

Examining the Impact of Local Developments and Effective Governance to Foster Social Innovation Practices

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Abstract: Social innovation grassroots initiatives play a pivotal role in addressing locally occurring problems - such as aging population, high unemployment, and inequality of disadvantaged groups - by recognizing them and responding with adequate answers that are in harmony with the needs of the local community. Therefore, focusing on the even more urgent difficulties of sustainable, bottom-up initiatives of social innovation, the balance of effective governance and locals has an enormous role in fostering real solutions. However, the process to solve these challenges is multifaceted, based on the renewal capacity of the local community that is rooted in the volume of involvement, effort and willingness to adapt and learn, including on the one hand the local inhabitants, and on the other hand the decision-makers, politicians and administrations. By examining the impacts of local developments and effective governance in the context of social innovation the authors seek answers how local developments and effective governance can contribute to enhance social innovation and what are the biggest challenges of local communities they are facing? What kind of instruments can contribute to create a positive change? With respect to the research question, the methodology contains qualitative focus group discussions, where professionals from business, academia, government, and civil organizations were asked. In conclusion, the results and novelty of the research show that local developments supporting the partnerships between the stakeholders, have a massive goal to jointly support the progress of public goods and life-quality, sustain and increase local wealth, knowledge transfer, strengthen the cohesion among locals, and support prosperity in a determined local territory. By drawing attention into real cases the authors introduce how to support social innovation in diverse areas of life through effective governance and local developments. The research emphasizes the importance of modern forms of local governance to establish an ecosystem that supports the processes of social innovation with appropriate instruments, including the capability, attitude, talent, and commitment of local governance leaders, role of cooperation culture among quadruple helix members and the necessity of knowledge transfer and adaptation between stakeholders.

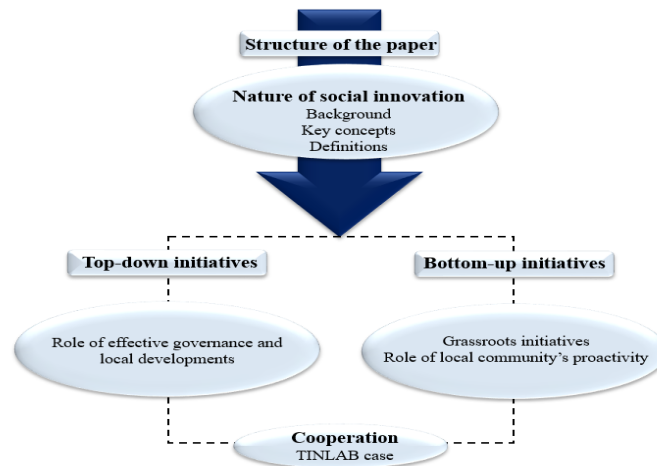
Keywords: Social Innovation, Local Developments, Grassroots Innovation, Effective Governance, Public Good, Knowledge Transfer

1. Introduction

Examining the entire nature of innovation, more specifically focusing on **social innovation** is a challenging, but an increasingly urgent task, due the widespread societal issues, such as aging society, gender inequality, climate change, self-evaluation problems, youths' life starting crisis or new labor necessities due digitalization (Rodek, Bogdány, Máhr, & Rentz, 2024). Of course, the list of social problems is much longer and dynamically expanding. First and foremost, approaching the term of social innovation, there is no universal consensus in its definition (Varga, 2017), however it composes many building blocks. The concept was used already by Joseph Schumpeter that serves as a worth by facilitating structural transformation in society. However it came to the mainstream in the 1990s and has been a popular topic ever since (Baker, & Mehmood, 2013). According to the Oslo manual, social innovation is a kind of innovation, characterized by "*social objectives*" aiming to increase the well-being of people or collective groups (Oslo manual, 2018, p. 252). Social innovation can arise everywhere, however areas with frequent social and environmental challenges boost its appearance (Bogdány, Varga, & Veresné Somosi, 2021). The rise of new societal needs such as modern labour perspectives, different approaches among generations, changing social relations are driving the evolution of social innovation practices and implementation of new ideas (Rodek, Bogdány, Máhr, & Rentz, 2024). Just as the basic definition of innovation implies, social innovation is characterized also as a non-linear process, wherein diverse actors come together and take joint actions, mutually put their efforts into the processes and share their knowledge to call advantageous results for life (OECD, 2021, p.12).

