Social innovation in Local Government

- Experiences from Denmark

Social innovation has great potential when it comes to easing the negative social effects of the local government budget cuts currently being implemented throughout Europe. Social innovation is about finding new ways to respond to social needs while at the same time enhancing society's capacity to act. In most European countries, local governments function as the main day-to-day providers of social solutions – in Denmark one can almost talk of a monopoly. This paper introduces the concept of social innovation in a local government context, discusses its potentials, and provides an insight into how local authorities can promote social innovation and integrate it efficiently as part of their everyday activities. It concludes that in order for local governments to reap the full benefits of social innovation, they should increasingly move from being "fixers" to "facilitators".

By John René Keller Lauritzen, January 2013

The social imbalance

As in most other European countries, Danish local governments find themselves on a burning platform. The 98 municipalities, which house the 5.6m Danes, have been required to cut their budgets by altogether just under a billion Euros over the past three years. This has led to sizeable cuts in public service spending with some 25% of the Danish municipalities reducing their average service expenditure per citizen with as much as 5%. The social effects of this are clearly felt, particularly in the areas of senior care, childcare and care of physically and mentally disabled citizens with representative organisations reporting significant service drawbacks.

At the same time, the need for social solutions is growing. In Statistics Denmark's latest population projection, the share of people over 65 is expected to increase steadily until 2044 when Denmark will have 1.5m senior citizens as opposed to just under 1m today, and, what is more, the number of 20-64 year olds will drop slightly (Statistics Denmark, 2012a). This will lead to far more money being spent on senior care and related services concurrently with a drop in tax income. Another challenge is youth unemployment. More than every tenth young person between 16 and 29 (approx. 105,000 citizens) is currently on public welfare, which is historical in a Danish context (Bjørsted, 2012). With no end in sight of the current global financial crisis, this situation may persist or even worsen in the coming years. On top of that, there are continued challenges related to integration of immigrants, inclusion of vulnerable groups, the handicapped, the mental health area, and not least, the education area, which has experienced a decrease in the number of teachers, increasingly stressed teachers together with more students in the classrooms (Statistics Denmark, 2012b).

The Danish municipalities face a situation with growing social needs along with shrinking budgets for addressing them – a phenomenon that can be referred to as *the social imbalance*.

Growing social needs + shrinking public budgets for addressing social needs = **The social imbalance**

The traditional response

Historically, Danish municipalities have used a combination of three approaches in their attempt to re-establish a lost equilibrium between supply and demand for social solutions:

1. increasing municipal income (tax increases, growth creation, longer working weeks for public employees, increased fees and fines, etc.),
2. budget cuts (reduced services, reduce the public workforce, etc.); and
3. increase in public sector efficiency (process optimisation, welfare technology, digitalisation, etc.)

These approaches have also made up the primary response to the current challenges stemming from financial and demographic developments. However, many initiatives under these approaches have turned out to be either insufficient or difficult to implement. Consequently, there is an acute and increasing need for alternative ways to respond to the growing societal challenges.

Common to the above instruments is that they are all based on a basic assumption that municipalities supply social services and citizens receive them. In case of integration problems in certain housing communities, the municipality is expected to step in with a new "ghetto plan". If a municipality finds a large number of its citizens outside the labour market, it is expected to implement new top-down employment initiatives. If there are problems in a school class, an extra teacher may be attached to the class paid for by the municipal budget. Only rarely do solutions come from outside the public system – from society itself.

Social innovation – the fourth way

Social innovation can make up a potential fourth approach to solving the current social challenges. In a Danish local government context, social innovation is very much about creating environments in which social innovations can take shape, grow and thrive. In the same context, social innovation is also very much about "opening up" to allow non-public actors to play an active role in the formulation and implementation of new social solutions. Social innovation can potentially contribute to solutions in areas that the municipalities are no longer able to cover, to better solutions than the municipalities themselves can provide, and to solutions that can reduce the need to employ the three above-mentioned and often more radical instruments. However, social innovation is not the final answer to all social challenges that the municipalities are facing. Rather, it should be seen as an important supplement to the other instruments described above.

