

CRESSI Working papers

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.

CRESSI Working Papers
No. 39/2017

Special Issue of the Journal of Human Development and Capabilities

By Enrica Chiappero-Martinetti, Christopher Houghton Budd, Rafael Ziegler, Nadia von Jacobi and Daniel Edmiston

CRESSI Deliverable 8.3



*“Creating Economic Space for Social Innovation”
(CRESSI) has received funding from the European
Union’s Seventh Framework Programme for research,
technological development and demonstration under
grant agreement no 613261.*

Suggested Citation

Ziegler, Rafael; Chiappero-Martinetti, Enrica; Houghton-Budd, Christopher; (Ed.), Special Issue of the Journal of Human Development and Capabilities, A deliverable of the project: “Creating Economic Space for Social Innovation” (CrESSI), European Commission – 7th Framework Programme, Brussels: European Commission, DG Research and Innovation.

“This is an accepted Manuscript comprising articles published by Taylor & Francis in the Journal of Human Development and Capabilities in May 2017, available online: <http://dx.doi.org/10.1080/19452829.2017.1316002>.”

Acknowledgements

We would like to thank CrESSI colleagues and numerous further researchers who helped in the double blind-peer review process required for the preparation of this special issue.

The views expressed in this document are the sole responsibility of the authors and do not necessarily reflect the views of the European Commission.





Journal of Human Development and Capabilities

A Multi-Disciplinary Journal for People-Centered Development



ISSN: 1945-2829 (Print) 1945-2837 (Online) Journal homepage: <http://www.tandfonline.com/loi/cjhd20>

ARTICLE #1 – INTRODUCTION

Social Innovation and the Capability Approach—Introduction to the Special Issue

Enrica Chiappero-Martinetti, Christopher Houghton Budd & Rafael Ziegler

To cite this article: Enrica Chiappero-Martinetti, Christopher Houghton Budd & Rafael Ziegler (2017) Social Innovation and the Capability Approach—Introduction to the Special Issue, *Journal of Human Development and Capabilities*, 18:2, 141-147, DOI: [10.1080/19452829.2017.1316002](https://doi.org/10.1080/19452829.2017.1316002)

To link to this article: <http://dx.doi.org/10.1080/19452829.2017.1316002>

Published online: 04 May 2017

INTRODUCTION

Social Innovation and the Capability Approach— Introduction to the Special Issue

ENRICA CHIAPPERO-MARTINETTI*, CHRISTOPHER HOUGHTON BUDD** &
RAFAEL ZIEGLER†

*Dipartimento di Scienze Politiche e Sociali, Università di Pavia, Pavia, Italy

**Technology, Business and Management, Technical University, Delft, Netherlands

†University of Greifswald, GETIDOS, Greifswald, Germany

Social Innovation

We are pleased to share with this special issue the first multi-authored discussion of social innovation and the capability approach. It includes eight research articles as well as three policy briefs. Considering that the capability approach has at least in part emerged as a critique of traditional conceptions and measurements of economic development, it is surprising that even innovation without the qualifier ‘social’ does not appear to feature prominently in research on the capability approach (but see Capriati 2013; Bajmócy and Gébert 2014; Hartmann 2014). Not only is innovation tout court widely considered an important driver of economic development, but its emphasis on entrepreneurs, innovative organizations, networks and clusters at first sight appears to fit well with the agency focus of the capability approach and the creating of capabilities (Nussbaum 2011). Whatever the reasons for this relative neglect of innovation, we trust that the social innovation might attract interest, and a more appropriate starting point for reflections on novelty and social change in the twentieth century.

So what is social innovation? This special issue has emerged from the experience and discussions we have had as partners of the EU-research project CrESSI that defines social innovation as

The development and delivery of new ideas and solutions (products, services, models, modes of provision, 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. (Nicholls and Ziegler 2015)

A EU-research project as the context of this definition is not so surprising, once it is noted that the European Union has provided considerable funding for research projects within its Framework 7 and Horizon 2020 funding agencies (see the CrESSI homepage for a list of these projects). And yet, in spite of these funding efforts no generally agreed definition of social innovation has emerged. Rather, we see a range of uses, and considerable fluidity and diversity of meaning and interpretation across social innovation research and practice.

