

TRANSITION Literature Review
Scaling Social Innovation Internationally
D2.2



Project Document

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Executive summary: What do we know about scaling social innovations transnationally?

TRANSITION (Transnational Network for Social Innovation Incubation) is a 30-month project supported through the European Commission's Seventh Framework Programme, which aims to scale 300 social innovations over a 30-month period. Within this, it aims to help six social innovations to scale from one of the TRANSITION countries to another.

This literature review aimed to draw together existing research and data on scaling social innovation transnationally. It found that:

- There is a reasonable body of research on strategies for scaling up social innovations generally, but little focusing specifically on scaling from one country to another. Most of the literature focuses on social ventures. This is relevant to TRANSITION, but TRANSITION's definition of social innovation is wider than social ventures or social enterprises.
- Case studies show that a number of social innovations have scaled across country borders, and that social innovations employ a range of different scaling strategies to do this – for example, expanding operations of a social enterprise into a new country; social franchising; or developing networks of organisations delivering the innovation in different countries. However, there is little quantitative data available on transnational scaling.
- The literature available on transnational scaling suggests that it might be possible for social innovations to be 'born global' – that is, to internationalise within their first two to six years of operation. 'Born global' ventures are oriented towards transnational scaling from the start.
- The conditions for transnational scaling include 'internal' factors – such as a diverse staff team committed to internationalisation – and 'external' factors, such as the extent to which the social innovation is effective and scalable and contextual factors relating to target locations. Some contextual factors relating to each of the six TRANSITION countries are briefly explored.
- An interesting concept is the idea of 'psychic closeness', which suggests that innovations will scale most easily into places that share common characteristics with the country of origin. However, in practice, case studies show that some innovations are able to scale in a wide variety of contexts that would not at first glance appear similar.
- Target countries for transnational scaling are sometimes chosen through a strategic process of evaluating possible locations, but often seem to come about as a result of interest from individuals who have come into contact with the innovation and want to bring it to their country.
- The literature clearly shows the importance of partner organisations and intermediaries in bringing social innovations to new locations.

The review raises a number of points of interest for TRANSITION partners and others looking to support social innovators to scale transnationally. For example, how can social incubators build



transnational scalability into their support models? And how could the TRANSITION network itself scale up in new countries?



1. Introduction

About TRANSITION

TRANSITION (Transnational Network for Social Innovation Incubation) is a 30-month project supported through the European Commission's Seventh Framework Programme. It aims to identify 300 social innovations and support them to scale up. Six 'Scaling Centres', based in Finland (Tampere), France (Paris Region), Ireland (Border, Midlands and West regions), Italy (Milan), Spain (Basque Country) and the UK (London), will promote the programme, invite applications and select social innovations to receive support.

Literature review: Background and aims

At the start of the project, the TRANSITION consortium committed to producing a literature review on 'the state of the art' in social incubation and scaling. Partners subsequently agreed to focus the literature review specifically on the **transnational scaling** of social innovations.

Transnational scaling is one of TRANSITION's main focuses. As part of the project, partners are setting up a 'Transnational Start Ups Lab', which will take six social innovations developed in one country and pilot them in another, with the aim of increasing their impact and learning about the processes of scaling social innovation internationally. Transnational scaling was seen as a suitable focus for the literature review as there seemed to be a research gap around how social innovations scale from one country to another. In contrast, there are recent reviews covering other topics relevant to TRANSITION already. For example, the TEPSIE consortium has published a literature review on spreading social innovation (Davies and Simon 2013), while Nesta's 'Good Incubation' report (Miller and Stacey 2014) reviews social incubation models from across the world.

The literature review had four main aims:

- To generate a better understanding of the extent to which social innovations have been able to successfully scale transnationally across Europe and beyond.
- To identify learning about the process of spreading social innovations internationally, for example levers and barriers to doing so.
- To better understand the context in which each of the six TRANSITION Scaling Centres operate.
- To identify implications of the literature for TRANSITION activities.

In doing so, the literature review should directly support the activities the TRANSITION Scaling Centres in delivering the Transnational Start Ups Lab (Work Package 3) as well as informing further research and shared learning activities (Work Package 2). The consortium envisaged that the



literature review should be helpful for other stakeholders outside beyond TRANSITION, for example other intermediaries looking to support social innovations to spread transnationally.

Methodology and literature reviewed

In searching for literature, the review drew on a range of sources, including:

- Web searches using Google Scholar for academic literature and Google for grey literature. A range of different search terms were used to source relevant documents, using combinations of terms including 'international', 'transnational', 'cross-border', 'social innovation', 'social venture', 'social enterprise', 'internationalising', 'scaling', 'spreading', 'growth' and 'adoption'. All searches were carried out in English.
- Scan of project reports from European Commission-funded projects focusing on social innovation and searches of European Social Innovation Research website (www.siresearch.eu).
- TRANSITION partners contributed relevant reports, data and information, particularly relating to the context for social innovation in their respective countries.

The review found that while there is a body of research on models and approaches for scaling social innovation generally, there was limited literature specifically on how social innovations spread from one country to another. Most of the relevant research articles focused on internationalising social ventures, rather than other forms of social innovation, and indeed, one of these pointed out that research on international social ventures is a newly emerging field of study, and as such is underdeveloped (Chen 2012). Key sources drawn on in this review include:

- **Davies (2014) 'Spreading social innovations - a case study report.'** Writing for the TEPSIE project, Anna Davies explores how three social innovations have spread. Two of the three case studies, the Teach for All network and Lions Quest Skills for Adolescence programme, have spread transnationally. The report looks at mechanisms for spreading each of the innovations, the ways in which innovations have been adapted and changed as they have spread, challenges to replicating the innovations and lessons learned.
- **Chen (2012) 'Creating sustainable international social ventures.'** In this journal article, Stephen Chen argues that while international social ventures have become increasingly common, there has been little development in theory to understand the process of internationalisation. Combining social exchange theory and international new venture theory, Chen seeks to establish conditions for sustainable international social ventures and to explore the difficulties that may arise in setting these ventures up.
- **Munoz (2010) 'International Social Entrepreneurship: Pathways to Personal and Corporate Impact.'** In this book, Munoz details some opportunities and challenges international social enterprises should consider when pursuing a strategy for internationalisation. While this book offers some helpful practical tips to help firms strategically



replicate social ventures in new geographic locations, Munoz's heavy reliance on business internationalisation theory lends itself better to the more commercially-focused of TRANSITION's social innovators.

- **Zahra et al. (2008) 'Globalization of Social Entrepreneurship Opportunities.'** This journal article explores some of the factors giving rise to the establishment and rapid internationalisation of social ventures. Theoretically underpinned by behavioural theory of the firm, the authors identify key characteristics of social opportunities and explain how these impact both the timing and geographic scope of social ventures' international operations. Zahra et al. also acknowledge some of the limitations to literature on social venture internationalisation; in particular, the need to better understand the 'rationale for the emergence of new international social ventures or the timing and scope of their international operations.'

Chen, Munoz and Zahra all focus on internationalising social ventures, while Davies takes a broader view of the types of social innovation and the ways in which they can spread or scale up.

Because the literature specifically on transnational scaling (at least in the English language) was found to be relatively limited, the review also drew on a range of related research on spreading social innovation more generally.



2. Scaling social innovation transnationally: Definitions, concepts and models

What is ‘social innovation’?

There is no consensus on a single definition for the term ‘social innovation’ (Jenson and Harrison 2013). TRANSITION has adopted the following definition, put forward by the TEPSIE project:¹

“social innovations are new solutions (ideas, 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.”