Over the past few years, social innovation has become a hot topic in Brussels as well as in most EU member states. The European Commission strongly supports research in the field through its framework programmes and has formed an office exclusively dedicated to promoting social innovation in Europe. The social innovation wave has also hit Denmark, where politicians, public servants, researchers, foundations as well as educational institutions are also starting to pay increased attention to the phenomenon. In 2007, the Danish Roskilde University set up the Centre for Social Entrepreneurship to research and educate their students in how social entrepreneurs and social innovation can create value in society. In 2012, the Danish foundation "Trygfonden" was behind the establishment of "The Social Capital Fund", which supports young and promising social enterprises with capital and knowledge. Social innovation is also finding its way into the local government agenda, not least via "The Danish Municipality Network on Social Innovation (Danish Technological Institute, 2012a). At national level, politicians have also begun to see the potential of social innovation:

> *"I am convinced that social innovation has some of the answers to how Denmark can develop into a better place with more growth and new jobs"*

> - Morten Østergaard, Minister of Science, Innovation and Higher Education[1]

What is social innovation to begin with?

In spite of the increased interest, there is (as in the rest of Europe) no shared and mutually accepted definition of social innovation in Denmark. The lack of such a definition has meant that the concept is often being used as a buzzword in many different contexts with very different meanings. It has been seen used synonymously with e.g. companies' social responsibility (CSR), voluntary work, new welfare technology and even new forms of social interaction in the workplace.

TEPSIE, a large-scale European research project, led by the Danish Technological Institute and The Young Foundation set out to formulate a common definition of social innovation based on an extensive global literature study.[2] The research team arrived at the following definition: *"Social innovations are new solutions (products, services, models, markets, processes etc.) that simultaneously meet a social need (more effectively than existing solutions) and lead to new or improved capabilities and relationships and better use of assets and resources. In other words, social innovations are both good for society and enhance society's capacity to act." (Young Foundation, 2012).*

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[1] The Danish Ministry of Science, Innovation and Higher Education, 2012
[2] TEPSIE ("The Theoretical, Empirical and Policy Foundations for Building Social Innovation in Europe") is a 3-year research project under the European Commission's 7th Framework Programme, dedicating more than 55.000 man-hours to map European social innovation and analyse key factors and methodologies behind successful social innovation in a number of areas. See more on http://www.tepsie.eu.

To dig a little deeper, we can say that five core elements must be present in order to label something "social innovation". Moreover, a number of features typically characterise social innovation, but are not criteria as such.

Fig. 2.1: Core elements and common features of social innovation

Core elements
Common features
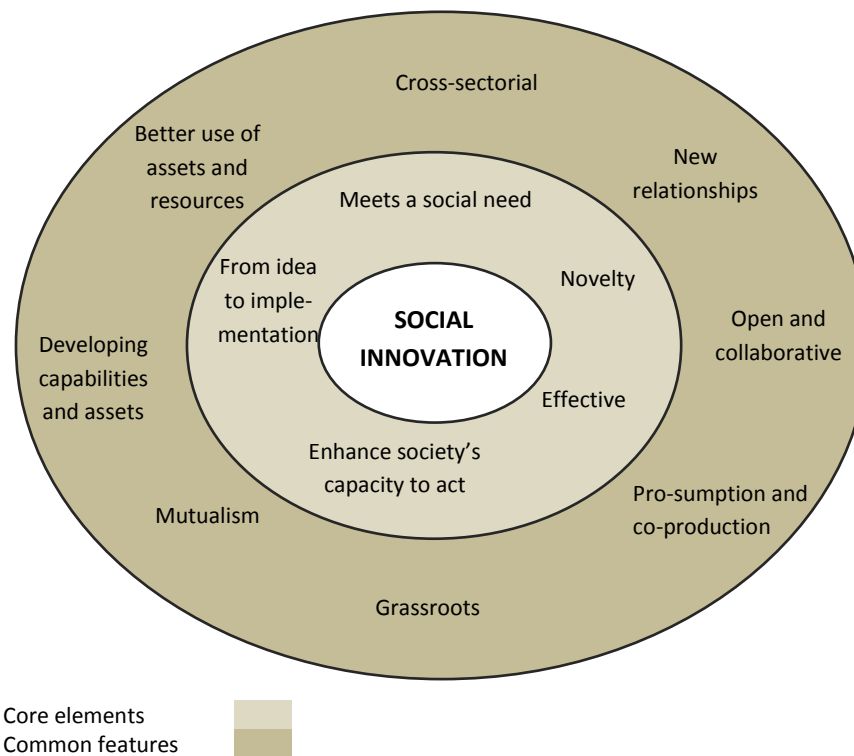
Source: The Young Foundation (2012)

