Cr|E|S|S|I

Creating Economic Space for Social Innovation

Creating Economic Space for Social Innovation

Nadia von Jacobi
University of Oxford

24 October 2017

This project has received funding from the European Union's Seventh Framework Programme for research, technological development and demonstration under grant agreement no 613261. This presentation reflects the author's views and the European Union is not liable for any use that may be made of the information contained within.

Cr|E|S|S|I

Creating Economic Space for Social Innovation

8 Project Partners | 7 EU Countries

SAID BUSINESS SCHOOL

UNIVERSITY OF OXFORD

Cr|E|S|S|I

Creating Economic Space for Social Innovation

Outline

- Research Questions
- Hypotheses
- Definitions
- Conceptual Framework
- Project Structure & Methodology
- Policy Recommendations

Research Questions

- Can social innovation processes reduce marginalisation?
- If yes, how?
- Which are the economic underpinnings of the social innovation – marginalisation relation?

Hypotheses

- Social innovation can have a bearing on marginalisation because it addresses specific social needs
- Institutionalist view: social innovation and marginalisation are both embedded within existing social structures
- Structural determinants and individual agency processes coexist and interact

Definitions

Social Innovation

- development and delivery of new ideas and solutions (products, services, models, markets, processes) at different socio-structural levels that
- intentionally seek to change power relations and improve human capabilities, as well as
- the processes via which these solutions are carried out

Cressi Consortium (2013, p.3); Nicholls and Ziegler (2014)

Potential impact on society: empowerment

- alteration of power structures (*distributive power*)
- accruement of human capabilities (*collective power*)

Mann (1986, 1993, 2012, 2013), Heiskala (2015)

Definitions (cont.)

Human Capabilities

"real opportunities to do and be what an individual has reason to value" (Sen, 1999:87)

Agency

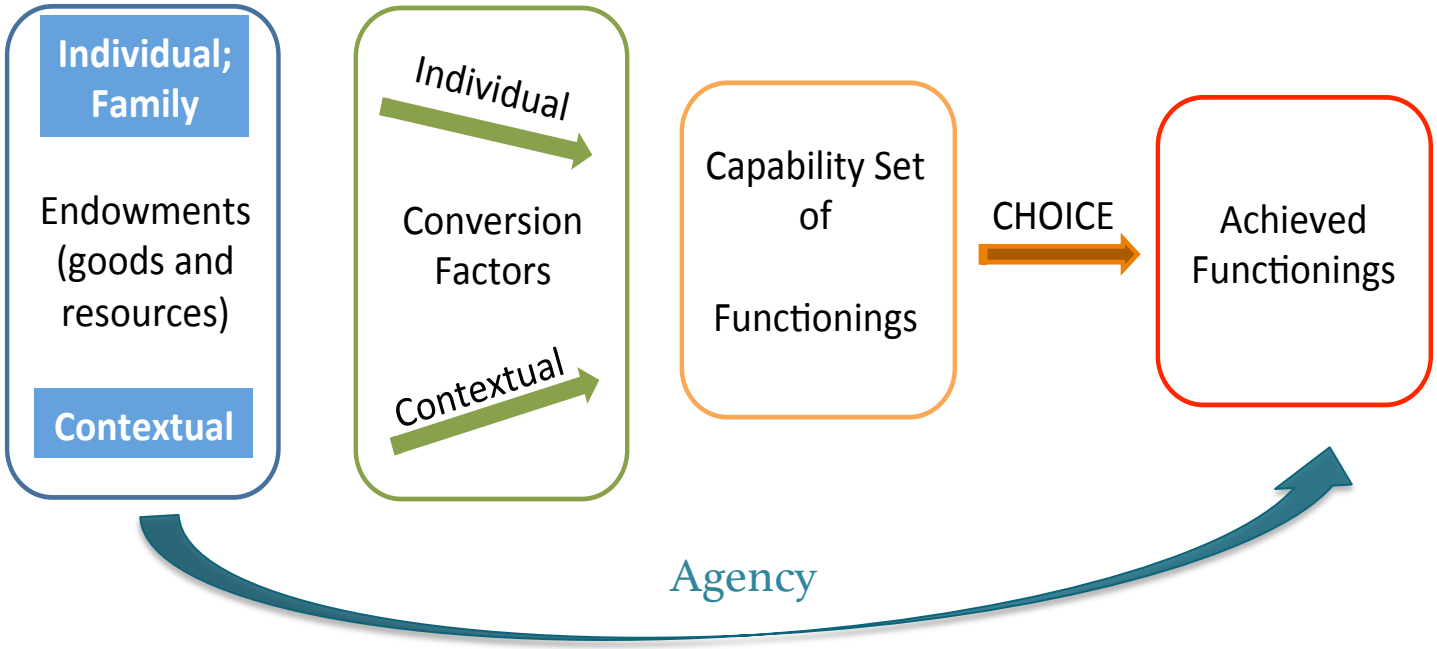
the ability to "act and to bring about change", in line with own "values and objectives" (Sen, 1999:18)

