Creating Economic Space for Social Innovation

Nadia von Jacobi
University of Oxford

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8 Project Partners | 7 EU Countries
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*)
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)
A view on marginalisation: the Capability Approach (A. Sen)

- allows for multiple value-sets
- accounts for complexity and interactions
A view on social processes: the Social Grid (J. Beckert)

- identifies non-reducible social structures
- highlights interdependencies between different social forces
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 dimension
- capability accrual in one dimension can spill over to another
The Extended Social Grid Model (I)
The Extended Social Grid Model (II)

Endowments (goods and resources)

Individual; Family

Contextual

Conversion Factors

Agency

Capability Set

CHOICE

Achieved Functionings

Environmental context
Cognitive Psychology
Social influences on decision-making

Contextual

Physical Environment

Social Influences

Individual

The Extended Social Grid Model: ESGM
**WP1**

- **Theoretical framework**
- **Case studies (qualitative)**
- **Measuring & assessing**

**WP2**

**WP3**

**WP4**

**WP5**

**WP6**

**WP7**

**WP8**

**WP9 & 10**

- **Project management & dissemination**
- **Social vs Tech**
- **Life cycles**

**Synthesis**

**Case studies (quantitative)**

**Policy Analysis**
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 emergencies. 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.
CrESSI Publications (selected)

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

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)