The five characteristics of social innovation are:

- *Novelty.* It should be something new! (not necessarily a completely new invention, but at least new to either the domain, sector, geographical area, target group, etc.)
- *Effectiveness.* It should work! (at least better than existing solutions)
- *From ideas to implementation.* An idea is not enough, it has to be implemented!
- *Meets a social need.* It should address a social need, e.g. have a positive social effect in areas such as integration, health, senior care, social inclusion, employment, environment, crime reduction, education, etc.
- *Enhances society's capacity to act.* Social value is attained in the process itself – not just in the outcome. It thus empowers and builds capacity among those involved as opposed to being a one-way service delivery i.e. from the local government to the citizens in need.

In particular, the latter characteristic is what makes social innovation special and justifies it as a concept in its own right. This separates social innovation from, for instance, voluntary work, CSR and public sector innovation (even though there are obviously overlaps between the different areas). The key is to promote sustainable processes where the solution as well as its implementation comes from society itself rather than being a one-way service provision by the local administration. Examples of this include involving senior citizens in the work with vulnerable young people or vice versa, involving unemployed people in promoting learning and inclusion of senior citizens, involving immigrants in solving the ghettoization challenges, etc. In other words, social innovation is developed *with* and *by* the users not *for* them (ibid.).

Apart from the five characteristics mentioned above, there are also a number of common features to social innovation:

- Cross-sectoral
- Open and collaborative
- Grassroots and bottom-up
- Pro-sumption and co-production
- Mutualism
- Creates new roles and relationships
- Better use of assets and resources
- Develops assets and capabilities[3]

Social innovation often happens across the public, private, third[4] and informal[5] sectors. In the *private sector*, the concept CSI (Corporate Social Innovation) as part of the CSR (Corporate Social Responsibility) discipline has gained momentum the last few years. In CSI, enterprises get involved in working with development and testing of new social solutions and including social responsibility into their core business and development plans (Draimin, 2010). Social enterprises also play an increasingly important role in driving social innovation in Denmark (Nielsen & Petersen, 2006), and there is currently heavy policy focus on stimulating their role further. Over the years, the *third sector* has been the source of numerous innovative initiatives to respond to social needs not least driven by the energy and creativity of the voluntary workforce and the many initiatives stemming from the strong Danish environment of voluntary associations. Likewise, in the *informal* sector there is a significant potential for social innovation. Here, relationships are informal and based on common interests and mutual trust rather than formal conventions.

One of the key components in successful social innovation is to be able to combine and exploit the different sectors and actors' individual strengths. They include the third sector's energy and enthusiasm, the strong informal structures in the informal sector, the private sector's understanding of market, business and organisation and the public sector's professionalism and experience in meeting social demands as well as their local knowledge and leadership.

