

A Profitable and New Approaches of Social Innovation in The Handicraft Sector. Case Study: Social Innovation Through the ITC Component on The Financial Mechanism of The State

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ABSTRACT

Economic growth is driven by a number of factors including labour productivity, the ICT industry, natural resource ownership and, last but not least, efficient, effective and productive public administration through the support it provides to private sector organisations and unorganised small industries specially in handicraft sector. As governments face new challenges designed to ensure fiscal consolidation by raising tax revenues or stimulating growth, competitiveness and employment, the increase of efficiency is driven by better governance, faster service delivery and greater stakeholder engagement in the handicraft sector as traditional and sustainable industries. Social innovation is more difficult to define and identify in the handicraft sector, as efforts to understand and promote it are hampered by a lack of analysis and quantitative evidence. However, the handicraft sector needs to innovate to be more efficient and to meet the growing demand of citizens specially rural and nature loving citizen of country as well as global level. **Objectives:** The aim of this article is to present a framework on how to innovate through the IT component in the handicraft sector, with a focus on financial mechanisms for tax collection goods and service tax in India. **Approach:** This article is based on a bibliographical research of literature in the field of social innovation, oriented towards the handicraft sector even more research has been done in public sector but we want to study in handicraft sector. **Results:** The importance of social innovation in the handicraft sector should also be understood as a way to combat actions that generate increase costs or taxes and get motivation from public sector. In the medium and long term, social innovation is useful for facing societal challenges and for better global integration of countries that are "modest innovator".

Key-words: handicraft sector, social innovation, public sector, ITC, taxes.

1. INTRODUCTION

The beginning of the 21st century, of continuous technical progress and innovation, is characterised by the widespread use of ICT and the increasing speed of development of new technologies, global competition, liberalisation of markets and products, continuous change in demand driven by rising living standards of citizens who want higher quality goods and services, increasing quality of life. The process

of globalisation has brought about changes in the world economy, an increasingly dynamic, competitive and open knowledge-based economy, and governments need to promote free market-oriented public policies. "Social enterprises looking at social innovative ways to revive the handicraft sector post-lockdown

The fear of the unknown is the lived reality of the handloom industry in India. Handloom is the second largest employment provider in the country, after agriculture. According to the 2019-20 National Census of Handloom Weavers, there are 31.44 lakh households engaged in weaving and allied activities, out of which 87% are in rural areas (Yadav et al 2022i).

Today, moreover, in the context of the pandemic coronavirus crisis which has also generated a global economic and financial crisis and a growing budget deficit, the main concern is to make administrations more efficient, reduce expenditure, improve the quality of services in order to achieve performance, foreshadowing the importation into the public sector of the management model of the private sector seen as an engine of economic growth, a source of social welfare.

The major change in the public sector is the shift from a traditional, bureaucratic, centralised, hierarchical, inflexible public administration with an organisational culture based on rules, procedures, concepts, conventions, to a citizen-oriented, results and performance-oriented administration, towards satisfying customer needs while respecting market rules, breaking up monopolies and introducing market-type mechanisms (subcontracting, intergovernmental contracting, imposing user charges) are the objectives of public policies initiated by governments and concern all the players involved (civil society, NGOs, business).

Social innovation is now considered a major factor in the study of economic development and social cohesion policies. The term 'social innovation' has come to the attention of social science researchers, without any consensus as to its specific relevance or meaning. Some researchers consider social innovation to be no more than a 'buzz' or passing word that is too imprecise to be researched at the highest academic level. Some researchers in the field see significant value in the concept of social innovation because it identifies a critical type of innovation (MacCallum, Moulaert, Hillier, Vicari, 2009, 12-13). The term has already been in the process of public debate for a number of years, but has become even more widely known

since the European Commission began to talk more and more about the subject, defining innovation as "a process of social change that can produce desired outcomes in terms of improved economic competitiveness, environmental sustainability and social solidarity" (European Commission, 2010).

