The CRESSI project explores the economic underpinnings of social innovation with a particular focus on how policy and practice can enhance the lives of the most marginalized and disempowered citizens in society.
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The responsibility for the analysis otherwise rests with the authors.
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1. Introduction

The CrESSI (CReating Economic Space for Social Innovation) project is a four-year research programme (2014-2018) funded by the Seventh Framework Programme of the European Community for Research, Technological Development and Demonstration Activities. In the CrESSI project, we understand social innovation as:

*The 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)*

This policy report is part of CrESSI Work Package (WP) 5 that focuses on Social Innovation Life Cycles. The purpose of this WP is to study the lifecycle of various social innovations to draw practical lessons in terms of the drivers of and barriers to social innovation in different institutional settings. To address this objective, WP5 has examined the general conditions that may facilitate social innovation to find out if these are similar to - or distinct from - those of technological ones. In addition, WP5 has explored the lifecycles of social innovation in terms of the types of actors that are relevant during different phases and across different ecosystems. The objective of this policy brief is to examine the evidence and analysis carried out elsewhere in WP5 (and set out in the deliverables 5.1, 5.2, and 5.3) to provide the theoretical foundations for future policy analysis and development that may best support social innovation in various contexts and according to different levels of social innovation across the European Union (EU).

This policy report also supports one of the primary objectives of the CrESSI project overall - namely to explore how public policy agendas might better cultivate social innovation to enhance the lives of the most marginalized and disempowered citizens in Europe. As a result, this report has strong links to other work carried in WP6 that examines social innovation policy more broadly. For the purposes of this project, marginalization is understood as a social process that may turn personal traits into factors of disadvantage, restrict access to financial capital and/or inhibit an individual’s ability to fulfil their basic human needs. Poverty, social exclusion, deprivation and vulnerability are not fixed or isolated conditions - they are social and relational phenomena reflecting broader systemic processes. As such, marginalization can be understood as characterizing these phenomena as well as their causes.

In recent years, social innovation has been posited as a key policy solution to some of the fundamental causes of marginalization. Within the context of high public debt and fiscal austerity across the EU, policy makers have presented social innovation as a means by which to overcome scarcity of resources and the persistence of socio-economic challenges. Social innovation policies across the EU have included: policy co-ordination and capacity building; community and local initiatives (e.g. stakeholder-centered urban development); structural and social funds (e.g. European Social Fund); regional instruments (e.g. JASMINE, JEREMIE, JESSICA and JASPERS); special exemptions and assistance for SMEs and third sector organizations (e.g. through particular public procurement policies); and support for social entrepreneurs and enterprises (e.g. Social Innovation Europe). However, there has been some concern that Europe lacks a unitary policy framework designed to facilitate social innovation.

CrESSI has developed a theoretical-analytic framework to explore the economic underpinnings of marginalization and social innovation in Europe. This framework takes an institutionalist perspective that draws on a range of theoretical contributions from economics, sociology and philosophy. From
this framework it is possible better to understand the structural determinants of marginalization and social innovation that operate within the market and social sphere. In order to tackle marginalization, it is necessary to identify and address the structural processes that give rise to it. Similarly, the conditions under which social innovation flourishes or fails need fully to be understood to explore its potential as a driver of structural change. CRESSI proposes that marginalization and social innovation are shaped by the prevailing socio-economic and political system. Drawing upon prior work in economic sociology – notably that of Beckert (2010) - this process is described here as framed and shaped by a ‘Social Grid’ wherein co-evolutionary relationships shape the social and economic space within which marginalization (and other socio-economic phenomena) occurs. Concomitantly, these social dynamics also influence the capacity for social innovation to act as a means of redress. This Social Grid is made up of three key social forces: ‘institutions’, ‘social networks’ and ‘cognitive frames’ (see Figure 1).

Figure 1: The Social Grid (Beckert, 2010).

According to the framework, these three social forces do not exist in isolation – they operate in dialectic with one another. The social dynamics between institutions, social networks and cognitive frames will have some bearing on the prevalence of marginalization within a given society and the capacity for social innovation to address this. This has four important implications for social innovation policies and innovations in social policy.

Firstly, these social dynamics are often poorly attended to in the policymaking process at both the domestic and European level. For example, a policy initiative will attempt to challenge public perceptions of Roma communities (cognitive frames) or increase civic engagement (social networks) without addressing the institutional factors and social dynamics that have such a bearing on its success.

Secondly, implementation of social innovation often occurs without a wide and deep consideration of the factors that affect its potential and effects. Very often, social innovation initiatives or funding do not fully account for external costs and constraints.

Thirdly, ex-ante and ex-post evaluations of social innovation and innovative social policy often overlook the reflexive and, thus, diffuse effects of policy on the three key social forces.

Finally, whilst public policies have the capacity to disrupt social relations and alter the dynamics of
the Social Grid, the Social Grid also shapes and constrains the development and implementation of policy itself. This process of institutional structuration is iterative and constant and has significant effects on how public policy conceptualizes and responds to the causes and effects of marginalization, as well as how social innovation might be seen as a policy solution and in what contexts.

Moreover, the Social Grid sensitizes policy analysis to the multi-level realities of policy development and implementation. From the international to the local level, institutions profoundly affect social relations and the capabilities of EU citizens. Policies, laws and regulations control the (re-)distribution of resources and services. This influences the extent to which individuals are marginalized from common experiences and opportunities available across the EU. Political, economic and social institutions reproduce rules and norms that can constrain or enhance social innovation to address these phenomena. Social networks existing between and within EU Member States determine the structure of social divisions. Patterned relations between individuals, groups and communities will dictate whether a particular social innovation is suitable, how it might work and what its effects could be. Finally, dominant attitudes (or cognitive frames) inform how socio-economic phenomena are understood and explained by the general public and policy-makers. Shared or common interpretations of societal challenges frame what solutions are conceived as possible or appropriate. For example, established ways of thinking and assumptions about the causes of poverty and social exclusion inform policy responses to marginalization and the extent to which social innovation is seen as a solution.