Why should local governments be interested in social innovation

Why should municipalities and local authorities take an interest in social innovation? Examples from around the world have demonstrated that social innovation – if implemented efficiently – can have a range of positive effects at local government level. The most frequently mentioned effects are:

- faster and more efficient identification of social needs;
- better targeted solutions;
- more efficient services;
- cheaper services;
- accommodation of needs outside the municipality's remit that would otherwise not be accommodated;
- promotion of active citizenship;
- easing the negative social effects of current budget cuts; and
- promotion of employment and growth.

It is perhaps not surprising that the latter two effects are currently attracting particular attention from municipalities. On the one hand, they are looking rather desperately for new ways to create growth and

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[3] For further reading on defining social innovation, please refer to the report, "Defining Social Innovation", produced as part of the TEPSIE project (Young Foundation, 2012a).
[4] The third sector is also often known as the non-for-profit sector
[5] The informal sector consists of e.g. individuals, families, neighbour groups, religious groups and online-communities – often informal and trust-based relationships falling into neither the private, public nor third sector.

jobs. On the other hand, they need to find a way to cover a number of areas that, due to budget cuts, have fallen out of the reach of the public sector umbrella.

When it comes to measuring the precise social and financial benefits that can be achieved by promoting and integrating social innovation, there is a general lack of aggregated analyses and calculations in a Danish context. Existing data tend to focus rather narrowly on social enterprises or only measure effects in relation to individual initiatives and target groups as exemplified by the following box:

The Danish Night Owl Association

The Danish Night Owl organisation was established in 1998. Volunteer adults in cooperation with local social welfare and educational authorities, the police, and business contacts perform the work in the Night Owl Association. The main purpose of the Night Owls is to be out and about among youngsters and help prevent violence, vandalism, thoughtlessness and crime by acting responsibly. Night Owls are offered courses on ethics, skills, and knowledge that will enable them to be present in the streets and help in the best way possible. The courses also inform the Night Owls about the work of the social welfare and educational services, and the preventive duties of the police. It is important to understand that the Night Owls are not a security corps and that they are not an arm of officialdom. When walking in city streets, the Night Owls do not intervene in street disturbances, but observe and are ready to help. Via their mobile phones, they can call parents, an ambulance or the police if necessary. The Night Owls carry out more than 50,000 night walks a year, and on their homepage (www.natteravnene.dk) they document a drop in reported vandalism and assaults of 50% in selected areas as a result of their presence. In one street in Copenhagen, the cost of vandalism dropped by more than EUR 120,000 a year to below EUR 13,400 as a result of the presence of the Night Owls. To this should be added long-term savings in the social area created by setting up night-out environments that, for instance, keep away youngsters from crime and drugs.

The reason for the lack of metrics and aggregated data on effects of social innovation is probably because social innovation is a relatively new phenomenon and the built-in challenge related to measuring the social and financial effects of social innovation. It is, for example, a challenge to put a specific monetary value on the indirect and often long-term social benefits created by social innovation. What are five senior citizens who feel "less socially excluded" worth in money terms? How much money does "a better social environment among students in a school" give to or save a municipality? In an international context a number of measuring instruments have been developed that can be used in an attempt to map the financial value of social innovation.[6] The instruments measure the effect based on, for example:

- What would it cost if the municipality had to solve the problem on its own?
- What would it cost if the problem had not been remedied at an early stage through social innovation?
- How much is the municipality prepared to pay for a service through outsourcing similar to the one that can be supplied through social innovation initiatives?
- What is the corresponding financial return or savings in the second, third or fourth link? (i.e. which value can be attributed to the increased quality of life for the children and grandchildren of one drug addict whose situation is improved through a social innovation initiative?)

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[6] See e.g. Credit Suisse, 2012; Golden, Hewitt & McBane, 2010; Social Innovation Europe, 2012; Zappalá & Lyons, 2009.

Triple financial return
Two social innovation initiatives from the UK and Sweden have independently calculated a triple return on investment for their local authorities.