The necessity of social innovation practices is significant, which can emerge from **top-down initiatives**, such as through the activities of the local governing authority or institutions, by introducing modern policies or new strategies, or from a **bottom-up approach** based on the proactivity of a local community. However, it is significant to understand, social innovation is a complex phenomenon, which requires comprehensive

management to understand the cause-effect relationships and to deliver proper answers for the arising necessities.



Source 1: Visual introduction

Source: own edition

Therefore the authors are focusing on how *local developments* and *effective governance* can contribute to enhancing social innovation and what are the biggest challenges of local communities they are facing? What kind of instruments can contribute to creating a positive change? With respect to the research question, the methodology contains qualitative focus group discussions in order to gain deep understanding of the topic. Among the objectives of the qualitative methodology were to gain information about aspirations and driving factors of social innovation, grassroots practices and connections of local government. The focus group discussions involved professionals from diverse areas such as from the sphere of business, academia, government, as well as locals and civil organizations were asked.

The paper has several contributions. Firstly, the research provides a comprehensive analysis about the nature of social innovation and role of grassroots initiatives, highlighting the connection to effective governance practices. Secondly, the paper identifies the significance of modern governance practices that can serve as a driving force in social innovation practices and supporting the social collaborations. By analysing the qualitative insights of the diverse stakeholders, the findings have practical implications and suggest the importance of implementing modern governance perspectives into the daily life of local governments. Overall, these contributions provide a starting point for supporting a transformation in the establishment of modern government approaches, which are beneficial for strengthening the role and impact of social innovation's grassroots initiatives.

The study is structured as follows; in the following section the article summarizes the findings of a literature review by showcasing the entire definition framework and nature of social innovation, the next section introduces the role of grassroots initiatives and role of local governments and finally the study introduces the qualitative focus group discussion results with conclusions.

1.1 Taking a Look at Social Innovation

Social innovation is not merely a by-product, it is a significant type of innovation viable on its own, and created by organization of social associations, knowledge unions to solve locally occurring societal needs, however previously it was often mentioned next to technological innovations as an integral part (Rodek, Bogdány, Máhr, & Rentz, 2024). Furthermore, the white paper of social innovation states, social innovation can strongly connect to the innovation in technology, encompasses those technological renewals that are accepted by the community (Bogdány, Varga, & Veresné Somosi, 2021). Due to the Covid-19 pandemic, the importance of social innovations has been amplified to generate adequate solutions to the diverse societal and environmental issues (OECD, 2021, p.1). However, taking a look to an earlier period, already the 2008 financial crisis contributed to recognizing the role and potency of social innovation in the level of policy generation (OECD, 2021, p.4). As Rodek, Bogdány, Máhr, and Rentz mentioned in their work, social innovation is generated to satisfy the human