Therefore, marginalization and social innovation can be seen as embedded within a set of co-dependent relationships. Social innovation will inevitably have some bearing (positive or negative) on marginalization, but equally, marginalization shapes the capacity and character of social innovation processes. Once understood as such, analysis of social innovation takes on a novel form.

Moreover, the idiosyncratic nature of social innovation policy across the EU and its capacity to affect socio-structural change that addresses the social inclusion of marginalized groups is greatly dependent upon the character and dynamics of social and market fields (Beckert, 2010). This points to a further tension between public policy and social innovation. The former can be understood as a product of the interrelations between institutions, social networks and cognitive frames, whilst the latter seeks to change field dynamics. If effective social innovation entails a change in socio-structural and power relations with a view to improving human capabilities (Nicholls and Ziegler, 2014: 2), how can public policies (which are subject to the same forces) be meaningfully engaged in supporting it? As previously demonstrated, EU and domestic public policies designed to support social innovation are prone to institutional and logic capture (Edmiston, 2015; Ziegler et al., 2016). This is due to the fact that policies, rules and laws manifested in ‘institutions’, and their relationship to ‘cognitive frames’ and ‘social networks’, constitute the dynamic ‘social grid’ that can foster or constrain social innovation (Nicholls and Ziegler, 2014). How then, can institutions (policies, rules and laws) support social innovation without reinforcing or producing the same dynamics upon which their existence is so functionally contingent?

Only when policy making, implementation and evaluation can comprehensively attend to these complexities, does it become possible to enhance the effectiveness of social innovation and innovative social policies. With this in mind, policy needs to extend beyond its existing confines to focus on the social forces affecting marginalization and social innovation, but also the social dynamics that exist therein. This is arguably a social innovation in itself. However, importantly this would also proffer a deeper understanding of the effects of social innovation, the conditions under which it thrives and to what extent it can address marginalization through structural change.
In terms of WP5, policy analysis reflects the fact that - due to the economic and social environment within which it operates – specific policy instruments and support are often needed to nurture social innovation across its life cycle. Scaling-up the operation and efficacy of social innovation nurtures its capacity to affect structural change, thereby, facilitating its transition to independence and autonomy. In terms of the analysis and theory development presented in this policy report two key dimensions of this process will be considered: hierarchies of power; multi-level relationships and their dynamics.

This report is structured in four sections as follows. Next, this report explores institutional dominance as a key set of issues for policy makers to consider in social innovation and then goes on to consider multi-level dynamics as a key analytic dimension. This paper then examines empirical material from elsewhere in the CRESSI project in the light of its theoretical framing. Conclusions sum this work up.

2. Institutional Dominance and Hierarchies Of Power

Much of the rhetoric surrounding social innovation has suggested that it aims to achieve systemic – or disruptive - change with a focus on structural issues (Nicholls and Murdock, 2010). However, it is often less clear by what means such change can be enacted. Various, the literature has proposed that such social innovation can be brought about by means of scaling a novel initiative or idea, repurposing or subverting existing systems or socio-economic mechanisms, or reprioritizing extant hierarchies or power relations. However, research to date has been curiously quiet concerning the politics of such systemic change. Indeed, social innovation – like social entrepreneurship before it – appears to have been consciously depoliticized by many advocates, commentators, and researchers.

One of the central rationales of the CrESSI project has been to bring the politics back in to an analysis of the role of social innovation in addressing issues of marginalization and social exclusion (Nicholls and Ziegler, 2014). This objective has been addressed in terms of the development of the Extended Social Grid Model that aims to connect macro-level institutional material to micro-level human experience via Mann’s framework of power (Heiskala, 2014). This has antecedents elsewhere in economic sociology, most notably in Lukes (1974). As Ayob et al (2016) noted,

Social innovation as conceptualized in the literature should be seen as a process, and one that has inherently political dimensions. This process does not occur in a vacuum. Social policy research needs to understand how the combination of different groups in the generation of ideas and solutions affects outcomes for these groups and wider societies (p.649)

Within the EU, social innovation is often conceived as a unifying policy concept around which cross-sectoral stakeholders can coalesce and organize. The emphasis placed on ‘new’ and ‘novel’ approaches to social problems is presented as a departure from established models of thinking and action that transcend existing political and socio-economic divisions. Rather than focusing on the alignment, complementarity or institutional hybridity through which support for social innovation is procured, it is important to consider the tensions that are avoided, accommodated and ignored in the social innovation policy making process. As Edmiston (2016) noted,

A transference or realignment of power towards the powerless is central to the political project of social innovation in Europe. Without it, social innovation policy making garners and gives credence to a conciliatory politics of need provision that focuses on ‘pragmatic solutions’ to ‘political problems’ regarding the redistribution of resource, power and opportunity (p. 1)
Across and within EU Member States, power plays a significant role in shaping marginalization and social innovation. The ability to control and bring about change is affected by networks of power that intersect to alter socio-structural relations. The concentration and dispersion of power affects these relations and the extent to which it is possible for social innovation to address societal challenges. Power can be exercised within and across cultural, economic, military, political, scientific and environmental domains to enact the macro-structural context at the micro-structural level. The administration and implementation of social innovation embodies a variety of means and ends that work across these domains. The potential of social innovation is, therefore, contingent on power relations that exist within and across these areas. The transference of power from the powerful to the powerless helps ensure that social innovations are enacted, but more importantly, that these are implemented in a way that maximally benefits the most disenfranchised citizens in Europe. Accordingly, if social innovation and innovative social policies intend to tackle marginalization through structural change, it is necessary to take account of, and where possible address, the power imbalances that exist at the individual, collective and institutional level. CrESSI explores the political economy of social innovation and public policymaking in this regard.

