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Corporate Social Innovation in The Romanian Public Sector

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Abstract

Contemporary society is evolving rapidly, fact which producing major changes within it. These changes are caused by the challenges of the public administration (Europeanization and Globalization) and result in the emergence of the new social problems (cultural, social, economic and environmental) that public authorities have to face and resolve them in a timely manner. Through this research we propose to analyze social innovation as a way to solve these social problems. Thus, we will accomplish a theoretical analysis of the concept of social innovation, integration of this concept in the corporate governance model of the public sector, making a comparative analysis between corporate social innovation implemented in the United Kingdom public sector and corporate social innovation implemented in the Romanian public sector so far. Also, we want to propose and promote as a coordination model of the Romanian public administration, corporate social innovation model as an alternative to traditional systems of coordination and as a way of expression of The New Public Management.

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1. Introduction

Public Administration is responsible for the management of public affairs, to meet the needs and solve the problems faced by its citizens. Given the current social context, which is in a constant movement, public authorities and institutions are often faced with challenges and/or new problems or are forced to find new solutions to solve old problems which are still not solved. In these conditions, classical models for coordinating of public administration are prove to be ineffective and sometimes they are lack of response to the current problems of society (cultural, social, economic and environmental) and its current challenges (Europeanization and Globalization), which is the

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reason that we believe useful this approach manner to promote implementation of a new model of coordination - the corporate social innovation model.

1.1. Corporate Social Innovation

Social innovation (SI) is a relatively new concept that, although “it has emerged as a distinct field of scientific concerns early in the twentieth century” (Zamfir, 2009), it has become topical on the late 90s only, early 2000s and occurs as a response to a new social problem, to unsatisfactory solving of a social problem or is an endeavor to improve existing solutions. According to authors Pfitzer and Bockstette (2013), we need innovation to create more affordable health care services. We need innovation to bring nutritious food to every corner of the planet. We need innovation to improve educational outcomes. And most of all, we need innovation to counteract global warming (Pfitzer and Bockstette, 2013). Therefore, the social innovation in the public sector may be the key for the social and environmental challenges with which are facing the contemporary society.

1.2. What is Social Innovation?

There is no universally valid and accepted definition yet of this concept. SI has been theorized in the literature by a number of authors such as: Geoff Mulgan, James Phills, Deiglmeier Kriss, Charles Leadbeater and others.

Mulgan (2003) was among the first authors which theorized the concept of SI. In 2003, it is stated that the SI is “new ideas that work” or more precisely a “successful innovation is the creation and implementation of new processes, products, services and methods of delivery which result in significant improvements in outcomes efficiency, effectiveness or quality.” (Mulgan and Albury, 2003)

Other two important authors who have conceptualized SI are Phills and Deiglmeier that define SI as 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.” (Phills, Deiglmeier & Miller, 2008)

Concerns for defining SI are not stopped at the literature. International organizations, the forums, platforms, innovation centers, and so on, have debated the issue of SI. Centre For Social Innovation from Toronto [5], Canada, defined SI as “an idea that works for the public good.” The Innovation Policy Platform [6] launches hypothesis that SI seeks new answers to social problems by (1) identifying and delivering new services that improve the quality of life of individuals and communities and (2) identifying and implementing new labour 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.

Leadbeater (2008) defining SI as representing “application of a new idea or a new application of an existing idea that yields lasting social value, i.e. not just to the direct consumer, addressing a social need in a more effective way.”

Mulgan (2006) launches a new approach about SI, stating in 2006 as it relates to “innovative activities and services that are motivated by the goal of meeting a social need and that are predominantly diffused through organizations whose primary purposes are social.”

SI is different from the improvement process, improvement of existing solutions. Thus, “new ideas that work” are different from the process of the “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.” (Mulgan, 2007)

Zamfir (2009) argues that innovation is a new solution to an unsolved problem or a new solution structurally different from applied solutions, and significantly more better, excluding improvements ranging from simple innovations of existing solutions.

1.3. Research hypothesis: is Social Innovation a part of corporate governance?

Corporate Governance (CG) as a method of coordination is a good practice of the private sector which can and should be transferred to the public sector as a form of The New Public Management.

The main purpose of the big corporations it is represented by obtaining performance (profit) and added value through research and innovation. In the context of SI and the current social changes caused by the challenges of 3rd millennium, Globalization and Europeanization, SI becomes not only part of the CG, but an imperative.

