



Putting Value on Innovation through an Asset
Based Community Approach: Action
Research on the Grow Trust

Dr Geoff Whittam

Dr Julie Thomson

[Glasgow Caledonian University]

**The Research and Knowledge Exchange
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Executive Summary

This project is sponsored by ESRC and Barclays Bank and administered by ISBE. The work was carried out as a part of the Research and Knowledge Exchange (RAKE) fund and resulted in the creation of new-knowledge on community economic regeneration through a movement of community development trusts in West Central Scotland. Many third sector organisations experience issues of scale. The proposed method of surmounting the issue of scale by the trusts was the establishment of an umbrella organisation, 'Grow Trust' (initiative initially sponsored by Oxfam UK) which sought to provide 'cooperative external economies of scale'. That is, services which would enable individual community trust members to gain expert support and advice which would normally be beyond the scope of individual trusts, unless they paid a premium price. Additionally, by providing services such as accounting and payroll facilities, 'Grow Trust' would enable individual community trust members to achieve such services at a lower cost than each individual community trust undertaking such activities by themselves.

Furthermore the RAKE project enabled members of the research team to provide knowledge and information to Grow Trust and the individual community trust members thus facilitating knowledge exchange. Typically members of the research team were able to undertake feasibility studies, assist with grant funding applications, contribute to submissions to Scottish government consultations etc.

Additionally funding from the RAKE initiative provided a research focus which enabled the research team to secure funding from Glasgow Caledonian University (GCU) for a full-time PhD student thus the Business School at GCU is now building capacity in this research area and the initiatives made possible by the RAKE scheme are continuing.

Main Findings

- The Grow Trust was established in 2012 and has had many successes in supporting several community development trusts
- It is offering a different approach to community economic development
- The member trusts are developing at different speeds, with Beith and Linwood making significant impacts, Govan more modest, Lochboisdale ceasing to operate
- Other trusts such as Neilston are close to becoming a member of Grow Trust
- Both Beith and Linwood have recently been successful in achieving funding for major projects
- The individual member trusts have contributed to capacity building within their communities
- Many funding programmes are on an annualised basis which limits long-term strategic developments
- Grow Trust has suffered through being ‘new’ many funding bodies do not readily understand what the Grow Trust is seeking to do.
- There is debate surrounding the historic roots of asset based community development

Introduction

Aim of the Project

The project investigated the contemporary entrepreneurial activities of the Grow Trust, an asset based community partnership. This initiative is adopting Social and Open Innovation practices towards developing a fairer society, meanwhile enabling sustainable business to be achieved. This unique study bridges the gap between theory and practice and explores the Open Innovation mechanisms of collaboration used by this initiative to engage community groups from both rural and urban areas.

The Grow Trust is already providing inspiring examples of good innovative practice with small stage approaches making tangible differences. Through the power of a bottom up approach, they engage collaboration by the community. The overall objective of Grow Trust is to establish sustainable businesses within the differing communities which belong to Grow Trust: Linwood and Govan are inner-city communities in areas of multi-deprivation, Beith is semi-rural and Lochboisdale rural. All of these communities have received numerous grants and awards from policy makers in a ‘piece meal’ way for specific projects, which have had a tendency to ‘fail’ once the funding has ceased. Through establishing sustainable new ventures Grow Trust will not only increase income generation within deprived communities, creating employment and increasing capacity, they will also empower existing communities.

The aim was to better understand the micro-processes involved in this new trend of Asset Based Community Development in Social Innovation, which is an under-researched area. The impact of this project has also been to provide Knowledge Exchange between the host institution where the applicants are located and Grow Trust. Finally, to disseminate knowledge by publishing in this subject area.

Initial structure

Grow Trust has been established as a Scottish Charitable Incorporated Organisation (SCIO) and according to the model set out by Burness Paull & Williamsons (BP&W) in 2013¹. This type of structure allows Grow Trust to “*maximise the opportunities for raising funding from e.g. charitable foundations, and corporate donors; and it also allows recycling of surpluses (assuming these are applied for charitable status) without exposure to tax.*” (BP&W, para 2.3)

BP&W argued that this legal framework will best meet the aims of the Grow Trust. These are:

1. deliver consultancy advice/support to community organisations who are engaging in challenging property development projects;

¹ Burness Paull & Williamson: Grow Trust Project Legal Structure, 2013.

2. deliver property development projects, on the basis of either handover to the community organisation at completion or the grant of a lease to the community organisation at completion;
3. serve as a vehicle for longer-term asset ownership and development, with income being used to ensure long-term sustainability for the organisation as well as helping to fund feasibility (and other pre-funding award) work for individual community organisations;
4. access new funding streams, based on the principle that this new organisation would be best placed to secure efficient project delivery, and would work hand-in-hand with community organisations to ensure that they were fully engaged in relation to issues of end-use and longer-term financial viability.

(source: Burness Paull & Williamson, 2013)

The initiative to establish Grow Trust arose out of experience gained by Oxfam overseas with its Enterprise Development Programme where it was shown that helping local communities engage more effectively with the income generating opportunities had significant outcomes. Oxfam sought to replicate this experience in through working with three Scottish communities: Beith, Linwood and Lochboisdale. All three communities had established or were actively considering establishing a Community Development Trust (CDT) to close identified gaps in terms of provision and support for sustainable development. It was to help these communities close this gap that Grow Trust was established with the involvement of the three CDTs. The three communities have recently been joined by Govan which has established a CDT. However, during the course of the research it became clear that Govan CDT appeared to exist on paper only. There is now a critical mass of CDT involvement to support the activities of Grow Trust. In terms of their socio-economic make-up two of the communities, Linwood and Govan have similar characteristics, urban communities which have witnessed the closure and decline of traditional sectors of employment with the multiplier effects of declining incomes in terms of poverty, ill-health, community facilities, housing etc. Beith semi-rural and Lochboisdale, rural, have likewise faced declining employment in traditional sectors. However, all the communities have resources and assets within their perspective areas which, if invested, in could pave the way to sustainable local economic development.

To achieve its aims, Grow Trust will actively:

1. Work with community leaders, pivotal in identifying, assisting and supporting their communities' projects;
2. Work on specific projects in defined geographical areas and will have the scale to make measurable impacts;
3. Apply on behalf of the CDTs for financial and social investments to meet the needs of their respective communities.

4. Work with other organisations on the delivery of the local CDT plans
5. Develop a pipeline of CDT's investment ready projects

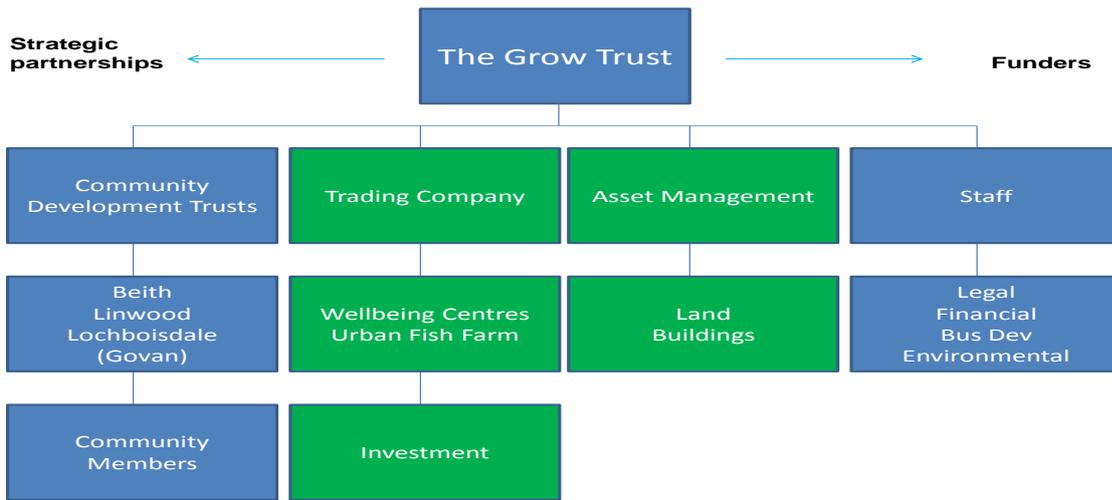
Grow Trust's mission has been assisted with a change in strategy by the Scottish Government and Local Authorities. Through the influence of the Government's Chief Medical Officer, the Scottish Government along with Local Authorities have begun to focus policy and practice towards the idea of communities using assets as a means of working their way out of poverty. This is a significant change in approach and recognises the dangers inherent in dependency.

The focus of this approach at the Scottish Government and local authority level was on the disposal of assets to community organisations who would then own and manage them, attract funding and provide services which would lead to a regenerated community. The approach also focused on family and community networks to support a change in behavioural patterns at an individual, family and neighbourhood level. However, through Oxfam's own research and experience, there is an evident need for support and capacity-building for communities to take advantage of this opportunity.

Grow Trust's aims are:

1. deliver consultancy advice/support to community organisations who are engaging in challenging property development projects;
2. deliver property development projects, on the basis of either handover to the community organisation at completion or the grant of a lease to the community organisation at completion;
3. serve as a vehicle for longer-term asset ownership and development, with income being used to ensure long-term sustainability for the organisation as well as helping to fund feasibility (and other pre-funding award) work for individual community organisations;
4. access new funding streams, based on the principle that this new organisation would be best placed to secure efficient project delivery, and would work hand-in-hand with community organisations to ensure that they were fully engaged in relation to issues of end-use and longer-term financial viability.

To achieve all the aims of the Grow Trust, they requires to be fully independent, employ a number of key staff, be supported by a range of pro-bono consultants and actively engaged in fund-raising and asset ownership. Grow Trust is a novel type of entity aiming to make income generating activity at the centre of sustainable local economic development and much of what it is trying to achieve has not been done before. The model in Figure 1 illustrates the relationship between Grow Trust and key players and activities.



In essence then Grow Trust seeks to operate as an umbrella organisation for a number of community development trusts seeking to achieve ‘cooperative external economies of scale’ to the individual trusts.

Conclusions and Future Research

In conclusion whilst individual community trusts have existed for a number of years the concept which lies at the centre of Grow Trust with the objective of promoting ‘external cooperative economies of scale’ is somewhat new and constitutes a social innovation. What is emerging from our research, kicked-started by RAKE, is that CDT’s are evolutionary in nature with some prospering, in our study Beith and Linwood, yet others have not been so successful, notably Govan and Lochboidsdale. An area for further research will be to explore why this is the case.

In the successful CDTs there is evidence of capacity building through increases in social capital and through individuals increasing their human capital. Furthermore there is evidence of a policy shift amongst local agencies such as Local Authorities who appeared to be not sympathetic to CDTs but are increasingly demonstrating a willingness to engage. This might be because of the change in the macroeconomic climate with the continuation of the austerity agenda alternatively it could be due to the success of some of the individual CDTs.