Still, a bibliometric analysis of the ‘coming to be’ of social innovation (Ayob, Teasdale, and Fagan 2016) suggests two contesting innovation streams of social innovation research. The first focused on outcomes and social value production; the second focused on changes in power relation and an emphasis on new social processes and relations aiming at rebalancing power disparities and economic inequalities in society. Recently, however, there appears to have been some de-contestation in the sense that scholars increasingly emphasize both aspects: the outcome and the process. The CrESSI definition with its focus on change in power relations and improved human capabilities is but one example of this (Moulaert et al. 2013).

Such apparent ‘de-contestation,’ however, does not licence the ‘a-politicizing’ of social

innovation (Edmiston 2016). Rather, there is a danger that the fluidity and malleability of the concept conceal differences in values and conflicts of interests. For this reason, an approach such as the capability approach, which has not shied away from the analysis of ‘entangled’ facts and values (Putnam 2002) can shed light on evaluative aspects of social innovations, their presuppositions and consequences for policy, the design of interventions, and attempts at scaling and so forth (Ziegler 2015).

This task is all the more important if we note that one reason for the recent increase in interest in social innovation is a collapse in trust in the status quo, especially after the 2008–2009 global financial crisis. Where established approaches fail, space for the discussion of alternatives needs to be created, and the capability approach can play a role in this. As Frank Moulaert and his colleagues (2013, 2) noted:

Socially innovative actions, strategies, practices and processes arise whenever problems of poverty, exclusion, segregation and deprivation or opportunities for improving living conditions cannot find satisfactory solutions in the ‘institutionalized field’ of public or private action.

Such problems, no doubt, are not exclusive to the Europe. And while we want to acknowledge the ‘Euro’-origin of this special issue project for us as editors, we have sought to minimize any Eurocentric bias, though readers can judge for themselves how we have fared in that regard.

The first paper in this special issue by Von Jacobi, Edmiston, and Ziegler (2017) explores the possibility of tackling marginalization through social innovation, and on this basis criticizes a mismatch between EU social innovation policy documents and the policies actually carried out so far. Drawing from work on justice and disadvantage from a capability perspective, the paper develops a conception of marginalization and discusses strategies designed to overcome it. It argues that effective social innovation capable of tackling marginalization not only depends on the active participation of marginalized individuals, but also on addressing the institutional embeddedness of their disadvantage. It then uses this account of marginalization and social innovation for a survey of EU social innovation policy. It discovers bias towards prevailing institutional and cognitive ends - such as putting people into jobs - that belies the transformative potential of social innovation emphasized in EU policy documents. One way of dealing with this bias from a human development perspective, is to include marginalized groups in the policy design and implementation processes, thereby incorporating from the outset the ‘doings’ and ‘beings’ they value. As we will see, subsequent papers in this special issue make a variety of suggestions how the goal of such a bottom-up, emancipatory process could be advanced.

Prior to this, a second paper by Howaldt and Schwarz (2017), Social innovation and human development - how the capabilities approach and social innovation theory mutually support each other, suggests that some more theoretical ground work is needed, not least so as to prevent the capture of social innovation in conventional, narrow conceptions of innovation and the economy. For this, recourse to the sociology of Gabriel Tarde and his analysis of social change is helpful.

The real causes of change consist of a chain of certainly very numerous ideas, which however are different and discontinuous, yet they are connected together by even far more numerous acts of imitation, for which they serve as a model (Tarde cited in Howaldt and Schwartz’s article).

Such a sociological grounding leads to a focus on practices and the change of social practices at the core of social innovation. If such change is to be intentional and effective in an ethically ‘good’ way, which social innovation discourse tends to assume, linking practice theory with the evaluative language of the capability approach can stimulate a more reflective use of social innovation, and its consequences for different people, as well as for problems

where it is needed most.