So far, social innovation is a poorly studied concept in academia and academia. In Romania, the notion is less studied than in universities abroad and is not represented at institutional level at all. For many years now, economically developed countries have been competing on innovation capacity and various ways of measuring it have been developed, but innovation capacity tends to refer only to the economic, technological and scientific fields and very rarely to the social field. Recently, a concern for the development of social innovation can also be noted, more or less supported by programmes, funding lines and institutions. The United Kingdom is among the first countries to develop a well-developed policy plan to support social innovation, including support for research in this field.

2. METHODOLOGY

The article is a descriptive work, being at the same time a documentary research focused on presenting the concept of social innovation from the perspective of several authors in the field. It is also a bibliographic work because the works of foreign and Romanian authors, specialists in the field of social innovation and also an empirical research because of the application for integrating social innovation in the field of tax and fees.

3. THE SOCIAL INNOVATION CONCEPT

Social innovations "are new solutions (products, services, models, markets, processes, etc.) that simultaneously address a social need (more efficiently than existing solutions) and lead to new or improved capabilities and relationships and better use of assets and resources. In other words, social innovations are both good for society and improve society's capacity to act" (Caulier-Grice, Davies, Patrick, Norman, 2012, 18). In other words, social innovation must address a social problem in a way that is "more

effective, efficient, sustainable or equitable than existing solutions and for which the value created accrues primarily to society as a whole rather than to private individuals". More explicitly, a social innovation can occur as a product, a production process or a technology, but also as a principle, an idea, a legislative act, a social movement, an intervention or a combination of these (NESTA, 2008, 1-4). This is because social innovation "is not about introducing new types of production or exploiting new markets for the purpose of exploiting them, but about meeting new needs that are not attractive to the market (even if markets intervene later) or creating new and more satisfying ways of insertion in terms of providing a place and a role in production" (CSTP, 2011, 21). 'Social innovation' seeks new responses to social problems by: identifying and delivering new services that improve the quality of life of individuals and communities; identifying and implementing new labour market integration processes, new skills, new jobs and new forms of participation, as diverse elements that each contribute to improving the position of individuals in the labour market

Second and most important approach of social innovation is taken by NESTA (National Endowment for Science, Technology and Arts) It is innovation inspired by a desire to address social needs that may be neglected by traditional forms of private market provision and that have often been poorly served or unmet by state-organised services which defines social innovation as: 'innovation that is explicitly for the social and public good. Social innovation is increasingly being perceived as the answer to the rising number of European societal challenges. While the European authorities, leading academics, policy experts, business people and activists agree that social innovation is the key to a better future, it is extremely difficult for professionals to obtain high-quality training on what social innovation offers and, more importantly, how it can be done in practice (yadav et al 2022).

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3.1 Types of social innovation

At the level of the research work, there are several categories of social innovation according to:

The type of product resulting from the innovation process or the nature of the new solution generated determines the classification of innovations as follows (NESTA, 2008, 1-4)

- Product innovations: the creation and development of a physical product;
- Service innovations: changes in services;
- Process innovations: new production or organisational processes.

Depending on their scope and degree of impact, social innovations can be grouped into (NESTA, 2008, 1-4):

- Incremental: represent the continuation of improvements;
- Radical: they mark discontinuous changes;
- Systemic: describe changes in technological, managerial and organisational systems.

The solution novelty criterion divides social innovations into (Matei, 2009, 91-93):

- New in absolute terms: they propose new types of product, service, work organisation;
- Partially new: a technology or way of doing things in one field, in one type of institution, is adapted for a completely different field, another type of institution, product or service or even other types of objectives.