Southwark Circle
The London Southwark Circle is an initiative where citizens by paying a small amount of money can buy help for practical tasks such as weeding, carrying boxes, computers that play up or extra tuition for their children. The helpers are typically volunteer unemployed people or pensioners from the area who want to be useful and meet fellow citizens. When the project started it worked out that it would save the local authority (with 250,000 citizens) approx. EUR 3.4m over the first five years, among other things through direct earnings, mobilisation of citizens, active and less isolated senior citizens and future permanent employment for the volunteers. The local authority supported the initiative with approx. EUR 1.1m during the 5-year period.

Basta
Swedish Basta is a client-run social enterprise. Basta employs former drug abusers or addicts in a number of different areas including administration, large-scale catering, IT, construction, removing graffiti, dog kennels, etc. On the one hand, over a 3-year period, the municipality supports the project with approx. EUR 44,000 per drug abuser or addict, and, on the other hand, the municipality saves approx. EUR 114,000 per drug abuser or addict in the municipal budget. If the total return and savings are calculated for the long term, the Basta project believes that it can document a financial value of more than EUR 800,000 per person.

In relation to social innovation's role in creating employment, the Danish debate primarily appears to focus on social enterprises. In 2010, the Danish national weekly magazine Mandag Morgen (Monday Morning) estimated that there were 500 to 600 new social entrepreneurs in Denmark every year and that there were 140,000 full-time employees in the social economy.[7] However, social innovation also has potential for creating employment in other areas – not least in getting vulnerable groups into "ordinary" non-social work in both the public and private sectors. In spite of a number of good examples, an overall mapping of the employment potential of social innovation in Denmark remains to be made.

Microloans create jobs in the Municipality of Aarhus
One of the better-known financing models behind social innovation is microloans, where the citizen can obtain a small interest free loan to start their own business. In a social innovation context, the loans are often used to help ordinary citizens set up social enterprises or find employment for vulnerable groups by letting them start their own business. In 2009, an initiative for the latter category was initiated in the Municipality of Aarhus in Denmark when 13 recipients of cash benefits, disability pensioners, recipient of sickness benefits and rehabilitees borrowed sums ranging from EUR 130 to EUR 6,700 to start their own businesses. The loans were accompanied by training, counselling and mentoring on, for example, how to run a business, accounting, marketing and legislation. Today, 4 out of the 13 citizens are self-supporting and another 5 citizens still run their own businesses, although they do not generate enough revenue to keep them entirely off social benefits. Calculations in connection with the initiative show that the municipality's investment will be recovered if only 1.1 out of 20 borrowers become self-supporting over a 5-year period. Thus, the initiative has created significant social, occupational and financial value. In 2013, the model will be transferred to the City of Copenhagen – only on a larger scale.

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[7] These numbers are estimates based on a number of specific assumptions and categorizations. They should therefore be interpreted with caution.

The role of local government in promoting social innovation

Even though social innovation largely calls to account the Danish municipalities' traditional and exclusive role as providers of social solutions, local government is still an important actor in relation to promoting successful social innovation. Not only are the local governments' own departments and employees important sources of innovation in themselves, the municipality also plays a central role in bringing together actors from different sectors and thus acting as the glue in new partnerships and a facilitator of innovation. In the illustration below, the municipality is found both in the upper left circle as a driver of innovation in itself, and in the highlighted intersections between the sectors, where it plays the role as a facilitator of new innovation partnerships across sectors.