From a Capabilities perspective, an individual’s power to pursue her own ends is central to overcoming marginalization. As a multi-dimensional phenomenon, a range of factors influences the extent and character of marginalization. Socio-structural relations, power networks and individual endowments will have a bearing on whether people possess the capabilities to realize their own potential or pursue what they see as valuable. For instance, an individual may have the intellectual ability and inclination to take a tertiary education course but they may not have the financial resources to commit to such an activity. Resources and services provided to support such individuals can improve the capabilities, outcomes and agency of individuals. Whilst social innovation and innovative social policies often enhance capabilities at an aggregate level, they can, at times, fail to address the needs of the most marginalized and disempowered citizens. Individuals and groups suffering multiple forms of deprivation or exclusion are often the least able and likely to make use of services, initiatives and goods. In addition, agents and organizations are often better equipped to address minor aspects of marginalization, rather than, for example, chronic or absolute poverty. In the political economy of social policy and social innovation, policymakers, practitioners and social innovators need to be mindful of this and its repercussions for tackling poverty and social exclusion.

Therefore, if policy makers are to design and implement effective social innovation agendas to address marginalization, it is necessary first to identify and address the complexities of the power hierarchies that frame their policy objectives. This process has two elements. First, policy makers must recognize and overcome their own institutional dominance. As Edmiston (2016) noted,

In seeking to identify how policy might best foster disruptive social innovation, public bodies are faced with a perennial challenge: how to unsettle and destabilise the institutional dominance upon which, thus far, publicly-sponsored social innovation has been so greatly dependent. That is, how to mobilise resource and activity that is essentially systemic without compromising the means and ends from which social innovation derives its value (p.2)

Reducing the institutional dominance of policy makers within the policy process is, of course, difficult. This involves both self-reflexivity and institutional entrepreneurship. It may also involve significant courage. As Baumgartner et al (2006) wrote,

As new participants with fresh ideas break into the inner circle of policy-making, the system is jolted...the common core of policy agenda research is attention to the dynamics of how new ideas, new policy proposals, and new understandings of problems may or may not be accepted in the political system (p. 961)
A major barrier to such self-reflexivity and change has been the apparently apolitical character of social innovation policy in the EU. Absent a conceptualization of the power dynamics of political systems, revisions of hierarchies and dominance within policy development and implementation becomes literally inconceivable. As a result, public policy directed at social innovation has often been open to institutional and cognitive capture by the current dominant policy discourses that limits its transformative potential. Moreover, despite a plurality of applications and motivations, public policy agendas supporting social innovation rely upon and exploit hybrid networks of power that risk reproducing, rather than altering existing socio-structural relations (Mann, 1986) – this is most clearly evidenced by the centralization of policy making power within Brussels. To unlock the full, transformative, potential of social innovation policy, therefore, both a reassessment of the dominance of normative ideological frames and a relaxing of centralized policy control are needed. Each issue is considered in turn next.

An analysis of the dominant ideologies of EU social innovation policy reveals that the purportedly cohesive conception and pursuit of social innovation across policy domains and structural levels often obscures the fact that social innovation is a nested micro-paradigm within the prevailing European political economy (see Figure 2). From this perspective, it is possible to understand how social innovation as a policy paradigm is situated within broader domains of power that can either serve to stifle or enable its potential. This reconceptualization of institutional dominance and power hierarchies across the policy process also serves to introduce just the self-reflexivity required as the first stage of overcoming such restrictions.

Nicholls and Teasdale (2016) examined the interrelation between different policy fields to explore the significance of social enterprise as a policy paradigm in England and the extent of continuity and change observed over time. They argued that the micro paradigm of social enterprise is nested within a meso-paradigm linked to the mixed economy of welfare, which is, in turn, nested within a ‘neoliberal’ macro paradigm. As a micro paradigm:

*The framework of cognitive and normative ideas behind social enterprise policies were clearly nested within, and shaped by, the ideational material cascading down from the neoliberal macro-paradigm. Ideational changes at the level of the micro-paradigm were not Kuhnian shifts, but rather an accommodation of normative differences between political parties within a coherent overall paradigmatic framework* (Nicholls and Teasdale, 2016: p. 15).

Similarly, bi-partisan and cross-sectoral interest in social innovation as a policy paradigm operates within a broader macro-economic and political framework. However, contrary to policy treatment of social enterprises as ‘nested’ at the micro level, political and policy discourse presents social innovation as a transversal policy paradigm and opportunity to address the mobilization of resources and activity at the macro, meso and micro level. Particularly at the EU level, the policy paradigm of social innovation emerged from a recognition of the need to address structural factors in a manner that could contribute towards ‘smart, sustainable and inclusive growth’ (European Commission, 2015). Whilst the systems of power that structure inequality and marginalization are problematized within such a framing, the utility and application of social innovation in public policy-making is conceived and supported in minimalist and revisionist ways at the micro-level.
A nested analysis demonstrates that the rhetoric around social innovation policy typically excludes meso-questions concerning normative assumptions about the role of the market economy in need provision. Equally, it reveals the increasingly reductionist approach taken to welfare state spending and assistance that characterizes a great deal of EU public service reform (Edmiston, 2014). The purportedly cohesive conception and pursuit of social innovation across policy domains and structural levels, obscures from the fact that social innovation is, in reality, a nested micro paradigm within the prevailing economic system in the EU countries. Whilst it has more recently been used to reenergize other micro paradigms (e.g. social enterprise), and re-frame meso paradigms surrounding welfare provision, social innovation public policy-making overwhelmingly operates in a way that aligns with and legitimizes the existing socio-economic and political settlement.