In her exploration of the role of the capability approach in social innovation, Tiwari (2017) reminds us that in spite of the current hype, social innovation is nothing new. In particular, the emergence of the co-operative movement in the nineteenth century around social visionaries such as Robert Owen initiated early on one of the most important social innovations. The example of Owen as an individual experimenting in New Lanark in 1799 with an improved, economic and co-operative process is well chosen, as Tiwari argues that it is the aspirations of people that are crucially important. If there is a space for individual and group articulation of aspirations, this creates the space for social innovations that in turn serve as conversion factors for people to expand their real freedoms. She further discusses this thesis with three examples: self-help groups, M-Pesa and the Indian Freedom Movement under Gandhi.

Following these three papers on the capability approach and social innovation in relation to theories of injustice and disadvantage, practice theory and the analytic tool box of the capability approach, the next set of papers turn to a challenge that clearly emerges from these papers in spite of their quite different conceptual starting points: how to take the perception and values of people as agents seriously in social change process? How to liberate the creative and emancipatory potential of an innovation process that is not only outcome-focused? The first response to this challenge is offered by Solava Ibrahim (2017) in her paper on Building Collective Capabilities: The 3C-Model for Grassroots-led Development. She notes that the poor need to engage in acts of collective agency to generate new collective capabilities that each individual alone would not be able to achieve. But is there any systematic way to initiate, support and sustain such a process? Ibrahim suggests the 3C: (1) Conscientization; (2) Conciliation and (3) Collaboration. Conscientization, defined by her as a process that encourages citizens to think critically about their realities and nurture their 'capacity to aspire' for better lives. This C incorporates the thesis observed earlier in relation to Owen, as well as *ex negativo* in relation to the failure of EU policy practice to take the ends of people rather than of prevailing institutions as a starting point. The next two Cs focus on the dynamic between individuals, groups and institutions: conciliation seeks to blend individual and collective interest so as to create a common vision; collaboration refers to working with the state, civil societies and donors so as to challenge power relations effectively. The paper concludes with three Ss - success, sustainability and scalability - and the importance of individual behavioural change, collective agency and institutional reform.

The second response to the challenge comes from Matthews (2017). In his paper Understanding Indigenous Innovation in Rural West Africa: Challenges to Diffusion of Innovations Theory and Current Social Innovation Practice, Matthews notes that even with a switch to social innovation, a modernist approach to innovation diffusion frequently prevails. An example is the idea of technology transfer, externally devised inventions diffused by local innovators. This approach is not only problematic, Matthew argues, it also overlooks a genuine source of creative responses: innovation processes originating in marginalized communities themselves. Drawing on a case study of rural farming in West Africa, he makes the case for a discovery-based model of innovation within indigenous communities, and questions the prevailing focus on scaling up.

In a third response, Mazigo (2017) turns to action research. His paper, Enhancing social innovation through action research: evidence from an empirical study in the fishing sector of Ukerewe District, Tanzania, presents a series of group meetings he organized with stakeholders in the fishing sector. They were designed to provide the participants with opportunities to reflect on individual and collective challenges, and to propose and discuss novel ideas, strategies, services and products. We would like to highlight specifically his findings on ideas and how the fisherfolk were able to change their framing: from poor actors to 'constrained wealth creators.' This change in perception of social status is no doubt an important aspect in regard to the aspirations concerning individual and collective capacities. Accordingly, this contribution adds the role of action research for social innovation and the

capability approach.

The next paper by Pellicer-Sifres et al. (2017) contributes grassroots innovation to the discussion of social innovation and the capability approach. Grassroots innovation here refers to networks of activists and organizations generating bottom-up solutions for sustainable development, that is, the innovations originate from and primarily operate in civil society rather than in business. In their paper, *Grassroots Social Innovation for Human Development: An Analysis of Alternative Food Networks in the City of Valencia (Spain)*, the authors discuss such innovations in relation to agency, purposes, drivers and processes and their specification in terms of the capability approach. On this basis, they propose a novel framework—*Grassroots Social Innovation for Human Development*—for improved understanding of bottom-up, transformative social innovation processes.