The development of human capital has been evidenced most blatantly amongst those closest to the centre of decision making within the individual trusts. These individuals have been involved in a steep learning curve having to become ‘experts’ in a whole host of areas from company law through to human resource management.

In terms of promoting knowledge transfer the RAKE project has provided a vehicle which has enabled the Glasgow School for Business and Society (GSBS) at Glasgow Caledonian University to engage with Grow Trust in a two way process of knowledge exchange. GSBS has been able to provide help and advice in many aspects of the work of Grow Trust and in return GSBS has received valuable information which has enabled research to be undertaken and through dissemination assisted in providing evidence of ‘good practice’ in terms of community economic development.

The concepts behind Grow Trust, that is, promoting community regeneration through asset based community ownership is in line with Scottish Government initiatives evidenced by recent policy such as Community Engagement and Community Ownership and hence this is a research area which is of growing importance which the research team intends to take forward.

Conference Papers and Presentations Produced as part of the Research Programme

The research carried out through the funding provided by RAKE has resulted in knowledge transfer in the form of two conference papers being produced, both of which are being written up for journal submission.

- The first paper, which was presented at the ISBE conference in Glasgow in November 2015, *Asset Based Community Ownership: Panacea or Reaction to Recession?*
- The second paper, has just been submitted and will be presented at the ISIRC Conference in Glasgow in September 2016, *Models of Open Innovation to meet Social Challenges*

Copies of both papers now follow here.

Asset Based Community Ownership: Panacea or Reaction to Recession?
ISBE Conference, Strathclyde University, November 2015

Corresponding author: Dr Geoff Whittam (Reader)

Geoffrey.Whittam@gcu.ac.uk

[tel:0044\(0\)1412731971](tel:0044(0)1412731971) (Direct Line)

School for Business and Society

Glasgow Caledonian University

Cowcaddens Road

Glasgow

G4 0BA

Scotland, UK

T: +44 (0)141 331 3000 (switchboard)

F: +44 (0)141 331 3005

Co-author Dr Julie C. Thomson (Lecturer)

Department of Business Management

Glasgow School for Business & Society

Glasgow Caledonian University

Cowcaddens Road

GLASGOW, G4 0BA

| E Julie.Thomson@gcu.ac.uk

Co-author Iain Cairns

PhD student

Glasgow School for Business & Society

Glasgow Caledonian University

Iain.cairns@gcu.ac.uk

Abstract

Topic: Social, Environmental, Ethical

The authors acknowledge the funding provided through the RAKE funding initiative.

Abstract Title: Asset Based Community Ownership: Panacea or Reaction to Recession?

Keywords: Asset Based Community Ownership. Sustainable economic development. Capacity Building

Summary: Objectives

This paper analyses the processes at work in terms of delivering sustainable regeneration through 'Grow Trust' an organisation which provides institutional support for several community trusts in the West of Scotland. The Grow Trust seeks to utilise an asset based approach to achieving sustainable economic development within the communities in which it operates.

Prior Work

Existing literature argues that Asset Based Community Ownership was established in response to the neo-liberal policies of Reagan's policies in the mid-1980s in the States. However, in this paper it is argued that there is a more radical tradition which can be traced over decades in the context of the United Kingdom

Approach

The researchers have conducted several face-to-face interviews with key stakeholders within Grow Trust and the individual community trusts which comprise Grow Trust. The recorded, transcribed and coded interviews are the source of the primary data collected for the purposes of this paper. The paper is apart of a larger research project funded under the RAKE initiative.

Results

Early analysis of the findings suggest that the Grow Trust has been successful in many of its objectives but that there are numerous hurdles which need to be overcome if it is to become a potential model for sustainable economic development. Success can be measured in terms of capacity building and developing social capital. Challenges remain in terms of achieving sufficient revenue streams to enable Grow Trust to become financially sustainable.

Implications

The paper seeks to challenge the underpinning narrative of Asset Based Community Ownership. If Grow Trust is to become successful then it could provide an alternative model for economic regeneration rather than one off initiatives which characterise current policy initiatives.

Value

The research project can be of value to both academia and policy makers alike, by analysing how a different

Presentation Preferred: Refereed Academic Research Paper

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Asset Based Community Ownership: Panacea or Reaction to Recession?

Introduction

Whilst it has long been acknowledged that entrepreneurship is the driving force of contemporary societies resulting in job creation (Birch,(1979)), innovation (Schumpeter, 1934), new firm formation (Acs, Audretsch, Year), an explanation of different rates of economic growth through new firm formation (Armington et al (2002) and indeed poverty reduction (World Bank (2005), it is only relatively recently that the entrepreneurial process has been disaggregated with some form of consensus emerging that the key factor in this process is entrepreneurial opportunity....“To have entrepreneurship, you must have entrepreneurial opportunities” (Shane and Venkataraman 2000 p.175). In its broadest sense entrepreneurial opportunities are those situations in which new goods, services, raw materials, and organising methods can be introduced and sold at greater than their cost of production (Casson, 1982). Drucker (1985), in discussing where entrepreneurial opportunities arose from, highlighted one source as being “the reaction to shifts in the relative costs and benefits of alternative uses for resources, as occurs with political, regulatory, or demographic changes.” This paper utilises this literature to analyse enterprising activity which has occurred due to a political initiative which has resulted in the ‘freeing up’ of resources and which has created new entrepreneurial opportunities resulting in the establishment of new enterprises and new community organisations.

Within Scotland this political initiative can be traced to the introduction of ‘the Right to Buy’ legislation introduced in 2003. This legislation originally applied to land ownership within communities of less than 10,000 people. Currently the legislation is being extended, under the Community Engagement’ legislation, to cover other assets such as buildings and with no restriction on population size. The Westminster government passed similar legislation under the localism bill. This change in asset ownership, whilst on the one hand can be viewed as providing opportunities for communities to have greater control over their destiny and hence taps into a long standing radical tradition, can, on the other hand, be viewed as a result of ‘austerity measures’ and the current Westminster government seeking to reduce the role of the state. This paper argues that to understand the entrepreneurial opportunity offered by the legislative changes one needs to understand Asset Based Community Development (ABCD) in the radical tradition established in the Scottish context over over many years..

The enterprising opportunities offered by this legislation further highlight what has become apparent within the existing entrepreneurial literature. Namely, enterprising activity and entrepreneurship embraces much more than an individual entrepreneur establishing a new venture. However, all types of enterprising activity require resources if new venture creation is to be successful. This paper seeks to analyse enterprising activity which is associated with community development, an activity which has been established by the community securing assets and utilising these assets for the benefit of the community. The paper proceeds by firstly providing a selected literature review. This consists of a definition of ABCD as provided by the authors most associated with the development of the concept (Kretzmann and McKnight, 1993), a critique of the perspective of ABCD as a manifestation of neoliberalism and, finally, ABCD is situated within a radical left tradition. The paper then proceeds to explain the methodology adopted, which leads to a discussion and conclusion.

Literature Review

What is ABCD?

According to Kretzmann and McKnight, the authors credited with developing the concept of Asset Based Community Development (ABCD) in their 1993 book *Building Communities from the Inside Out*, ABCD is an approach to community development which provides a strategy for “rebuilding troubled communities” (1993: 1). These are understood to be areas negatively impacted by deindustrialisation. The authors’ fieldwork involved collecting successful stories of community development from community leaders across the USA in the 80s and

early 90s. *Building Communities* is an attempt to provide a practical guide for community revitalisation based upon these stories.

Proponents of ABCD distinguish the ABCD approach from what they describe as the ‘deficit-based’ model of community development. The deficit model is one in which practitioners focus on the problems of a community and then use these as the basis of an appeal to government agencies, as well as other forces external to the community, in an attempt to attract resources with which they can be addressed. ABCD advocates challenge this approach because they claim that it results in a ‘cycle of dependency’; local communities become dependent on outside ‘experts’, resulting in the diminution of the voices of locals in the development process.

In contrast, ABCD centres on uncovering the strengths, or ‘assets’, in a community. Kretzmann and McKnight highlight three key characteristics of ABCD. First, the process starts by identifying what assets are present in the community. This involves creating an inventory of the skills, abilities, informal and formal community institutions and other assets in a locality. These assets consist of individual capacities and relational ties within communities, so-called ‘social capital’. They also include more tangible assets such as land and buildings. Second, ABCD is ‘relationship driven’. This is intended to make its processes less reliant on the impersonal nature of market or bureaucratic approaches. Consequently, social capital theory is of considerable importance in ABCD; as Mathie and Cunningham (2003: 479) write: “[b]y treating relationships as assets, ABCD is a practical application of the concept of social capital”. Third, ABCD maintains an ‘internal focus’. This reflects a preference for eschewing outside help in order “to stress the primacy of local definition, investment, creativity, hope and control” (Kretzmann and McKnight, 1993: 4). In practical terms, a development strategy is built around the assets which are uncovered which is defined and led by local people, typically through a community development organisation, such as a Community Development Trust in the Scottish context.

ABCD and Neoliberalism

Existing literature attributes the development of ABCD to the ascendancy of neoliberalism and the New Right in the USA in the 1980s. By discouraging appeals for outside help, particularly from government agencies, and placing responsibility for development within communities, ABCD stands accused of being overly accommodating of the dominant neoliberal narrative, which promotes the rolling back of the state (Friedli, 2011, 2013). From this perspective ABCD has been advanced as “part of the solution in achieving public spending cuts, promoting a DIY response to loss of services” (ibid: 31). MacLeod and Emejulu (2014: 447) go further and argue that “ABCD is neoliberalism with a community face, meaning that logic of free market relations and a hostility to state-sponsored social welfare is the central unacknowledged value embedded within this theory and practice”.

But is this a fair characterisation of ABCD? Certainly the development of the concept was contemporaneous with the rise of the New Right in the USA. And some of the language of ABCD, ‘cycles of dependency’ and ‘there is no alternative’, are core themes in neoliberal discourses. Moreover, ABCD, with its focus on providing practical guidance for community revitalisation, offers little in terms of critique of societal structures. This has enabled MacLeod and Emejulu to accuse ABCD of “capitulation to neoliberal values of individualization and privatization” (2014: 430).