Fig. 2.2: The role of local government in promoting social innovation across sectors
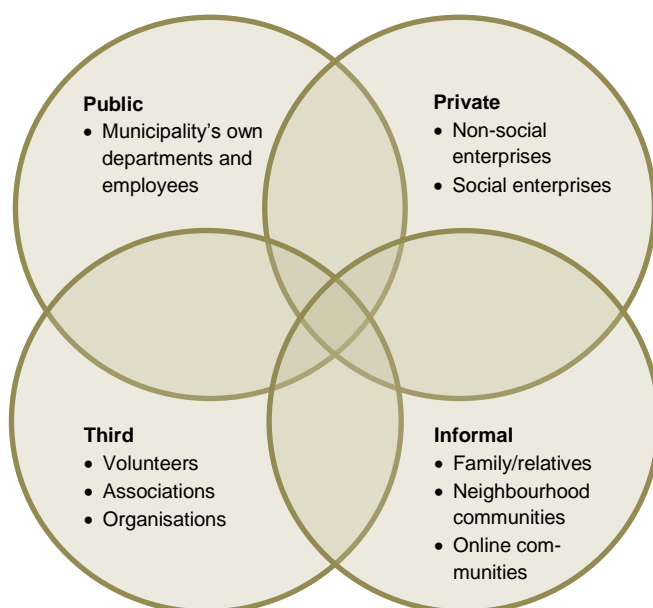
What should municipalities do to prepare the ground for stakeholders from the different sectors to create and run new, efficient social solutions? In other words, how can local government work with promotion and implementation of social innovation?

Identification of service areas and actors

One of the first things a local administration must do is to identify areas where it could be beneficial to "open up" and stimulate bottom-up innovation and involvement of other actors. This can be a difficult balancing act. On the one hand, if they open up to too heavy involvement of non-professional actors in highly specialised core activity areas, they may jeopardise quality and take away jobs from local government employees. On the other hand, if the non-professional actors are only allowed to get involved in areas of secondary importance far away from the core of the local government's social activities, only limited social value will be achieved, leaving behind unsolved social challenges in the local community. The optimal equilibrium is often found at the boundaries of the municipality's core activities or in connection with activities that used to be core activities but are no longer covered by the municipal umbrella due to budget cuts.

Add to this the balancing act in relation to how narrowly or broadly the space for social innovation is defined. On the one hand, the activity should not be defined so narrowly that it can be characterised as "free outsourcing" from the local government to, for example, volunteers. This will stifle any personal commitment and feeling of ownership among the contributing parties, and impact the outcome of the effort negatively. On the other hand, the activity must not be defined so broadly that the municipality risks promoting solutions that do not meet real social demands or overlap with areas where the local government already has well-working efforts.

To identify effectively the areas where social innovation can most effectively be supported to supplement public sector efforts, it is essential to have a thorough overview of local stakeholders, social needs and unused resources in the local area.

The inclusive process
When discussing social innovation – and particularly in Scandinavian countries – it does not take long before barriers come into mind and questions such as "What will the unions say?", "Is not this moonlighting?", "Who is responsible if something goes wrong?" are asked. For a municipality in a historically large and protective welfare state, "letting go" of certain responsibilities and entering into equal partnerships with volunteers, enterprises and ordinary citizens is often unknown territory. In this connection, it is important that the process toward implementation of social innovation becomes inclusive and that barriers and doubting actors are embraced rather than circumvented or obstructed. In a Scandinavian context, professional occupational groups and their unions, citizens' groups, interest groups and NGOs are often the groups that can become important actors and be drawn into the social innovation work at an early stage with great advantage.

A "granddad" at school
In Sweden, about 1,000 unemployed men aged 50 to 65 currently go to school on a regularly basis across the country, not as teachers, school caretakers or trainee teachers but as "granddads". They walk the hallways and the schoolyards, participate in school trips, help children with a punctured bicycle as well as teachers "getting things off their chests" when they have had a rough day at the "office". The "Class Granddads for Children" initiative started as a project in a small Swedish town in 1996 and has today grown to become a national organisation with 10 regional offices. Published research documents a number of positive effects. Not only does the initiative benefit the "granddads" who feel more included in society, they feel useful – and sometimes some of them end up becoming employed full-time at the school. The teachers and headmasters also experience that the granddads' ability to prevent conflicts and act as role models has led to a better learning environment with children who are more at ease as well as enhanced group dynamics. This in turn has improved learning conditions and the teachers' work situation.