In the final paper, *Information technology, innovation and human development: hospital information systems in an Indian state*, Sahay and Walsham (2017), turn to a mega-trend in innovation: information and communication technologies (ICT). They ask how innovations based on ICT can contribute to human development. For this, they note that ICT itself involves technological, social and institutional innovation and then explore how these innovations can contribute to human development. On this basis, they study the development and use of a hospital information system in Himachal Pradesh, India. They identify three processes of relevance for human development: strengthening processes to include the disadvantaged, empowering the patient and making communal voices count. Their framework has wider applicability for the analysis of ICT-based innovations and human development.

In conclusion, this special issue, while based on independently written contributions and notwithstanding the diversity of cases and insights, still suggests a shared story. To overcome marginalization, exclusion and poverty in any meaningful way it is necessary to include the marginalized in projects, programmes and policies by devising them *with* rather than *about* or *for* them. If this is to be effective, the challenge is to liberate reflection and imagination from narrowly economic and political perspectives and from cognitive and institutional pressures to 'fit' people into prevailing structures with the attendant risk of merely reproducing ways of doing and being. To this end, in their different ways the contributions in this special issue suggest that there is a need to pay attention to perspectives and voices from indigenous groups, civil society groups and the working poor: both as individuals reflecting on their needs and aspirations, and as members of groups and social networks. As such reflection processes, group formation, and insertion in institutional change cannot be taken for granted, not least as there are countervailing pressures for more rapid, disruptive change that shortcuts such potentially slow and at any rate multi-voice, co-determined processes, the role and responsibility of scientists is a tacit background theme throughout these papers. Taking a step back, social innovation research emerges as one way to complement the long-standing tradition of capability research on manifest injustice and basic justice and with it, to use a Rawlsian term, the most disadvantaged groups in society (Rawls 1999; Nussbaum 2006; Sen 2009). It complements the search for improved principles and accounts of justice and equality with a bottom-up actor-perspective. Given the malleability of the concept of social innovation, and the difference between rhetoric and practice it permits, as an also evaluative perspective the capability approach can critically accompany social innovation discourse so as to help it stay 'on track,' and remain focused on urgent issues within a global perspective.

It is therefore fitting that, in addition to the research papers just outlined, this special issue also includes three policy briefs: one on creating economic space for social innovation by proposing a series of policy considerations from the CrESSI research project on social innovation for human development (Ziegler et al. 2017); another, drawing on the research project EFESIIS, on enabling ecosystems for social enterprises and social innovation (Biggeri, Testi, and Bellucci 2017); and a third on social innovation in Latin America (Domanski, Howaldt, and Schröder 2017) based on research carried out in the project SI-Drive.