needs, bring a change, broaden the capacities and allocation of resources, as well as to support the creation of new practices and ideas (2024). Therefore it is clearly visible that social innovation is multifaceted and means a process from the ideation till the realization of solutions to the locally occurring challenges. It can focus on the enhancement of social objectives, can provide new processes, methods, models or integrate diverse competencies. According to the OECD *“social innovation is generally a product of collaboration between several actors, either directly or through a trusted intermediary, which results in collective knowledge building”* (2021, p.11). The authors agree with this formulation, as well as with those who mention both collaboration and its effect on knowledge creation. Collaboration fosters knowledge transfer, the birth of new ideas, at the same time it can deliver new perspectives to the members through interaction, and finally it leads to new, creative solutions. In conclusion, the process of collective knowledge building can contribute to develop and share new practices that can ultimately support the evolution of social innovation. By taking another definition about social innovation, Mulgan’s perspective states *“it refers to innovative activities and services that are motivated by the goal of meeting a social need and that are predominantly diffused through organizations whose primary purposes are social”* (2006). In this statement, it is important to highlight the dual focus of social innovation, that is on the one hand seeks to realize innovative outcomes and on the other hand aims to implement social impacts. Moreover, referring to the views of Varga, there are diverse factors that foster social innovation practices. Among these, it is useful to note the aim to identify new, effective and sustainable solutions to locally occurring barriers and needs, while also fostering cooperation and interaction among locals (Varga, 2022). By examining the complex nature of social innovation, multifaceted components and intricate interplay can be seen between the actors. This is clearly visible in the work of who mentions the differences between the basic type of innovation and social innovation. In the social type, the action goes beyond the individual level, and demands interaction that has a societal impact. *“The reconfiguring of social practices, in response to societal challenges, which seeks to enhance outcomes on societal well-being and necessarily includes the engagement of civil society actors”* (Polman, Slee, Kluvánková, Dijkshoorn, Nijnik, Gezik, & Soma, 2017, p.4). Phills and colleagues’ mentioned the financial aspects of the innovation process that is used to gain social value and benefits so in line with the statements social innovation can be defined as a *“novel solution to a social problem that is more effective, efficient, sustainable, or just than existing solutions and for which the value created accrues primarily to society as a whole rather than private individuals”* (Phills Deiglmeier, & Miller, 2008). Taking conclusions about the definitions, existing studies concentrate on the diverse background of social innovation, whereas it is clearly visible that the driving force of social innovation is the increase of social well-being, to foster social change and positive development by taking into consideration the local circumstances. In addition, these definitions deliver broader connotations, in which the role of collaboration is meaningful, due to knowledge transfer and creation activities that can support the progress of social innovation.

Many elements encompass the initiation or hindrance of the movement of social innovation. As in a basic form of innovation, so in social innovation creativity plays a huge role to find renewed practices to local problems. Additionally, worth remembering, it is a demand driven procedure, which requires specialized solutions to the local circumstances, needs and obstacles (Bogdány, Varga, Veresné, 2021). These currently occurring local challenges make it necessary to establish new ways of collaborations among locals, different institutions like the government, industry or academia, to identify and realize the stakeholders and create a live cooperation by calling them (Varga, 2022). Therefore, joint cooperation of the heterogeneous stakeholders supports the evolution of the processes. At the same time, by involving and engaging the heterogeneous actors an open knowledge flow is characterizing the complex framework of social innovation. Consequently, the holistic approach of social innovation demands expertise, willingness, trust and involvement of locals into the decision making (Varga, 2022). Taking an example, many times there is a lack of knowledge on local levels therefore the benefits of social innovation cannot be fully exploited (OECD, 2021, p.4).

In conclusion, as the definition of social innovation suggests, the concept is multifaceted, encompassing several fundamental elements. Focusing on the origin of social innovation, it is driven by collective actions of the heterogeneous stakeholders aiming to address locally occurring societal challenges. The interacting community, the engaged people serves as a supporting source of its progress. Based on the statements, there is a prevailing consensus that social collaboration plays a major role in order to effectively contribute to a positive change in the well-being of a local community. To explore the broad context of social innovation, the next section seeks to explore the role and possibilities of grassroots initiatives in social innovation practices.

1.2 Grassroots Innovation

There is a prevailing consensus, that social innovation has a growing importance and a significant task for the future to minimize the current locally occurring problems (Rodek, Bogdány, Máhr, & Rentz, 2024). A considerable amount of literature has been published, initiating social innovation practices can come from two main directions. On the one hand, it can begin as a “*top-down*” action -originating from the local government - or on the other hand it can emerge as a “*bottom-up*” or “*grassroots*” proposal – driven by the local proactive community (OECD, 2021, p.12). Other voices concern three different social innovation sources, the grassroots innovations of civils, responses to local needs and thirdly as a renewal and transformation process (Nemes, & Varga, 2021 as cited in Rodek, Bogdány, Máhr, & Rentz, 2024).