Marginalisation

"the result of a social process through which personal, social or environmental traits are transformed into actual or potential factors of disadvantage" whereby capabilities and agency are constrained (von Jacobi, Edmiston and Ziegler, 2017:4)

Creating Economic Space for Social Innovation

A view on marginalisation: the Capability Approach (A. Sen)

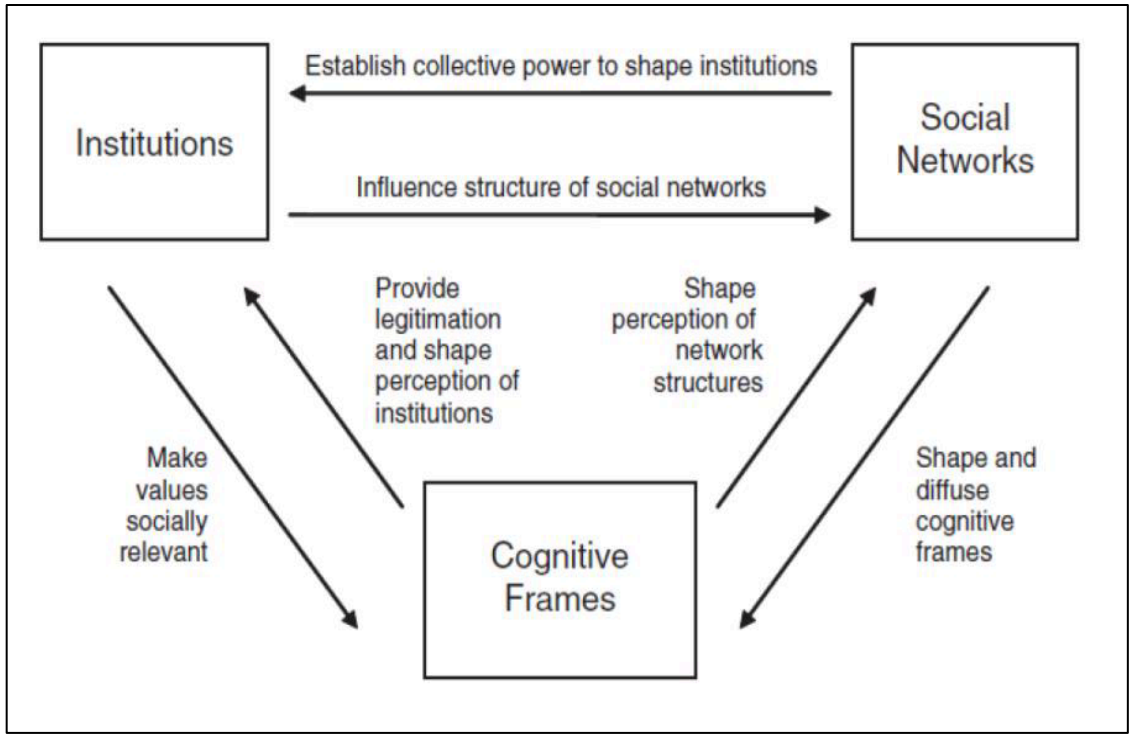


- allows for multiple value-sets
- accounts for complexity and interactions

Creating Economic Space for Social Innovation

A view on social processes: the Social Grid (J. Beckert)