References

- Ayob, Noorshea, Simon Teasdale, and Kylie Fagan. 2016. "How Social Innovation 'Came to Be': Tracing the Evolution of a Contested Concept." *Journal of Social Policy* 45 (4): 635-653. doi:10.1017/S004727941600009X.
- Bajmócy, Zoltán, and Judit Gébert. 2014. "The Outlines of Innovation Policy in the Capability Approach." *Technology in Society* 38: 93-102. doi:10.1016/j.techsoc.2014.02.004.
- Biggeri, Mario, Enrico Testi, and Marco Bellucci. 2017. "Enabling Ecosystems for Social Enterprises and Social Innovation: A Capability Approach Perspective." *Journal of Human Development and Capabilities* 18 (2). doi 10.1080/19452829.2017.1306690.
- Capriati, Michele. 2013. "Capabilities, Freedoms and Innovation: Exploring Connections." *Innovation and Development* 3 (1): 1-17. doi:10.1080/2157930X.2012.760898.
- Domanski, Dmitri, Jürgen Howaldt, and Antonius Schröder. 2017. "Social Innovation in Latin America." *Journal of Human Development and Capabilities* 18 (2). doi:10.1080/19452829.2017.1299698.
- Edmiston, Daniel. 2016. "The (a) Politics of Social Innovation Policy in Europe: Implications for Socio-structural Change and Power Relations." CRESSI Working Papers 16. ISBN: 978-0-9955387-3-3.
- Hartmann, Dominik. 2014. *Economic Complexity and Human Development: How Economic Diversification and Social Networks Affect Human Agency and Welfare*. Routledge studies in Development Economics 110. London: Routledge.
- Howaldt, Jürgen, and Michael Schwarz. 2017. "Social Innovation and Human Development—How the Capabilities Approach and Social Innovation Theory Mutually Support Each Other." *Journal of Human Development and Capabilities* 18 (2). doi:10.1080/19452829.2016.1251401.
- Ibrahim, Solava. 2017. "How to Build Collective Capabilities: The 3C-Model for Grassroots-Led Development." *Journal of Human Development and Capabilities* 18 (2): 197-222. doi:10.1080/19452829.2016.1270918.
- Matthews, Joel R. 2017. "Understanding Indigenous Innovation in Rural West Africa: Challenges to Diffusion of Innovations Theory and Current Social Innovation Practice." *Journal of Human Development and Capabilities* 18 (2). doi:10.1080/19452829.2016.1270917.
- Mazigo, Almas F. 2017. "Promoting Social Innovation Through Action Research: Evidence from an Empirical Study in the Fisheries Sector of Ukerewe District in Tanzania." *Journal of Human Development and Capabilities* 18 (2). doi:10.1080/19452829.2016.1256276.
- Moulaert, Stephen, Diane Maccallum, Abdid Mehmood, and Abdelillah Hamdouch, eds. 2013. *The International Handbook on Social Innovation: Collective Action, Social Learning and Transdisciplinary Research*. Elgar Original Reference. Cheltenham: Edward Elgar.
- Nicholls, Alex, and Rafael Ziegler. 2015. "An Extended Social Grid Model for the Study of Marginalization Processes and Social Innovation." CRESSI Working Papers 2. ISBN: 978-0-9932078-1-5.
- Nussbaum, Martha. 2006. *Frontiers of Justice: Disability, Nationality, Species Membership*. Cambridge: Harvard University Press.

- Nussbaum, Martha C. 2011. *Creating Capabilities: The Human Development Approach*. Cambridge, MA: Belknap Press of Harvard University Press.
- Pellicer-Sifres, Victoria, Sergio Belda-Miquel, Aurora López-Fogués, and Alejandra Boni Aristizábal. 2017. "Grassroots Social Innovation for Human Development: An Analysis of Alternative Food Networks in the City of Valencia (Spain)." *Journal of Human Development and Capabilities* 18 (2). doi:10.1080/19452829.2016.1270916.
- Putnam, Hilary. 2002. *The Collapse of the Fact/Value Dichotomy and Other Essays*. Cambridge, MA: Harvard University Press.
- Rawls, John. 1971/1999. *A Theory of Justice: Revised Edition*. Oxford: Oxford University Press.
- Sahay, Sundeep, and Geoff Walsham. 2017. "Information Technology, Innovation and Human Development: Hospital Information Systems in an Indian State." *Journal of Human Development and Capabilities* 18 (2). doi:10.1080/19452829.2016.1270913.
- Sen, Amartya. 2009. *The Idea of Justice*. London: Penguin.
- Tiwari, Meera. 2017. "Exploring the Role of the Capability Approach in Social Innovation." *Journal of Human Development and Capabilities* 18 (2). doi:10.1080/19452829.2016.1271312.
- Von Jacobi, Nadia, Daniel Edmiston, and Rafael Ziegler. 2017. "Tackling Marginalisation Through Social Innovation? Examining the EU Social Innovation Policy Agenda from a Capabilities Perspective." *Journal of Human Development and Capabilities* 18 (2). doi:10.1080/19452829.2016.1256277.
- Ziegler, Rafael. 2015. "Social Innovation as a Collaborative Concept." International social innovation research conference 2015, York.
- Ziegler, Rafael, György Molnár, Enrica Chiappero-Martinetti, and Nadia von Jacobi. 2017. "Creating (Economic) Space for Social Innovation." *Journal of Human Development and Capabilities*, 18 (2). doi:10.1080/19452829.2017.1301897.