Some corporations had developed the idea of the responsible business, innovative business, and they had set as a target business itself, one responsible, which aim is to protect the environment, employees and community health, sustainable development (i.e. companies for management, selection and recycling or companies for energy production from renewable resources). Others, although they have not set social responsibility as a main aim, they develop campaigns of Corporate Social Responsibility (CSR) designed to solve specific social problems facing the community in which it operates (i.e. associations and foundations established and sponsored by major telecommunication companies or oil in order to solve certain social problems faced by the community).

2. Corporate Social Innovation of the public sector

Concluding the above, we can say that *corporate social innovation of the public sector is an efficient, effective and sustainable form of coordination and control of an organization that aims to protect and solving social problems, new or unmet until now, of the society overall, by adoption and diffusion of new solutions.*

Innovation is a concept that inspires people and policy makers because it offers the promise of radical change. As such the desire to innovate the public sector has a long history which is sometimes linked to reform programs in order to meet budget cutbacks, to meet the introduction of new management and governance ideologies (like New Public Management or Open Government) or to meet the introduction of new information and communication technologies (like e-government). (Bekkers, Tummers, Voorberg, 2013)

SI of the public sector appeared for the first time in UK in the '60s and '70s, a process which continued and developed continuously until today. In an interview for The Guardian in 2010, The Prime Minister of the UK, David Cameron, speaks of his "Big Society" based on the idea of social entrepreneurship and SI as an alternative to classical governance. According to him, local communities should have more power and people should be encouraged to be actively involved in the communities in order to create co-operation, charity, mutual aid and mutual companies which have to be responsible for local and concrete needs faced by citizens (The Guardian, 2010).

Concept development of SI of the UK public sector (Table 1) concerns two aspects. The first part follows the "institutional process of introducing the concept in the public policy, on the need to improve efficiency in the public sector" and the second refers to "implementation of the concept in social innovation incentive programs" (Stanescu and Matei, 2009).

Table 1. Elements of SI implemented in the UK public sector (based on Stanescu and Matei, 2009)

Institution	Responsibilities in the field of SI
Cabinet Office – Strategy Unit	Founded in the '70s, continued to function unchanged in Tony Blair and Gordon Brown governments; in David Cameron government its duties were transferred to other units; attributions of strategies in the field of SI: participate in the reform of social policies, qualifications and opportunities, working with the Department for Innovation, Universities and Qualifications.
Department for Innovation, Universities and Skills – DIUS	Established during the Gordon Brown government, 2007, taking over the duties of the Ministry for Education and Qualifications and responsibilities of the Ministry of Trade and Industry; in 2009, merged, becoming the Ministry for Business, Innovation and Certification and has new responsibilities as adult education, a part of the continuing education, higher education, certifications, science and innovation.
National Endowment for Science, Technology, and Arts - Nesta	Autonomous body funded by the British Government, established in 1997 at the request of the President Founder David Puttnam; manages a portfolio of investments in new companies and business that are in an early stage; participate in research training policy; initiated practical programs that support engagement in addressing future challenges. In 2010, after a government review, concluded that it should not be a public body and that its activities were better suited to the voluntary sector, as a result in 2012 Nesta becomes an independent charity, the year when the name of NESTA is changed in Nesta and Geoff Mulgan becomes Chief Executive.
Office for Civil Society	It was created in 2010 to replace the Tertiary Sector Office, subordinated to the Cabinet Office and headed by a Minister for Civil Society; it is responsible for voluntary field, Big Society agenda and charities,

	social enterprises and investments and reforming public organizations.
Innovation Unit	It was created in 2002 as part of the Ministry for Education and Certifications, currently the Ministry of Education; it is focused on innovation in services for children and families. In 2006 became autonomous as a social enterprise that works with a range of public services to meet the major social challenges facing society today.
British Council	Autonomous public body created in 1934, with the status of a public company and charitable institution; presently operates over 200 offices in 100 countries around the world; public organization for cultural relations and educational opportunities, providing expertise in areas such as youth and entrepreneurship social diversity and equal opportunities, migration, engagement and social inclusion and active citizenship.

But SI of the UK public sector was not limited to the creation of institutions with responsibilities in this regard. It continued with the implementation of the concept of SI in programs / strategies to stimulate public innovation in the UK public sector.

Legal documents by which was transposed SI in the UK public sector are: working papers, reports and white papers (Stanescu and Matei, 2009).

3. Corporate Social Innovation of the Romanian public sector

Constraints and challenges from the beginning of the twenty-first century, Globalization and Europeanization, the actual global economic crisis as well as the needs increasingly complex and different of the contemporary society, require with stringency the transfer of corporate governance practices to public sector as a form of expressing New Public Management (Matei and Drumasu, 2013).

Romanian society is facing a number of problems and challenges that public administration has to find answers. The cumbersome and bureaucratic traditional government, it was in many times proved ineffective or faulty.