At present, there is broad recognition in social innovation policy of the limitations and deficits arising from the existing socio-political and economic configuration. This is put towards a variety of different ends that have a number of positive social and economic outcomes for some of the most marginalized and disempowered citizens in Europe. However there is nonetheless a political disinclination to identify and address the specific actors, institutions and processes that prove so fundamental to the structuration of disadvantage at the macro-level. The diffuse, complex and dynamic operation of power is often poorly conceptualized in social innovation policymaking. Whilst the disadvantageous features of the social/market economy are widely acknowledged and seen as a motivation for supporting social innovation, the power relations within this are poorly understood or accounted for in policy instruments designed to tackle marginalization. The failure of EU and domestic public policies to acknowledge or attend to this, limits the potential of social innovation to its pragmatic means - to address policy agendas focused on instrumental issues of increasing welfare effectiveness and efficiency. Equally, social innovation policymaking sidesteps the problematic material and symbolic significance of power, including its impact on the forms of inclusion and exclusion it produces. This constrains the potential of social innovation policy in its capacity to critique, contest and disrupt existing power relations. In doing so, social innovation policy fails to problematize the social structuration of disadvantage, at least in a way that is willing to identify and displace institutional dominance and sites of power. Thus, if social innovation is prone to institutional or cognitive capture by the dominant ideological discourses, its transformative potential as a policy concept may be greatly diminished.
The second key issue concerns policy centralization. Edmiston (2016) identified a tendency within social innovation policy-making to avoid questions concerning the redistribution of power and resources, whilst placing much greater emphasis on micro-level questions concerning individual wellbeing. Thus, within EU social innovation policy-making, the exercise of marginalized agency tends only to be supported and recognized in ways that consolidate the position of the existing decision-making centre. This distracts from the broader and more fundamental question of systemic and socio-structural change that could more effectively address the causes and effects of marginalization. Capabilities associated with individual and collective political action and that could contribute towards a transformation of the decision-making centre rarely receive policy backing or support in EU social innovation policy.

Within the policy-making process, not only ideological dominance but also the power to identify, define and address societal challenges tends to lie at the political centre within the EU. An examination of EU and domestic social innovation policy suggests this has significant implications (and limitations) for addressing socio-structural disadvantage (Edmiston, 2015; Aro and Heiskala, 2015; Ziegler et al., 2016). For example, work integration social enterprises that bring excluded populations into the labour market are often presented as a public policy initiative to foster social innovation. Policies and funding to support work integration social enterprises give legitimation to and shape wider perception of institutions whilst also shifting cognitive frames associated with unemployment and disadvantage. In addition, social innovation policymaking tends to encourage and support stronger networks of coordination between the public, private and third sectors. As an ancillary objective, these networks of collaboration are put towards a variety of ends. Central to these policy initiatives is an attempt to influence the structure, perceptions and capacity of social networks within the social economy. Overall, EU and domestic public policies have supported social networks in a way that contributes towards incremental social innovation through the fulfilment of (usually) pre-defined policy objectives.

There has been a long-standing interest in the development of the social economy and the opportunities this presents for democratic and social renewal through political mobilization and civic engagement that tackles marginality. Ayob et al. (2016) draw a distinction between weak, utilitarian approaches that focus on the aggregate social value of innovations and stronger interpretations that centre on the radical practice of collaborative action to restructure existing power relations leading to the social inclusion of marginalized groups. Ayob et al. (2016: 649) suggest that this latter approach bears a strong resemblance to co-production, aligning around common themes of empowerment, societal change and collaboration.

Whilst more radical conceptions of social innovation have been partially adopted through the principle of co-production in social policymaking, these initiatives have, on the whole, been rather perfunctory and superficial. Within EU social innovation policy, there has been little, if any, regulatory or financial support given to social networks that strengthen the collective political power of marginalized populations. Without these political networks of action, disadvantaged individuals and communities have little power to shape dominant institutions and cognitive frames that so profoundly affect the extent and character of social exclusion. A series of measures do encourage the incorporation of marginalized views and experiences into the policymaking process, but the agenda setting and decision-making centre remains largely unchanged in terms of the solutions to marginalization deemed appropriate and necessary. If public policymaking in EU continues to neglect the political mobilization of those most negatively affected by structural inequalities (of power, resource and opportunity), social innovation is unlikely to fulfill its transformative promise. As demonstrated in CrESSI research on social innovation, policy measures that stifle effective social
and community development, struggle to support marginalized populations to form effective networks to reshape and diffuse the cognitive frames and institutions that typically structure marginalization. Not only does this constrain social innovation as a transversal policy mechanism, it also limits it potential as a nested policy paradigm that seeks to contribute towards more ambitious, incremental change.

According to Mann (2013: 1), power entails the ‘capacity to get others to do things that otherwise they would not do’. In this regard, a transference or realignment of power towards the powerless is central to the political project of social innovation in the EU. Within such a setting, social innovation policy runs the risk of de-politicizing the causes of and solutions to marginalization. Overall, EU and domestic public policies have supported social networks in a way that contributes towards incremental social innovation through the fulfillment of pre-defined policy objectives.

The multiple framing and pursuit of social innovation in public policy makes it possible to encourage collective action for a particular outcome or activity, but this equally detracts from mobilizing resources and individuals against the structural determinants of exclusion and neoliberal politics of inequality. As a result, the political subjectivity of marginalized individuals is often overlooked; as is their capacity to resist the institutions, ideals and processes that shape and constrain their capacity to define and pursue their ends. Going forward, it seems that recognizing/understanding the political subjectivity and collective action of marginalized groups is a key resource for ensuring social innovation policy is able to tackle the structural determinants of marginalization and thereby contribute towards systemic and positive social change. This is considered further next in a multi-level framework analysis of social innovation policy.