Journal of Human Development and Capabilities

A Multi-Disciplinary Journal for People-Centered Development



ISSN: 1945-2829 (Print) 1945-2837 (Online) Journal homepage: <http://www.tandfonline.com/loi/cjhd20>

ARTICLE #2

Tackling Marginalisation through Social Innovation? Examining the EU Social Innovation Policy Agenda from a Capabilities Perspective

Nadia von Jacobi, Daniel Edmiston & Rafael Ziegler

To cite this article: Nadia von Jacobi, Daniel Edmiston & Rafael Ziegler (2017) Tackling Marginalisation through Social Innovation? Examining the EU Social Innovation Policy Agenda from a Capabilities Perspective, *Journal of Human Development and Capabilities*, 18:2, 148-162, **DOI: [10.1080/19452829.2016.1256277](https://doi.org/10.1080/19452829.2016.1256277)**

To link to this article: <http://dx.doi.org/10.1080/19452829.2016.1256277>

Published online: 09 January 2017

Tackling Marginalisation through Social Innovation? Examining the EU Social Innovation Policy Agenda from a Capabilities Perspective

NADIA VON JACOBI*, DANIEL EDMISTON** & RAFAEL ZIEGLER†

*Department of Political and Social Sciences, University of Pavia, Pavia, Italy

**Skoll Centre for Social Entrepreneurship, University of Oxford, Oxford, UK

†Institute of Botany and Landscape Ecology, University of Greifswald, Greifswald, Germany

ABSTRACT

This paper demonstrates that the capabilities approach offers a number of conceptual and evaluative benefits for understanding social innovation and—in particular, its capacity to tackle marginalisation. Focusing on the substantive freedoms and achieved functionings of individuals introduces a multidimensional, plural appreciation of disadvantage, but also of the strategies to overcome it. In light of this, and the institutional embeddedness of marginalisation, effective social innovation capable of tackling marginalisation depends on (a) the participation of marginalised individuals in (b) a process that addresses the social structuration of their disadvantage. In spite of the high-level ideals endorsed by the European Union (EU), social innovation tends to be supported through EU policy instruments as a means towards the maintenance of prevailing institutions, networks and cognitive ends. This belies the transformative potential of social innovation emphasised in EU policy documentation and neglects the social structuration processes from which social needs and societal challenges arise. One strategy of displacing institutional dominance is to incorporate groups marginalised from multiple institutional and cognitive centres into the policy design and implementation process. This incorporates multiple value sets into the policy-making process to promote social innovation that is grounded in the doings and beings that all individuals have reason to value.

KEYWORDS: Social innovation, Marginalisation, Capabilities, Public policy, European Union

1. Introduction

In recent years, social innovation has become an increasingly prominent concept employed by political leaders and administrations. Particularly since the Great Recession, there has been a notable shift in how public institutions conceptualise societal challenges and the role private and public actors might play in tackling these. To some extent, the policy discourse on social innovation has elevated it to some sort of putative “problem-solver,” being repeatedly cited as a means and end to meeting social needs within the context of resource scarcity. For the purposes of this paper, social innovation is understood 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. (Nicholls and Ziegler 2015, 2)

Bearing in mind this definition, this paper explores two key questions. What conceptual and evaluative benefits does the capabilities approach (CA) proffer for understanding social innovation - in particular, its capacity to tackle marginalisation? And in light of this, to what extent does the European Union (EU) social innovation policy agenda successfully support the ideals and implementation of social innovation capable of tackling marginalisation?

In many respects, the CA offers a number of opportunities to better understand the relationship between social innovation and marginalisation. First, the CA entails a framework by which to interrogate the “social ends” of innovation. The CA emphasises the plurality of human ends and the diversity of those pursuing these ends. Thus, it is able to capture the non-monetary exchanges and motivations that characterise and contribute towards social innovation. In addition, the CA offers a language to evaluate social impact with regard to who benefits and by what standards. Second, the

notion of human capabilities as a means and end aligns with the idea that a “change in social relations” is not only “for,” but also developed “with,” those affected by marginalisation and social innovation. In this respect, participation can be seen as both intrinsically valuable and instrumentally necessary to social innovation. Third, agency and the real freedom of human beings to achieve opportunities are central to the CA. As such, a CA-driven analysis of social innovation provides insight into the role of agency and contextual factors for “innovators” and beneficiaries. Finally, beyond the focus on individual conditions, the CA offers an alternative strategy for societal and economic change—a shift away from economic development towards human development, or even sustainable human development. Such alternative strategies are needed to substantiate the “transformative” potential of social innovation emphasised in public and political discourse.