Thus, we believe that corporate social innovation can be an efficient and effective alternative of coordination of the Romanian public administration and an response to the current problems and challenges.

SI in Romania appeared and was implemented for the first in the civil society environment in the early '90s, when was founded the first NGOs, supported by international agencies or similar organizations. Along with preparing for joining to EU and NATO, the 2000s, the phenomenon extends to the private companies. After 2007, the year of EU integration, SI achieve an influenced high level by the grant programs funded by the EU and the Government of Romania and the policies and the acquis.

Table 2 shows a number of specific elements of SI that we have identified implemented in the Romanian public sector.

Table 2. Elements of SI implemented in the Romanian public sector (based on Stanescu and Matei, 2009)

Institution	Responsibilities in the field of SI
General Secretariat of Government - GSG (counterpart of the Cabinet Office – Strategy Unit)	Correspondence between GSG and Strategy Unit is just one institutional, not functional (Stanescu and Matei, 2009) because the responsibility of GSG in SI can be represented only by its regulatory function - that ensure the achievement of a specific legal framework that coordinates.
Ministry of National Education - MNE (counterpart of the Department for Innovation, Universities and Skills - DIUS)	It was founded in 2013 in the second term of Ponta governance by reorganizing the Ministry of Education, Research, Youth and Sports and by taking activity and specialized structures of the National Authority for Scientific Research; is the synthesis and coordination role in the Strategy and Programme government in education field, scientific research, technology, technological development and innovation. Within the MNE was established the post of Minister Delegate for Higher Education, Scientific Research and Technological Development.
National Authority for Scientific Research (NASR)	Subordinated to MNE, NASR ensure the development, implementation, monitoring and evaluation of policies in research, development and innovation.
National Authority for Qualifications - NAQ	It was founded by reorganizing the National Council of Qualifications and Training of Adults (NCQTA) and Executive Unit of the National Council of Qualifications and Training for Adults; It has regulatory powers, coordination, approval, evaluation and process control training for adults.
Mobile Emergency Service	Founded in 1990 as a civil society initiative and with volunar personal, as the Mobile Emergency

for Resuscitation and Extrication - MESRE	Service for Resuscitation in Targu Mures, became in 1993 Mobile Emergency Service for Resuscitation and Extrication (MESRE), and from 1994 to 2010, expanded nationwide, currently being the most efficient mobile medical emergency and extrication of country.
General Inspectorate for Emergency Situations - GIES	It was founded in 2004 under the Ministry of Administration and Interior, through the merger with the General Inspectorate of the Military Firefighters and Civil Protection Command, to accommodate the exponential growth of non-military risks against the background of globalization trends, the radical climate change, the diversification of economic activities and response to disasters. Objective: effective measures for prevention and management of emergencies. In the current collaborates and works with MESRE, having 43 operations centers and 280 subunits operational nationwide.
Ministry of Environment and Climate Change (MECC)	Established since the first government after '89s, as the Minister of Waters, Forests and Environment, is responsible for implementing national environmental policy, water management and forestry management.
Romanian Cultural Institute (counterpart of the British Council)	Mission: to promote national culture and civilization in the country and beyond. Purpose: to increase the visibility of Romanian cultural values in the world. Can be considered as a correspondent for the British Council, but at lower scale.

Documents through which was transposed SI in the Romanian public sector are: laws, policies and programs (including the operational programs of the EU grant funds and other funding sources). Of these, the most significant and impact are shown in Table 3.

Table 3. Documents implementing SI in the Romanian public sector

Document	Description
Green House Program	financing program addressed to individuals for the purchase and equipping homes with environmentally friendly heating sources.
Labor Code	frame document of reference that regulates employer - employee relationship, health and safety of employees at work, continuing professional development of employees
RABLA Program	incentive program of renewing the fleet of Romania; in exchange for old cars individuals receiving a voucher worth about RON 3000 that they can use to purchase a new car.
First Home Program	guarantee loans by the Government for young people who want to purchase a home up to a maximum of euros 75,000, RON equivalent.
National Strategy for Research and Innovation 2014-2020	aims to create a competitive regionally and globally through innovation fueled by research and development, creating wealth for citizens.

4. Conclusions

Corporate Social innovation in the Romanian public sector is still early, being implemented by creating community's more formal, but non-functional in accordance with the role and characteristics of SI.

Form of The New Public Management, Corporate Social Innovation can be an efficient and effective method of management of social problems in the current social context and an alternative to traditional coordination.

In the transfer process of the best practices from the private sector to the public sector, corporate social innovation can be an alternative model for coordinating public sector from Romania, combining purpose and principles of CG and the role and characteristics of SI.

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