Yet while ABCD may well be a response to neoliberalism, that does not make it a manifestation of, or a capitulation to, neoliberalism. The argument that ABCD has at its core ‘free market values’ and ‘individualisation’ is a stretch. ABCD evokes a communitarian spirit, of people in struggling neighbourhoods working together. Not, in accordance with neoliberal thinking, of atomised individuals maximising utility through ‘rational’ purchasing decisions in ‘free markets’. In a more recent work on asset based approaches McKnight together with co-author Block (2010: 1) identify not just the “professional” but also the “marketplace” as sources of dependency. They write “[a] consumer is essentially dependent on the creations of the market and in the end produces nothing but waste” (ibid: 18). ABCD may therefore challenge state provision, but that does not necessarily translate into the unequivocal acceptance of market based solutions.

Furthermore, it is too proscriptive to reduce ABCD as a concept to one neatly defined label. ABCD is a concept that is now used in many different policy contexts around the world. During the process of policy transfer ABCD will adopt many faces. Peck and Theodore (2010: 169) write:

“[The] dynamic in the policymaking process is not one of simple emulation and linear replication across policymaking sites, but a more complex process of nonlinear reproduction. Policies will therefore mutate and morph during their journeys”.

Interpreting ABCD solely in terms ‘neoliberalism’ risks neglecting the different ways in which the language and ideas of ABCD are being interpreted and deployed, how they interact with various cultural and institutional norms and pre-existing policy frameworks and legislation. Any analysis of ABCD in the Scottish context must therefore be attentive to the Scottish environment into which the ideas are being introduced. MacLeod and Emejulu (2014) accept that in Scotland ABCD must fit into a policy environment with a strong tradition of social democracy which values state intervention. And they concede that “the concept of what precisely constitutes ABCD in Scotland remains open to interpretation” (ibid: 441). This presents a problem for the argument that ABCD is simply a manifestation of neoliberalism. For if ABCD cannot be clearly defined in the Scottish context it cannot be clearly defined as a force of neoliberalism.

A different understanding of what is meant by assets in Scotland and the UK suggests that a process of policy mutation is occurring. ABCD has received criticism because it has been accused of exalting the importance of less tangible assets, particularly social capital (Friedli, 2013). As a consequence, the importance of physical assets, and therefore material concerns such as material inequality, are downplayed. This is what lies behind the criticism that ABCD is not sufficiently concerned with addressing an iniquitous societal structure; the argument is based on the fear that ABCD mobilises social capital so that conventional capital can more easily be neglected, or extracted from communities through austerity and other structural processes. Yet it is not entirely clear that the emphasis on intangible assets is central in the UK or Scottish policy context. In a major report for the Joseph Rowntree Foundation, Aiken et al. (2008) found that (within policy circles) assets in the UK tend to be understood more in terms of physical assets than in the USA, or any other country studied. Even within the UK there is a difference of perception; in England assets tend to mean buildings while in Scotland land.

With such a different emphasis on assets, the core concept of ABCD, the argument that ABCD can be reduced to the imposition of US style neoliberalism in Scotland lacks credibility. The terminology of ABCD in Scotland may have been transferred from the USA. But to understand how it is being actualised in Scotland requires a greater appreciation of the environment in which ABCD in Scotland must develop and, in particular, an understanding of the traditions in which physical assets have been engaged with, contested and deployed. As is discussed in the next section, relationships with physical assets have been the focal point of radical left movements in the UK for centuries.

The radical left antecedents of ABCD

Aiken et al. (2008: 5) write that “[t]he idea that communities might own or manage physical assets goes back at least 400 years in the UK.” The upheaval of the Reformation produced many pioneers of what can be described as community asset management. Beginning in 1649 in Weybridge in Surrey the Diggers and Ranters, “who formed the extreme left wing of the republican movement” of the English Civil War, set up farming communities built around principles of equality on common land (Marshall, 2008: 96). In Scotland a key element of the program of the protestant reformers was that the proceeds of church lands, fully one half of the land in the country, should be used to support the poor and disabled, provide work for the unemployed and elementary public education for all children (Wightman, 2010). Had land been managed locally, through the presbyteries, not only would reform have been radical in terms of social provision but also in terms of the localisation of asset management. Ultimately, however, the plan failed as church lands were appropriated by the aristocracy.

The collective control and management of assets, particularly those associated with industry, is at the core of radical left thinking. Socialist thought developed in tandem with the cooperative movement. According to

Restakis (2010) the first recorded mention of the term 'socialist' appeared in *The Co-operative Magazine* in 1827. Archer (1998: 4) writes that "the establishment of workers' co-operatives remained the principal goal of socialists until the late nineteenth century". The objective was to bring the productive assets of industry under popular control.

The creation of an environment which would allow democratically run enterprises to flourish has been the focus of radical left theorists of the 'libertarian socialist' or 'social anarchist' tradition (Malleon, 2014). In the UK the most clearly thought out early proposals were advanced by Guild Socialists such as G.D.H. Cole and C.H. Douglas. Bauman (1972: 172 in Dawson, 2013: 63) has described the ideas such writers advanced as "British socialism", which he claims was the "principal antagonist of Marxist socialism". Guild Socialists sought to reinvent and adapt medieval guilds. These new guilds would bring together consumers and producers in each industry and take up many of the regulatory functions of the state and allocation functions of markets so that these could be governed through direct participatory democracy (Wyatt, 2011). Key to the advancement of participatory democracy was attention to scale. Cole writes:

"Democracy can work in the great States . . . only if each State is made up of a host of little democracies, and rests finally, not on isolated individuals, but on groups small enough to express the spirit of neighbourhood and personal acquaintance" (Cole 1941:95 in Dawson, 2013: 108).

Here, therefore, as with ABCD, processes should be 'relationship driven'. And again, as with ABCD, "the spirit of neighbourhood and personal acquaintance" is conceived of as a means of liberation from bureaucracy; or as Cole (1920: 31) puts it, from "the Great Leviathan of to-day, with its huge machinery of coercion and bureaucratic government".

With this quote Cole also highlights a further element which links ABCD to radical left traditions: scepticism of state power. Marx saw the state as a creature of an exploitative capitalist class. He famously wrote in the *Communist Manifesto* "[t]he executive of the modern state is but a committee for managing the common affairs of the whole bourgeoisie" (Marx, 1848). While dominant strands of Marxist thought have focused on the necessity of worker control of the state, others, particularly those associated with libertarian socialist or social anarchist traditions, concern the realisation of socialist ideals through the construction of a parallel socialist economy. The anarcho-communist Emile Pouget (1894 in Skirda, 2002) summed up this basis for the latter approach well when he wrote "[w]hat we have to get into our noggin is that we can expect no support. Only our biceps can set us free." Notably, such a position is not dissimilar to that of Kretzmann and McKnight (1993: 4), who write of ABCD: "[t]he hard truth is that development must start from within the community and, in most of our urban neighborhoods, there is no other choice".

The radical left concern with assets, a championing of personal interrelationships as a means to combat bureaucracy and scepticism of the state have manifested themselves at a theoretical level and at a practical level in the UK. The British socialism of Cole and Douglas constituted "a founding strand of the UK Labour party" (Hutchison et al., 2002: 220). Although these theories were ultimately side-lined in favour of a more centralised managerialist approach, they continue to have influence, e.g. in the New Economic Democracy of Chris Wyatt (Wyatt, 2011), the Associative Democracy of Paul Hirst (1994) or, in the case of Douglas, as inspiration for modern monetary reformers (Hutchison et al., 2002). In the last 20 years the vision of a radically decentred and democratically governed economy has achieved new impetus given recognition of the failings of the centralised planning regimes of the former soviet bloc countries (Cumbers, 2012).

In terms of practice, more radical approaches to community asset management have a long lineage in the UK. It is worthwhile to sketch out here some prominent examples.

Regarding land, and as indicated above, early examples include the land movements following the Reformation. In the 19th century, influenced by the Chartist Land Plan and the cooperative and Labour movements, the Scottish Land Reform Alliance defended the rights of tenants while the Commercial Land Company pursued campaigns "aimed at organising the break-up of large land holdings and the creation of peasant holdings" (Wightman, 2011: 81). In 1923 The Stornoway Trust was founded when, in response to civil unrest involving

demobilised soldiers, the landowner agreed to gift lands to the community. More recently community buy-outs have been the route to community control of assets. Prominent examples include North Lochinver Estate and the islands of Eigg and Gigha. From 2000, community buy-outs have received support from the Scottish Land Fund (SLF), which helps to finance community led initiatives. Land reform remains high on the political agenda in the country and is set to be a defining feature of the coming Scottish parliamentary session.

While cooperatives led the way in industry in the 19th century, during the First World War works councils, which operated on the principles of direct democracy by delegation from the factory floor, provided a challenge to the management of industry in Glasgow (Gluckstein, 2011). The councils were made possible due to the increased bargaining power resulting from full employment caused by massively increased wartime output. At the same time support for the war by traditional champions of workers' rights, the Labour Party and trades unions, threatened the diminution of importance of the workers' cause. This left little option but to organise from the bottom up. More recently, the 1971 'work-in' at the Upper Clyde Shipbuilders in 1971, in which shop stewards took over the running of the shipyards in response to threats of closure, inspired 260 worker occupations throughout the UK during the 1970s (Tuckman, 2011). Many of these led to attempts to reform the occupied factories as cooperatives. As with ABCD, these movements are best understood as a response to deindustrialisation. But unlike with ABCD, they are not described as 'capitulation' with neoliberalism.

For ABCD to be nothing more than a manifestation of neoliberalism in Scotland requires a belief that ABCD forms a break from the native tradition of communitarian asset management and ownership. It requires a belief that those individuals working in the third sector, often steeped in a culture which has emerged from the struggles outlined above, fully comprehend and embrace little understood and little known US terminology without reference to this tradition, the way in which the language of assets is deployed in Scotland or the policy environment in which they must operate. On reflection, this is surely unlikely.

As mentioned above, critics of ABCD argue that the philosophy does not sufficiently address the injustices and inequalities produced by the formal economy. But this cannot be said for the values which underpin the radical antecedents of ABCD in Scotland. Therefore rediscovery of these radical antecedents not only holds the potential to assist in an understanding of the Scottish case but also can assist in enriching ABCD thinking more generally.

Methodology- The Case Study

A case study approach has been adopted to investigate the contemporary entrepreneurial activities of *the Grow Trust*, an asset based community development partnership. This research has been funded through the Research and Knowledge Exchange (RAKE) project supported by the Institute for Small Business and Entrepreneurship (ISBE).

Grow Trust has been established as a Scottish Charitable incorporated organisation (SCIO) which allows Grow Trust to "maximise the opportunities for raising funding from e.g. charitable foundations and corporate donors; and it also allows for recycling of surpluses without exposure to tax" (Burness Paul and Williamson, 2013, para 2.3).