The beneficiaries of change also determine certain categories of innovation, such as (Matei, 2009, 91-93):

1. Innovations addressed to specific social groups and categories, sharing a common characteristic and problem (people with

disabilities, young people, people working in the same system, field, etc.);

2. Innovations targeted at local communities, people in geographical proximity (inhabitants of a neighbourhood, city or region);
3. Innovations aimed at members of society as a whole, who benefit directly from the impact of the innovation (e.g. introduction of a new type of communication between doctor and patient based on information systems);
4. Innovations that are aimed at individual users who decide to adopt the innovation, who have the incentive to bear the costs of adoption and, through their use, have an impact on wider groups and communities.
5. Social innovations can also be classified according to the dimensions of quality of life for which they have produced improvements:
 - Employment and working life;
 - Access to economic human resources; and digital resources
 - Household and family
 - Social participation and community life
 - Digital health or telehealth
 - Knowledge, education and training skill and capacity building.

3.1. The concept of smart development

The development of a new concept, the concept of smart urban development, must be closely linked to the emergence of the term smart city. In the literature, the term smart city is defined by "the capacity and ability of urban administrative leadership to find solutions to achieve urban policy objectives using specific means of information and communication technology to ensure prosperity and support the development of local communities" (Păceșilă, 2007, 18).

The term smart city implies an interdisciplinary approach and a direct relationship with a whole series of concepts and dimensions concerning the process of local, urban (classical form), metropolitan and not least regional development.

The emergence of smart cities capable of developing and implementing their own development strategies is thus a necessity in the current context where the evolution of technologies and their applicability to public services can no longer be ignored, with a direct impact on increasing their efficiency and effectiveness. The development of smart cities must therefore be closely linked to the new digital technologies that need to be integrated into the five dimensions that in our view underpin the functioning of cities: economic, social, urban, sustainable and service dimensions (Dincă, Dumitrică, 2020, 45). The smart city is therefore an autonomous structure, capable of managing its own development projects, as well as the problems generated by administrative-economic dysfunctions, through the use of a digital infrastructure and digital solutions, easily accessible to citizens. The smart city thus implies the development of a "digital space embedded in the physical space of the city, its infrastructure connected to a new set of technologies, equipment, devices and applications" (Săvulescu, Antonovici, 2015).

Smart urban development is thus mainly a development of electronic public services at both central and local level, as well as the development of an IT infrastructure allowing their interoperability, which would contribute significantly to increasing the transparency and accessibility of citizens to public services provided by public administrations, and implicitly to a number of direct and indirect benefits such as (Ministry of Communications and Information Society):

- Covering the demand for cooperation between public administration entities for the provision of public services;
- Facilitating the exchange of information between legal entities to meet legal requirements and political commitments;
- Re-Use and sharing of information to increase administrative efficiency and reduce bureaucracy;
- Facilitating a unified and consistent picture of data from different data sources;

- Increasing data availability and information consistency;
- Lower costs for public administration, businesses and citizens due to more efficient public services.

3.2. The relationship between social innovation and technical progress

Very often the term innovation is equated with the term technical. Over time, the more often the term innovation has been used, the more often it has been used in the sense of technological innovation. In the last 5-10 years, however, the term innovation has also begun to find its place in the social field.

Social and technical innovations share a number of similar characteristics. Firstly, novelty is given by both the primary elements and the combination of them. Arthur W.B. argues that "innovation lies in the ratio of elements - the more unusual the combination of elements, the more radical the innovation" (Arthur, 2011, 2).

Some innovations, technical or social, are more likely to be anchored in existing products and processes (e.g. a new workstation application or a new programme for people with disabilities). Other innovations are more radical, requiring change, and thus aiming to become functional (Christensen, Baumann, Ruggles, Sadtler, 2006, 94-101).

Examples of radical technical innovations include the move to electric cars or driverless cars, which are increasingly common in everyday life.

Technical innovation in state services is also a form of social innovation, as it aims to make life easier for citizens. According to Darrel West "Technological innovation is a way to improve the delivery and transparency of government services, enhance participation and collaboration, increase responsiveness and save money. Technology can be used for online service delivery, public information, social networking and civic engagement. We are at the beginning of this digital revolution and we have a tremendous opportunity to change the way government performs (West, 2011, 18)".