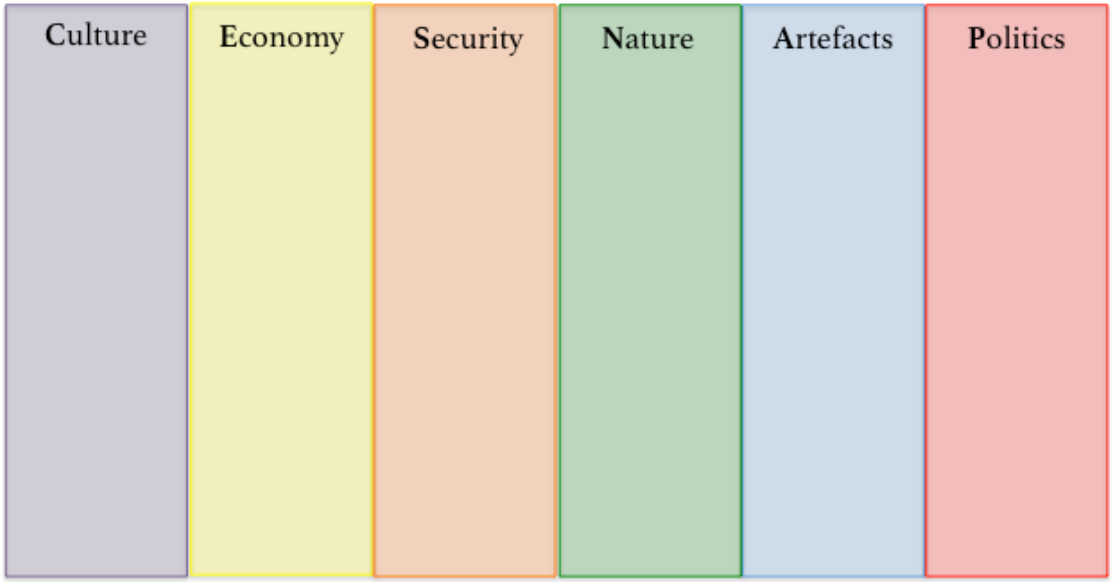
- identifies non-reducible social structures
- highlights interdependencies between different social forces