Grow Trust was initially pump-primed by funding from Oxfam and operates as an umbrella organisation for a number of individual community trusts within west-central Scotland. The affiliated trusts are at different levels of development, with Linwood and Beith being the most developed. A further member, Govan, is at an early stage of development, Lochboisdale, a founder member, has ceased to function and Neilston Development Trust is in the process of joining the Grow Trust. All the individual Trusts have a commonality in that they were all once thriving communities with high levels of employment and income generation. However, over the last thirty years they have all suffered from the loss of a manufacturing base and the inability to attract sufficient new employment. Members of the research team have been working with some of the community trusts for a number of years.

The aim of Grow Trust is to build capacity to empower local people, enabling them to identify local need and to drive forward local economic plans in the so-called missing 'middle space' (Oxfam 2013). Through the power of a bottom up approach, the trusts engage collaboration by the community. The overall objective is to establish sustainable businesses within the differing communities which belong to Grow Trust and by sharing expertise, knowledge and assets gain economies of scale and scope to facilitate the process of regeneration.

To gain an analysis of how Grow Trust functions an iterative process of inquiry has been adopted by gathering data from 12 face-to-face interviews and observations of the trust members; Linwood Community Development Trust, Beith Community Development Trust and Neilston Development Trust, Local Authority elected council members, key officers of the local authority, representatives of the business community, housing association, staff members of the Development Trusts and other key stakeholders. The interviews were recorded and transcribed verbatim. An initial analysis of the interviews has taken place with further thematic analysis on going as further interviews take place. In addition, the study involved attendance at meetings to observe how Grow Trust functions as an organisation and which processes are working or need support, e.g. HR, finance and marketing.

Findings

The Linwood Community Development Trust (LCDT) was established on 7 December 2011. It brought together community groups and individuals in Linwood who share common concerns about the lack of community consultation during major regeneration projects in Linwood.

Linwood's industrial decline has left a legacy of poverty and unemployment. The 2009 Scottish Index of Multiple Deprivation shows 3 very visible pockets of deprivation in Linwood South, with all 3 ranked among the worst 5-10% in Scotland (The Scottish Government, 2012). The information and data provided by LCDT (2012) shows that Linwood has serious issues with its image, its derelict shopping centre, increasing levels of poverty and deprivation, especially amongst older residents, an increasing burden of poor health and the closure of community facilities.

In 2012, LCDT Published an Action Plan, following extensive community consultations including interviews, public meetings and a community survey which included the views of over 2200 residents of Linwood. The plan 'reflects what the people in Linwood want to see happening in their town' as they say 'after all, who best knows what our community needs than the community itself?' (LCDT, 2012: 2).

The Trust's view is that traditionally the approach taken by service providers for regeneration of poor communities is one of 'deficit' which sees communities as the 'problem' needing to be 'fixed'. By using this approach, they stress that communities are rarely consulted, solutions are imposed, and, if they do not work, the negative perception of that community is reinforced. However, the approach adopted by LCDT is counterposed to this approach and seeks to empower the community, two typical examples are:

A successful campaign to take on Tesco for the regeneration of Linwood's town centre

It was recognised by the local community that the Shopping Centre, was "an eyesore, a disgrace, in a dreadful state of disrepair, desolate and dirty". The community felt that 'poor political representation' in Linwood has over the years, allowed the town to degenerate. It was widely believed that an organisation, Balmore Properties owned and managed the shopping facilities, however, during the course of the campaign for the facilities to be demolished it was discovered that Tesco had bought the facility and land in 2005 and secured planning permission to develop the site. However, due to a number of on-going delays, this work did not commence. The community felt that Tesco were 'land banking' and constantly delaying any work, extending the timeline each time. The last straw came in 2012, when Linwood was awarded the 'Carbuncle Award' by Urban Realm for being 'the most dismal town in Scotland' (BBC News, 2011). In February 2012, a successful community campaign organised by LCDT commenced to ensure Tesco demolished the existing town centre precinct and began re-development of the town centre.

However this campaign was not easy. In an interview with a representative of Grow Trust it was explained a..... “tenacious group of women in Linwood, got together and were determined that something was going to happen”, but when they sat down with Tesco and the council, Tesco had their lawyers and planners and the council had lawyers, planners and finance people and so the Trust did not have equal support. They needed to understand the governance structures, so they went away and studied planning law and came back to the table and quoted the relevant section of the law, resulting in “Tesco having to put up the white flag and the buildings came down”. The community trusts campaign to demolish their derelict Town Centre was successful. The Trust also received support from the House of Commons Scottish Affairs Select Committee via their local MP.

A community choir to meet community social needs

The demolition of the current Linwood Community Education Centre was announced to make way for an access road for a new £24m state-of-the-art Sports Hub. However, local residents raised concerns that the loss of their community centre, that had served the community of Linwood for more than 45 years, would lead to social isolation.

The Trust recognises that community centres are essential to the survival of community spirit within local communities as “they are not merely buildings but the cornerstone of the local neighbourhood” (LCDT, 2012). Linwood’s Action Plan revealed that there was “no central meeting place for all generations to meet up”. One suggestion that came out of the action plan was the need for a community choir “to promote inclusion and strengthen community ties” (LCDT, 2015). On the first night, they were amazed to find that 24 people turned up and the choir now has a membership of over 60 people. The choir has a wide repertoire including songs that promote the work to make Linwood a more sustainable town. Members have performed at a number of events including the annual Linwood Lights Christmas Switch On and at a fundraising fashion show. Whilst the establishment of a community choir is not necessarily the most exciting new venture that has been created it is an indication of the new found confidence within the community as one of the LCDT employees commented..... “at £2 pounds a session for some isolated and vulnerable members of our community it is the highlight of their week”

Our interviews revealed that the community of Linwood is very supportive of the Trust and understand the concept. A staff member of the Trust told us that “it’s because they’ve been brought with us, every step of the road, they’re supporting us. And they get that what their contribution is, supporting hopefully the long-term regeneration of their town”

Meeting a community need with Beith Astro

Beith Community Development Trust’s (BCDT) was established in 2009 with the aim to improve the mental and physical fitness of the community. They say that this can be achieved through regeneration and that ‘the health, wealth and happiness of our community lies within our own power’ (BCDT, 2015).

Unlike most sports facilities, Beith Astro is community owned and led. After years of neglect Beith Astro had become derelict. It was local clubs, groups and teams, which rallied together to discuss the lack of suitable facilities in the town that led to an alliance being formed. It was estimated that the cost of pitch hire and transport to Glasgow, where the teams were having to play their games, was in the region of £40,000 per year. It was argued that if this money was invested in sports facilities then an asset would be created and monies would remain within the community. A report was published based on the feasibility of community ownership of the sporting facilities in Beith. Based upon this report Beith Community Development Trust (BCDT, 2015) was formed to enable the redevelopment of Beith Astro.

Five years later, the Trust now has a state of the art, third generation football pitch, accompanied by 6 modern changing rooms. One of the Trust staff told us that the continuing challenge that the Trust faces is ‘becoming an income generating community enterprise, meeting the gap between starting with nothing and making money’. It is through empowering the community and the support from community volunteers that they have been able to

keep Beith Astro running, bringing benefits to the local community. The Trust has been able to build community programmes around health and wellbeing, with the Beith Astro as the base.

An asset based approach by an empowered Community Trust

BCDT is currently in the process of up-scaling and taking over a 13 acre campus, known as Geilsland, with a range of accommodation and workshops, a sports hall, chapel and mansion house. It has accommodation for about 35 people. The Trust's vision is to make it a 'gateway amenity for the Garnock Valley', that not only 'produces talent, wealth, goods and produce', but also attracts these into the community. The plan is to run this as a micro-enterprise hub with workspace, to attract people out of Glasgow. This will include a cafe, walks, cycle paths, and a sports hall – to draw people in to spend their money in Beith and thus impact on the community.

Currently the Trust has limited capacity with their existing physical resources. The idea is to attract people with skills, and make this an attractive environment to grow skills. The Geilsland purchase will "give them a lot more scope" says the Trust. The location will catch passing trade and they could also offer out space, workshops, accommodation, on a shared resource system. The Trust also plan to have an artist in residence who will be getting low-cost affordable rent, s/he will be producing their artwork at the studio, meanwhile attracting people to come to see their work and visit the café.

However, when the Trust sat down with council officials to discuss this asset based approach and despite the Trust quoting new policies by the council about supporting this area, the councils refused to help. In a recent presentation by Grow Trust (Boyle, 2015), informed us that the Trust's reaction was to continue with their plans anyway and triumphantly say to the Council "we are not asking you, we are saying that we are doing this and do you want to get on board and help us". This is a further demonstration of empowerment by the community trust. Jim further commented that 'people know now that in practice that is where change happens, it is in doing change that you create change'. A number of organisations are operating between the policy makers and the communities, which he says 'act as filters' and policy makers need a direct relationship with the community to understand the real barriers and problems to develop the policy solutions.

Response from other Stakeholders

The Community Empowerment Action Plan published by the Scottish Government (2009), revealed "Communities doing things for themselves can often be the best way of delivering change" and that community empowerment "stimulates and harnesses the energy of local people to come up with creative solutions to local challenges". However, the founding member of one Community Development Trust explained to us her view that the Scottish Government "are scratching their heads to know how community empowerment and all this stuff actually works out because at a philosophical level you've got a real problem here: you've got representative democracy and you've got participatory democracy coming up, we saw in the referendum but how do these institutions, how did these forms of democratic behaviour mesh".

Similarly, a Council Regeneration Officer, offered their view that "The community empowerment model and localism type models are really about greater democracy, and more ownership and better quality services, more engagement, more opportunities for people" and that right now this 'real work' needs to get done, not necessarily through volunteerism but better collaboration with the third sector and the private and public sectors. He likened this current stage for the Trust as a "kind of chrysalis type, thing, becoming that butterfly...and that's difficult because nobody has done it before, so we don't really know how to do it".

Discussion and Conclusion

Within this paper it has been demonstrated that changes in legislation have created entrepreneurial opportunities for new organisations to be created which have been innovative in terms of promoting and developing new community initiatives and which have sown the seeds of new approaches to community regeneration. It has been argued that this approach has built on a long history of struggle over asset ownership and is of a different species than that identified by those academics who have argued that asset based community ownership has its

origins in neo-liberalism. The approach adopted by Grow Trust, and reflected in the case study evidence presented in this paper, indicates that Grow Trust seeks to work with state agencies but that if state agencies seek to limit community development then Grow Trust will nonetheless continue to pursue their objectives. In a similar vein, where private sector vested interests seek to limit the ambitions of Grow Trust then Grow Trust will attempt to overcome these barriers.