Technology offers the opportunity to involve more citizens in the innovation process of public administration. One such example would be the territorial administrative units (municipalities) which, before implementing a project for the local community they represent, gather citizens' reactions and opinions via various online platforms on the proposed objective or regulations. "In addition to reducing communication costs, technology makes it easier for federal officials to receive comments from businesses, consumer groups and law firms (West, 2011, 20).

Digital technology and social media offer timely and exciting opportunities to change the way the public sector works and improve institutional performance. Similar to what has happened in the private sector, there is scope for public administration to reinvent itself and produce greater effectiveness and efficiency. There are technologies that increase transparency, participation, collaboration, citizen responsiveness to state institutions (West, 2011, 25).

4. Relation between social innovation and public sector

"Innovation has reached a high level of interest and is recognised as an appropriate means to acquire and develop competencies capable of solving and/or inspiring organisations in the context of global trends and economic uncertainties. There is no concrete definition of the term innovation, as the meaning has been constantly changing, despite all efforts to achieve a consensus definition. In general, understanding innovation implies behavioural changes, even if changes are normal in every organisation. For change to be called an innovation, it must meet three criteria: novelty, impact and reapplication. Innovation is therefore of importance to organisations and has garnered an increasing amount of attention.

We live in an environment where change is continuous, atypical and human beings have to make enormous cognitive efforts to understand economic and social phenomena. Therefore, the traditional principle of rationality, as embodied in economic models, is proving to be insufficient both for understanding choices and how to

process ongoing changes and innovations and, as a consequence, increase the performance of institutions and organisations" (North, 2005, 40-42). The public sector shares many commonalities with the private sector. Various authors detail issues such as the goals that the public and private sectors strive to achieve, not only by increasing efficiency and quality, but also by better satisfying their customers.

While there are these different definitions, depending on the role held in society, whether it is a political decision maker or a business manager, innovation contains new ideas that work in operational practice.

Organisational innovation has received a high level of attention in the marketing of handicraft product and long-term strategic management literature. The isolated view of the implementation process and innovation generation does not result in consistent and reliable approaches according to theories of innovation generation or implementation. The small industrial sector specially handicraft sector is no longer perceived as the main factor in determining a nation's competitive advantage (Peris Marta, Gomez Jaime Alonso, Marquez Patricia, 2018, 32). The public sector is widespread, and what happens in this sector has major consequences for the wider economy. Thus, there is a corresponding need to analyse social innovation in the public sector. Public service is an activity of interest to the population, and governments and public institutions are responsible for it. However, it also recognises the nature of public services with private companies carrying out activities of general interest, even if they meet economic and learning objectives. This learning leads to constant changes in mental models, which are revised, redefined or rejected according to their ability to interpret the prevailing environment. The learning process results in individual cognitive models responsible for shaping and framing reality (Peris Marta, Gomez Jaime Alonso, Marquez Patricia, 2018, 33-34).

The public sector, especially the public administration, needs to be able to take advantage of any kind of change that may occur at economic or social level, in order to benefit

from the opportunities of new technologies to develop services in terms of transparency, openness and citizen involvement. Administrative reforms are needed "at a time of increasing fiscal constraints and budgetary consolidation pressures". In this context, the modernisation of public administration should focus on improving the efficiency, effectiveness and speed of service delivery, as well as achieving high standards of predictability, reliability and accountability (Matei, Săvulescu, 2014, 2).

We can consider public administration as a stimulus in the innovation process of the economy, but also in public organisations in relation to efficiency and productivity increase, but also to the creation of public values, all of which are applicable to all the challenges set by society. Being in the knowledge age, the way in which certain innovations are implemented is extremely important, especially in public administration. In particular, innovation in public administration is seen as a learning process, a technique for developing new services, for applying technology and improving organisational structures, but also for applying management techniques, with the sole aim of meeting the needs of citizens, businesses and adapting to any type of challenge encountered (Matei, Săvulescu, 2014, 9-10).