As this definition implies, social innovation overlaps with, but is not the same as, social entrepreneurship. TRANSITION aims to support social innovations coming from a range of sources, including new ventures led by social entrepreneurs as well as innovations based within existing organisations, or delivered through strategic partnerships, voluntary initiatives or campaigns.

What is ‘transnational scaling’?

As with other concepts central to TRANSITION, there is wide range of definitions for the term ‘scaling’ (Weber et al. 2012). For this project, we are using a broad definition adapted from CASE (2006): scaling is *“increasing the impact of a social innovation to better match the magnitude of the social need or problem it seeks to address.”*²

In Work Package 3 (Transnational Start Ups Lab), the TRANSITION consortium understands scaling as the process through which an example of social innovation moves from one country to another one, thereby increasing its impact to better match the magnitude of the social need or problem it seeks to address.³ The Transnational Start Ups Lab focuses on taking early-stage proposals and concepts developed in one country and testing their ability to scale in another country. So when defining scaling within the Transnational Start Ups Lab, we mean the successful implementation of a prototype in a new country.

How do social innovations spread?

There is an increasing consensus among researchers and others writing about social innovation that the purpose of scaling is to grow **social impact**, rather than **organisations** (Bradach 2011). In this sense, scaling social innovation is different from scaling in the private sector, where it is more clearly about organisational growth (Davies and Simon 2013).

¹ Tepsie is a Seventh Framework Programme project supported by the European Commission between 2011 and 2014

² TRANSITION Deliverable 2.1, Learning Methodology and Preliminary Framework, February 2014

³ TRANSITION Deliverable 3.1, Transnational Start Ups Labs Methodology, April 2014



Researchers have proposed a range of different **routes to scale** for social innovations. For example, Dees, Anderson and Wei-Skillern (2004) propose three main approaches to scaling: dissemination, affiliation, and branching. Within each of these categories, there is a range of organisational models for scaling, such as social franchising, federations, licensing, network building, formal and informal partnerships and organisational growth (Davies and Simon 2013; Gabriel 2014).

Figure 1: Mechanisms for extending reach

Route	Definition
Dissemination	Actively sharing information
Affiliation	An ongoing agreement exists between two or more parties to be part of an identifiable network, for example a franchise, federation, partnership or joint venture
Branching	Remote sites implementing the innovation are legally part of one large organisation, much like company-owned stores

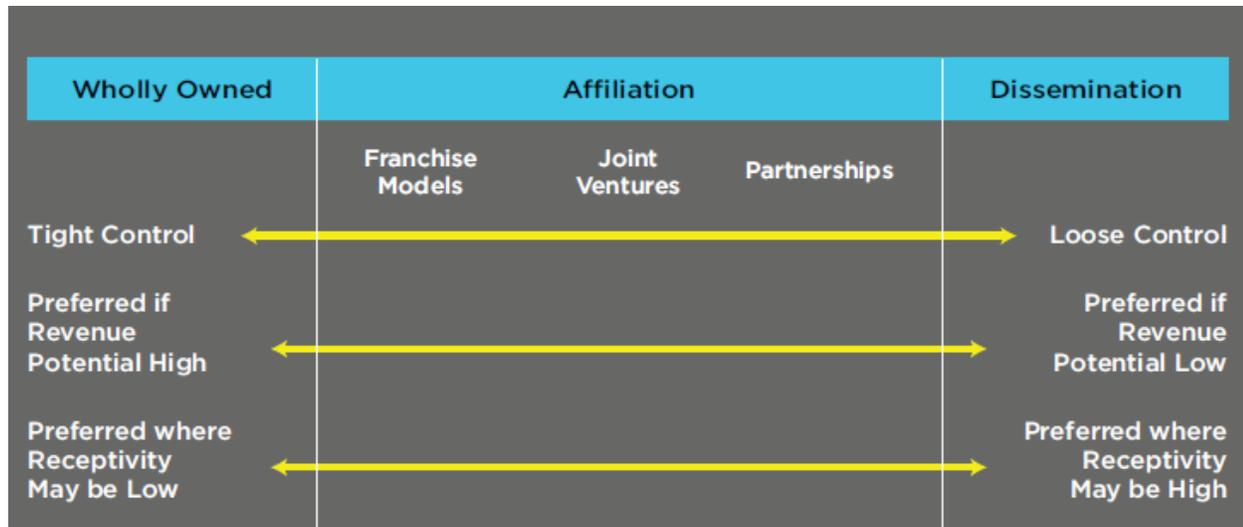
Source: based on Dees et al. 2004

This way of thinking about routes to scale has become “dominant” in the literature (Sezgi and Mair 2011), although some researchers have developed it and used different language. For example, an alternative framing is presented by Gabriel (2014). These researchers emphasise that social innovations can take multiple routes to scale simultaneously.

Often, routes to scale are arranged on a spectrum according to the level of **control** that the original innovator has over how the innovation is taken up (e.g. Mulgan et al. 2007; McNeill Ritchie 2011). Control is seen as an important factor in determining an appropriate scaling route. There also appears to be a trade-off between impact and control (for example, if an innovation is controlled more tightly, it might scale up less quickly or reach fewer people) (Davies and Simon 2013), although others point out that the relationship between control and reach is not always straightforward. For example, some innovations will achieve more impact if they are replicated in a way that closely resembles the original innovation (Gabriel 2014).

Figure 2: Scaling mechanisms, showing spectrum of control





Source: Berelowitz et al. 2013, based on McNeill Ritchie 2011

Some researchers make a distinction between **replication and non-replication strategies** for scaling (Clark et al. 2012). ‘Replication’ refers to reproducing an innovation in a new location, for example through social franchising, licensing, establishing new local branches of an organisation or adoption of new practices by other organisations.

However, not all social innovations spread in this way. For example, digital social ventures might spread through acquiring new users rather than through replication strategies. Similarly, a social enterprise selling an innovative offline product or service might internationalise through exporting goods or securing clients or partnerships overseas, rather than through replicating itself in another country. Lygo, a social enterprise supported by TRANSITION Scaling Centre Paris Region Entreprises, produces fair trade publicity materials (such as branded canvas bags), creating social impact through its partnerships with producers in developing countries.⁴

On this theme, Simon and Davies, in their literature review on scaling for TEPsIE, conclude that the focus on organisational models for scaling in much of the research is too narrow and in fact, the term ‘scaling’ is not appropriate to describe the way that all social innovations spread (Davies and Simon 2013; Davies 2014). They point out that different types of social innovation spread in different ways, and that to find an appropriate route, it is necessary to be clearer about the **type of social innovation being spread**. They also point out that while social entrepreneurship and social innovation overlap, they are not the same thing, and supporting social innovation to spread is a broader task than supporting social ventures to scale up and grow.

⁴ <http://www.lygo.fr/> accessed 29.8.14



Figure 3: Typology of social innovations

Form of social innovation	Conceptualising growth as...
New frames (e.g. low carbon living, fair pay)	Diffusion
New behaviour (e.g. recycling, ethical consumption)	Diffusion, adoption, behaviour change, imitation
New process (e.g. user-led design)	Adoption, implementation
New legislation (e.g. equal pay/anti-discrimination legislation)	Policy diffusion
New social venture/mission driven organisation (e.g. Divine chocolate, Belu Water)	Scaling social impact, scaling up, replication
New service (organisation led e.g. personalised budgets)	Organisational diffusion, implementation, systems change

Source: Davies and Simon 2013

Similarly, Dees et al. (2004) suggest that social innovations have choices about how to **'frame'** their innovation for scaling. A childhood learning centre teaching maths to young children, for example, could be framed as a programme of activity (a maths curriculum); as an organisational model (a new kind of pre-school learning centre); or a set of principles (e.g. about the way in which teachers, students, and parents interact). The most effective routes to scale might depend on the way that the innovation is 'framed'.