Creating Economic Space for Social Innovation

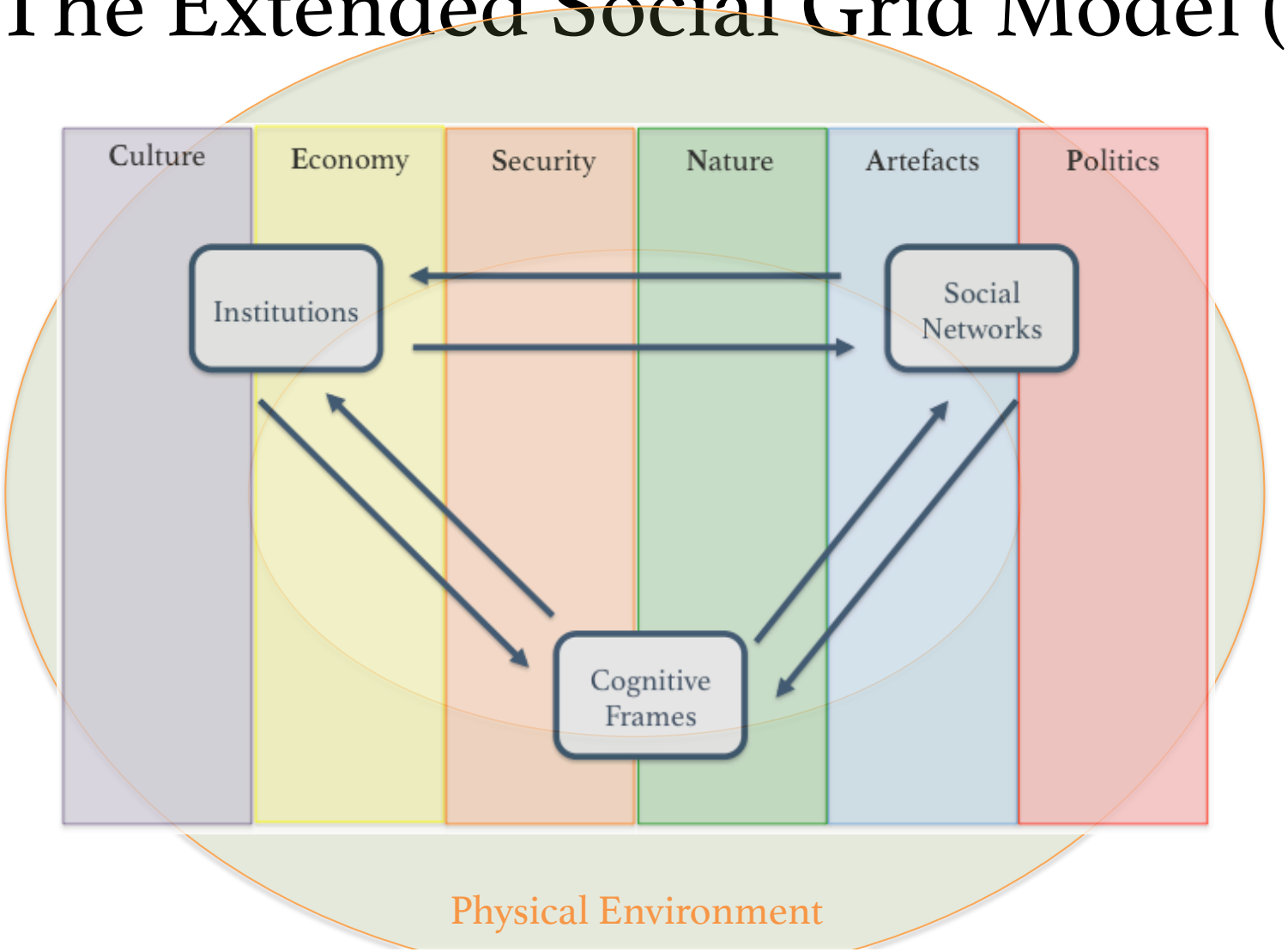
A view on empowerment: sources and dimensions of social power (M. Mann and R. Heiskala)

- dimensions of power are interdependent
- innovation and capabilities can be identified in each dimensions
- capability accruement in one dimension can spill over to another



Creating Economic Space for Social Innovation

The Extended Social Grid Model (I)