Notably, bottom-up initiatives have a major role in the development of social structures and community competencies. These initiatives arise locally, seeking to find answers for the urgent, uncomfortable local problems or needs. This requires the local stakeholders to discuss all approaches as well as to support the initiatives (OECD, 2021, p.12). By accepting the statement, grassroots activists can generate sustainable solutions for local situations by approaching the local interests, framework and value system. According to the research of Bogdány et al., grassroots innovation can deliver several advantages for a community. First of all, there is a community level advantage, which means new work possibilities or community services. On the other hand, the change of ideology can be mentioned among the advantages that can be gained by grassroots innovations (2021). Many studies have concerned the impact of grassroots innovation and naming as a community innovation. Recent evidence suggests it is a great source of renewal within the local community. Moreover, going beyond the source and output of grassroots innovation, education and community learning are inseparably connected to it. Approaching beyond the process, among the stakeholders there is a knowledge sharing, therefore an open innovation is characterizing the process (Rodek, Bogdány, Máhr, & Rentz, 2024).

Throughout the examination of the non-linear social innovation bottom up initiatives, diverse actors - including the members of the public-, private- organizations, NGOs, the civil society, governmental actors, or academia - are cooperating (OECD, 2021, p.14). Therefore social innovations are characterized by even bigger complexity, which requires a strong collaboration, proactive engagement from the heterogeneous actors and agility (OECD, 2021, p.17). Additionally, the supporting environment is a powerful factor in the process and contributes to the successful end result. So, managing and mentoring the entire process is a significant task (Katonáné Kovács, Varga, & Nemes, 2017) and not just the locals should understand its importance, but the local government should realize the power of it.

1.3 Effective Governance and Local Developments

According to the white book of Social Innovation National Laboratory (TINLAB), social innovation requires both top-down, government driven and bottom-up, citizen led engagements in which territorial networking has a great role to be effectively coordinated by the actual social needs (Bogdány et al., 2021). TINLAB came to life in 2020 in a partnership of four consortium members, namely with three universities and one foundation. The consortium is led by the Eötvös Lóránd University, joint partners are the University of Pannonia, University of Miskolc and Hárfia Foundation. The objective of the consortium is to support social innovation initiatives and practices and to create a knowledge pool due the diverse network of the Quadruple helix members. Therefore TINLAB identified significant focus areas like digitalization, future of labor, climate protection and determined clear activities to support social innovation practices such as through thematic forums, social innovation trainings for mentors and managers or by the support of pilot projects in social innovation initiatives. Recognizing these social dynamics, political structures should adapt to better address the local needs. Modern perspectives in effective government are vital in order to provide adequate answers for the locally emerging social needs. In line with the above mentioned, collective actions and co-production with the locals are essential in this regard. Networks among heterogeneous actors are playing pivotal roles. Strong social ties are connected to effective networks and can help to overcome cultural obstacles. This can also promote synergy, as well as foster inclusiveness especially in vulnerable communities. Furthermore a socio-political transformation is essential, necessitating new perspectives in governance which emphasize the role of grassroots initiatives, prioritize the importance of involvement of locals in the decision-making processes and at the same time to hear the voices of the citizens (Galego, Moulaert, Brans, & Santinha, 2022).

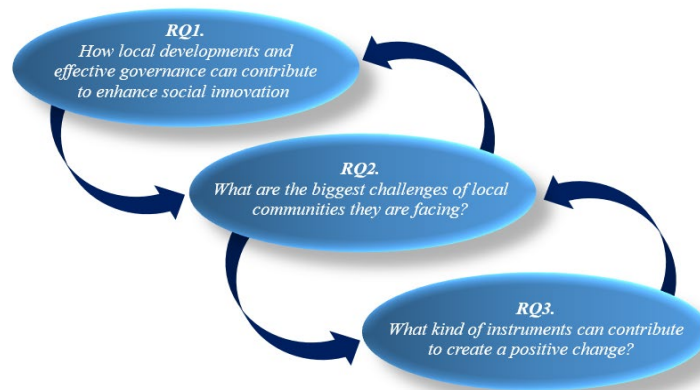
Effective local governance relies on good management practices and proper skills. In the case of social innovation, urgent local problems should be effectively realized, evaluated and on the long run properly solved in line with the local value of the community. Therefore, knowing the local circumstances serves as a baseline in the decision making processes (TINLAB, 2021, p.5). According to the work of Pálné Kovács, a good local governance is characterized by the capability to provide locally good solutions. Furthermore, good governance is democratic, efficiently manages the duties, transparent for everyone, legal, thinks and acts in a future oriented manner, behaves ethically and as a service provider. Also important to be open and supportive for the initiatives. An effective local governance based on local knowledge, that is a great resource for effective developments. Last but not least, it is important to mention the leader, who has a vital role therefore a great leadership and adequate style is necessary. In conclusion, city mayors should connect to both local and global knowledge, should build networks and mobilize them (Pálné Kovács, 2015) to foster developments. As an example of the URBAN program's town level social innovation, the role of effective governance is visible. In line with the previous authors, local areas have a vast duty to realize their characteristics and values. By knowing them, they can exploit their collaboration in which social innovation is a tool to support the processes. As a task for the local government, to work together with the locals, involve and empower them, while they cannot act as isolated actors. In conclusion, a holistic perspective is needed from the local government to be able to act effectively (Varga, 2017).

