as how to connect "bees" and "trees". The key role can be assigned to the intermediaries, which can serve as acknowledgment of a need or demand within society. In response to this acknowledgement the effective supply of necessary solutions can be provided by innovative ideas, which can be transformed into concrete projects. Unfortunately, a considerable shortage of intermediaries who could be the necessary connection is observed as well as the lack of organizations that could put the innovation into practice (NESTA, 2007). This gap is an area to be addressed by policy makers.

This thesis contributed to the current academic debate by discussing social aspect of innovations and its influence of well-being. Three aims were set. The first aim is to identify the potential of "beyond GDP" on social innovation. To achieve this aim, a serious work on literature survey has been done. Several indexes that describe influence of social innovation on well-being were identified.

The second aim of modeling an optimal social innovation ecosystem was achieved by precise analysis of SPI, GII and the Legatum Prosperity Index together with academic papers and official documents of the EU. Upon the completion of analysis the ecosystem was formed and included not only indicators of social innovation, but also beneficiaries and determinants of social innovation. The research conducted for the modeling of ecosystem led to point where it became clear that one more element must be added which is volunteering. Upon the completion of construct of the optimal ecosystem a necessary adjustments were made for the creation of ecosystems suitable for Turkey and Russia.

The last aim of case study analysis for Turkey and Russia which is to be followed by policy recommendations had been set as well. After the modeling of individual social innovation ecosystems and adding volunteering as a vital element of such ecosystem suitable cases were chosen. For Turkey a case of the Dreams Academy, an NGO that provide education for the disabled which is followed by further employment, was analyzed. For Russia a case of Naked Heart Foundation was chosen as this NGO fights two major problems of Russia: social exclusion due to poverty and disharmonized development of regions. The Foundation provides playgrounds in the most disadvantaged areas of Russia in this way giving children an essential element for their development.

The policies to fight the respective challenges were provided as well. Though Turkey and Russia in this study are seen as countries with many similar features, the main of which is extreme lack of social innovation, the policies differ. While the policy recommended for Turkey has a potential to be developed by the informal actors of policy making with a financial support of the government, the policy recommended for Russia assumes stronger support from the Government due to its huge territory and funds needed to cover it.

APPENDIX A

BEYOND GDP INDEXES

Indicator	Type	Units	Domains	Indicators	Explanation	Area Coverage	Temporal Coverage	Web site
Index of Sustainable Economic Welfare (ISEW) and Genuine Progress Indicator (GPI)	GDP modification	$	4	26	Personal Consumption Expenditures weighted by income distribution, with volunteer and household work added and environmental and social costs subtracted.	17 countries, several states and regions	1950-various	http://genuineprogress.net/
Genuine Savings	Income accounts modification	$	3	5	level of saving after depreciation of produced capital; investments in human capital ; depletion of minerals, energy, and forests; and damages from local and global air pollutants are accounted for	140 countries	1970-2008	http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/ENVIRONMENT/EXTEEI/0,,contentMDK:20502388~menuPK:1187778~pagePK:148956~piPK:216618~theSitePK:408050,00.html
Inclusive Wealth Index	Capital accounts modification	$	4	8	Asset wealth including, built, human, and natural resources	20 countries	1990-2008	http://www.ihdp.unu.edu/article/iwr
Australian Unity Well-Being Index	Survey-based index	Index #	14	14	Annual survey of various aspects of well-being and quality of life	Australia	2001-present	http://www.deakin.edu.au/research/acqol/auwbi/index.php
World Values Survey	Survey-based index	Index #	10	100's	Periodic (5 "waves" so far) survey of a broad range of variables. Most used for international comparisons is ranking of "how satisfied are you with your life?" question.	73 countries	1981-2008 intermittent	http://www.wvsevsdb.com
Gallup-Healthways Well-Being Index	Survey-based index	Index #	6	39	Annual survey in six domains: live evaluation, physical health, emotional health, healthy behavior, work environment, and basic assets	50 states in US	2008-present	http://www.well-beingindex.com/
Gross National Happiness	Survey-based index	Index #	9	33	Detailed in-person survey around nine domains: psychological wellbeing, standard of living,	Bhutan	2010	