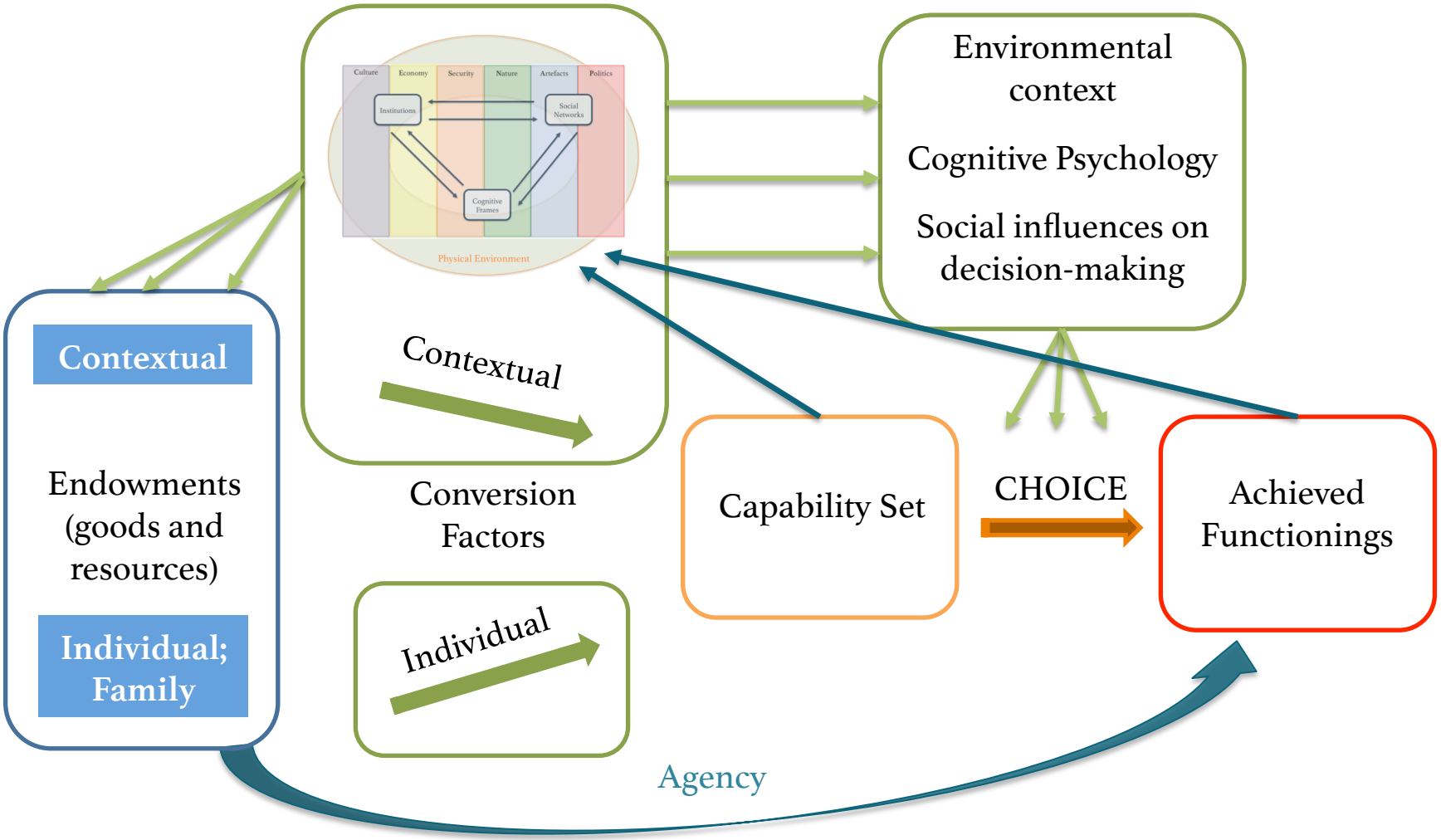
SAID BUSINESS SCHOOL

UNIVERSITY OF OXFORD

CrESSI

Creating Economic Space for Social Innovation

The Extended Social Grid Model (II)