Social innovation is a great catalyst of sustainable development. Effective governance can foster sustainable social and environmental interactions. The governance has the power to create a bridge among the actors and with the tool of social innovation traditional rules can be challenged and exchange mechanisms can be established among the diverse actors, by at the same time responsively creating modern governance structures (Baker, & Mehmood, 2013). Moreover, social innovation impacts the development of a region, however as noted by Katonáné Kovács, Varga, and Nemes, the contribution cannot come to life without a supporting environment, engaged and empowered mentors (2017). Therefore, within the process of social innovation, highlighting the role of grassroots initiatives is vital, that can address locally occurring necessities to find proper solutions in balance with the needs of the local community (Katonáné Kovács, Varga, & Nemes, 2017). Bottom up initiatives are increasingly valuable, local governments should realize their power, and promote them. To properly foster social innovation practices new governing approaches are needed. Local governments should understand its entire nature, empower and involve locals into the real decision making processes by listening to their voices (Varga, 2017).

Local governments have a great responsibility in social innovation practices and play crucial role in fostering local developments in the horizontally and vertically wide area of social innovation. The relevance of the topic is based on the growing demand for effective solutions, due the local demands (Rodek, Bogdány, Máhr, & Rentz, 2024), therefore collaboration of local governments with social innovators is vital. This requires an open working manner to establish development plans and ideas based on local needs, and support the engagement of heterogeneous members, namely the Quadruple helix members. This joint engagement and strong participation serves as a significant basis to reach common goals in local developments by improving the quality of life, leveraging local assets, and strengthening social cohesion. In conclusion, local developments encompass a wide range of activities with the objective to support social and economic progress through joint participation (Bogdány et al., 2021).

2. Methodology

By examining the impacts of local developments and effective governance in the context of social innovation the authors seek answers for the following research questions:



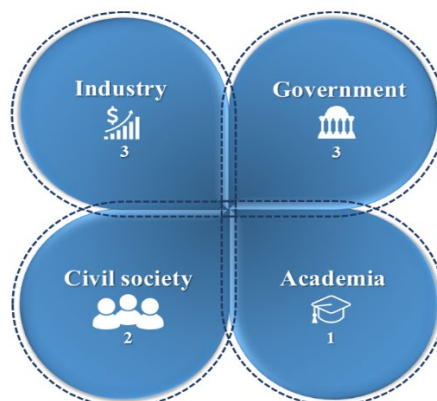
Source 2: Research questions

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To shed light on the above concerns, qualitative focus group discussion was used to analyze the situation deeply. According to the research objectives, a qualitative focus group methodology is a great tool to capture diverse viewpoints and gain insights about real life experiences (O. Nyumba, Wilson Derrick, & Mukherjee, 2018). However this methodology is only one small part of the TINLAB project in which all of the pre-defined research areas of social innovation were examined and asked through focus group discussions (FGD).