3. Multi-Level Dynamics

The working assumption within the CrESSI project is that all social innovation is, to some degree, political, but that such ‘politics’ will have multiple meanings and engage different actors in different contexts and at different socio-structural levels. Moreover, the relationships between social innovation political actors will be significant factors in achieving overall systemic change. There are two formal domains of public policy that are of relevance here (see Nicholls and Edmiston, 2015). Firstly, there is policy for social innovation that is specifically designed to have a direct bearing on the capacity of agents and organizations to affect structural change through social innovation. Secondly, there is social innovation in the policy making process that offers novel approaches to the design and delivery of assistance, services and initiatives that have some bearing on structural relations and/or the wellbeing of citizens.

However, it is suggested here that the effective development and implementation of social innovation is contingent on a wider coordination of actors at different levels of political action beyond government alone. This has significant implications for the design, delivery and evaluation of public policies that seek to facilitate social innovation tackling marginalization. However, the irreducibility of the Social Grid Model requires a further level of analysis to be developed if its explanatory value is to be fully realized in terms of power dynamics and socio-structural change around systems and how social innovation can address them. Nicholls and Edmiston (2015) noted that the non-reductive approach taken in the Extended Social Grid Model captures the reflexive relationships that exist between institutions, social networks and cognitive frames, whilst also seeking to capture the power networks that affect these relationships in terms of their impact on marginalization. In this analysis of the complexity of socio-structural relations, it becomes particularly difficult to anticipate how and which policies might be able to address power imbalances and social forces when the relationships
between them are inherently dynamic. To achieve this, therefore, it is necessary to take into account a wider set of power relations at multiple levels to articulate effective social innovation policy agendas. Whilst this appears to have been acknowledged at the centre of the EU, it has been less well implemented. As Edmiston noted (2015),

*The definition of social innovation endorsed by the European Commission promotes the active participation and empowerment of European citizens as a source of and outcome of wellbeing. The European Union has attempted to encourage participatory methods as an approach to domestic policymaking and embed it in networks and organizations engaged in social innovation. However, consultations on existing strategies tend to be more commonplace than initiatives that enable citizens to actually set the social and economic agenda themselves. As such, activities and measures designed to support social innovation tend to be imposed rather than co-constructed by stakeholders at different socio-structural levels. Whilst it is clear that EU public authorities encourage the means of social innovation, there is less cognitive space and institutional support for the ends of social innovation (p.3)*

As a consequence, the political and power particularities of the institutional, social network and cognitive elements of the Social Grid - in any given case - will be key, as will their dynamic relationships. Furthermore, they can be reclassified in terms of a multi-level schema of power to allow this dimension of analysis to be integrated in the model. Thus, in terms of a political analysis, the three constituent elements of the Social Grid can be mapped against specific political locus of action in society (see Table 1). *Institutions* map against formal government action and structures as rule setting bodies. Within this two types of social innovation can be observed: External that focuses on social policy to encourage social innovation outside of government; Internal that introduces social innovation into the policy-making process within government. *Social Networks* map against a political locus of action linked to power dynamics in and around market structures. Within this, two levels of social innovation are also present: macro-level (social dynamic innovation) action that aims to (re)shape market structures and dynamics; micro-level (social service innovation) action that responds to market as it is. Finally, *Cognitive Frames* map against a political locus of action that reframes perceptions of issues and solutions typical of social movements and community lead, grassroots, initiatives. Here too, two types of social innovation can be seen: formal and (semi-) permanent, organized, collective action around a political grievance; informal and impermanent, grass-roots clusters of actors around a new idea for change.

<table>
<thead>
<tr>
<th>Type of Social Innovation</th>
<th>Social Grid Referent</th>
<th>Political Locus Of Action</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy For Social Innovation</td>
<td>Institutions</td>
<td>Government Departments (External Policy)</td>
<td>Community Interest Company Legislation</td>
</tr>
<tr>
<td>Social Innovation in Policy Making</td>
<td>Institutions</td>
<td>Government Departments (Internal Policy)</td>
<td>Social Impact Bonds</td>
</tr>
<tr>
<td>Social Dynamic Innovation</td>
<td>Social Networks</td>
<td>Social Enterprises (Systems Focus)</td>
<td>Fair Trade</td>
</tr>
<tr>
<td>Social Service Innovation</td>
<td>Social Networks</td>
<td>Social Enterprises (Welfare Focus)</td>
<td>Work Integration Models</td>
</tr>
<tr>
<td>Formal Social Change Innovation</td>
<td>Cognitive Frames</td>
<td>Formal Social Movements</td>
<td>Greenpeace</td>
</tr>
<tr>
<td>Informal Social Change Innovation</td>
<td>Cognitive Frames</td>
<td>Informal Collective Action</td>
<td>Occupy Wall Street</td>
</tr>
</tbody>
</table>

*Table 1: Typology Of Politics in Social Innovation*
This structuralist analysis of politics and power allows the inter-relations of political actors and their agendas to be considered at, and across, different levels of action. It reveals where the drivers of social innovation policy lie and how well or badly they align with related agendas at other socio-structural levels. Such an analysis also helps explain why policy agendas encounter resistance and may fail at the implementation phase. This typology also underlines the observations made above concerning the dangers of institutional dominance and centralization in terms of the effective articulation of social innovation policy agendas.

A second feature of the typology is that it facilitates a granular analysis of the strategic tools employed at different socio-structural levels within the policy process (see Table 2). It also demonstrates how these tools relate to strategic objectives. For example, in terms of macro-level government policy to encourage social innovation, the strategic tools will primarily be regulation, fiscal policy, and direct commissioning or investment. The strategic objectives will relate to the successful implementation of desired policy outcomes. In contrast, for social innovation within the policy making process the strategic tools will be reform-based, typically around new commissioning practices such as the introduction of quasi-markets or outcomes based contracts. The strategic objectives will be the articulation of new policy discourses and frameworks as institutional ‘rules of the game’ that frame, shape and constrain the actions of government itself.

