Introduction

The role of social innovation and social entrepreneurship in addressing complex problems has increasingly gained traction in policy-making circles with policy practitioners’ interest piqued about how governments may best support such innovations (e.g. PRI, 2010). Various governments are attempting to support social innovation through a variety of means. For instance, the Office of Civil Society in the UK and the Australian Centre for Social Innovation are recent attempts by these national governments formally to institutionalize the fostering of social entrepreneurs and social enterprises. Other national governments have chosen simply to promote the ‘production’ side of innovation, by funding research and development, specifically for the technology sectors (Nelson, 1993). But while there is a growing body of grey literature that mirrors policy practitioners’ own interest in this field (e.g. Leadbeater, 2007), scholarship within the social innovation and social entrepreneurship community has largely neglected the role of public policy in supporting or hindering social innovation (for an exception, see Chapman et al., 2007). Yet, without a substantive debate about the relationship between policy and social innovation, both scholars and practitioners will have only a limited understanding about the range of policy options that could best support the process of social innovation.

In response to this gap, this chapter aims to fulfil three objectives. Firstly, it will provide a theoretical framework for exploring the debate about public policy and social innovation by using resilience theory, and in particular its adaptive cycle, as a tool to analyse the process
of social innovation. Resilience theory identifies four distinct phases in the adaptive cycle, and in applying this cycle to social innovation, this chapter contends that different policies will suit different phases of social innovation. Secondly, the chapter will support the theoretical arguments put forth about the role of public policy by examining existing social innovation research and case studies. Thirdly, the theoretically informed insights will be used to highlight patterns in the social innovation–policy relationship and are intended better to inform the policy practitioners and social entrepreneurs who are engaged in discussing, championing, and attempting to reform public policy to support social innovations. To meet these objectives, the chapter proceeds in the following manner: it begins by defining social innovation and distinguishing this scholarly domain from social entrepreneurship. Next, resilience theory will be introduced, and a brief description of the lens it provides for examining social innovation cycles will be provided. The chapter will then move to position itself in the debate on the role of government in social innovation, and present the methodological approach. Following that, each phase of the social innovation process will be characterized in detail and supporting case studies will be used to demonstrate optional policy tools that may support each phase. Finally, a single case study on Inuit art will be explored through all of the different phases to illustrate the dynamic policy process that needs to be considered in successfully fostering social innovation.1

In keeping with the outline above, given the focus of this book, it is important to clarify the differences between definitions and perspectives on social entrepreneurship and social innovation at the outset. Social innovation is defined here as any new programme, product, idea, or initiative that profoundly changes the basic routines, resource and authority flows, or beliefs of any social system, and successful ones are those with durability and broad impact (Westley and Antadze, 2010). While much energy has been expended on defining social entrepreneurship (Nicholls, 2010), less attention has been paid to social innovation and, in particular, the differences between the two scholarly domains (for some exceptions see Mulgan et al., 2007; Westall, 2007; Phillips et al., 2008). For the purposes of this chapter, social innovation is distinguished from social entrepreneurship because of the market orientation of social entrepreneurship (for further distinctions see Westall, 2007; Phillips et al., 2008). Social entrepreneurship refers to individuals with a value-based social mission who pursue opportunities within the market context, whether their own organization is considered non-profit, charity, or for profit (Nicholls, 2006). Social innovations do not require the