A final point to make is that although there is a considerable amount of literature on scaling social innovation, there are no "blueprints" that set out exactly how to scale in different contexts. A recent report argues that most scaling frameworks set out "necessary, rather than sufficient conditions for scaling up" (Concilio 2014).

Can social innovations be 'born global'?

Some academics (such as Munoz, 2010) draw on international entrepreneurship and international trade research in helping to understand the processes and pathways to international scale undertaken by the social firm. An interesting concept that comes out of the literature is that of the **'born global' organisation** – organisations that start to internationalise two to six years after their formation. Organisations with demonstrable entrepreneurial ambition are more likely to pursue such a pathway to internationalisation. Firms that internationalise early in their growth are said to hold more positive perceptions of internationalisation, and thus "are more adaptable than more traditional firms".

The literature suggests there are many reasons that a social venture might pursue internationalisation early in its organisational life. For instance, Zahra et al. (2008) argue that the organisation's "proprietary knowledge, access to networks, innovative business models, or important assets such as



well-skilled entrepreneurs or staff” may be amplified by going international. Early internationalisation will also depend on the type of social problem or need being dealt with by the organisation. For instance if the social issue has a high degree of international prevalence, such as is the case with natural disasters, geographic boundaries may be less relevant, and the social venture will be more likely to internationalise.



3. Transnational scaling in practice

Case study research shows that a wide range of different types of social innovations have successfully scaled transnationally, using a variety of different scaling models and organisational forms.

For example, Teach for All is scaling using a “decentralised **network** model”, while the Lions Quest Skills for Adolescence programme has spread mainly by being replicated by members of the Lions Club’s international network, but is being replicated in the UK by another organisation, Ambition. The Lions Club **licences** materials and trains teachers to implement the programme locally (Davies 2014). Several organisations have used **social franchising** to replicate their models in new host countries (Bartilsson 2012). For example, Le Mat, which promotes sustainable and inclusive tourism, started in Italy and now operates in Sweden as well (ESFN 2012a). Barka, which promotes social development of marginalised groups, initially operated in Poland (from a UK base) and has since spread to Sweden, the Netherlands and Germany (ESFN 2012b).

Teach for All

Teach for All has grown rapidly, sharing the values, approach and models that Teach for America (USA) and Teach First (UK) have developed to get talented graduates to teach in schools, and supporting similar programmes to develop in other countries. There are currently 34 such programmes running globally, including in European countries such as Austria, Belgium, Bulgaria, Romania, Slovakia and Sweden. Teach for All establishes partnership agreements with local social entrepreneurs interested in bringing the model to their countries. The programmes run independently in each country, while Teach for All provides opportunities to share learning and gives access to global resources (Davies 2014).

Governments and the public sector have also replicated social innovations from other locations in their own countries. For example, over the last ten years, conditional cash transfer programmes to relieve poverty, such as *Oportunidades* in Mexico and *Bolsa Família* in Brazil, have been replicated in several Latin American countries, as well as some countries in Africa, Europe and Asia (Yaschine 2012).

Beyond the research literature, there are many other examples of transnational scaling, including from within the TRANSITION network. Data collected from the first cohorts of innovations supported by the six Scaling Centres suggests that eleven out of 75 (15%) were operating internationally at the time they applied to be part of the programme (although many are still at an early stage of development).

Examples of transnational scaling from the TRANSITION network

The **Sunday Assembly** is an innovation supported by the Young Foundation in the UK as part of TRANSITION. “A non-religious community that meets regularly to celebrate life”, it has already



expanded from the UK to North America and Australasia, and is planning to launch in Africa, South America, continental Europe and Asia in autumn 2014.⁵

The **Demola** programme, in which students come together to develop innovative solutions to real-life challenges set by companies, was developed by TRANSITION Scaling Centre New Factory in Finland. It has now spread to Lithuania, Bulgaria, Sweden, Slovenia, Latvia and Spain.⁶

While it is possible to find examples of international scaling in the research literature and beyond, there appears to be limited quantitative data available on the extent to which social innovations scale transnationally. Perhaps unsurprisingly, available data focuses on social enterprises or social ventures. A survey of social enterprises in the UK found that 11% were trading internationally (exporting goods or services, or licensing products in other countries) and that international trading was more common amongst recent start-ups (those established in the three years prior to the survey) (SEUK 2013). A report from the European Social Franchising Network noted that at least six of the 63 European social franchising organisations surveyed had set up (or were in the process of setting up) franchises in countries other than their host country (Bartilsson 2012).

Digital social innovation appears to offer new opportunities for internationalisation. Zahra et al. (2008) argues that technological advances have facilitated increased international interactions and have created a climate better suited to international social ventures. Some online social innovations have international reach. For example, massive online open course (MOOC) provider ALISON is based in Ireland but currently reaches over 3 million users in 200 countries.⁷ Campaigning community Avaaz.org has 39 million members worldwide.⁸

⁵ <http://sundayassembly.com/assemblies/> accessed 28.8.14

⁶ <http://www.demola.net/about> accessed 28.8.14

⁷ <http://alison.com/subsection/?section=about&page=19> accessed 1.9.14

⁸ <http://www.avaaz.org/en/> accessed 1.9.14



4. Conditions for transnational scaling

The literature on internationalising social ventures identifies a number of practical considerations for scaling into new countries. This section explores conditions for transnational scaling, and then discusses research relating to success factors. Because of the nature of the existing literature, this section focuses heavily on conditions for organisational growth rather than scaling impact through other routes. Further research is needed to test these ideas within the context of scaling impact.

'Internal' conditions

Organisational factors

Munoz (2010) argues that the internal capabilities and resources of an organisation are an important factor behind transnational scaling. Recognising the organisation's strengths and weaknesses and acting to either address or make use of them should be an important strategic consideration when planning for scaling. Key factors include:

- **Size of the organisation:** Larger firms can dedicate more resources to pursue opportunities compared to smaller or newer ones, but smaller organisations tend to be more flexible and adapt quicker to new locations.
- **Skills:** The skill set and information possessed by an organisation shapes its ability to survive and prosper in foreign locations: and "indicates what added values a firm can offer and leverage overseas." In some cases, international social ventures benefit by creating teams focused specifically on strategic planning for scaling.
- **Entrepreneurial ambition and commitment:** Munoz suggests that organisations lacking entrepreneurial members are less likely to internationalise. The level of staff commitment to internationalisation matters – the entire organisation needs to be committed to achieve organisational goals. Furthermore, a diverse team, both professionally and culturally, will be better poised to internationalise than one whose staff is monocultural or of a similar sector.

Meanwhile, in a wide-reaching literature review on scaling social enterprises (not focusing on transnational scaling specifically), Weber, Kroeger and Lambrich (2012) identified 157 key drivers for scalability, which they condensed into clusters, including:

1. The ownership, leadership and commitment of the individuals involved.
2. Having professional management – the ability to act in a business-like manner.
3. The replicability of the operational model, whether it can be exported in its entirety or has to be simplified/standardised.
4. The ability to meet social demands.
5. The ability to obtain necessary resources.
6. The ability to involve other organisations/institutions in the scaling process.