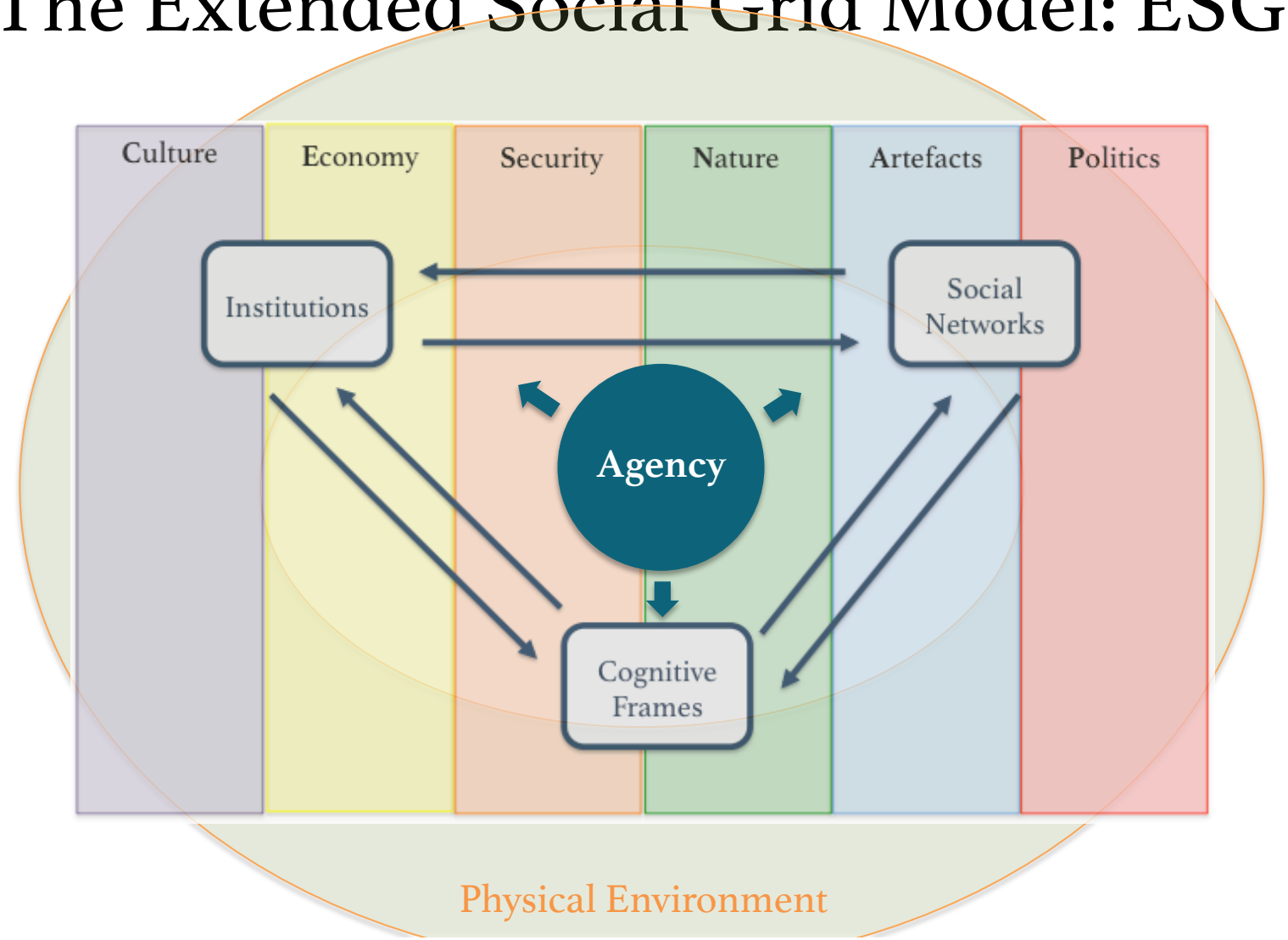
SAID BUSINESS SCHOOL

UNIVERSITY OF OXFORD

CrESSI

Creating Economic Space for Social Innovation

The Extended Social Grid Model: ESGM



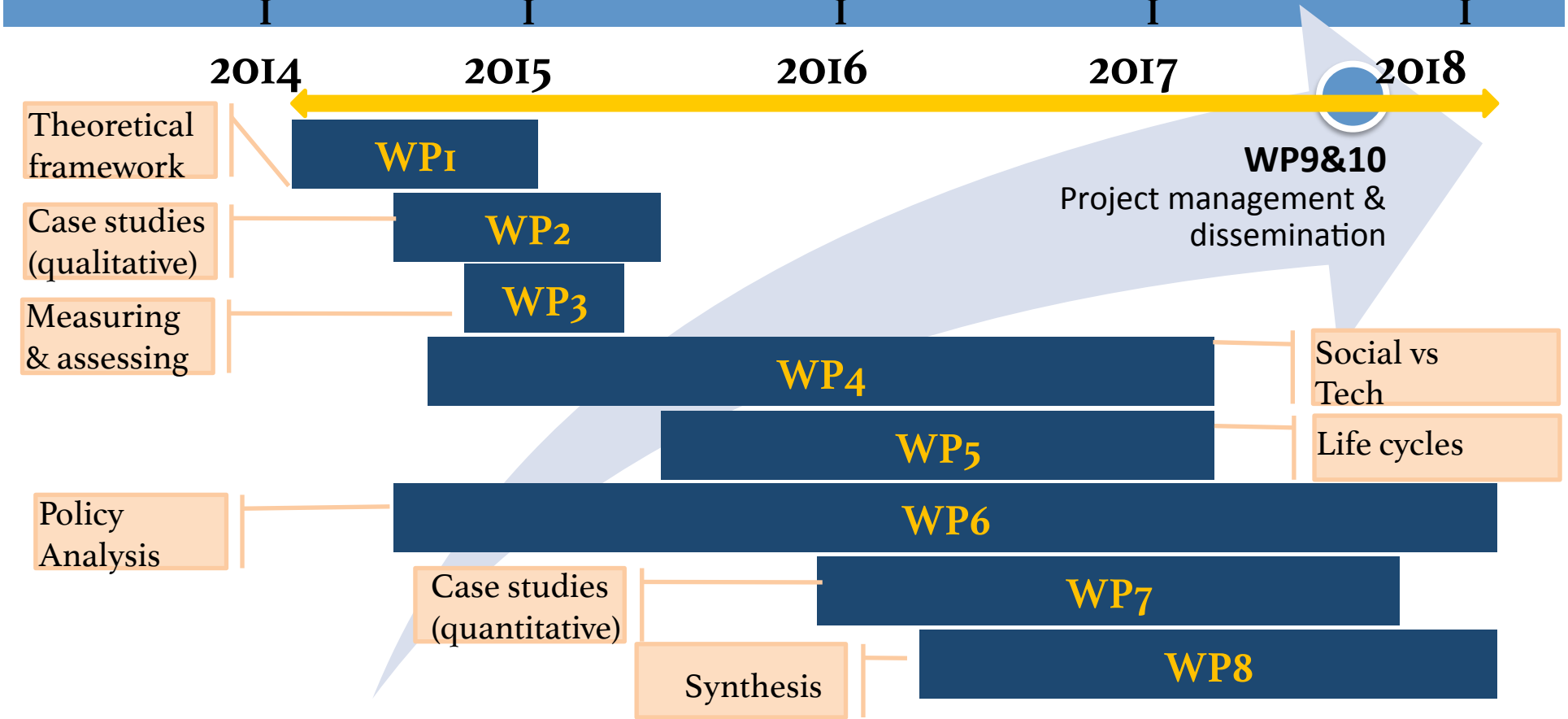
SAID BUSINESS SCHOOL

UNIVERSITY OF OXFORD

CrESSI

Creating Economic Space for Social Innovation

Project Structure Methodology



Creating Economic Space for Social Innovation

Case Studies

- UK: Social Impact Bonds
- IT: Solidarity Purchasing Groups
- NL: Complementary Currencies
- DE: Decentralized Water Management
- HU: Kiút Programme (Microcredit)
- FI: PAAVO Programme (Social Housing)
- HU: Social Cooperatives
- EU/AT: Social Housing
- EU: Public Freshwater Provision

Policy Recommendations

1. Adopt a long-run perspective

Social innovations for the marginalised ***do not pay off in the short term****, and there is a trade-off between costs of interventions and the degree of marginalisation addressed. Reaching more marginalised people is more expensive, but social innovations that do so significantly contribute to the construction* ***and renovation of social peace****.*

2. Invest in the capability to associate

The ability to associate with like-minded people and ***to get organised to speak up*** *for one's ideas, needs and proposals is not always given. Especially among the marginalised, the ability to be part of a network that can represent, defend and diffuse public requests for new solutions is often missing or insufficient.*

3. Improve network support

*Networks are crucial for social innovations as they **mediate conflicting requests and coordinate** single actors in view of common goals. Existing coordination activities and new typologies of intermediaries, who take over these mansions appear to be **under-funded**, more support should reach grass-root movements, especially when they create ties between marginalized and non-marginalized communities.*