One of the keys to success is according to Ann-Katrin Broström (the founder of the project) that teachers, principals and job centres were included in the project from the beginning and were able to contribute constructively to the project rather than oppose the initiative (Danish Technological Institute, 2012c).

The innovative environment
It is equally critical that the local government creates the right framework conditions for social innovation to succeed. Thus, it is important that the many ideas that float around among citizens and organisations in society do not just remain ideas but are tested in real-life situations. For many social innovators – whether volunteers, public or private employees, members of associations, relatives or other actors – taking the step from idea to execution can

often be insurmountable. Often mentioned barriers are lack of money, business acumen, knowledge, risk-willingness and insight into the life of the particular target groups their ideas are supposed to help. After the tentative start-up phase, it is also important that initiatives that turn out to be effective and sustainable receive the necessary support to gain a foothold and possibly grow in size.

The municipality may contribute with:

- financial support (donations, microloans, access to social venture capital[8], etc.);[9]
- non-financial support (lending municipality premises, IT infrastructure, etc.);
- facilitate networks among social innovators (collaborators, target groups and other social innovators);
- give access to competences (about e.g. entrepreneurship, target groups, business development and operations, etc.); and
- ensure easy and transparent access to relevant public authorities (tax authorities, citizen services, job centre, etc.).

Equal partnership
Involvement of non-public actors in addressing social challenges is not deeply rooted in the Danish municipal tradition. Municipalities are the ones used to identifying the challenge, formulating the appropriate solution and implementing it. If other parties are eventually involved it is often only a limited group of volunteers, established societies or associations (e.g. housing associations) that are being invited. They are often already part of a clear municipal agenda with the municipality at the head of the table. For social innovation to work equal partnerships based on sound communication and mutual trust are necessary. Among other things, such partnerships presuppose that:

- all participants must be willing to be part of a partnership;
- none of the participants will lose their identity;
- mutual respect;
- stability and firm structures;
- financial latitude and independence;
- patience; and
- equal status.[10]

To be able to play this role successfully, stakeholders at both sides of the table often need strengthened competences as well as new management approaches. This way the local government must gear itself to interact with actors from very different cultures, and with different motives and degrees of obligation in respect to the collaboration.

A community of seniors and foster families
In 2005, a private housing association in the small US town of Easthampton Meadow in Massachusetts joined forces with the local authority and a number of NGOs to develop a community where senior citizens and foster families could live next door to each other and use each other's resources to their mutual benefit. The Treehouse Community was completed in 2006 and today more than 100 people live in 12 rental homes for foster families and 48 senior cottages. Treehouse also has a community centre with housing professional staff as well as a library, kitchen, and a gathering space/dining hall that acts as a multi-purpose room for weekly potlucks, movie nights, game nights and other

[8] See, e.g., Mandag Morgen, 2012
[9] See, e.g., Danish Technological Institute, 2012b
[10] See, e.g., Hjære, 2005; Aarup, 2010

community activities. The initiative has meant that the senior citizens feel less isolated and useful, the foster parents get some much needed assistance in their often challenging daily lives and the children get "honorary grandparents" that give them experiences and attention. The homes are rental homes for which the residents pay market rate, and the waiting list is long (Danish Technological Institute, 2012d).

Quality and responsibility

Another central challenge is to ensure that the quality in social solutions is kept at a high level and that there is a clear division of responsibilities when non-public actors become involved in addressing social challenges. How does the local government make sure that the new actors are well equipped to take on the work? Are parents who hold extra classes at schools after school hours up to the challenge? Are students who help senior citizens with their computers and smartphones able to adapt to their special needs and ways of learning? Is an enterprise that makes available equipment, premises and instructors for a workshop space for vulnerable young people able to handle the target group? In this connection, the municipality or local authority must consider providing courses and training. In relation to liability there are also issues concerning the legal setup of partnerships and initiatives that must be addressed.