The overall aims of Grow Trust are a reflection of current thinking by policy makers as evidenced by a change in strategy by the Scottish Government and Local Authorities. Through the influence of the Government's Chief Medical Officer, the Scottish Government along with Local Authorities have begun to focus policy and practice towards the idea of communities using assets as a means of working their way out of poverty. This is a significant change in approach and recognises the dangers inherent in dependency.

Grow Trust is using an asset based approach for regeneration of their communities, with a change of focus from needs to assets. This approach recognises the resources that individuals and communities have that can be built on, rather than focusing only on the 'deficits' that are perceived to exist in the community. By using this approach, it has been seen in these examples in practice that communities can gain control of their own development.

Further research will seek to continue to map the new entrepreneurial initiatives being undertaken by the various community development trusts which comprise Grow Trust. The research will seek to undertake further interviews with other key stakeholders along with surveys of users and members of the community trusts. Whilst this paper has concentrated on the findings from two of the more developed trusts further research will seek to explore the other community trusts who have not thus far been so successful. Furthermore, given that the individual community trusts are located in different Local Authority areas the differing attitudes and support offered from these state agencies will be analysed given that there appears to be differing approaches being adopted by these agencies to this relatively new phenomena.

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***SOCIAL INNOVATION IN THE 21ST CENTURY:
BEYOND WELFARE CAPITALISM?***

**8th International Social Innovation Research Conference
Monday 5th - 7th September 2016**

MODELS OF OPEN SOCIAL INNOVATION TO MEET SOCIAL CHALLENGES

ID 244 Parallel Session 3

Dr Julie C. Thomson

Dr Geoff Whittam

Iain Cairns



ABSTRACT

Achieving sustainable business success through social innovation often requires adoption of the collaborative mechanisms of Open Innovation. However, over a decade on since the term was coined (Chesbrough, 2003) research into the process of Open Innovation has neglected to apply these principles to the third sector, overlooking the social dimension. So-called 'Open Social Innovation' is an under researched area (Chesbrough and Di Mini, 2014). While many elements of Open Innovation remain relevant to different kinds of organisations, those focusing on delivering positive social change have different goals in mind, along with different actors and stakeholders. These new insights aim to bring value by improving the delivery of social initiatives.

This paper investigates the contemporary entrepreneurial activities of three community development trusts (CDT) which adopt Open Social Innovation practices to tackle social challenges. The three CDTs are Linwood Development Trust, an urban area of multi-deprivation, Beith and Neilston Development Trusts being semi-rural. Traditionally, these individual community trusts have received numerous grants and awards from policy makers in a 'piece meal' way for specific projects, which have had a tendency to 'fail' once the funding has ceased. The innovative way that the CDTs operate is working towards the establishment of sustainable new ventures, which seek to increase income generation, creating employment and increasing capacity. Ultimately, empowering these communities.

1.0 INTRODUCTION

The world economy has witnessed unprecedented growth, as measured by Gross Domestic Product (GDP). Over the last three decades, this growth has largely been attributed to ‘endogeneous growth’ (Romer, 1964) and one aspect of endogeneity in particular is known by the umbrella term of ‘Innovation’. From a societal point of view the emphasis of focussing on growth of GDP as a measure of ‘economic success’ has long been contested (United Nations, 1997) as has the nature and source of innovation (Tidd and Bessant, 2009). Furthermore, over the last decade the realisation that innovation is not closed whereby organisations have traditionally managed innovation as an internal process, relying upon their own skills and capabilities (Chesbrough, 2003). Pressures on organisations has shifted the locus of innovation towards more collaborative exchanges of information and ideas and the notion of working together to achieve greater than the sum of working alone, leading to the notion of ‘Open Innovation’. A commonly used definition for Open Innovation (Chesbrough et al, 2006, p.1) is *‘the use of purposive inflows and outflows of knowledge to accelerate internal innovation, and to expand the markets for external use of innovation’*. In a world of widely distributed knowledge of use to create, develop and grow innovation, adopting a more open model for innovation seems appropriate.

Additionally, social innovation poses a challenge to the accepted notion of innovation in that innovation, whether ‘closed’ or ‘open’ in and of itself is inadequate due to the externalities to wider society which have resulted from policies which have sought to increase innovation and hence growth at any cost. Contemporary theory has sought to morph the concepts of social and open innovation, but as yet this is only an emerging field with Chesbrough and Di Mininn (2014) noting that the overall social benefit of innovation is often seen as an endnote to studies and that prior research has tended to overlook the impact of Open Innovation outside of the private sector. The authors developed the concept of ‘Open Social Innovation’

(OSM) which they define as *'the application of either inbound or outbound open innovation strategies, along with innovations in the associated business model of the organization, to social challenges'* (Chesbrough and Di Mininn, 2014, p. 170).

This paper seeks to add knowledge to this emerging field with the application of the concepts implicit in the definition of OSM with an accepted definition of social innovation, namely *'New ideas (products services and models) that simultaneously meet social needs (more effectively than alternatives) and create new social relationships or collaborations'* (Social Innovation Exchange 2010). In particular, by analysing new social relationships and collaborations which have emerged through the establishment of Community Development Trusts. Whilst Community Development Trusts have been established throughout the world this paper identifies three such trusts within West Central Scotland, namely Linwood, Beith and Neilston.

The paper is thus organised on the following lines. The next section is a literature review elaborating on Open and Social innovation and Community Development Trusts and particularly our three identified trusts. This is followed by the methodology employed, results and discussion before a conclusion.

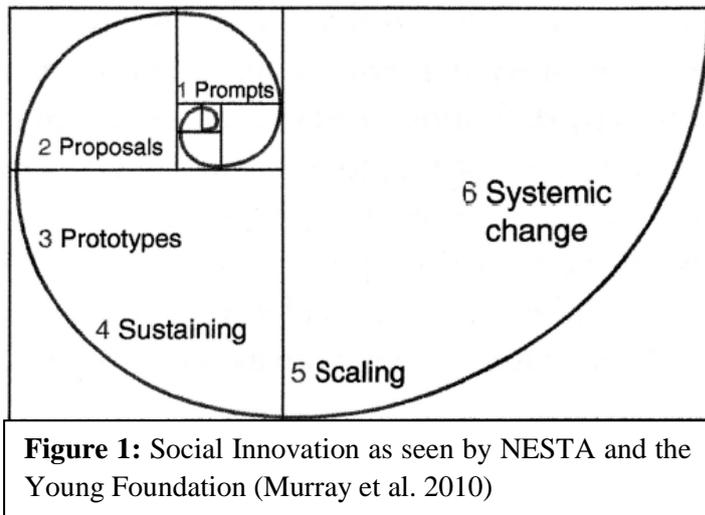
2. LITERATURE REVIEW

2.1 Open Social Innovation Literature

Holmes and Smart (2009) report on the practice of open innovation in inter-organisational collaborations that involve the voluntary or charitable sector. In particular they outline the findings of an explorative collective case study of eight voluntary dyadic partnerships between corporate and nonprofit organisations in the United Kingdom. Overall, they were able to demonstrate the value of an open innovation approach driven by the need to address

societal and social issues. Unlike this paper, their research focuses on a collaboration with a corporate organisation and in particular driven by their need to fulfil their corporate responsibility. The result of the partnership was a product, service or process innovation outcome for the corporate partner. This raises the issue of where the win-win is for both parties, as this is seen to be necessary for a successful partnership. Elkington (1994) demonstrated that if both partners receive some form of benefit from the partnership, in a so-called win-win situation, then the partnership is more likely to be sustainable.

Other literature relating to the Open Social Innovation paradigm is published by NESTA and the Young Foundation, in the Open Book of Social Innovation, which has a section on 'Connecting people, ideas and resources' (Murray et al. 2010, p.11). Here the authors focus on intermediaries, which take a variety of forms but ultimately support social entrepreneurs to connect with others to grow their innovations by developing networks and collaborations. This is key in Open Innovation, however the authors note that the social field lacks specialist intermediaries. The intermediaries need to reach across the boundaries that divide the sector and also to attract entrepreneurial people. The framework which will be referred to in this paper displays the social innovation process as being characterised by 6 distinct phases (figure 1). In each phase, social innovators respond to different actors and stakeholders and have different targets to achieve. Murray *et al.* (2010) say that this framework can be useful to think about the different kinds of support that innovators need in order to grow. Ultimately, they concur that social innovation is about achieving systematic change. To the best of our knowledge most other literature focuses on either Open Innovation or Open Innovation as separate entities and so this paper makes a step towards addressing this knowledge gap.



The six stages that Murray et al. (2010) identify take the social innovation idea from inception to impact. They note that the stages are not always sequentially achieved, for example some innovations may jump over stages, and that there are feedback loops between them. A summary of the stages is as follows:

Stage 1: Prompts, inspirations and diagnoses

This stage includes all of the factors which highlight the need for innovation. This involves a central idea for innovation and where it came from, for example an event, in response to a problem. This stage is about choosing the right idea to take forward. There are critical challenges associated with recognising problem to be solved. What is a ‘good’ problem? In the social setting that the community development trusts are facing, there are numerous issues associated with poverty and multiple deprivation which need to be tackled and so the trusts need to have mechanisms in place for selection, this often involves end user involvement by the community associated with open innovation strategy.

Stage 2: Proposals and ideas

This stage involves finding the right solution to the problem. Ideas come from many sources and different mechanisms can be used to design and develop solutions. Murray et al.

comment that the way an innovation is developed is just as important as the innovation itself. This can be through ‘user-led design’ or ‘co-design’ and can be used to re-design a product or service for example. There are also now web-based tools to aid this stage and different methods for creative thinking. In this stage, new solutions require thinking differently and in a social setting the community may be more in tune with their own needs and what might work but external expertise may be needed to understand what might be possible or more novel solutions. Open innovation involves harnessing the collective intelligence of crowds and through methods of collaboration and sharing of information this may lead to ‘good’ solutions.

Stage 3: Prototyping and Pilots

This stage involves testing the idea in practice. Here the idea progresses through many stages of rapid prototyping and faces challenges in terms of the feasibility of making the product or delivering the services, how to deal with issues such as keeping costs down and speed of development. In the social setting arranging finance to be able to develop the idea as well as maintain it is also considered at this stage and so sometimes grants are needed and additional revenue streams tapped into. Recently, Linwood Development trust raised £20,000 from crowdfunding (an open innovation platform) in their ‘build-a-brick’ campaign. This will act as match funding towards building changing facilities in the communities new 3G all-weather football pitch.