Organizations that operate in the public system and have the ability to innovate are considered to be organizations that have the function of "organizational characteristics as well as internal culture, external environment and institutional framework" (Osborne, Brown, 2005, quoted by Matei, Săvulescu, 2014, 10). This function can be translated into a pyramidal structure, "with general structural, institutional and political conditions at the top and everyday practices - people and culture - at the bottom". In other words, innovation capacity requires reviewing the institutional environment, the contextual, strategic and organisational level, but also financial, technical and human resources and one of the most important factors, namely organisational culture (Bason, 2010, quoted by Bekkers, 2013, 11-13, quoted by Matei, Săvulescu, 2014, 10).

There are certain trends that can easily be identified in terms of the focus of innovation in the public sector. One of the main objectives of innovation in the public sector is to increase the cost efficiency and cost-effectiveness of the services provided. By increasing efficiency is meant the provision of services, either quantitatively or qualitatively, to citizens, while maintaining the same cost, while achieving simplification of administrative procedures. This whole process is considered to be one of the main goals of the public sector, especially local public authorities, which provide public services to citizens and are responsible for making public spending more efficient. By improving interactions between the public sector and citizens, a benefit is created in the innovation process. Strengthening channels for providing feedback from citizens contributes to improving public services in such a way that they are better aligned with public needs and expectations (ARC Fund, 2013, 31-32).

The major goal of innovation in the public sector is achieved through the two objectives mentioned above, which lead to increased quality and access to public services provided by local or regional authorities. All of these lead to an improved quality of life for citizens, which is also the ultimate goal of public service. Innovation in the public sector is the way in which certain public policies are facilitated so that they can be used. For this reason, several types of policies can be identified in different areas and the outcome and purpose of innovation can be misinterpreted (ARC Fund, 2013, 31-32).

Guided by several initiatives launched by the European Commission, the European Union is very active in the field of social innovation. Promoting social innovation is an important objective of the European Commission, which defines it as "a tool for developing new ideas, services and models to better address social problems" (European Comision).

At present, the innovative process that the public sector in many countries is committed to pursuing falls under the banner of "social innovation". The European Commission has adopted this concept as a relevant topic on its

reform agenda. It states that social innovation is "about new ideas working to meet unmet needs. [...] innovations that are social both in purpose and means" (European Comision).

Social innovation seems to be an inspiring concept because it stimulates people, politicians and policy makers to explore and implement new ideas about how a society copes with a series of challenges that are vital for the functioning of this society as a political community, challenges such as: the increasing rate of population ageing, the budget crisis, the quality of the education system or the regeneration of socially and economically disadvantaged cities and regions (Mulgan, 2009, 11-13). The Europe 2020 strategy also points to social innovation as one of the avenues to be explored to achieve the strategy's objectives. As such, social innovation can play a key role in achieving the Europe 2020 objectives. Social innovation has a prominent place in three flagship initiatives of the Europe 2020 strategy, namely "Innovation Union", "European Platform against Poverty", "A Digital Agenda for Europe" and in the Innovation Partnership "Active and Healthy Ageing". Social innovation is also included in the Horizon 2020 research framework programme and in the new cohesion policy proposal (yadav et al 2022g).

Much of the commonwealth Commission's (CC) action on social innovation stems from the Europe 2020 flagship initiative, "Innovation Union", which was launched in 2010 to promote Europe's innovation capacity. The EC therefore seeks to facilitate market uptake of social innovation solutions and job creation. The main objectives are described as follows (yadav et al 2021):

- Stimulating social innovation in handicraft sector as a source of economic growth of country and job providing capacity buildings;
- Promotion of handicraft product through social innovation and exchanging information on social innovation in Europe and india

- Supporting handicraft sector for social innovation projects through the Social Innovation Awards to the artisans in india.