7. The ability to adapt to new geographies, target groups, products or services – and whether adaptation is necessary or possible.

Scalability of the solution

Importantly, the innovation tackling the issue needs to be scalable. Mulgan et al. (2007) identified that scalable social innovations tend to be ones that:

- Are relevant beyond their initial context
- Are relatively simple
- Are clearly better than the alternatives
- Don't rely solely on the talents of specific individuals.

Cost is also important – the solution needs to provide value for money in relation to existing solutions (Gabriel 2014).

Conversely, in their guidance on scaling up social programmes, MSI Worldwide (2012) state that “going to scale is particularly difficult when models:

- Lack credible documentation of impact
- Do not include a technological innovation
- Are value-laden or process intensive
- Are replacements or substitutes for government services rather than innovations in service delivery
- Are not easily grafted onto existing services
- Do not have a dedicated funding source or other means of generating revenue

In some cases, evidence of effectiveness is vitally important, as this can generate interest in an innovation outside its country of origin. The Lions Quest Skills for Adolescence programme is being replicated in the UK because of its strong evidence base (Davies 2014).

‘External’ conditions

Understanding contextual factors, or external conditions, is an essential aspect of planning for scaling and may be critical to the successful operation of an international model. Davies (2014) states that context is the most important factor explaining success in spreading innovation; more so than strategies and tactics for growth: “the success or otherwise of social innovation diffusion will be very much dependent on ‘fertile ground’ rather than the merits of the innovation itself”. Davies points out that the final report of the WILCO project (Brandsen 2014) drew a similar conclusion.

Prevalence of the issue

Zahra et al. (2008) state that the salience of certain social issues can help social innovators identify international social opportunities. These issues might first be identified domestically, and then the



solution might gradually expanded internationally; while other social ventures are founded with a view to tackling international social issues from their beginning ('born global').

Cultural similarity

The notion of '**psychic distance**' is a term first used in international business and marketing to describe how perceptions of 'foreignness' are made. Following the concept of 'psychic distance', commercial firms are said to scale internationally by first identifying countries or regions that are 'psychically close', meaning they have similar linguistic, cultural, economic and political or legal comparisons to the home country. These are countries or regions that they understand, and therefore there is low market uncertainty.

Some international social ventures have consciously scaled by identifying locations that are '**psychically close**' to their country of origin, attempting a first-time international replication in another similar context to ensure effective communication from one context to another.

Munoz (2010) points to the significance of 'psychic closeness' when a social entrepreneur is scoping out new possible locations to begin scaling internationally. For example, Girls on the Run, a U.S.-based social enterprise, first scaled internationally in Canada because this location was "geographically close, culturally similar, and potentially more manageable from the company's viewpoint."

Mulgan et al. (2007) argue that innovations are more likely to spread if they are "compatible with what already exists". "Complementary conditions" can include reliable technology or infrastructure, but also culture. The authors point out that expensive attempts to replicate the US mentoring scheme 'Big Brothers, Big Sisters' internationally had met with little success, but that 'Alcoholics Anonymous' has spread globally without growth finance, implying that the latter was more culturally acceptable in a wider range of contexts. However, they also, show that some social innovations have failed to scale transnationally even though the countries they have targeted may seem 'psychically close'. For example, the Big Issue failed in its attempt to scale from the UK to the USA, possibly because of local competition. Nevertheless, it had more success scaling in other countries, including Australia, Japan, South Africa and Namibia.

Social and political contexts

MSI (2010) state that social and political contexts are both important, and can significantly affect the scaling up process. It is particularly important to consider issues around good governance when expanding geographically: "respective roles and fiscal capacities of national, state, and local governments; extent and nature of NGOs and NGO networks; prevailing cultural and religious norms; and the extent of social homogeneity."

Zahra et al. (2008) explain that many social entrepreneurs chose to scale in targeted regions with considerable differences both culturally and in terms of socioeconomic structures because they are



instead scaling according to social need. These theories, they suggest, help illustrate how driven by the desire to meet the needs of people and improve the well-being of others, social entrepreneurs are likely to scope out opportunities to help others based in other countries, while ignoring the psychic distance. Reflecting this to some extent, Austin et al. (2006) suggest that an inhospitable context can sometimes be a draw for social entrepreneurs – they choose to pursue opportunities in adverse environments because they are driven to create social change. Some social entrepreneurs “seek to change the context itself,” since contextual factors are often the root of the problem a social innovation tries to tackle.

Competition

Munoz (2010) says that, like commercial firms, healthy competition can be important to a social venture’s chances of success in a new environment: “Firm profitability in a new environment is shaped by factors such as rivalry, potential of entrants, possibility of product substitution, ability of suppliers to bargain, and ability of buyers to bargain.”

Austin et al. (2006) agree that commercial and social enterprises share certain concerns on the issue of competition: “...just as commercial enterprises compete with each other for such resources as funding from investors, market share for customers, and the most talented employees, social enterprises compete with each other for philanthropic dollars, government grants and contracts, volunteers, community mindshare, political attention and clients or customers, and talent within their “industry” contexts.”

In contrast with Munoz, Chen (2012) suggests that for international social ventures, competition can also be ‘destructive’ and can result in a shortage of scarce resources. He recommends building coalitions around the social goal, working in an environment of ‘**co-opetition**’ rather than competition.

Entry barriers

Munoz (2010) argues that international social ventures must identify not only which locations are suitable, but how best to enter them. Like regular businesses, social ventures must understand host country entry barriers, macroeconomic and government policies and the extent of market divergence from the home country. Likewise, Robinson (2006) states that understanding a given location’s social sector will help identify opportunities and entry barriers.

Success factors

Strategic planning - alongside openness?

The idea that social innovators or entrepreneurs should devise a deliberate plan for internationalisation is common in the literature. Munoz (2010) says social organisations should identify which tasks are critical to their internationalisation success and then incorporate these in the planning efforts. He suggests a diversity of strategies, innovative organisational structures and business models



should be experimented with, though more research is needed to understand the particularities of each of these strategies. This approach is reflected in MSI's scaling guidance (2012), which includes a checklist for social innovators to assess opportunities for expansion into new contexts.

However, while some literature suggests that social entrepreneurs (should) take a rational-economic approach to planning, there is a body of work that acknowledges a different approach. Corner and Ho's work on opportunity identification (2010) describes how some entrepreneurs do not follow a strategic decision making approach, but instead they go through a process known as '**effectuation**'. This means that rather than 'discovering' opportunities that exist independently, social entrepreneurs create opportunities, using their current skills and resources to pursue a good idea – they do not set out with the specific product, solution or venture in mind.

In the context of transnational scaling, 'effectuation theory' might suggest that social innovators respond to new possibilities for expansion as they present themselves, rather than, for example, carrying out detailed market analysis to identify potential countries to move into. In fact, several examples in the literature show how social innovators' choice of where to replicate has been based more on responding to interest from people based in those countries than on a process of strategically selecting appropriate locations. Teach for All and Lions Club International for example, take this approach (Davies 2014) and Le Mat state that their decision to replicate in Sweden was based on being contacted by people in that country (ESFN 2012a).

Collaboration with partners

The ability to network and collaborate with partners has also been a key theme in the literature. Munoz (2010) acknowledges that an international social venture's ability to use its networking skills and the types of relationships it builds, such as international collaborations and strategic alliances, impacts its overall capacity to internationalize: "Research suggests that networks and interorganisational linkages tend to facilitate internationalisation." As a result a detailed plan for developing these relationships should be included in an organisation's strategic planning for internationalisation.