Stage 4: Sustaining

This stage involves the innovation surviving and the idea becomes everyday practice. There are only a minority of ideas which survive being tested and piloted and some promising ideas may not survive as they can fail at being cost-effective. There may also be competing alternatives to the idea. Evaluation methods are important to decide whether to take the

innovation forward at this stage. Murray et al. note that tensions can arise for ventures that have a social mission, as there may be conflicts about spreading the innovation beyond the financial interest of the organisation. Social ventures have to remain open and collaborative but at the same time survive financially. Sharing ideas and collaborating here can attract volunteers and donations but as Murray et al. p. 60 say this is often 'easier said than done'. Here income streams for long term financial stability are identified, to carry the innovation forward. At this stage, in an open innovation approach, having a flexible and open business model can support those good ideas into becoming something more sustainable. For social enterprises, the business model represents a strategy for sustainability.

Stage 5: Scaling and Diffusion

This stage involves growing and spreading an innovation. Here the demand for the idea as well as the supply is important. Innovations in the social sector may scale up in different ways, sometimes policy changes can have an impact on this. Provision of support and know-how from others which Murray et al. advocate can enable them to take hold in a more organic and adaptive kind of growth. Unlike private organisations who are structured to serve the benefits of innovation in their own organisations, here in a social setting benefits are directed at social missions which favours the rapid diffusion of an innovation rather than keeping it private. Therefore the spread of social innovation tends to be a more complex flow-like process of interaction and modification which lends itself well to a social innovation approach.

Stage 6: Systematic Change

This stage is the ultimate goal of social innovation and involves the interaction of many elements from social movements, data and infrastructures, business models, laws and regulations as well as entirely new ways of thinking and doing. Murray et al. say that social

innovations can come up against barriers associated with an old order and sometimes new frameworks are needed. This stage often happens over long periods of time. The most transformative innovations have been those that combine many elements in a new way, for example the dealing of household waste from landfill and incineration to greater use of recycling and composting or the creation of the UK health service. This stage can involve changes to mindsets and concepts and can involve all sectors. Systemic innovations are however more rare. They can also result out of a crisis or pushed forward due to some disruptive technology appearing on the market. Neilston Community Development Trusts investment in windfarm technology could be seen as a possible move towards systemic change for the community in energy production. Beith Development Trust similarly are on the verge of systematic change with the expansion of their community asset and purchase of Geilsland House and School Campus. A big step change in how the trust will operate in the years ahead.

2.2 Open Innovation

Open Innovation is not new, Trott and Hartmann (2006) called it 'old wine in new bottles'. It is a term that encompasses, connects and integrates a range of already existing activities. However, it is argued that the value comes from individual elements of open innovation being combined to develop a framework to make sense of the complex phenomenon encompassing this approach (Chesbrough and Di Minin, 2014, p. vii) and as the authors say, it is not a buzz word as 'it is happening in the real world'. This popularised field has led to countless scholarly articles being published as well as being met with great interest by industry, some firms appointing managers of open innovation for example, demonstrating the growth of this field and hence impact of the concept. However, in response to this approach Enkel et al. (2009) have identified associated challenges with adopting open innovation, which can result in few organisations capturing the full value of Open Innovation. The

challenge for most is that they must first understand how to be successful at managing Open Innovation mechanisms in practice.

Open innovation assumes that the organisation adopts a flexible business model in which new innovation originates from both internal and external ideas. Opportunities to source expertise and in some cases potential products externally for further development, often through collaborations, are actively embraced, and internal ideas are exploited outside of the organisation. Gassmann and Enkel (2004) proposed a classification for open innovation strategies, distinguishing between three facets of open innovation. i) The outside-in process (also known as the outbound perspective), whereby external knowledge and sources is used to increase the innovativeness of the organisation, through integration of suppliers, customers and external knowledge sources. By engaging resources available in the local communities, this may help organisations with their social mission. ii) The inside-out process (also known as the inbound perspective), the organisation can exploit their ideas externally, this can be by selling intellectual property (IP), transferring their ideas to others or using their expertise in the external environment. By transferring their know-how and practices to local organisations, this may support social initiatives grow and spread benefits to the wider society. iii) the coupled process, involves the organisation linking both outside-in and inside out open innovation strategies. By utilising both processes to bring new ideas to market by working in alliances with complementary organisations where it is seen that mutual benefit is crucial for success. It may be that the community development trusts are operating a coupled perspective of the open innovation process when they work together. However, most literature focuses on the inside-out or outside-in perspectives.

Chesbrough and Di Minin (2014) discuss that once a collaborative effort has been completed, that the challenge remains in realising the benefits of the effort and integrating the innovation into the organisation as well as commercialising the innovation in the market or in a social

setting this would refer to realising the social benefit and engaging the local community in efforts that make it sustainable. Steen and Vanhaverbeke (2016, p. 1) note that open innovation offers many opportunities to improve innovation processes. They also comment that most literature on open innovation focuses on innovation processes centred around one, usually large, company and related to flows of ideas and knowledge outside-in or inside-out but not on organising open innovation in ‘inter-organizational value networks’. Pulling together resources and expertise, looking beyond the borders of the organisation and working together as a network of development trusts may enable new opportunities, as well as development and expansion of existing opportunities. Open innovation recognises that organisations may not have the resources available to innovate successfully themselves. Mechanisms are needed to expand their capabilities and enable innovatory success.

Within an organisation, Markman (2016) says there are many ideas that need evaluated to decide if they are worth pursuing. With many examples of ideas that were pursued when there has not been a market for them. The authors give the example of the Segway, A scooter like device, which is self-stabilising, which was a technological marvel but despite the news coverage of it, it was largely considered a flop as it was only purchased by a relatively small group of people such as tour operators. Techniques of open innovation are seen as being useful for broadening the range of people and groups who take part in the evaluation of the idea. It is widely reported that user input (e.g. von Hippel, 2005) can be advantageous to the innovation process and are a mark of the open innovation phenomenon.

Another aspect of importance to open innovation success, is related to the organisation’s absorptive capacity. This term was originally described by Cohen and Levinthal (1990, p. 128) as being ‘the ability of a firm to recognise the value of new, external information, assimilate it, and apply it to a commercial end, which is largely a function of the firm's level of prior related knowledge’ (check reference). It was seen that the development of absorptive

capacity and in turn innovative performance is path dependent and therefore heavily influenced by the decisions a company takes in managing the collaborative process and their ability to work with others also depends on their internal capabilities. Essentially their internal research and development, should complement the external sources and competencies of those they are collaborating with, in order to reap more value from the arrangement. More recently, Xia and Roper (2016), have studied the absorptive capacity of 349 biopharmaceutical firms and their external relationships and how this effects growth. They suggest that a firms' absorptive capacity plays an important role in determining the firm's growth. They comment that engaging in exploratory relationships depends strongly on the firm continuing their research and development, while participation in what they call exploitative relationships is more conditional of firms' realised absorptive capacity.

Adopting an open innovation ethos can require a change in the values placed by the organisation and a pressure on the organisation to engage in practice with others rather than protecting their own ideas and infrastructure. It perhaps could be said to be taking those involved out of their comfort zone and requires trust in the relationship. Approaches to Open Innovation require elements of trust and working towards a common goal of mutual benefit. Fukuyama (1995 p. 26) defines trust as 'the expectation that arises within a community of regular, honest, and cooperative behaviour, based on commonly shared norms, on the part of other members of the community'. It is believed that effective inter-firm links and learning between actors depend on high levels of trust (McEviy *et al.* 2003). Lundvall (1988) states that mutual trust and mutually respected codes of behaviour are necessary in jointly developed innovations. A lack of trust between parties is seen as a barrier to effective collaboration. Perhaps akin to commercial companies, in local communities there can sometimes be issues of trust and faced with a mixture of personalities, this can lead to some challenges to ensure the longevity of a partnership.

Local communities are facing many challenges associated with the economic downturn and failure in public services to both understand what the communities needs are and to deliver given the cuts in spending. Adoption of open innovation approaches through, co-creation of social initiatives can aid the sharing costs and benefits of innovation.

Whilst innovation generally has been applied to private sector organisations there is literature which analyses innovation in state organisations but little which directly relates innovation to communities. This is somewhat surprising given the literature on community economic development, or perhaps not in that innovation has been a feature of community economic development but not explicitly stated as such. However, there is an increasingly policy driven movement particularly in Scotland, with an implicit innovation focus for community economic development. This has been found in recent legislation such as the community empowerment bill and community asset ownership. These initiatives have been given further impetus by the austerity agenda which is focussed on reduction of state expenditure as one of its cornerstones. It is against this background that the ‘Grow Trust’ emerged as an organisation committed to the regeneration of some communities within West Central Scotland. It is our contention that to achieve this aim the Grow Trust embraces Open and Social innovation we now proceed to analyse why we feel this is the case.

2.3. Context of Community Development Trusts (CDTs)

Asset Based Community Development (ABCD) is something of a ‘new approach’ to community economic development and is often contrasted to the previous ‘needs based approach’ which had dominated policy in the UK post second world war.

Needs-based strategies are accused of creating a cycle of ‘dependency’ in which communities become reliant on outside sources of funding and external ‘experts’ (Kretzmann and McKnight, 1993; Rapp et al., 2005). Through a focus on needs, communities and their

leaders are provided with an incentive to accentuate local problems in order to attract resources. Local advocates must, in effect, denigrate their communities in pleading for assistance. This can be a source of community friction. What is more, the negative images of the community created reinforce feelings of powerlessness, which undermine confidence in local capacity to problem-solve and overcome disadvantage. Community members become clients, overly dependent on what may be the intermittent or unreliable services provided by social workers, health workers and outside funders (Pulver and Dodson, 1992). This can result in “a powerful ‘conspiracy of understanding’ between clients and their helpers that maintains the oppression under which they live and ‘victim status’ they adopt” (Rapp et al., 2005, p. 84). Reliance on external experts weakens community bonds, as individuals are transformed into passive recipients of care rather than active citizens driving community development, with the result that locals “often lose control over the development process” (Green and Haines 2012, pp. 9-10). Funding is also directed at service providers when often it would be more effectively targeted direct at community members. Ultimately, as needs-based approaches are focused on repairing damage rather than building prosperity for the future, Kretzmann and McKnight (1993, p. 3) argue that they are capable of delivering little more than “a maintenance and survival strategy targeted at isolated individual clients, not a development plan that can involve the energies of an entire community”.

In contrast, ABCD, by focusing on community strengths and embracing the positive contribution of local residents, is viewed as being both more able to mobilise and sustain the mobilisation of the community towards development. The objective is that ultimately community members are the ones making the decisions. This does not mean that outside experts are completely banished from the process. Only that for ABCD to be fully embraced “[a]ny experts who join the deliberations should play a supportive - not leadership - role” (Walker, 2006, p. 26). ABCD is based on “an assumption that all people have strengths,

assets, or capacities which can be harnessed to transform their lives” (Saleebey, 2006 in Ennis and West, 2010, p. 405). And that focusing on tackling community problems provides a weaker motivation than opportunities to deploy one’s own skills and maintain control over the outcomes to which these skills are directed.