The methodology enables to collect attitudes and aspirations on the topic of local developments, effective governance in line with social innovation practices. The focus group interviews were conducted with participants from the academia-government (local)-enterprise-civil networks. They represent the large urban and rural areas, but also the developed capital and West-Hungarian region and the less developed East-Hungarian region. Participants have at least 10 years of experience in their field and an extensive personal network of contacts, giving them a broad perspective on local development and governance. Participants were selected based on personal approaches, with the main criteria being their role in the four-helix model, their professional experience and their network of contacts. The expertise of the interviewees invited was the primary factor in the selection process, while their other (e.g. political) views and motivations were not explored and thus not taken into account. A further criteria was that participants should be territorially representative of both metropolitan and rural areas, and geographically representative of both developed and less developed rural areas.

The FGD were conducted online. Based on the guideline of a pre-defined focus group guide, in approximately 110 minutes, 4 blocks were asked. These sections contained the challenges, innovative solutions, sources of involvement of the local community and networking platforms. The trained moderator guided the discussion. The article synthesizes the results of 2 focus groups, altogether the answers of 9 participants.



Source 3: Participants of the focus group discussion

Source own edition

3. Results

By summarizing the main findings of the DGD in the topic of effective governance and local developments, several meaningful challenges have been identified. First of all, **attitude and abilities towards social innovation practices and local developments**. Questions are arising often whether the local government is capable of supporting social innovation practices and capable of creating a supporting environment, while very often the abilities are lacking. Also a problem can arise when the leadership cannot demonstrate that it has power in its hand and cannot effectively manage the local challenges. Therefore talent and attitude are important factors especially in smaller communities in case of the developments. Local governments do not always realize its role in the local developments, especially in the case of the establishment of economic development strategies, however that would be useful.

"...I think one of the most important factors, whether your leadership can demonstrate to the local community that you have some tools in your hands to solve problems effectively."

Secondly, **resources and cooperation can challenge the effectiveness of local governance**. Very often, local resources like human, expert, economical ones are underutilized due strict rules and tight perspectives of the local governance. The local government suffers from the lack of resources, especially human resources which limit the openness towards social and economical innovations. There is a low level of cooperation among the local actors that serves as a barrier. On the contrary, a competing behavior is characterizing the interaction of the governmental, civil and industrial sectors. Even in the age of globalization, digitalization, and industry 4.0. there is a low level of interaction in the local governmental sector. Communication with the diverse stakeholders is also on an improper level and the local leadership has not followed the speed of the expected development.

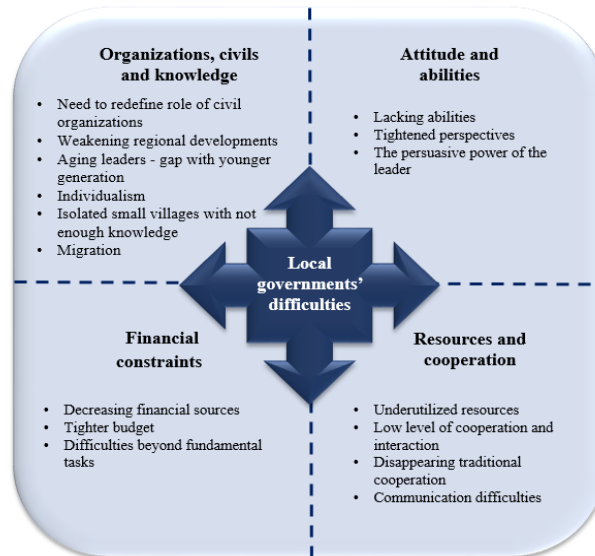
"...The existing attitude system is a challenge. For example, when two local markets organise, they immediately see themselves as competitors to each other, rather than saying that they align their calendars and one operates on Wednesday and the other on Saturday, in effect living better together, working together. Without coordination at the municipal level, it doesn't work. In a good case, it's done by a mayor or someone who is a pretty strong public figure in the city. In the absence of such people, there is no central coordinating force to drive good will towards cooperation. They cancel each other out as competitors..."

Thirdly, **different organizations, civils and knowledge impact evolution**. There would be a need to redefine the role of civil organizations, while they can support the social innovation practices. The Middle level of regional development has been weakened. The aging leaders of these organizations could not provide a renewal and there is a gap with the younger generation, who live in their online environment. An increasing individualism describes the current environment in the local communities. Traditional cooperation disappeared and was replaced by new online ones. There are several difficulties in isolated small villages where there is not enough knowledge, however at the same time there is a great need for innovations and solutions. Furthermore, migration is a significant issue. Visible the fact that big cities from smaller towns and foreign possibilities from big cities absorb the people with more education and work possibilities.