Zahra et al. (2008) argue that collaborating with partners can be beneficial on a number of levels. It can help with access to funding, for example forming cooperative strategies with partners can be useful for connecting with different funding sources spread across a number of countries. Meanwhile Chen (2012) states that the ability to share resources with other organisations in the community and wider social network can aid the long-term sustainability of the organisation. It can also help a venture to access knowledge and new skills. The added value of learning from peers already trying to tackle an issue can assist in the social venture's learning and can help them gain new skills necessary to successful scaling their innovation in a new area.

While acknowledging initial buy-in from local partners is necessary to embed a social innovation in a new location, and that it is important to maintain a good working relationship between organisations, a barrier pointed to by Davies (2013) is that if successful, social innovations will often cause disruption



for already existing institutions. In this case, managing a level of independence and autonomy will be important when forging partnerships with local actors, political and otherwise.

Child Soldiers International

Child Soldiers International (formerly known as the Coalition to Stop the use of Child Soldiers) is a clear example of a coalition of actors that came together to create impact around a particular issue. Established in 1998 by an alliance of leading human rights and humanitarian organisations including Amnesty International; Defence for Children International; Human Rights Watch; International Federation Terre des Hommes; International Save the Children Alliance; Jesuit Refugee Service; the Quaker United Nations Office – Geneva; and World Vision International; its original purpose was to advocate for a “human rights treaty to prevent the military recruitment of children or their use in hostilities.” Since then it has evolved into an independent human rights organisation but still has close ties with a number of both their founding organisations and with members of its former national and regional coalitions.⁹

Support role of networks and social innovation intermediaries

Significantly, given one of the key aims of the TRANSITION network is to support six social innovations to scale across national borders, Zahra et al. (2008) point to the important role played by intermediaries and networks in ‘connecting social ventures with similar missions across international borders’ and facilitating collaborative partnerships between social entrepreneurs with governments and NGOs.

Chen (2012) also pays attention to the important role social networks play when considering international scaling. For him, they are a key feature of new international social ventures, “enabling them to overcome many of the sociocultural barriers that face newly internationalizing ventures.”

Ashoka Globalizer

The Ashoka Globalizer programme is an example of a social innovation network that is helping innovations to globally scale. Ashoka has a network of 2,500 individual Fellows in more than 70 countries. The Globalizer programme identifies the Fellows within this network that have the greatest potential for global systems change, and then they work with them to help adapt their strategies for global spread.¹⁰

Controlled growth and expansion

Munoz (2010), while framing scaling largely from the perspective of the commercial firm, states: “Controlled and managed growth is a key challenge for social enterprises.” Certainly this has been echoed elsewhere in the literature. As Shoemaker (2007) highlights, “International non-profit

⁹ http://www.child-soldiers.org/our_history.php accessed 29.8.14

¹⁰ <http://ashokaglobalizer.org/about> accessed 29.8.14



networks more often fail when they are too loosely directed in their early years.” Resource constraints and the need to focus as much energy as possible on strategy and value-adding activities mean too much defining of the model should not be left totally up to local affiliates. For example, while the Teach for All network does not have a tight franchising model, it is held together by a shared set of value statements that are set out in a partnership agreement. As well as adhering to these values, partner organisations must commit to a set of five principles that set out the broad parameters of the programmes the partners will deliver (Davies 2014).

Understanding the social need

Chen (2012) points out that some international social ventures fail as a result of there not being a clear social need for their innovation, or because they mistakenly assume that people will align themselves with a product or service simply because it supports a good cause. Occasionally the social need for the venture may also disappear.

Local adaption

Given the complex nature of social needs, social innovators looking to spread innovations in different contexts will frequently have to adjust their offerings to fit with local needs (Munoz 2010, Brandsen 2014). These local adaptations require a deep understanding of ‘local cultures, ideologies, and institutions’ (Zahra et al. 2008) – something that local partnerships might be able to facilitate. In her case study on Lions Quest Skills for Adolescence, Davies (2014) reflects in detail on the adaptations that the organisation delivering the programme in the UK made, in order to translate American course materials for a British audience. Making the intervention relevant locally, without losing the core features that made it effective in the first place, was a tricky balancing act.

Endeavor

Endeavor is a “high-impact entrepreneurship” incubator and accelerator, headquartered in New York City, which has scaled into 20 different countries, most of which are emerging markets poised towards growth. While Endeavor is a support programme, similar to the Scaling Centres in TRANSITION, Munoz (2010) suggests its model of growth offers a particularly useful blueprint for international scaling — combining research and development, and following clear processes before they scale into new geographic regions.

When looking at new markets, Endeavor will first conduct research and produce a thorough assessment of the target market. In selecting international locations for expansion, Endeavor utilizes a five-point criteria:

- location has enabling framework in the form of strong macroeconomic conditions;
- location has scalability (i.e., a large number of target markets);
- location has pull in the form of a high level of interest from local affiliates;
- management feasibility—due consideration is given to the existing organisational structure and mode of implementation, including issues such as language, flights, and time zones;



- mission congruence—preference is placed on locations where a significant impact may be made.

When entering a new market, Endeavor will begin by selecting local business partners to develop country boards and affiliates. These country boards play an integral role in spearheading the launch in their country and ensuring early commitment of other local partners.



5. Conditions for scaling in TRANSITION countries

Existing literature suggests that social, economic and cultural conditions will influence the ability for social innovations to scale into new countries. This section briefly considers some broad contextual factors that might influence the ability of social innovations supported through TRANSITION to scale in other TRANSITION countries, including:

- The nature of the social economy
- The ecosystem of support for social innovation, such as national and local support organisations, universities specialising in the subject and social innovation networks
- Political and legal frameworks to support social innovation
- Financing social innovation
- Social challenges

However, it is worth noting that the relationship between contextual conditions and scaling opportunities is not always predictable. For example, while the theory of ‘psychic closeness’ predicts that social innovations will scale more easily in countries that share characteristics with the originating or host country, in practice some social innovations, such as the Teach for All approach, have scaled in a wide variety of very different contexts (Davies 2014). This means that favourable conditions for scaling are to some extent likely to be specific to each social innovation.

Basque Region (Spain)	
Social economy	Well-established social economy based on cooperative tradition, but Spain as a whole has a low rate of new social entrepreneurial activity (GEM 2009); most social economy organisations are mature organisations, operating for 10 years or more (Nițulescu 2013). While legislation on the social economy is primarily settled at a national level in Spain, specific policies are also established at a regional level within the Autonomous Communities. With 2,900 social economy organisations, the Basque Country is a particularly active region in this field. Regional policies support the sector and promote the creation of incubators and innovative social initiatives, but practitioners also have an important role in structuring social economy. Thus, the Basque country is increasingly considered as an “International Social Innovation leader” ¹¹ .
Ecosystem of support for social innovation	Support organisations such as Denokinn (which has set up Europe’s first ‘ Social Innovation Park ’) and Sinnergiak ; universities with interest in social innovation such as University of San Sebastian and Deusto University; a large number of co-working spaces. A new innovation network structured around social innovation is running now: The Basque Social Innovation (BSI) is a node consisting of 23 agents of different types including trade unions, employers, universities and public and private companies,