<table>
<thead>
<tr>
<th>Type Of Social Innovation</th>
<th>Social Grid Referent</th>
<th>Strategic Tools</th>
<th>Strategic Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy For Social Innovation</td>
<td>Institutions</td>
<td>Regulation Fiscal Policy Direct Commissioning and Investment</td>
<td>Policy Implementation and Outcomes</td>
</tr>
<tr>
<td>Social Innovation Policy Making</td>
<td>Institutions</td>
<td>Reforms to Commissioning Practices</td>
<td>Policy Discourses and Frameworks</td>
</tr>
<tr>
<td>Social Dynamic Innovation</td>
<td>Social Networks</td>
<td>Hyridity Boundary Blurring</td>
<td>New Market Structures</td>
</tr>
<tr>
<td>Social Service Innovation</td>
<td>Social Networks</td>
<td>Innovative Public Goods (Outputs) New Social Relations (Process)</td>
<td>New Markets</td>
</tr>
<tr>
<td>Formal Social Change Innovation</td>
<td>Cognitive Frames</td>
<td>Advocacy and Protest</td>
<td>Cognitive/Normative Frame Shifts</td>
</tr>
<tr>
<td>Informal Social Change Innovation</td>
<td>Cognitive Frames</td>
<td>Collective Action</td>
<td>Localized Solidarity and Mobilization</td>
</tr>
</tbody>
</table>

Table 2: Strategic Processes In Social Innovation

For social enterprises operating at the meso-level to shape and respond to market environments the strategic tools and objectives will also differ. Social enterprises engaged in social dynamic innovation often focus on boundary blurring activities by creating new hybrid organizations in order to achieve strategic objectives based on reshaping existing market structures. For example, microcredit represents a new, Bottom of the Pyramid, market that links the traditions of development aid to the commercial logics of retail lending and debt in hybrid market format. The consequence is both to give access to finance to poorer borrowers and to reshape how capital markets conceive of the poor
as customers – primarily by correcting inaccurate risk assumptions in terms of repayment rates. Social enterprises working on social service innovation, on the other hand, usually focus on strategic objectives that aim to create new markets within existing market structures. The strategic tools employed are often either the creation of innovative public goods (an outputs focus) or forming new social relations (a process focus). An example of the former is Project Impact that offers a new, low cost, foot-pump to improve irrigation and crop yields for the poorest farmers. An example of the latter is Fair Trade – a new model of the supply chain that passes more of the total value chain to the (poor) producer than in existing practice.

Finally, at the micro- or grassroots level, organizations engaged in formal social change use the strategic tools of advocacy and protest to shift normative and cognitive frames around a key issue such as Climate Change to a new (in this case more sustainable) equilibrium. For informal social change organizations collective action offers a strategic tool by which to achieve strategic objectives around new localized solidarity and mobilization.

An additional insight from this typology is that to achieve social innovation policy outcomes it may be necessary to achieve consensus and objective alignment across the three levels of action set out here. But this has its hazards too. The multiple framing and pursuit of social innovation in public policy, makes it possible to encourage collective action for a particular outcome or activity, but this equally detracts from mobilizing resources and individuals against the structural determinants of exclusion. For example, if utility maximizing approaches – as enshrined in the dominant neo-liberal policy paradigm in the EU - are presented as complementary to, rather than in conflict with, more grassroots and radical approaches to social innovation, then this runs the risk of presenting both approaches as compatible or mutually conceivable. At a stroke this removes the potential of bottom-up social innovation as a driver of policy reform disempowering many of the most marginalized communities.

The typology above suggest that, on the contrary, the political subjectivity, local embeddedness, and collective action of marginalized groups may be a key resource for ensuring social innovation policy is able to tackle the structural determinants of marginalization and, thereby, contribute towards systemic and ‘positive’ social change. This presents a particular challenge for public policy in trying to overcome the paradox of embedded agency that characterizes both institutional entrepreneurship and social innovation. As noted above, it requires, first, a process of self-reflection to recognize institutional dominance and, then, a process of reform to develop new participatory structures by which individuals at different socio-structural levels can engage meaningfully in policy development and implementation. This would be, of course, in itself a social innovation in policy making.

To achieve this, social innovation policy makers seeking to improve the human capabilities and empowerment of marginalized individuals would focus on fostering localized and collective action with measures that encourage self-organization. These measures would aim to develop individual and collective competencies to recognize - and advocate for change - in the socio-structural position of marginalized communities via new mechanisms of participation and voice. Moreover, the typology of politics suggests that to foster systemic social innovation, public policy must go further not only to engender collective identification amongst marginalized individuals but also to identify how their individual disadvantages are shared and connected to broader regimes of production, consumption, inequality, welfare and power. This process brings in the meso-level of market analysis highlighted above and connects marginalized populations with market actors and structures that can mediate the socio-structural space between grassroots and government via social innovation.
In doing so, it would be possible to foster collective material and post-material transformations that effectively resource and politicize – in the sense of revealing otherwise hidden power structures - social innovation as a policy concept. This would advance a social innovation paradigm that entails collective action for measures that seek to fulfil human capabilities and social needs. However, it would also encourage measures that venerate and foster collective action against those institutions, networks and cognitive frames that structure social disadvantage. Without a policy approach that offers systemic solutions to overcoming marginality (through problematizing its structuration), social innovation policy runs the risk of being co-opted as another tool of oppression that distracts from, and thereby legitimizes persistent inequalities of resource, power and opportunity.