A closely related argument for ABCD is that it promotes community empowerment. First, as mentioned above, ABCD supposedly mobilises community members and allows them to maintain control. But what is more, by encouraging community ties and interdependencies, binding communities together through the development process, ABCD encourages the formation of social capital. Social capital can be understood as “a source of power or influence” (Field, 2008, p. 3). It is a means by which disadvantaged communities have frequently sought to compensate for a lack of status as well as a lack of other forms of capital. Field (2008, p.164) writes that this “is precisely the purpose of many social movements, such as trade unions, and it helps explain why trust-based institutions of the poor - like credit unions - can function”.

The empowerment engendered by social capital can ultimately extend beyond the community itself. The networks of trust generated by community engagement (bonding social capital) can be ‘scaled-up’ to allow broader relationships of trust to be developed with other community organisations and professional agencies (bridging social capital) (Hibbitt et al. 2001; Walker, 2006). This allows residents to approach both outside experts, including those in government, from a position of equality. As Ennis and West (2010, p. 406) write:

“ABCD proponents claim the model can assist communities into dialogue with government from a position of power, rather than of need. Government can be viewed as a partner, invited into dialogue by the community and invited to share in and support the community’s vision for itself”.

Against this background the aim of the community development trusts which form the case studies for this paper are to build capacity to empower local people, enabling them to identify local need and to drive forward local economic plans in the so-called missing ‘middle space’ (Oxfam, 2013). Through the power of a bottom up approach, the trusts engage collaboration by the community. The overall objective is to establish sustainable businesses within the differing communities and by sharing expertise, knowledge and assets gain economies of scale and scope to facilitate the process of regeneration. Community Development trusts are part of a nation-wide movement of local communities who want to build on their strengths and create a sustainable future for their place.

The community development trusts (CDT) under study here are all areas in need of regeneration and are active in using this open innovation strategy in a community-led approach to re-build their communities;

- Linwood Community Development Trust (LCDT) was established in 2010. Linwood’s industrial decline has left a legacy of poverty and unemployment. The 2009 Scottish Index of Multiple Deprivation shows 3 very visible pockets of deprivation in Linwood South, with all 3 ranked among the worst 5-10% in Scotland. The information and data provided by LCDT (2012) shows that Linwood has serious issues with its image, its derelict shopping centre, increasing levels of poverty and deprivation, especially amongst older residents, an increasing burden of poor health and the closure of community facilities.
- Beith Community Development Trust’s (BCDT) was established in 2009 with the aim to improve the mental and physical fitness of the community. They say that this can be achieved through regeneration and that ‘the health, wealth and happiness of our community lies within our own power’ (BCDT, 2016).

- Neilston Development Trust (NCDT) was established in 2006 by the Neilston community to champion, facilitate, support and drive the regeneration of Neilston. Prior to industrialisation Neilston was a small village characterised by single storey housing of agricultural workers and their families. Adopting a community-led approach to sustainable regeneration that builds from the village's assets and places people at the centre of the decision making. It was incorporated as a successor organisation to Neilston: Space to Live (NCDT, 2016).

3. METHODS

An explorative research study was carried out to understand the open innovation approaches that the trusts are adopting to achieve an asset based community approach and to examine how this fits with current practice in 'open social innovation'. A case study approach has been adopted to investigate the contemporary entrepreneurial activities of the three community development trusts. An investigation into examples of good practice in terms of the social initiatives that each trust have designed, developed and implemented, took place. This also involved looking at opportunities of how the trusts could work together with others to achieve synergy and economies of scale. It is anticipated that by sharing experiences, skills and developments the trusts will learn from each other and benefit from a larger skills base. Case studies of past projects were reviewed and 20 stakeholders interviewed. Interviews included with local business people, council members, state organisations as well as trust board member. All interviews were recorded, transcribed verbatim and coded. Additionally secondary and grey literature was interrogated and assisted in informing the case study. This research has been funded through the Research and Knowledge Exchange (RAKE) project supported by the Institute for Small Business and Entrepreneurship (ISBE).

4. OPEN SOCIAL INNOVATION STRATEGIES BY THE CDTS

By enabling co-creation of initiatives and combining social projects, local people, resources and ideas the aim is to make a difference in society across the regions that the trusts serve. Each trust employs aspects of an Open Social Innovation framework, such as identifying local suppliers and staff to support its activities, linking in with other trusts with complementary assets and outlook. They also operate with a number of state agencies and whilst there has often been a fractious relationship with Local Authorities due to the success of the enterprises which the Trusts have been involved in many local elected councillors are now supportive.

Chesbrough and Di Mininn (2014), explain the reason that the Open Social Innovation framework may work is that social entrepreneurs, unlike some of the public sector have the motivation and the knowledge to understand the local context to tackle crucial problems affecting communities. However, this does not come without challenges as they often lack the scale and access to complementary assets needed. However, by bringing together trusts with synergistic goals and set-ups to work together, sharing expertise and resources using an ABCD approach some of these challenges may be met. Novel initiatives need to be designed to address the social problems of their regions, which includes addressing deprivation, social inclusion, obesity, young and aging population.

4.1 Neilston Community Development Trust Open Innovation approach

Formed by local people in 2006, Neilston Development Trust (NDT) is a charity and social enterprise serving the village and residents of Neilston. They describe their vision as being about working together to build a ‘thriving and confident community, proud of its identity, building its future together’, thus encompassing the ethos of open innovation. They adopt an open innovation approach as they enlist a local membership, who work together to develop

an ambitious delivery programme. They ‘are committed to the physical, cultural, social and economic renewal and sustainability of Neilston’.

NDT was established in 2006 by the Neilston community to champion, facilitate, support and drive the regeneration of Neilston, adopting a community-led approach to sustainable regeneration that builds from the village’s assets and places people at the centre of the decision making. It was incorporated as a successor organisation to Neilston: Space to Live.

Since its inception NDT has worked hard to develop constructive relationships with key players within Neilston and the surrounding district and also at a national level. The organisation took the lead role in developing the Neilston Renaissance Charter Report of 2009, and through the Charrette process of 2013. It was also successful in securing Scottish Government Community Funding to purchase the bank facility, which has now become the community centre and operates as a hub for NDT activities. This resulted in NDT gaining praise at national level as well as the support of the local community witnessed by the growth in membership, both active and passive, of the Trust.

The Scottish Government supported the ‘charrette’ which took place between February and April 2014 and involved a number of community consultations to identify the infrastructure issues that affected the community of Neilston. This process led to the establishment of a report, ‘Neilston Going Places’, from which East Renfrewshire Council established the ‘Infill Development Strategy’. NDT has been given the responsibility of ‘taking forward and implementing’ the policies and projects identified in the ‘Infill Development Strategy’. The Strategy involves several projects concerned with the maintenance and development of the ‘public realm’ and key infrastructure developments such as the establishment of new affordable social housing. The significance of the Local Authority recognising NDT for this

role should not be underestimated. NDT is now the key anchor organisation within the community and wider Local Authority area.

The 'community centre', the Bank, which was purchased through the Right to Buy Legislation from Clydesdale Bank was the first commercial property in Scotland to be acquired under this legislation and opened its doors in 2011. The purchase of the Neilston Bank was the catalyst for change for this development trust as it gave them a local presence and provided the facilities to run their social initiative. The Bank is now regarded as 'an anchor' organisation with a prominent position on the Main Street in the centre of the village. The Bank operates a café/art gallery, with small meeting rooms and administration facilities. NDT also operates a Credit Union, a gardening club, a cycling and cycle repair facility, hosts many other clubs and operates in conjunction with other bodies such as Citizens Advice Bureau. NDT works in partnership with other organisations such as Local NHS bodies and Local Housing Associations.

A further source of income is the Community Wind Farm. In 2012 NDT with joint Venture Partner 'Carbon Free Developments' concluded a deal with the Cooperative bank, private investors and social lenders to finance and build the £15.6 million Neilston Community Windfarm, a limited liability Partnership. NDT now has a 28.3% stake in four wind turbines over a twenty five year period. The electricity generated is sold to the grid, and, over time will generate profit for NDT. Currently finance generated by this scheme on behalf of NDT is being utilised to repay the loan which NDT secured to establish its share of the wind farm.

Income consists of grants of approximately £100k and generated income of £31k the aim is to reduce dependency on grant funding. Grant funding has come from a variety of sources including the National Lottery, Climate Change Fund and Scottish Government initiatives. The trust currently employs 9 F/T equivalents.

There are currently eleven 'locals' elected by the membership of the trust on the Board of NDT and three co-opted members from various other stakeholder organisations. There is an additional advisory group 'friends of NDT' who provide additional support to the Board.

Along with the on-going clubs and societies facilitated by NDT, NDT also organises many one-off events to bring the community together. An example of one of their social initiatives is 'Mela on Main Street'. Neilston is transformed for one day, with a Bazaar at the shops and a range of family friendly walking and cycling activities throughout the village. The idea came from an external influence taking an inbound approach to ideation and following the Commonwealth Games Legacy. Colour, costumes, music and food of India were abundant in the village, in celebration of the Commonwealth Games and Neilston's ties to the Indian sub-continent, past and present. The event required good partnerships with local clubs, for example performances from Dhol drummers, the Neilston and East Renfrewshire Youth Pipe Band. Further collaborations took place with cycle organisations, putting on the first ever "Cycle Neilston Bike Festival" including an off-road Timber Trail, a cycle round the village and free bike maintenance by bringing in inbound expertise, from Dr. Bike to get local's bikes in shape. Building the trail engages local tradesman to use their expertise to support the initiative. In addition, collaborating with the local library, the initiative involved displays of books on Indian food and cooking at the Neilston Community Library. They used the Trusts facilities to display exhibitions of local amateur artists and photographs of Indian life and landscapes. By working together with local residents and organisations, Neilston were able to achieve more value for the community than operating alone.

Another initiative entitled 'Go Neilston' is a project delivered by Neilston Development Trust, and supported by its team of trained and friendly volunteers, which includes walk leaders and cycling experts. Local people with the relevant experience and expertise are enlisted in an in-bound strategy to deliver the initiatives. In addition, they engage in

outbound innovation, by providing a bike service and repair workshop for the community using the trusts facilities, running workshops to teach local people to upkeep their bikes. Thus with the social mission of promoting an active and healthy lifestyle. Regular ‘Wednesday Walking Groups’ similarly support this mission.