¹¹ http://www.ess-europe.eu/?page_id=5913 accessed 29.8.14



	all of them related to social innovation. Considering social innovation is not only linked to social cohesion, it is directly related to the competitiveness of a region, and it is driving the design of a common agenda to define the challenges that the Basque society is facing and how to address them efficiently.
Political and legal frameworks	Social innovation is incorporated into the regional government's Strategic Plan. ¹² Innovation agency Innobasque (which prepared the regional strategic plan for social innovation) has recently set up Basque Social Innovation to promote a more joined-up approach in supporting social innovations across the region. ¹³ In order to retake the path of sustainable growth, the current plans for science, technology and innovation are now based on a number of strategic meta-priorities: advanced manufacturing; energy; and bio, nano and micro convergence. From these three major trends, the Basque Country is generating new business opportunities and development through entrepreneurship, intra-entrepreneurship and the creativity of a multi-agent framework formed by the SPRI Group. Partners in the framework include the Basque Government, the provincial councils of Alava, Bizkaia and Gipuzkoa, and the agencies for local development. Social Innovation is a key factor in this strategy.
Financing social innovation	There is a social innovation funding gap. A few grants are available for social innovations: both public (Diputación Foral de Bizkaia, Diputación de Alava, Diputación de Gipuzkoa, Basque Gov, Municipalities...) and private (Bilbao Bizkaia Kutxa -Savings Bank a socially-conscious financial institution - Bankinter Innovation Foundation, La Caixa Foundation ...).
Social challenges	Unemployment, particularly among youth, NEETS (Not in Education, Employment or Training) and people over the age of 40; integration into work; social exclusion; aging population and social inequities.

Finland

Social economy	The roots of the social economy lie deep in Finnish History; the cooperative movement reached Finland in the late 19 th century and cooperatives still play an important role in Finnish business life ¹⁴ . The traditional expression for social enterprises - social economy organisations – has been strong and covers cooperatives, mutual societies, associations and foundations. Almost half of the Finnish early-stage social entrepreneurial activity is not-for-profit social entrepreneurship (Kostilainen and Pattiniemi 2013).
Ecosystem of support for social innovation	During the structural fund period 2000-2006, ESF programmes were used to develop an operational model for the Finnish new social economy and social enterprises. A national network was developed by reinforcing the co-operative information centre in Tampere. A network model was created to organise education and research activities in collaboration with different university units (Kostilainen and Pattiniemi 2013).

¹² <https://webgate.ec.europa.eu/socialinnovationeurope/social-innovation-spain> accessed 29.8.14

¹³ <http://www.innobasque.com/home.aspx?tabid=1552> accessed 29.8.14

¹⁴ <http://www.ess-europe.eu/wp-content/uploads/2012/05/SocialEconFinland.pdf>



	Finland has a national innovation agency called SITRA and a funding agency for innovation Tekes; universities supporting social innovation e.g. Aalto University; new social enterprise networks and incubators e.g. New Factory and the Vigo funded accelerator network (although not specifically social).
Political and legal frameworks	<p>The Law on Social Enterprises (1351/2003) came in force in 2004 but was limited to social enterprises in the field of ‘work integration’. During the ESF period (2007-2013) there was political interest to broaden the concept of social enterprise, and advice was sought from other countries, particularly the UK (Kostilainen and Pattiniemi 2013).</p> <p>Innovation plays an important role at the heart of government policy and it is enshrined in the National Innovation Strategy which links innovation to the <i>‘highest possible long-term benefits for the national economy and society.’</i> (Rae and Westlake 2014).</p>
Financing social innovation	Social enterprises do not yet have any special funding instruments, but they are entitled to use the same instruments as other businesses (Kostilainen and Pattiniemi 2013). Many social enterprises struggle because they are seen as being too commercial for RAY funding (Revenue for Finnish Welfare – a fund for non-profit organisations and foundations), yet too social for traditional business funds. There have been some suggestions for the establishment of an investment fund for social enterprises (Rove et al. 2011).
Social challenges	The Nordic countries enjoy high standards of living and wellbeing against most international comparisons. Social challenges include the ageing population, the movement of people between countries putting constraints on the welfare model, alcohol and substance abuse.

France	
Social economy	Well-established social and solidarity economy (SSE) generates 10% of national employment. It is mostly comprised of NGO-associations, cooperatives and mutuals. ¹⁵ Meanwhile, social entrepreneurship is developing as a field in its own right. Social enterprises operate in line with the principles of the SSE, but can be profit making organisations. ¹⁶ A new generation of social entrepreneurs is strongly emerging, mostly driven by high degree schools with new social-specialised curriculums and advancements in ICT.
Ecosystem of support for social innovation	National agencies promoting social innovation and entrepreneurship such as AVISE, France Active and ANSA; universities specialising in social innovation and entrepreneurship e.g. INSEAD, le Labo de l’ESS, Institut Godin, Université Marne la Vallée and many others targeting human and social sciences; incubators supporting social innovation and entrepreneurship such as Antropia; Bond’innov, Ashoka, La Ruche (http://www.la-ruche.net), new “social innovation with ICT”

¹⁵ <https://webgate.ec.europa.eu/socialinnovationeurope/node/1904> accessed 28.8.14

¹⁶ <http://www.avise.org/decouvrir/entrepreneuriat-social/faq> accessed 28.8.14



	incubators like social good lab, Paris Regional Entreprises , giving support and access to innovation funds; social entrepreneurship networks such as Mouves (http://mouves.org/).
Political and legal frameworks	The French legacy for SSE was just modified last summer in order to include profit making organisations under governance and social impact conditions (“utilité sociale” agreement”). Separately, innovation (including R&D for new product, service, process, or organisation) follows European rules and definition, meanwhile national policies try to extend barriers to non-technological innovation, service innovation and also social innovation.
Financing social innovation	Public and private help is specifically oriented to social entrepreneurs (support and financial support), separately from innovation projects (with R&D). However, private social impact investment is still low.
Social challenges	Traditionally, social challenges cover fundamental rights (access to health, housing, education, employment etc.) for “fragile” targets (older people, people with disabilities, unemployed etc.) Nowadays, there is a focus on the collaborative economy, limiting environmental impacts and the transition to a more social economy.

Italy	
Social economy	Large cooperative sector, based on strong tradition of the welfare state. There are some 12,000 social cooperatives working in health care and social assistance or focusing on work integration (Festa 2013) and a further 365 organisations registered under a new law defining social enterprise (Venturi 2012). However, social innovation is not well established as a concept. ¹⁷
Ecosystem of support for social innovation	There is a multifaceted ecosystem. Universities: Politecnico di Milano has founded an international network of Design Schools specialised in Design for Social Innovation and Sustainability (DESIS), the Universities of Bologna and of Trento are very active in research about and for social innovation. Research centers and networks: IRIS Network (Italian association of Istituti di Ricerca sull’Impresa Sociale) is a national network of research centers on social enterprise aimed at improving their functioning and impact); Make a Change is the first Italian Movement for the promotion of the values of social business; ISNET is an association aiming at supporting social enterprises in networking and finding partners; EURICSE aims to promote knowledge development and innovation for the field of cooperatives, social enterprises and other nonprofit organisations; AICCON is a research center to encourage, support, and organise initiatives to promote the culture of solidarity. Incubators and co-working spaces: Avanzi/Make a Cube are based in Milano and operate in different cities, Impact Hub has sites in six cities. Foundations: several foundations have recently opened special programmes for social innovation or are getting specialized in this