4. Empirical Contexts

The objective of WP5 is to ascertain the general conditions that support the development and growth of social innovation by researching their lifecycles, key actor groups, and dynamic socio-structural inter-relations. The aim is to understand how social innovations evolve and what supports or hinders their growth produce and ability to deliver maximum social impact. An important objective of this policy report is to make policy recommendations that will facilitate the growth of social innovation addressing marginalization. Specifically, this research focuses on policy agendas for social innovation that can mobilize resources and engage key stakeholders at different socio-structural levels of social innovation. The typology of politics has set out a conceptual model by which these different levels and their inter-relationships can be considered. It also related its analysis to the elements of the Social Grid that frame all of the CrESSI project to give this work theoretical coherence with other related research.

Within WP5, this report reflects upon the research already published in the working papers representing deliverables 5.1, 5.2 and 5.3 and aims to synthesize key policy and practice recommendation from this prior work in terms of building and developing ecosystems appropriate to different social innovation lifecycles in various institutional contexts. Deliverable 5.1 aimed to analyze the ecosystems and lifecycles of social innovation using the Extended Social Grid Model (ESGM) (Scheuerle et al., 2016). Deliverable 5.2 dealt with the economic underpinnings for social innovation and innovative ways of financing them (Houghton-Budd and Naastepad, 2016). Finally, deliverable 5.3 provided a comparative case analysis of historic cases against examples of contemporary social innovation at an early stage (Schimpf, 2017).

Empirically, D 5.1 consisted of six social innovation cases viewed through the lens of the Extended Social Grid Model. There were four historical case studies that explored the evolution and lifecycles of different social innovations over multiple years: Social Housing, Fresh Water Supply and Financing Access to Education in several countries; Community Housing in the City of Vienna in Austria. There were also two contemporary cases that explored the evolution of social innovations but without the log time scale of analysis of the historical cases: the Kiútprogram (‘Way Out’ programme) for microcredit and self-employment in Hungary; and the GAS Solidarity Purchasing Group initiative in Italy.

The key contributions from the analysis above on the nature of power and the significance of multi-level interactions resonate with - and elaborate on - findings elsewhere in WP5. Key issues in common included: the presence of multiple actors operating at different socio-structural levels playing key roles in the evolution of social innovation at different times; the role of and influence of formal government policy varying at different points in the social innovation lifecycle with reference to other private sector (profit and not-for-profit) actors; power structures being fluid and changeable.
over time with institutional dominance in flux when examined over many years. Each will be further examined next.

### 4.1 Multi-Level Analysis

One important insight from D5.1 was that major social innovations often do not have a single starting point, but grow from different responses to a social need over time. These responses are influenced by different social forces and thus create diversity within the social innovation from the beginning. This contribution highlights the relevance of a multi-level approach to analysis since it suggests that many actors – potentially at different socio-structural levels from government to the grassroots - will be involved in the long-term evolution of a social innovation.

Moreover, the research on the social case in Vienna specifically highlighted the importance of multi-level analyses during its discussion of the relevance of the works of Geels and Shot (2007):

>The debate on transition towards holistic sustainability at the turn of the millennium gave rise to an understanding of innovation as a lifecycle, developed by Geels and Schot. It is connected to the terminology of ‘multi-level perspective’, meaning that transition is seen as an ‘outcome of alignments between developments at multiple levels’ (Geels and Schot, 2007). The multi-level perspective approach is meant as a heuristic concept distinguishing the three levels niche, regime and landscape (see Figure 3). Here, multi-level does not stand for the policy levels region, nation, supra-nation. Rather, the heuristic approach describes the scope of an innovation: operating restricted to a niche market; is the scope of the innovation at the level of a socio-technical regime; and how do innovation activities react to the transformative pressure from the socio-technical landscape (Gieseke, 2016, p. 238)

The analysis articulated in the Geels and Shot model delineated three levels of action as a pathway for the growth and institutionalization of innovation: niche; socio-technical regime; socio-technical landscape. Whilst these say nothing about power and politics they do reflect the same basic structure as the typology of politics: namely micro, meso and macro. However, the typology adds to this conceptualization by introducing agency and multi-directional action between levels.

Overall, the historic case studies suggested that a range of actors were involved in the development of social innovations in a variety of different contexts and within a variety of ecosystem structures. At different socio-structural levels, different individuals, groups and social networks engaged with developing social innovations in continuous interplay with dynamic changes in institutions and cognitive frames.

### 4.2 Role of Government

The role of government can be seen to have varied over the lifecycle of the cases under analysis. A typical model of the development of public welfare programmes in the historical cases demonstrated the gradual nationalization of initially private welfare innovations and initiatives during the twentieth century reaching a high watermark of centralized command and control during the period of dominant liberal welfare states from around 1945-1975. This shift from private to public located social innovation experiments largely outside of government – the charitable or philanthropic sector acting as something of a ‘research and development’ operation for the state. The role of government, therefore, becomes to identify successful social innovation experiments and scale and institutionalize them, via public sector structures. The period of dominance of welfare states was then followed by an extended period of privatization and marketization as neo-liberal ideologies gain traction in key
public policy discourses. This is the current status quo in EU policy discourses - with a range of problematic elements as noted above. Thus, a social innovation solution can be more or less market-based at different points in time whilst the core social mission remains the same.

For example, in the case of social housing in Germany, a historical analysis reveals five phases of development. Initially, private philanthropy drove early experiments in providing shelter and accommodation for the poor during a period of accelerated urbanization and industrialization. These social innovations were then institutionalized by a growing number of municipalities from a private into a public social innovation. Subsequently, two major exogenous events – the Great Depression and World War Two – had a significant effect on the further growth and establishment of social housing models across Germany, effectively mainstreaming the social innovation often drawing on market-based solutions with public subsidies and being provided by a variety of different societal actors. However, following the rise of neo-liberalism, the fifth and most recent phase of development has seen a fragmentation of, and decline in, the provision of public social housing as processes of individualization and marketization come to dominate. The nested policy paradigms analysis above helps unpick these historical shifts and explains how some key discourses persisted whilst others waxed or waned.