According to the in india-wide study with EU assigned done by government of EU and india, on 21 June 2021, the European Commission published the European Innovation Scoreboard 2021 which shows that Europe's innovation performance continues to improve across the EU (European Commissions). The European Innovation Scoreboard "provides a comparative analysis of innovation performance in EU countries, other European countries and neighbouring countries in the region. It assesses the relative strengths and weaknesses of national innovation systems and helps countries identify areas they need to address. The first indian Innovation Scoreboard was published in 2008 by central governments. The Indian Innovation Scoreboard demonstrates the implementation and t of the EU and its Member States to excellence-based research and innovation and that it is competitive, open and talent-driven. It supports policy making to strengthen innovation in Europe and informs policy makers in the rapidly changing global context. In addition, research and innovation is an essential part of the EU's coordinated response to the coronavirus crisis, also supporting Europe's sustainable and inclusive recovery. Measuring innovation performance is a key element in achieving this goal (yadav et al 2020). Encouragingly, innovation performance has increased by 12.5% from 2014 to date. However, there have been some shifts across EU countries, with low performing countries seeing rapid increases compared to higher performing countries, managing to even out the innovation gap. According to the Regional Innovation Scoreboard 2021, also published on 21 June 2021, this trend applies to innovation in all EU regions. Impressively, the EU has a better performance ratio compared to Brazil, Russia, India, South Africa and China, but the leaders in this area are still countries such as Japan, the United States, South Korea, Canada and Australia. This year's European Innovation Scoreboard is based on a revised framework that includes new indicators on digitisation and environmental sustainability, aligning the

scoreboard with indian policy priorities. Based on the scores, EU countries fall into four performance groups: innovation leaders, strong innovators, moderate innovators and emerging innovators. bangladesh continues to be the asian innovation leader, followed by Pakistan, india, Thailand, srilanka, with innovation performance well above the EU average. The performance groups tend to be geographically concentrated, with the innovation leaders and strongest innovators in Western and Northern asia and the majority of moderate and emerging innovators in Southern and Eastern Europe with Asian country like india (yadav et al 2022e).

3.3. Modernization of public services

"The public service modernization and development strategy is based on the following key objectives: decentralization of public services and improvement of the responsibility of local authorities in providing quality services to the population, extension of systems for basic services and increasing the degree of access to these services, restructuring of social protection mechanisms for disadvantaged people and reconsideration of the price/quality relationship, promotion of market economy principles and reduction of the degree of monopolization, attraction of private capital to finance investments in local infrastructure, institutionalization of local credit and extension of the contribution to the financing of municipal services, promotion of sustainable development measures (Matei, 2009, 128).

"The need to modernise public services stems from the fact that, at present, they are increasingly subject to competition and some of their results are questionable" (Profiroiu, 2001, 23) and (yadav et al 2022g).

The need to improve the delivery of public services is closely linked to their computerisation, and it is imperative to introduce automation and ICT in the delivery of public services, which will allow developments to take place in line with the latest technical and IT developments. The usefulness of full computerisation of public services will lead to the modernisation of public services, speed up bureaucratic administrative processes and improve their quality. This depends not only on

political will, but also on human resources, in other words, the creation of a corps of professional, well-qualified civil servants.

Public administration reform in India is currently taking place through the NRRP (National Recovery and Resilience Plan), a national project that "brings the necessary reforms for the real development of a south east Asian country in the green and digital age and is designed to ensure an optimal balance between

the priorities of the Asia and European Union and the development needs of Romania, in the context of recovery from the COVID-19 crisis that has significantly affected the country, as it has affected the whole Asian country and the whole world (NRRP, 2021, 13)."