In addition, Neilston generate an income revenue stream by hiring out their facilities to local businesses for meetings, running a café which can be hired for events and selling food and drinks throughout the day. Sustainability of Neilson activities requires a revenue stream as grants alone provide piecemeal support that cannot be sustained. Sharing the expertise in running such a facility and identifying best practice, in collaboration with other local development trusts could help this trust to expand and increase their revenue to then undertake further projects of social good for the community.

An interview with one of the original founders and board member of the Trust revealed concern over the resources they have available to deliver the initiatives that the council have included in their recent plan for delivery of services to the community. Their concern is that they face challenges associated with their initiatives ‘sustained largely on volunteer, unpaid, people using skills from another part of their life to stimulate these developments’ thus with inbound expertise being used that might not be sustainable but at the same time, involves individuals who are passionate about making a difference and building their community. It has been said that there is a deeper and wider problem for the community movement, with the paradox that they are victims of their own success, ‘the community movement wouldn’t be in a sense creaking and straining the way it is if it had been successful’. Due to their success NDT now being given the responsibility of delivering the In-fill development strategy by the local authority evidence of open social innovation.

4.2 Beith Community Development Trust Open Innovation Approach

Beith CDT is a well-established Community Development Trust, a charitable social enterprise with a reputation for making community services and spaces ‘better for everyone’ as their professional website describes their wide ranging initiatives and facilities. They are proud of the fact that they ‘work alongside people for people’. Open innovation mechanisms form the crux of what they do, working in partnership with local people.

One such success story lies in their sports facility Beith Astro. This is a community owned and led organisation. After years of neglect Beith Astro had become derelict. It was the local clubs, groups and teams which rallied together to discuss the lack of suitable facilities in the town that led to an alliance being formed, who published a report based on the feasibility of community ownership of the sporting facilities in Beith. Based upon this report Beith Community Development Trust was formed to enable the redevelopment of Beith Astro. This shows the power of this form of collaboration to make things happen. However, many challenges are met by such social enterprises due to lack of funds, their business development manager told us that ‘there’s lots of challenges to meet before you can get going’. Becoming an income generating community enterprise is needed, which is difficult ‘meeting the gap between starting with nothing and making money’. 80% of their funds come from income generation and 20% from grants. To enable sustainability of the facilities, the trust have several income generating schemes, such as a professional laundry service for the team’s sports wear and kits. In addition, Astro Kit is another initiative, recycling and laundering pre-loved sports kits and giving them a new home, enabling the sport to be affordable for all. Another example of income stream comes from Astrobball, enabling non-football loving participants to take part in a game of football whilst inside a giant zorbing ball. This game has been targeted at other users, such as hen nights, corporate team building, to capture another market for use of their facility. Using an inbound innovation strategy, ideas for these initiatives came from feedback from end users, the adults and children using the facilities,

who determined the need for other services. Thus open social innovation in action. As a social enterprise, this type of initiative fits as it is about being community led and also it address health and wellbeing issues. The stage that this social innovation is at is stage 4 of Murray et al. (2010, p. 12)'s Social Innovation framework, where the trust are using open innovation mechanisms to sustain the facilities, where the 'idea becomes everyday practice' and develop new innovative services. The services have already been tested and refined as well as what Murray et al. identify as 'streamlined'. The next stage will be stage 5, scaling and diffusion of the innovation, this could take the form of collaboration with another trust. In addition the trust is currently expanding their facilities, with recent financial backing of half a million pounds from the Scottish Land Fund enabling them to secure its future as a community asset with the purchase of Geilsland House and School campus.

4.3 Linwood Community Development Trust Open Innovation Approach

A similar trend has been seen with the establishment of Linwood CDT, by a group of community members who were passionate about improving community facilities and wanted to make Linwood a better place to live. The need for such a trust is apparent, with Linwood's industrial decline leaving a legacy of poverty and unemployment in the town. Linwood has had serious issues with its image, its derelict shopping centre, increasing levels of poverty and deprivation, especially amongst older residents, an increasing burden of poor health and the closure of community facilities (LCDT, 2012). In 2012, Linwood was awarded the 'Carbuncle Award' by Urban Realm for being 'the most dismal town in Scotland' (BBC News, 2011). However, the power of open innovation mechanisms of collaboration led to a successful community campaign in February 2012 organised by LCDT which led to demolishing the existing unsightly town centre precinct and began re-development of the town centre.

The trusts aim has been to ‘tackle local issues and bring about positive changes to their local community’. Their philosophy is that ‘the only way Linwood was going to achieve the aspirations of Linwood, was for Linwood to do it themselves’. They saw the need for grassroots projects to be ‘run for communities, by communities’ this in a collaborative approach, working together to achieve social change. This testament has led to the success of many local initiatives, targeted at ‘building communities from the inside out’. Concurrent with the outbound open innovation perspective LCDT say that they also want to ‘inspire other communities’ they are willing to pass on knowledge and expertise to other communities wishing to engage in similar initiatives.

The Trust recognises that community centres are essential to the survival of community spirit within local communities as ‘they are not merely buildings but the cornerstone of the local neighbourhood’ (LCDT, 2012). Linwood’s Action Plan revealed that there was ‘no central meeting place for all generations to meet up’. One suggestion that came out of the action plan was the need for a community choir ‘to promote inclusion and strengthen community ties’ (LCDT, 2015). On the first night, they were amazed to find that 24 people turned up and the choir now has a membership of over 60 people. Members have performed at a number of events including the annual Linwood Lights Christmas Switch On and at a fundraising fashion show. Whilst the establishment of a community choir is not necessarily the most exciting new venture that has been created it is an indication of the new found confidence within the community as one of the LCDT employees commented ‘at £2 pounds a session for some isolated and vulnerable members of our community it is the highlight of their week’.

Another successful initiative by LCDT is ‘Roots of Linwood’, a community fruit and vegetable shop and free delivery service. The idea came through in-bound open innovation, from a community consultation process with local residents highlighting the need to improve health and wellbeing, employability and local services. This initiative has multiple areas of

value, not only as a revenue stream for the trust but it provides access to high quality, low cost healthy fresh fruit and vegetables for its community but at the same time provides volunteering opportunities which are benefitting the wellbeing of individuals, whether they are retired, unemployed or have additional support needs.

Something that the three CDTs share in common is the difficulty to scale up their social innovatory efforts (to reach stage 5 of Murray et al, model). They have different challenges from a corporate business focused on profit generation, looking at benefits for its own organisation and stakeholders. They need to ensure that the outcome has a social mission and meets the needs of the community. They also rely heavily on grants but these are achieved in a piece meal way and so longevity of a project is not guaranteed. Murray et al. say that social innovation tends to be more complex flow-like process and that it involves a process of interaction and modification. Open Innovation mechanisms involving collaboration with local volunteers and bringing in ideas, expertise and knowledge is essential. The trusts need to identify the needs of the community (which it is often said they are best placed to do) as well as map their physical assets and identify their capabilities and missing expertise needed. The ultimate goal of social innovation is systematic change but Murray et al. comment that there can often be barriers to achieving this stage, perhaps an old order or way of doing things. External government legislation can also have an impact on the scaling up of the social initiative.

5. DISCUSSION

Like the Ashoka case study presented by Chesbrough and Di Minin (2014), the comradeship and collaboration among trust members is an important part of their model but the organisations still need to go beyond the ‘sporadic support and exchange of suggestions’.

They are however, making inroads to providing some great examples of good practice social initiatives.

Grow Trust has been mentioned as an umbrella organisation that acts as a virtual intermediary between the trusts, in place to build on projects, focus on knowledge and relationships and to find social ventures most effective in tackling the social problems of the community. The Trust members are buzzing with ideas but need to make them work. There are many challenges to face to ensure the sustainability of the initiatives they deliver. Murray et al. (2010) say that intermediaries also play a critical role at the stages of growth and diffusion. They help to establish markets for new services and project and spread innovations by developing networks, the Grow Trust network is growing and it is looking for ways to disseminate learning from previous project and to share best practice amongst the trust members.

To what extent can models of open innovation support social innovation practices? Where are there examples of organisations seeking positive social change, adopting open innovation strategies to this end and what are the outcomes? Are there optimal conditions for achieving value from these approaches? The case study approach has provided examples as well as provided evidence for an open social innovation approach, providing new insights with the aim to bring value by improving the delivery of social initiatives. But they have also raised questions that still need to be fully addressed.

6. CONCLUSION

Whilst open innovation literature has focused on the economic issues of open innovation, this paper has sought to add knowledge to the emerging field of open social innovation. This has been done by investigating the current approaches to open innovation adopted by three socially focused organisations structured as community development trusts within West

Central Scotland. Examples of open innovation strategies adopted by Linwood, Beith and Neilston development trusts have been provided with a discussion on how this has supported their social initiatives.

Murray et al. (2010) model on the stages of social innovation has been useful by referring to their framework and examples of the stages that the trusts social innovation projects are at have been identified. It has been discussed that stage 4 Sustaining Initiatives is a challenge as unlike corporate organisations who are fuelled by their need to grow their capabilities and profit generation, conflict is seen here for the trusts in maintaining budgets for longer term delivery. Although stage 6 Systematic Change is seen to be rare as it involves interaction with so many elements and involves dramatic change, we can see that the trusts have the capabilities and are already achieving this. Further reference to this framework in relation to open social innovation mechanisms is recommended to gain more insight.

Operating as a community development trust in itself has involved building social relationships and collaborations to get established, the essence of open innovation. Some differences associated with adopting open innovation while running a social enterprise as opposed to operating a private organisation have also been touched upon, driven by the need to address societal and social issues.

Open Innovation offers many opportunities for those adopting its approaches by harnessing the distributed and collective knowledge of others as well as sharing expertise and embracing external resources. Addressing social needs through a larger coalition and adopting flexible business models are seen as approaches to open innovation that can benefit social enterprises. Partnerships are important to achieve positive social change. However to make a real positive social difference, they need to scale-up their operations and build sustainable initiatives and more attention to operating open innovation practices more systematically and on a daily

basis. Currently the community trusts are aware of open innovation mechanisms (although not specifically under this umbrella name). They are trying to work collaboratively wherever possible but often result in firefighting and keeping up with other pressures associated with the necessity to be sustainable. Whilst we recognise in practice, that open innovation approaches are being used in a social innovation setting akin to the description of practices outlined in the limited extant literature this is not explicitly recognised by the practitioners.

This paper has added and providing evidence for open social innovation through our case study approach. Overall, in our view, open innovation is a valuable model for community development trusts. It provides considerable flexibility, aiding the establishment and potential upscaling of social initiatives in particular areas as well as to keep up with the rapid pace of change in the community. An open social innovation approach enables cost and risk-sharing deals to take place, sharing ideas and addressing the needs of the community.

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