Indicator	Type	Units	Domains	Indicators	Explanation	Area Coverage	Temporal Coverage	Web site
					governance, health, education, community vitality, cultural diversity, time use, and ecological diversity			
Human Developme nt Index (HDI)	Composite Index	Index #	3	4	Index of GDP/person, spending on health and education, and life expectancy	177 countries	1980-present	http://hdr.undp.org/en/
Happy Planet Index	Composite Index	Index #	3	3	HPI = subjective well being * life expectancy / ecological footprint	153 countries	3 years	http://www.happyplanetindex.org/
Canadian Index of Well-Being	Composite Index	Index #	8	80	Includes community vitality, democratic engagement, education, environment, population, leisure, living standards, and time use	Canada	1994-present	https://uwaterloo.ca/canadian-indexwellbeing/
National Well-Being Index	Composite Index	Index #	5	5	proxies for built, human, natural and social capital with weights based on regression with subjective well-being	56 countries	1 year	
OECD Better Life Index	Composite Index	Index #	11	25	Includes housing, income, jobs community education, environment, civic engagement, health, life satisfaction, safety, and work-life balance	36 OECD countries	1 year	http://www.oecdbetterlifeindex.org
Well-Being of Nations	Composite Index	Index #	20	63	63 indicators in 20 domains weighted and ranked	180 countries	1990-2000	http://sedac.ciesin.columbia.edu/data/set/cesic-wellbeing-of-nations
Sustainable Society Index	Composite Index	Index #	5	22	22 indicators in 5 domains ranked with various weightings	150 countries	2 years	http://www.ssfindex.com/
Global Innovation Index (GII)	Composite Index	Index #	7	81	The core of the GII Report consists of a ranking of world economies' innovation capabilities and results. Over the last seven years, the GII has established	143 countries	2007-present	www.globalinnovationindex.org

Indicator	Type	Units	Domains	Indicators	Explanation	Area Coverage	Temporal Coverage	Web site
					itself as a leading reference on innovation. The Global Innovation Index GII) relies on two sub-indices, the Innovation Input Sub-Index and the Innovation Output Sub-Index, each built around pillars.			
Social Progress Index (SPI)	Composite Index	Index #	3	54	The Social Progress Index offers a rich framework for measuring the multiple dimensions of social progress, benchmarking success, and catalyzing greater human wellbeing.	132 countries	2013-present	http://www.socialprogressimperative.org/
The Legatum Prosperity Index	Composite Index	Index #	8	89	The Legatum Prosperity Index™ offers a unique insight into how prosperity is forming and changing across the world. The Index is distinctive in that it is the only global measurement of prosperity based on both income and wellbeing.	142	2010-present	http://prosperity.com/#!/

APPENDIX B

DEFINITIONS OF SOCIAL INNOVATION

Source	Year	Definition
OECD /LEED Forum on Social Innovations	2000	"The OECD working definition of social innovation implies conceptual, process or product change, organizational change and changes in financing, and can deal with new relationships with stakeholders and territories. 'Social innovation' seeks new answers to social problems by: • identifying and delivering new services that improve the quality of life of individuals and communities; • identifying and implementing new labor market integration processes, new competencies, new jobs, and new forms of participation, as diverse elements that each contribute to improving the position of individuals in the workforce. Social innovations can therefore be seen as dealing with the welfare of individuals and communities, both as consumers and producers. The elements of this welfare are linked with their quality of life and activity. Wherever social innovations appear, they always bring about new references or processes. Social innovation is distinct from economic innovation because it is not about introducing new types of production or exploiting new markets in itself but is about satisfying new needs not provided by the market (even if markets intervene later) or creating new, more satisfactory ways of insertion in terms of giving people a place and a role in production. The key distinction is that social innovation deals with improving the welfare of individuals and community through employment, consumption or participation, its expressed purpose being therefore to provide solutions for individual and community problems."
Centre de recherche sur les innovations sociales (CRISE/UQAM)	2003	"A social innovation is an intervention initiated by social actors to respond to an inspiration, to provide for a need, to benefit from an opportunity to modify social relationships, to transform established patterns of behavior, or to propose new cultural orientations."
Skoll World Forum on Social Entrepreneurship and Social Innovation	2007	Social innovation "can simply be understood as 'new ideas that work which address social or environmental needs'. It may occur as a result of addressing new needs, reframing circumstances to make unmet social needs clear and urgent, or changing organizational structures to grasp new opportunities to add social value. New programs, models, or ways of thinking – sometimes a combination of all three – may be the result. Social innovation is more than just invention. Diffusion or the scale of ideas is an integral part of making its impact effective, as is coordinated action by a wide range of people and organizations spanning social, government and business sectors." (Skoll, in Westall, 2007)
EMES	2007	According to the EMES, social innovation can be seen "As arising from a new kind of entrepreneurship focused on social goals, new products or new qualities of products, new methods of organization and/ or production (often involving different partners and resources), new production factors such as atypical employment and involvement in governance, mixing voluntary and paid employment, as well as new market relations such as the changing welfare mix, or new legal forms such as the social co-operative in Italy which encourages entrepreneurial and commercial dynamics and formalizing multi-