"The issue of emigration and how to deal with it is a significant one. Large cities absorb the adult population, thanks to educational institutions and job opportunities."

Finally, financial constraints characterize the situation. The **financing sources are decreasing**. Local governments are facing difficulties. Beyond the fundamental task there is a lack of financial sources.

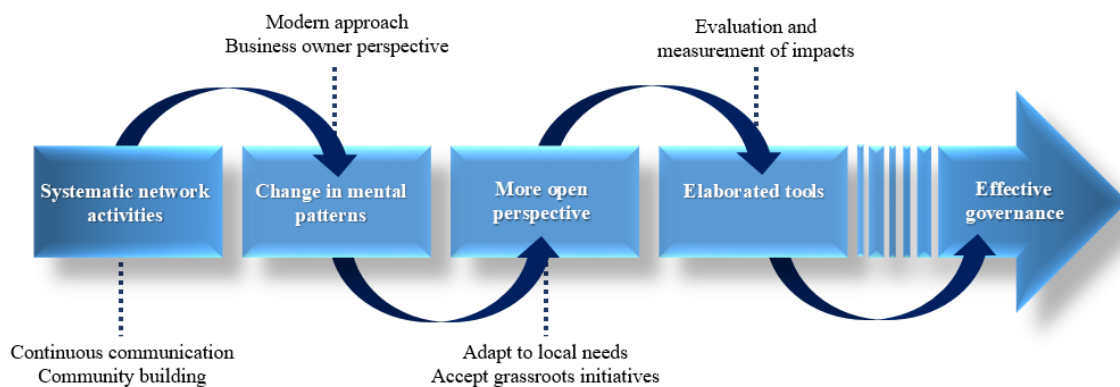
"There is no social innovation without the economy - it will finance it later. The two cannot be separated, social innovation itself has to figure out how it fits into the economy."



Source 4: Difficulties of local governments

Source own edition

In order to solve the challenges there is a need for the establishment of a local ecosystem in which the heterogeneous actors can collaborate and act for a common social goal to increase the well-being of the local community. According to Rodek, Bogdány, Máhr, and Rentz's work, the ecosystem is a network of actors whose both individually and collectively contribute to the knowledge creation, development of new solutions in a loose or tight cooperation form. Innovation ecosystem is a dynamically changing collaboration of the heterogeneous actors, who has a common specific objective that is carried out within the framework of innovation ecosystem (2024).



Source 5: Building components of effective governance

Source own edition

Based on the opinion of the FGDs' participants, not just cooperation but the process should be supported by a **more systematic networking activity**, which serves as a tool for supporting communication and community building, contributes to creativity, knowledge exchange and idea generation for local problems. This can support the evolution of the local ecosystem that serves as a framework for the local developments. As for the **local government**, a **change in the existing mental patterns** are needed. The old working manners should be replaced by a new, business owner perspective, in which they realize their power to facilitate real solutions and to support the other helix actors. There is a need for the **open perspective** from the centralized governance to adapt to the local needs and to accept the community innovations. Finally, **elaborated tools** should be generated for evaluation and measurements of the impacts. These can serve as a useful guide in the process of effective governance and can support the grassroots initiatives.