¹⁷ <https://webgate.ec.europa.eu/socialinnovationeurope/node/1913> accessed 28.8.14



	area.
Political and legal frameworks	<p>The most established legal framework for the social enterprise is a law of 1991 about the Social Cooperative that must operate for the benefit of the local community in two basic forms: (a) providing social services in the areas of health care, care of the elderly, and education; and (b) creating employment for certain disadvantaged persons. In 2006 new legislation was enacted to create a new legal form for social enterprise, 'impresa sociale', open to limited companies as well as traditional social economy organisations (Festa 2013).</p> <p>In 2012 the national law on innovative start-ups¹⁸ introduced the legal form "innovative start-ups with a social vocation". Beside sharing the same requirements of the innovative start-up companies, to be recognized as social, start-ups must be active only in specific areas referred to: social assistance, health care, education and training, environmental protection, the promotion of cultural heritage and tourism, university and post-graduate education, cultural services. Among the 2,254 companies inscribed in the innovative start-up register (June 2014), 71 of them, 3.15%, are classified 'with a social vocation' (Carmagnini, Giudici, Marchesini 2014).</p> <p>In 2013 the MIUR (Italian Ministry for University and Research) launched an open consultation to create an Italian Social Innovation Agenda. Today, the policy of different cities (i.e. Torino, Milano, Bologna) manages the creation of multi-stakeholder platforms for supporting social innovation, often combined with the concept of smart cities, to refer to the role of knowledge and ICT in helping the transition towards a greener economy.</p> <p>A national observatory for the smart cities was born in 2012 and consultant agencies at the national level have started to support the PA in social innovation strategies (such as Forum PA), while the Forum Nazionale Terzo Settore is a recognized social party representing around 95,000 local organisations.</p> <p>Local policies are implemented by regional governments and chambers of commerce.</p>
Financing social innovation	<p>In 2012 the national law (Decreto Cresci Italia) introduced fiscal benefits (19%-25%) for investors in start-ups, additional benefits for investors in social start-ups, and introduced crowd-funding¹⁹. In the last couple of years, a number of regional or national incubation and acceleration programmes for supporting and funding innovative social enterprises have been launched, promoted by foundations, banks, private/public partnerships, local/regional governments, companies (mostly in ICT, telecommunication and insurance). Social venture capital and impact investors (such as Oltre Venture) are now starting to operate. In August 2014 the Government announced 50 million euros for supporting social enterprises within the framework of an upcoming structural reform of the Third Sector.</p>

¹⁸ Decreto Crescita Bis (Decreto legge del 18 ottobre 2012, n.179)

¹⁹ Comune di Milano – Assessorato Politiche per il lavoro, sviluppo economico, università e ricerca, Aprire all’innovazione Sociale. 2013



Social challenges	Poverty and financial inclusion, ageing population, crisis of the family network, youth unemployment, increasing of NEETs (Not in Education, Employment or Training) immigration, health inequality, geographical inequality, access to credit. ²⁰
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Ireland	
Social economy	A recent estimate suggests there are 1,400 social enterprises in Ireland. These include commercial organisations established to generate a social return; organisations creating employment opportunities for disadvantaged groups; economic and community development organisations; and service delivery organisations (Forfás 2013). Nevertheless, the sector is said to be under-developed, with the potential to grow from generating 3% of GDP to 5%, and employing some 65,000 people (Social Enterprise Task Force 2010).
Ecosystem of support for social innovation	There are a large number of organisations that support social enterprises in Ireland, such as Social Entrepreneurs Ireland; BIC centres including WESTBIC , School for Social Entrepreneurs Ireland; Network for social entrepreneurs www.socent.ie , Clann Credo, UCIT, Ashoka Ireland and Uplift.ie.
Political and legal frameworks	<p>The Social Enterprise and Entrepreneurship Task Force (SEETF) was set up in 2009 with a view to putting the subject on the political agenda.²¹ A significant achievement for SEETF was in influencing the current Programme for Government to include a commitment by government to: “promote the development of a vibrant and effective social enterprise sector”, and, “instruct agencies to view social enterprises as important stakeholders in rejuvenating local economies.” However, much remains to be done at government level including:</p> <ul style="list-style-type: none"> • Setting achievable job creation targets for the social enterprise sector. • Selecting nine County/City Enterprise Board and Local Development Company areas to pilot the stimulation and development of social enterprise. • Within each area, a member of staff should be given the role of Social Enterprise Development Officer to raise awareness of social enterprise, to meet with community groups and entrepreneurs interested in social enterprise, to support them in testing the feasibility of social enterprise ideas, to develop business plans and to access relevant training, funding and other supports. • Assigning a Minister for State with responsibility for social enterprise within the Department of Jobs, Enterprise and Innovation. The Department of Jobs, Enterprise & Innovation, with the assistance of Forfás, should have primary responsibility for developing a national strategy for social enterprise in consultation with the sector, including the SEETF. • Establish a Social Enterprise Development Unit to implement this strategy within the Department of Jobs, Enterprise & Innovation.

²⁰ ISTAT La situazione del Paese. Rapporto annual 2014

²¹ <https://webgate.ec.europa.eu/socialinnovationeurope/node/1912> accessed 28.8.14



Financing social innovation	Clann Credo – the Social Investment Fund has been established for over 15 years and made loans worth EUR 10 million in 2011. ²² Grants are available through Social Entrepreneurs Ireland and Arthur Guinness Fund. However, funding gaps are acknowledged as some large philanthropic funds, such as Atlantic Philanthropies and One Foundation are spending down their monies. Social Innovation Fund Ireland was launched by government in 2012, focused on raising philanthropic funding.
Social challenges	Poverty and financial inclusion, ageing population, youth and long-term unemployment, health inequality, reduced public services.

United Kingdom	
Social economy	There are estimated to be 70,000 social enterprises in the UK, although estimates vary depending on the data source and definition used (2012 Small Business Survey). Most social enterprises in the UK operate on the basis of generating a fee for the provision of services or products. They are often involved in the delivery of public services although recent research showed an increasing proportion were trading directly with the public (SEUK 2013).
Ecosystem of support for social innovation	Over 100 intermediary organisations provide funding and/or support for social entrepreneurs, enterprises and innovations (Drencheva 2014), including innovation agency Nesta ; a growing number of social incubators and accelerators such as the Young Foundation 's Accelerator; organisations providing support for social entrepreneurs, such as UnLtd, School for Social Entrepreneurs and private sector schemes such as Ernst and Young's Accelerate programme; sector bodies such as Social Enterprise UK. A growing number of universities are running schemes to support social entrepreneurs and/or teaching relevant courses (SEUEN 2013).
Political and legal frameworks	There are currently over 30 'social investment finance intermediaries' (SIFIs) investing in social ventures. Establishment of Big Society Capital in 2012 provided a further £600m to be distributed through SIFIs. Start-up seed funding is available from UnLtd and several other organisations, some funded through the private sector, such as O2Think Big. Several incubators provide grant funding or investment. There is an acknowledged gap in funding in the £50,000 to £250,000 range; most social investment deals are larger than this given the transaction costs of completing a deal (Drencheva 2014).
Financing social innovation	'Community interest company' available as a legal form for social enterprise, although many social enterprises use one or a combination of other legal forms (Drencheva 2014). Government has made social investment a priority and recently announced a tax relief for social investment. Public Services (Social Value) Act 2012 put a legal requirement on public services to consider social value when commissioning services, which it was hoped would increase

²² <http://www.clanncredo.ie/default.aspx?m=22&mi=171> accessed 28.8.14



	opportunities for social entrepreneurs to sell services to the public sector, although the impact of this is as yet unclear. ²³
Social challenges	Poverty and financial inclusion, ageing population, youth unemployment, health inequality (Drencheva 2014).

