
Abstract

The purpose of this study is to suggest ways for the shift to ‘social value-oriented’ policies in social innovation through reviewing the concept of social value in theoretical perspective and overcoming the problems of the evaluation methods of social value.

There is ambiguity in the concept of social innovation in relation to ‘how to set its purpose, that is, what are social problems to be solved’. Also, there is a contradiction between ‘substantial rationality’ and ‘formal rationality’ in the concept of social value. Those ambiguity and contradiction can only be resolved when two concepts are combined in theoretical and practical approaches. It is possible to set social problems based on (social) value criteria, and the contradiction between formal rationality and formal rationality can be resolved when we focus on the elements of social innovation such as ‘new’ social relationships, social activities and social products.

In order to promote the activities of social innovation organizations pursuing social value, it is necessary to measure and evaluate its outputs or outcomes. In reality, however, the measurement of social value tends to be used for functional purposes to raise funds from social financing institutes or public sectors by justifying the social value created through its activities. Thus, the measurement of social value for functional purposes is mainly related to the ‘transcendental’ aspect of social value rather than its ‘immanent’ aspect.

The measurement methods of social value have been developed since the 2000’s; from accounting approaches to non-accounting approaches including the point of view of various stakeholders, and then to methods composing the evaluation indices and weights of social value by the participation of many people. However, almost methods have applied ‘standard criteria’ to evaluate the activities of organizations that create social value. It has been adopted even

when the government decides whether it support the projects of the Third Sectors. In this case, those organizations might do their best to satisfy the criteria because they are very hard to keep their activities without the support from the government, which could have negative impact on their other activities that are meaningful but not included in the criteria (or have a small weight in evaluation).

The shift to ‘social value-oriented’ policies in social innovation are expected to increase policy feasibility: in fact, activities for social innovation have been relatively underestimated. It also lead to a social consensus in which policies for social innovation can be expanded, and it will contribute to determining the policy priorities of activities for social innovation.

In order to implement ‘social value-oriented’ policies in a region, it is necessary to define the ‘good life’ that social value should pursue. Social value should be measured according to how much it contributes to (or destroys) the ‘good life’ of individuals and communities. Here, the concept of ‘social minima’ could be used as a criteria of the ‘good life’.

In line with ‘social value-oriented’ policies, ‘policy experimentation’ is desirable in supporting some activities for social innovation. To do so, we suggest the establishment of the ‘Social Value Committee’ that defines social value and designs an evaluation system related to the activities of social innovation.

In addition, in order to strengthen the representation of the ‘Social Value Committee’ and to reflect the collective rationality of citizens, we propose to launch the ‘Social Value Platform’. It will contribute to promoting public discussion on social value lists and their evaluation criteria composed by the Committee, drawing new proposals.

Keyword Social Innovation, Social Value, Substantive Economics, Social economy, Social Housing