Source	Year	Definition
		stakeholding." (Westall, 2007)
Mulgan et al.	2007	"Innovation is often given complex definitions. We prefer the simple one: 'new ideas that work'. This differentiates innovation from improvement, which implies only incremental change; and from creativity and invention, which are vital to innovation but miss out the hard work of implementation and diffusion that makes promising ideas useful. Social innovation refers to new ideas that work in meeting social goals. Defined in this way the term has, potentially, very wide boundaries – from gay partnerships to new ways of using mobile phone texting, and from new lifestyles to new products and services. We have also suggested a somewhat narrower definition: Innovative activities and services that are motivated by the goal of meeting a social need and that are predominantly developed and diffused through organizations whose primary purposes are social. This differentiates social innovation from business innovations which are generally motivated by profit maximization and diffused through organizations that are primarily motivated by profit maximization. There are of course many borderline cases, for example models of distance learning that were pioneered in social organizations but then adopted by businesses, or for-profit businesses innovating new approaches to helping disabled people into work. But these definitions provide a reasonable starting point (and overly precise definitions tend to limit understanding rather than helping it)" (Mulgan et al., 2007)
NESTA	2008	According to NESTA (2008) social innovation refers to • "new ideas (products, services and models) developed to fulfill unmet social needs; • many of those supported by the public sector, others by community groups and voluntary organizations; • social innovation is not restricted to any one sector or field; • it can take the form of a new service, initiative or organization, or a new approach to the organization and delivery of services; • social innovation can either spread throughout a profession or sector – like education or healthcare – or geographically from one place to another."
Stanford Social Innovation Review	2008	"A novel solution to a social problem that is more effective, efficient, sustainable, or just than existing solutions and for which the value created accrues primarily to society as a whole rather than private individuals. A social innovation can be a product, production process, or technology (much like innovation in general), but it can also be a principle, an idea, a piece of legislation, a social movement, an intervention, or some combination of them." (Phills, Deiglmeier and Miller, 2008)
Harris and Albury	2009	"Innovation that is explicitly for the social and public good; innovation inspired by the desire to meet social needs which can be neglected by traditional forms of private market provision or be poorly served or unresolved by services organized by the state. Social innovation can take place inside or outside of public services and can be developed by the public, private or third sector, users and communities; however, some innovations developed by these sectors do not qualify as social innovation because they do not directly address major social challenges."