4. Discussion

Summarizing the literature, social innovation gains vast importance nowadays, due to the dynamically changing circumstances that are challenging local communities (Rodek, Bogdány, Máhr, & Rentz, 2024). As the definition itself suggested, social innovation provides a solution for locally occurring necessities, trying to raise living conditions (Oslo manual, 2018, p. 252) by actively involving and engaging heterogeneous actors. At the same time, the concept draws the attention to the importance of collaboration whereby difficulties could be effectively solved (OECD, 2021, p.11). Therefore the mutual participation of both top down approaches from the governing authorities' side and local communities' grassroots initiatives are equally important for the long term success (Bogdány et al., 2021). Exploring deeper into the research topic vertically, local governments have significant importance and contribute to the local developments. This requires a modern, adaptive and open perspective and a supportive yet powerful leadership (Varga, 2017). Through qualitative research, the authors examined the topic and found answers regarding RQ1, how local developments and effective governance can contribute to enhance social innovation. By looking for answers, the participants highlighted the importance of major areas. Proper attitude and abilities are necessary for effective governance. These can significantly encourage social innovation practices, foster cooperation and diverse partnership due to an open and flexible attitude. At the same time the establishment of a supportive environment is vital to assist grassroots initiatives, to understand the local needs yet to know the local possibilities and circumstances. However this requires adequate skills, to be able to create a collaboration with the Quadruple helix members, involve and engage the civil society as well as to mobilize human and financial resources. Furthermore, the RQ2 focused on challenges faced by local communities and suggested that there are often issues with the outlook of local governments. It highlighted the necessity that local governments need to adapt to the current local demands by presenting a modern perspective in order to properly arrange social innovation initiatives and support the flow of local developments. Local communities often feel the lack of a supportive environment due to the old mental patterns, budget constraints, low level of cooperation, aging local governmental leaders, tight perspectives, changing cooperation forms, isolation among groups and low level of communication. The listed barriers require adaptive, flexible and open behaviour from all of the Quadruple helix members to find solutions and eliminate the challenges faced by local communities.

In search of solutions the study draws attention to the instruments that can contribute to positive change. As it was mentioned previously, collaboration among the diverse actors, involvement of the local communities, openness from the side of local governance to the grassroots initiatives are building components of the solution. So this requires a well-defined concept or in other words an itinerary that supports the local governments. Therefore, as a suggestion of the authors, local governments should establish a systematic network activity in which proper and continuous internal and communication as well as networking have a necessary role to strengthen the local ecosystem. Secondly, there is an urgent need to transform the existing mental patterns by replacing modern, collaborative, involving, encouraging and business owner perspectives. Thirdly, mentality should be changed. Local governments should be open and curious to the local challenges, needs and possibilities to support the grassroots initiatives by understanding the local environment. That is a challenge however a must in the long run. Last but not least, as in all project, the evaluation of the processes and measurement of the impacts should be part of the local governments' transformation to evolve continuously with the local needs. Consequently, these results provide an important insight into the importance of modern governance perspectives that should be realized by the local governments in order to exploit the possibilities of local circumstances and be able to manage the complexity of social innovation practices to the locally occurring urgent challenges.

5. Limitations

To enhance the rigor and transparency of the study, it is necessary to address the limitations of the study comprehensively. The objective of the small number of focus group discussions was to start a vast research by gaining insight about the both horizontally and vertically broad topic and to monitor the significant elements by important members of the social innovation. However, the current research contains limitations and bias concerning the qualitative methodology due to the reached target groups and the small sample size. First and foremost, the methodology of the research relies only on a focus group discussion conducted online in Veszprém, Hungary. The way supported the communication, made it possible for the researchers to depict the topic with the help of analysing verbal communication elements, however as for the potential bias, the focus

group discussion's online form and the role of the moderator may influenced the perspectives and the interaction of the participants. The online form restricted to analyse nonverbal communication elements. While the research addressed at least one of the representatives of the quadruple helix based on the 3-pillar selection criteria that was necessary to find diverse perspectives from actors, on the other hand the size of focus group discussion was limited. Only 2 rounds of focus group discussions were implemented with a total of 9 people, who may not fully capture all of the perspectives. Therefore the reliance of the focus group discussion is not relevant and only a snapshot can be seen. However, in line with the previously highlighted limitations, further elaboration of both quantitative questionnaire and qualitative structured expert interview research is needed to gain a more specific and detailed insight about the nature of social innovation, impacts of local developments and effective governance from the bottom and top sides of the actors. The authors acknowledge the importance of the topic and recognize the necessity for comprehensive research methodologies, therefore with the help of mixed methodology, the research will be continued. This future direction support on the one hand the quantification of the data, by reaching the quadruple helix members and on the other hand a deeper understanding of the current results.

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