The NRRP provides the public administration authorities with the following components covering all 6 pillars set out in the Regulation "Table 1":

Table 1

I. Green transition	1. Water management system
	2. Afforesting Romania and protecting biodiversity
	3. Waste management
	4. Sustainable transport
	5. Wave of Renewal Fund
	6. Energy
II. Digital transformation	1. Government cloud and digital public systems
III. Smart, sustainable and inclusive growth	Tax reforms and pension reform
	2. Private sector support, research, development and innovation
IV. Social and territorial cohesion	10. Local Green and Digital Transition Fund
	11. Tourism and culture
V. Health and economic, social and institutional resilience	12. Health
	13. Social reforms
	14. Public sector reform, increasing the efficiency of justice and strengthening the capacity of social partners
VI. Policies for the new generation	15. Educated Romania

Adapted from: National Recovery and Resilience Plan - Funds for Modern and Reformed India, 2021, 14-15.

4. Determinants and barriers in the implementation of social innovation

4.1. The objectives of public and handicraft sector innovation

There are several major trends that can be observed when it comes to innovation objectives of the public sector. Increasing the cost-effectiveness and the profitability of public

services represents one of the key objectives for public sector innovation. Increasing efficiency is largely understood as providing additional and higher quality services to citizens all at the same cost, during the simplification of administrative procedures. This aspect is considered to be one of the primary purposes of the public sector, more precisely the local and regional authorities who provide public services to citizens, together with these institutions are responsible on behalf of taxpayers for the efficiency and effectiveness of the public outlays. An improvement at the

level of relations, between the public sector and citizens is a major benefit that can lead to innovation. Reinforcing the methods of communication for providing feedback from citizens, stands on the base of the pyramid for meliorating the public services in such a way that they can be in cohesion with the public needs and expectations (ARC Fund, 2013, 31-32). The two objectives mentioned above are contributing to the achievement of the main goal in innovation in the public sector, to be more precise, the increase of quality and access to public services provided by local or regional authorities, thus leading to an increased quality of life for citizens, which is perceived as the final objective of the public service. Following these ideas, it is easily emphasized that innovation in the public sector represents the means of facilitating certain public policies, rather than being end itself. Therefore, it can be recognized in a variety of policy models and in several policy areas, (yadav et al 2022d)).

4.2. Determinants and barriers to social innovation in the public sector

The success stories show how the foreseen benefits of innovation in the public sector are in fact, accomplished. However, more in-depth research it is required to fully comprehend the specifics of the involved detail(yadav et al 2022c)

Innovation is identified by many as an additional “mandate” for the authorities of the public sector, with multiple effects for both authorities and the community such as; reduced costs, improved internal and external communication, richer opportunities for civic participation, and increased capacity of the authority as a whole. It is considered that if an organization works better, then it is an advantage for all parties involved. Therefore, the benefits of innovation in the public sector are not dedicated entirely to the public sector, as they have effects beyond the immediate jurisdiction of the institutions. Moreover, the benefits to institutional structures lead to additional benefits for the whole system, thereby underlining the overall impact of successful innovation (yadav et al 2022a) .

The starting point for the study of social innovation in the public sector it is the fact that

social innovations take place in a specific environment where different actors can be distinguished, who collaborate with each other in terms of exchanging relevant resources to the development and implementation of new ideas, new ways of working or new ways of organizing. Whence, follows that some features of the environment can be seen as stimuli or barriers in the implementation of innovative ideas. Based on an analysis of the literature, will be mentioning the elements that are considered to be stimuli or barriers to social innovation in the public sector (Bekkers, Tummers, Voorberg, 2013, 5-24):

- The social and political complexity of the environment in which public organizations are operating, which leads to specific demands that act as an external trigger for innovation;
- The characteristics and extent of legal culture of a country or a political sector;
- The type of governance and customs of a state in the country or in a political sector;
- The grant of resources, the subjection on resources and the quality of the relations within the networks that include the parties involved;

5. Case study: Social innovation in handicraft through the ITC component on the financial mechanism of India

The Ministry of Finance government of india is an innovative player, not only for its ability to implement public finance governance strategies, but also for its ability to simplify tax payments and improve interaction with the taxpayer.