APPENDIX C

DEFINITIONS OF DIFFERENT TYPES OF CASE STUDIES

Case Study Type	Definition
Explanatory	This type of case study would be used if you were seeking to answer a question that sought to explain the presumed causal links in real-life interventions that are too complex for the survey or experimental strategies. In evaluation language, the explanations would link program implementation with program effects (Yin, 2003).
Exploratory	This type of case study is used to explore those situations in which the intervention being evaluated has no clear, single set of outcomes (Yin, 2003).
Descriptive	This type of case study is used to describe an intervention or phenomenon and the real-life context in which it occurred (Yin, 2003).
Multiple-case studies	A multiple case study enables the researcher to explore differences within and between cases. The goal is to replicate findings across cases. Because comparisons will be drawn, it is imperative that the cases are chosen carefully so that the researcher can predict similar results across cases, or predict contrasting results based on a theory (Yin, 2003).
Intrinsic	Stake (1995) uses the term intrinsic and suggests that researchers who have a genuine interest in the case should use this approach when the intent is to better understand the case. It is not undertaken primarily because the case represents other cases or because it illustrates a particular trait or problem, but because in all its particularity and ordinariness, the case itself is of interest. The purpose is NOT to come to understand some abstract construct or generic phenomenon. The purpose is NOT to build theory (although that is an option; Stake, 1995).
Instrumental	Is used to accomplish something other than understanding a particular situation. It provides insight into an issue or helps to refine a theory. The case is of secondary interest; it plays a supportive role, facilitating our understanding of something else. The case is often looked at in depth, its contexts scrutinized, its ordinary activities detailed, and because it helps the researcher pursue the external interest. The case may or may not be seen as typical of other cases (Stake, 1995).
Collective	Collective case studies are similar in nature and description to multiple case studies (Yin, 2003)

APPENDIX D

INDICATORS VALUES FOR TURKEY AND RUSSIA

Index	Component	Turkey	Russia
SPI*	Basic Human Needs	81.5	74.1
	Foundations of Well-being	66.61	67.63
	Opportunity	50.61	49.19
GII**	Institutions	54.9	56.4
	Human Capital and Research	33.3	44.5
	Infrastructure	35.6	41.1
	Market Sophistication	49.1	42.5
	Business Sophistication	25.4	34.3
	Knowledge and Technology outputs	32.3	37.6
	Creative Outputs	41.2	31.4
The Legatum Prosperity Index***	Health	0.74 (rank: 55)	1.09 (rank: 44)
	Education	-0.22 (rank: 81)	1.19 (rank: 37)

Source: * http://www.socialprogressimperative.org/ ** www.globalinnovationindex.org - *** http://prosperity.com/#!/

APPENDIX E

NAKED HEART FOUNDATION FUNDRISING EVENTS

Name	Date	Concept	Participants	Aim	Partners
The White Fairy Tale Love Ball – Paris, France	6 July 2011				
Sponge Bob Square Pants Exhibition and Auction	16 September 2011				
Christmas Jewellery Sale – Paris, France	19 December 2011				Guerlain
Serdechniy Priem – Moscow, Russia	11 February 2012	Dinner and Auction			
6th Paris Half Marathon – Paris, France	6 March 2012				
Bazaar Heart Ball – Moscow, Russia	30 June 2012				
VOGUE FAHION'S NIGHT OUT	6 September 2012	Fashion marathon	Over 60 stores	Fundraising for the "Every child deserves a family forum"	Vogue, UGG Australia, Ulyana Sergeenko, Prada, Kira Plastinina, Yana Kiehl's
CHARITY BAZAAR 2012	29 November 2012	Auction and dinner.	300 guests	Funds raised shared between a number of charities.	Coutts, BMW, Pelican Primary, Perrier- Jouet
VOGUE TOY STORY	3 December 2012	Auction, cocktails followed by a dinner for lot buyers	150guests	Fundraising for NHF (unrestricted)	
Half marathon – Paris, France	3 March 2013	Sports fundraising event	Over 20 runners and fundraisers	Fundraising for the construction of the Foundation's 100th play park in Nizhny Novgorod.	Guerlin
Russian Maslenitsa – London, UK	16 March 2013	NHF stall at a Russian cultural event in London	Over 1500 people	Spread the word about NHF among Russian Society in London and fundraise for NHF programs.	Stuarts
Beach Ball - Cannes, France	21 May 2013	Fundraising event	Over 200 guests	Fundraising support of Naked Heart Foundation and FilmAid International	Cinemoi, FilmAid

Name	Date	Concept	Participants	Aim	Partners
Love Ball RIVIERA – Monte Carlo, Monaco		NHF Fundraising event held under High Patronage of H.S.H. Prince Albert II and the Presidencies of H.S.H. Princess of Monaco and H.R.H. Princess of Hanover.	Over 300 guests	Fundraising in support of Naked Heart Foundation programs	AMADE, SBM
Marathon, a "Colour Run" – Moscow, Russia	25 August 2013	Sport fundraising event	Over 1700 runners	Fundraising for the future development of the NHF Family Support Centre in Nizhny Novgorod	

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