Figure 4: Social innovation indicators in TRANSITION countries

	Basque Region (Spain)	Finland	France	Ireland	Italy	United Kingdom
Rank on Innovation Union Scoreboard 2014 (lower=better) ²⁴	12 ('Innovation follower') (País Vasco region ²⁵)	4 ('Innovation Leader')	11 ('Innovation Follower')	9 ('Innovation Follower')	15 ('Moderate Innovator')	8 ('Innovation Follower')
Total entrepreneurial activity ²⁶	5.7% (Spain)	5.98%	5.17%	6.15%	4.32%	8.98%
Total social entrepreneurial activity ²⁷	0.9% (Spain)	5.1%	2.6%	[No data available]	2.5%	4.2%
Number of social enterprises	2,997 ²⁸	4,000-12,000 ²⁹	12,000-15,000 ³⁰	1,400 ³¹	77,000 ³²	70,000 ³³

²³ <http://blogs.ncvo.org.uk/2014/05/15/the-2015-election-ncvos-voluntary-sector-manifesto/> accessed 28.8.14

²⁴ http://ec.europa.eu/enterprise/policies/innovation/files/ius/ius-2014_en.pdf

²⁵ http://ec.europa.eu/news/pdf/2014_regional_union_scoreboard_en.pdf

²⁶ Global Entrepreneurship Monitor, 2012. Total Entrepreneurial Activity: % of working age population starting up/running their own business

²⁷ Global Entrepreneurship Monitor Report on Social Entrepreneurship, 2009. Total Social Entrepreneurial Activity: % of working age population involved in early stage or established social entrepreneurship

²⁸

http://www.eustat.es/elementos/ele0006800/ti_Establecimientos_y_empleos_en_la_economia_social_de_la_CA_de_Euskadi_2010/tbl0006896_c.html#axzz3CAAd07QoY accessed 28.8.14

²⁹ http://www.lut.fi/web/en/news/-/asset_publisher/Igh4SAywhcPu/content/finns-unfamiliar-with-the-concept-of-social-entrepreneurship accessed 28.8.14

³⁰ Festa 2013

³¹ Forfás 2013

³² UNIONCAMERE: Cooperazione, non profit e imprenditoria sociale: economia e lavoro, 2014

³³

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/205291/Social_Enterprises_Market_Trends_report_v1.pdf



6. Discussion and implications for TRANSITION

From the existing literature we have pulled out some of the conditions and success factors for international scaling, and while these were predominantly focused on organisational growth, the key themes seem relevant to the wider spectrum of social innovations which the TRANSITION network will support. In particular, the need for research and planning, the importance of working with local partners and the role of intermediaries and networks. This has a number of implications for the way in which the TRANSITION network can facilitate and support the transnational scaling of social innovations.

Supporting different types of social innovation to grow

The TEPSIE literature review on growing social innovation (Davies and Simon 2013) challenges practitioners to be clearer about what they mean by ‘social innovation’ and points out that different types of innovation grow in different ways. For example, social enterprises might grow by increasing their customer base, while new practices might spread by being taken up by a wider range of organisations. TRANSITION supports social innovation in a range of contexts. Partners could consider what opportunities there are within the programme to spread different types of innovation transnationally, given that the Transnational Start Ups Lab’s stated aim is to focus specifically on replication.

Creating a climate of collaboration and ‘co-opetition’

This review shows the importance of working with partners when scaling ventures internationally. As such, one of the most important elements of transnational scaling support offered by TRANSITION is to connect social ventures with strategic partners amongst its wider network. The review suggests that network should aim to build an ecosystem of ‘co-opetition’³⁴ – where possible encouraging collaboration between different organisations and local actors to maximize positive social impact across and beyond the six participating regions.

Strategic thinking and controlled growth

We have already acknowledged the significance of strategic planning for transnational scaling and the importance of controlled growth. We have also explored the concept of a ‘born global’ organisation, which is focused on tackling transnational challenges from the outset, compared to an organisation that focuses on its local market first, proving the concept and gaining traction before exploring international opportunities. While both approaches are valid, we believe there is the opportunity for

³⁴ Lyons, F. (2012) ‘Social Innovation, Co-operation and Competition: Inter-organisational Relations for Social Enterprises in the delivery of public services’ in *Social Innovation: Blurring Boundaries to Reconfigure Markets*. Palgrave Macmillan: London. p. 150.



TRANSITION to encourage more 'born global' organisations or ideas amongst the innovations that the network supports.

This might imply – where relevant - looking at how internationalisation might fit in each of the incubation areas included in TRANSITION network's Common Curriculum (D1.1).

Figure 5: Incubation areas in TRANSITION's Common Curriculum (D1.1.)



Local area expertise

An important element of strategically planning for transnational growth is understanding the external contexts for growth – specifically, understanding the social, political and market environment of the country or region in which the innovation plans to scale. The review suggest that social innovators need to commit a time and energy to researching the contexts of countries where they envisage their innovation scaling. The TRANSITION network could make this task easier for innovators by operating as a first-point intermediary; offering participants country profile information and key resources needed to register companies or charities in the six participating countries in which they operate.

How do we scale TRANSITION itself?

A key consideration for the TRANSITION partners should be how to internationally scale the network itself. Following the guidance directed at social ventures, we would recommend that the consortium develops a strategic plan for transnational expansion. Reflecting on the concepts in this paper, some interesting questions arise:

- Should the network scale internationally by identifying culturally similar ('psychically close') markets with comparable opportunities and challenges?



- Should it scale internationally by identifying those markets where the need is strongest, and then work closely with local partners to shape the offer so that it is relevant to the local context?
- Should the network be developed as open model that can be shared wherever there is demand?

These are all important approaches to consider when planning for expanding TRANSITION beyond the initial six scaling partners.

Research gaps

There is limited data available on the extent to which social ventures are scaling internationally. There is also limited information available on which models of scaling are being used transnationally, and the extent to which these models differ between examples of transnational scaling and single country scaling.

In this review we set out to better understand the extent to which social innovations have been able to scale transnationally, the common levers and barriers to scaling transnationally, and to better understand the context for scale in each of the six main TRANSITION regions. While we have tackled these lines of enquiry to some extent, there are still a number of outstanding questions for further research.

- How do models of scaling differ between single country and transnational scaling? In what ways do social innovators have to adapt their scaling tactics and approaches as they move from one geographic region to another, and to what extent is this context specific?
- What have been the particular barriers/scaling levers that social innovators from each of the regions identify? How to these compare from country to country?
- Which incubation models and other types of support are most effective in helping different types of social innovations to scale transnationally?



7. Conclusion

We have found plenty of real world examples of social innovations that have scaled beyond borders; within these examples there are many different types of innovations and many different ways in which they have spread transnationally. However, while there is an established body of literature on the different routes, or models, for scaling social innovations, there is still little documented about how these routes differ between single-country and transnational scaling.

The literature on international social ventures does help us to identify some common conditions and success factors for transnational scaling, such as strategic planning, working with local partners and leveraging networks and intermediaries (which reinforces the role of the TRANSITION network in helping to support social innovations to spread internationally).

However, in order to better understand the ways in which different types of social innovations scale internationally we believe the field would benefit from more research – in particular, better data on social innovations that have spread transnationally, and detailed analysis of their routes to scale and how these have been affected by different country contexts. By improving our understanding of the models for transnational scaling we can better tailor our support for social innovations, and improve their chances of successfully spreading their social impact at an international level.



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