4. Compensate disempowering arrangements at the national level

*Social processes that (re)produce marginalisation are embedded in the functioning of local or national institutions. Where this represents a barrier for reaching and compensating needs of the marginalised, the roles and possibilities of involvement of different policy levels should be reconsidered. Beyond the subsidiarity principle, there is sometimes **need to leap over national governments** to counter disempowering social processes.*

5. Support the plurality of actors

*Eligibility criteria help foster transparency, but they **may hamper new collaborations and partnerships** across actors of the public, private and third sector: inflexibility introduced by certain types of legislation and criteria for funding may have to be revised to support present and future social innovation.*

6. Review conditionalities of funding

***Shift the funding paradigm** from a process-based managerial approach to one based on results, in which **experimentation and greater flexibility during implementation** allow to better acknowledge complexity and context-specific problem-solving and innovation; envisage the provision of unsecured loans to overcome learned helplessness among the marginalized, or loosen up financial sustainability criteria.*

7. Do not "pick the winners" but provide horizontal support

Social innovation requires a stable financial basis, not just project funding. Allow ***for a diversity of solutions to develop****, as scaling up may not always work and transfer is not guaranteed to function: diffusion with necessary modifications/adaptations to context-specificity is more promising.*

8. Harvest from the past

Look back in history to learn from previous processes: old ***ideas*** *tend to return,* ***constellations of actors and adaptation processes*** *during diffusion become more evident.*

9. Improve social innovation data collection

Treat niche experiments, including unsuccessful attempts for social innovation, as ***reservoir for future solutions to emergencie****s. Explore the possibility to gather data on empowerment processes.*

10. Fiscal policies for social innovation

*Design **preferable tax conditions for start-ups** and activities that embed social values or that facilitate the spread of network goods, make use of progressive and **earmarked taxation** to direct funds towards specific social needs.*

11. Improve legislation in specific areas

*Some fields of legislation appear to be key-areas for social innovation, such as e.g. the **regulation of social cooperatives**, or specific laws that aim at improving protection and political voice **of specific vulnerable groups in society**, e.g. Roma or migrants.*

12. Widen intellectual space for social innovation

*Awareness rising among policy-makers is necessary, in particular regarding **openness for non-market based solutions**, and the recognition **of interacting/interdependent social structures** that are at the roots of marginalisation.*

Creating Economic Space for Social Innovation

CrESSI Publications (selected)

An Extended Social Grid Model for the Study of Marginalization Processes and Social Innovation (Nicholls A, Ziegler R, 2014)

How can Sen's 'Capabilities Approach' Contribute to Understanding the Role for Social Innovations for the Marginalized? (Chiappero- Martinetti E, von Jacobi N, 2015)

Relating Mann's Conception to CrESSI (Heiskala R, 2015)

Social and Business Innovations: Are Common Measurement Approaches Possible? (Havas A, 2016)

Executive Summary of an EU Social Innovation Policy Survey (Edmiston D, 2015)

How To Facilitate The Growth Of Different Kinds Of Social Innovation: The Politics of Social Innovation (Nicholls A, Edmiston D, 2017)

Tackling Marginalisation through Social Innovation? Examining the EU Social Innovation Policy Agenda from a Capabilities Perspective (von Jacobi N, Edmiston D, Ziegler R, 2017)

Creating (Economic) Space for Social Innovation (Ziegler R, Molnár G, Chiappero-Martinetti E, von Jacobi N, 2017)

Public Policy, Social Innovation and Marginalisation in Europe: A Comparative Analysis of Three Cases (Edmiston D, Aro J.)

Social Innovation, Individuals and Societies: An Empirical Investigation of Multi-layered Effects (von Jacobi N, Chiappero-Martinetti E, 2017)

Special Issues (2017):

"Social Innovation and the Capability Approach",
Journal of Human Development and Capabilities, Vol. 18 (2)

"Social Innovation to Address Marginalisation: Insights from European Cases",
Journal of Social Entrepreneurship, Vol. 8 (3)

Cr | E | S | S | I

Creating Economic Space for Social Innovation

nadia.vonjacobi@sbs.ox.ac.uk