India has a tax collection system called GST that is undergoing a strong process of evolution in terms of information technologies. However, india is lagging behind other European and asian countries, accumulated in previous years, and is trying to catch up by introducing a series of innovations aimed at rapidly and substantially changing the way tax revenue is collected and managed. The Indian States can take advantage of more and more opportunities offered by new technologies, which allow reducing physical distances, facilitating access to knowledge and information stored in remote databases, not only

for the innovation of the administrative side of tax institutions, but also for changing the approach to GST collection, which still uses traditional methods too little adapted to the evolution of knowledge and the demands of modern society. Such technologies include e-Tax - a method of collecting tax revenues that is increasingly used not only in India, but in all developed countries of the world.

Studies in the field reveal successful cases in which digital technology or Information and

Communication Technology (ICT) is the main element in the collaboration between private companies and financial institutions in India, which practically leads to social innovation in both the public and private sectors, thus creating favourable conditions for future civil servants and/or employees of private organizations. One such example is shown in the table below (Ministry of Finance, 2019):

Table 2

Project	Services for the acceptance of payments of taxes, duties, contributions and other amounts due to the general consolidated budget, made with payment cards online through National System of Electronic Payments (NSEP)
ICT company involved	BCR
Partener	Ministry of Finance and National Tax Administration Agency
Project purpose	Use of the www.ghiseul.ro platform by natural and legal persons to pay taxes, fees, fines, etc.
Description	<p>The main objective of the services that the state purchased is to increase the collection of taxes owed to the general consolidated budget by natural persons and authorized individuals.</p> <p>The specific objectives are:</p> <ul style="list-style-type: none"> - Payment of taxes to the consolidated budget without the need for the taxpayer to be physically present at the tax office; - Increased collection of taxes and duties due to the consolidated general budget by natural persons and authorised individuals; - Decrease the time taken by taxpayers to pay taxes and duties to the general consolidated budget; - Decrease in human/material/time resources allocated by the tax authority for the collection of taxes.
Results	According to the final budget execution reports for the years 2017-2022, there has been an increase of 2-4% compared to the years prior to the implementation of this project.
Additional information	During the project development phase, both the benefits to the citizen and the economic sustainability of the initiative (the ratio of investment, efficiency of the technological infrastructure and the benefits it brings) were considered. The possibility of having technologies through which tax payment services are made available to a larger number of taxpayers is materialised by the reduction of waiting times for tax payments and by the speed with which they can be paid from wherever there is internet and an electronic device (smart phone, laptop, etc).

5. CONCLUSIONS

The public sector plays an important economic role as a regulator, service provider and employer, and is a significant part of economic activity in developed countries in Asia, Europe and beyond. It has developed differently from the private sector, where efficiency and innovation are key to economic success (Hollanders et al., 2013, 66-68). However, the public sector is also taking steps towards innovation, particularly in terms of social innovation. Here we can give, as an example, tax institutions, which are increasingly using innovative and up-to-date technologies and methods to deliver the public service specific to this type of institution, namely tax collection services.

Just as the Ministry of Finance, mentioned in Table 2, has resorted to the adoption and implementation of certain technologies specific to an electronic collection of tax revenues, many other state institutions have come to the same conclusion, namely that ICT contributes to the development of the social innovation process. This is of greater importance not only because it helps to make the public sector more efficient, but also because it is a tool for better globalisation, responding equally to the challenges of today's society.

In conclusion, all public institutions need to realise the importance of digitisation for the development of the public sector itself, through social innovations, innovations that benefit both the state as a whole and the citizens of that state, leading to an efficient system with satisfied actors in terms of meeting needs. It should also not be forgotten that despite the benefits that digitisation of public services through social innovation brings to the way a layer operates, the human being remains the most important resource. A middle way must therefore be found between the use of digital technology and traditional methods of delivering human resources.

6. APPENDIX

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