Sustainability and dissemination

Social innovation initiatives often fail to secure sustainability and dissemination of successful initiatives. Many initiatives are initiated as project-based initiatives with external financing, and even if some of these initiatives perhaps look promising, many of them are discontinued when the financing period ends. This is often due to a lack of strategic focus on sustainability and scaling. In other cases, it is because the financial support is set up in a suboptimal way, so that instead of promoting sustainability, it actually promotes dependency on external financing. In the same vein, social innovation initiatives tend to remain small and are not often transferred to similar environments in other local areas, although there may be a potential for doing so.

Nicer local areas

An example of extensive and successful scaling in social innovation is the web portal FixMyStreet, which opened in the UK in 2007. Here, citizens can inform their local authorities about potholes, overfilled skips, ugly shop fronts and other faults and deficiencies in their local areas. Thanks to open source codes, the initiative has been transferred to Canada, Norway, Germany, Greece, Australia – even Georgia and Korea. In Denmark, a number of local authorities have also implemented the scheme and have developed an integrated smart-phone App to make reporting easier.

Legislation

In more than once case, different parts of Danish legislation have become significant barriers to social innovation. Thus, a large proportion of the most successful examples from other countries cannot be implemented in Denmark due to much tighter legislation in connection with employment and taxation in particular. Time-banking, the name of an artificial "currency" for exchange of services between fellow citizens, is one example. Although there are many examples of highly efficient time-banking initiatives from all over the world (e.g. Independent Transportation Network (USA); Southwark Circle (U.K); Zumbara (Turkey)), the concept is characterised as undeclared work in Danish tax legislation (Skat, 2006). Moreover, parts of the Danish employment legislation and the EU's procurement rules are often mentioned as important barriers to social innovation in Denmark.

Apart from being aware of the legal limitations, the municipality or local authority also needs to give its social entrepreneurs and citizens a complete and easy-to-understand overview of these issues to make them better able to manoeuvre in the legal environment.

Conclusion

Social innovation holds great potential for Danish municipalities as well as for local governments in the rest of Europe. Even though the area is relatively new territory and there is a frequent lack of knowledge, tools and methods[11], an increasing number of Danish municipalities are – slowly but steadily – starting to work systematically with social innovation[12].

In Denmark, social innovation in many ways represents a break from the traditional division of roles where the municipality is the provider and the citizen, who is either under 18, over 65 or labelled "vulnerable" or "unemployed", automatically receives support. In social innovation, each citizen's human resources are brought into play for mutual benefit regardless of age, background, handicap, etc. Breaking with the traditional provider-recipient relationship requires a big readjustment for a municipality who must now increasingly act as a "facilitator" rather than a "fixer" – a transition which also clearly affects the public employees and the local citizens. The embracing of social innovation should therefore happen to an extent, at a speed, and in some well-selected areas that everyone can follow. If it is done in the right way, and the municipality finds a healthy way to approach and respond to the different barriers, there are noticeable benefits to be gained from social innovation – socially as well as on the bottom line.

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[11] Most noticeably in areas such as financing models, support for social innovators and entrepreneurs, partnership models, competences for social innovation, scaling and dissemination, models for job creation and leadership for social innovation.
[12] Over 30 municipalities are at present paying members of "The Danish Municipality Network on Social Innovation". Here, local government leaders (heads of department, office managers, directors, etc.) to receive and exchange knowledge and experiences about implementation of social innovation (KL, 2012).

Background
This article is based on recognised literature and interviews with municipalities, experts, social entrepreneurs, associations and volunteers in connection with the EU research project "Theoretical, Empirical and Policy Foundations for Building Social Innovation in Europe" (TEPSIE) and the preparations for the Danish project "The Danish Municipality Network for Social Innovation". The articles were published as part of the project "Next Practice – new forms of innovation" financed by the Danish Agency for Science, Technology and Innovation.

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