The case analysis in WP5 demonstrates that the dominant policy paradigm in recent years across the EU has been a neo-liberal one. This perspective suggests that ‘free’ markets are deemed to be the best allocators of both private and public goods, typically reducing in the process the scope of the state with regard to social provision. In this situation, the emergence of new ‘hybrid’ (private-public) models has offered a way forward for government.

However, overall, the historic case analysis suggested that for social innovations to succeed over time and at scale, government participation is required in order to compensate for market failures that produce resource constraints, especially when there are high infrastructure investments such as in social housing or clean water and sanitation.

A final issue relates to how government functions as an articulator of ideology (see also below). For example, as social housing in Germany increasingly moved into public sector governance, social innovation solutions were subject to ideological influence and change. Both municipal and cooperative social housing facilities were closely linked with major political groups, such as the trade unions, Social Democrats, Christian trade unions, or the Centre party. Each of these groups formed federal associations supporting and proselytizing for their own ideologically framed model of social housing.

4.3 Fluid Power Structures

The long-term perspective of the historical case studies suggests that many social problems are never entirely solved, but, rather, re-emerge in different contexts and manifestations according to changing social needs and expectations. Thus, many social innovations - when examined over longer time scales - demonstrate continuous adaptation and improvement often by engaging with a range of different actors and loci of power and dominance at different points in the lifecycle. The interrelations and interactions of different actors around a social innovation often demonstrate fluid and shifting power structures and changes in institutional dominance. The historical perspective reveals many key social innovations to be the product of joint endeavours between a variety of actors in multiple inter-relating field positions over time.

In several cases, participatory models of engagement and co-production - such as when residents were given significant control over the design and management of new or refurbished social housing
in Vienna - played an important role at different points in the evolution of social innovations. These empowerment strategies reflect a desire to get close to the end-user beneficiaries of a social innovation to ensure that design and development processes are fit for purpose. Moreover, democratic theory suggests that state authorities also cede power at times when playing the role of formally elected representatives - for example, municipal housing in Vienna aimed equally to represent the interests of the different groups of tenants according to age, gender, ethnicity and so on. In Lyon, there was an open consultation process with inhabitants of deprived areas where residents were asked for specific information about their living experience to inform planned improvements to social housing and neighbourhoods.

Of course, social innovations are also constrained by power structures despite concerted attempts by some actors to introduce more fluidity. Thus, in some situations, the extant structures of institutions, networks and cognitive frames can reproduce rather than mitigate against marginalization. For example, for the historically marginalized Roma people in Europe - mainly in Central and Eastern Europe - there has been little success in seeking to change power relations. Indeed, the national authorities in Hungary have not been a neutral player aiming to reduce marginalization problems, but rather have been responsible actors in the process of reproduction. As a consequence, to achieve success, social innovation must, at times, move from action in one political sphere to another. In the case of the Roma, this move would be from the national to the EU level in order to seek direct investment to end the social exclusion of the most marginalized. In this way, funds could reach the key actors supporting marginalized communities, bypassing the national and local administrations and the ideological agendas that continue to suppress the Roma.

The historic case analysis suggests that social innovation as disruptive change is very rare and tends to occur not as a consequence of innovation itself, but, rather, as a byproduct of major societal realignments after epochal events such as wars, serious economic crises, political shocks, or major technological breakthroughs. This realization serves to moderate some of the hyperbole around disruptive social innovation as a stated policy or practice objective.

5. Conclusions

This policy report has drawn upon material developed in WP5 and WP6 to explore the role of power in the evolution of social innovation. In addition, this report has developed a new theoretical model – the typology of politics in social innovation – to explore the distinctiveness and interrelationships across different socio-structural levels of various political actors. This typology aims to sensitize policy analysis in social innovation to the need to attend to power relations in a multi-level (dynamic) context in order better to comprehend how effective policy can be developed and implemented. A brief examination of some of the case study material explored elsewhere in WP5 reveals important commonalities between the theoretical work of this report and the in-case analysis done in deliverables 5.1, 5.2 and 5.3. Chief amongst these are the value of multi-level analyses, the fluidity of power relations and substantial shifts in the role and institutional dominance of government at different points in the evolution of a given social innovation and in different temporal and geographic contexts. As ever, the articulation of social innovation is shown to be a highly contingent and multi-dimensional one.
For policy makers focused on developing and implementing social innovation, some key recommendations emerge from this work:

- Pay attention to the constellations of power that goes beyond government and map out key actors and their social-structural positions in terms of social innovation development lifecycles. Understand that a wide variety of stakeholders can play different roles at different points in the social innovation process to optimize its impact.
- Be prepared to surrender institutional dominance and develop more participatory models of policy development and implementation across stakeholder groups. Consider supporting localism and empowering grassroots action as a constituent part of social innovation policy. However, recognize that grassroots-based solutions that actively involve the disadvantaged or marginalized rely on a capability to associate that may need nurture and support. To involve end-user beneficiaries in social innovation processes as active co-producers demands approaches that actively foster the capacity to associate.
- Conceive of social innovations as long-term strategies for social change rather than as short-term welfare programmes. Reflect on history to note previous social innovation lifecycles and learn how to shape ecosystems to maximize and embed social innovation impact.
- Encourage ideological plurality and frame market actors in terms of wider systems of collective action. Acknowledge alternate perspectives and cognitive frames and use discourse dissonance as a source of innovation and hybridity.

WP5 has explored how social innovations develop across their lifecycles in various ecosystems. The policy analysis presented here attempts to enhance and extend these analyses by emphasizing the need to focus on power and socio-structural dominance and weakness as fundamental theoretical materials with which to develop and promote successful social innovation policy.
References


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