However, whilst the CA offers a great deal as an evaluative tool, the extent to which it is practicable to implement as a normative ideal and administrative standard has been brought into question. This is where social theory, and its complementarity with the CA might proffer some viable mechanisms by which to focus on cognitive frames, actor networks and institutions to promote human-centred development and enhance human capabilities.

The CA starts with concerns about poverty, deprivation and marginalisation; with manifest injustices (Sen 2009) and violations of human dignity (Nussbaum 2006). In what follows, we focus our analysis on the role of social innovation processes for reducing marginalisation: we start with a capabilities conception of marginalisation and its relation to social innovation, and on this basis we explore social innovation policies “for” the marginalised. Innovation more generally has been an enduring interest and concern of policy direction (Borzaga and Bodini 2014). However, only in the last two decades has social innovation captured the political interest of supranational organisations and domestic institutions (Poland Vile 2009; Grisolia and Ferragina 2015). Social innovation has proven particularly conspicuous in pan-European strategies and domestic policies. A key feature of the Europe 2020 strategy is to facilitate and embed social innovation across Europe (BEPA 2010, 16). Accordingly, we opt for a European focus on two EU policy programmes articulating a social innovation policy agenda: the European Social Fund (ESF) and the EU Programme for Employment and Social Innovation.

2. A CA Conception of Marginalisation

In everyday use, “marginalisation” tends to have a negative connotation. To be marginalised is to be unimportant, to lack power, to remain unheard by society and divorced from its decision-making processes and institutions. If the margin is conceived as a negative, disadvantageous position, the implicit assumption is that a move towards the centre is in some way positive and advantageous. The image is powerful but, if used without care, evidently problematic. Think of outstanding achievements in music, sport or science—these are “at the margin,” but neither negative nor disadvantageous in any obvious way. Likewise, the innovator, be it in business, politics or civil society, comes from the margin whenever the new idea is missing from—and likely at odds with—the current way of doing things. The innovative “margin” here connotes a future promise: that the mainstream will adopt in the long run for its benefit. Thus, we cannot automatically identify “margin” with a negative, disadvantaged position in society; indeed the example of the innovator even suggests a positive promise and potential power of “the margin.”

Still, there are uses of “margin” where the negative connotation is appropriate in an evaluative sense. Here marginalised people or marginalised groups are those who are at the margins of society with respect to valuable opportunities, resources, etc. From an evaluative perspective, therefore, marginalisation requires an account of the good or goods, whose lack is associated with some relevant marginalisation.

In conceptualising the good, it is a key starting point of the CA not to focus on a single, material or resource-based interpretation of “the good,” but rather on the question what individuals are able to achieve with goods with a view to the life they want to live. According to the CA, there is no single “centre”: disempowerment, lack of recognition or material poverty all refer to some of the important deprivations, representing factors that detract from a “decent” or even “good life.” Accordingly, marginalisation in the ethical sense has a plural, multidimensional meaning. It focuses on ethical disadvantage (Wolff and De-Shalit 2007), where disadvantage refers to a lack of human capabilities.

However, which capabilities should matter? According to Sen, capabilities should be identified and weighed in public discussion. According to Nussbaum, philosophers can contribute to this discussion via a philosophically justified proposal (list) of central capabilities that is open to public discussion and refinement (Nussbaum 2006). Her internally diverse list of human capabilities provides space for consideration of a plural “centre.” Drawing on her work, Wolff and De-Shalit (2007) provide a methodological proposal—public dynamic reflective equilibrium—to combine a list of central capabilities and the need for public discussion. They start with a philosophical list, asking those affected by social policies as well as service providers to reflect on central capabilities and arrive at a reworked list of the central capabilities, the lack of which constitutes disadvantage. On this capabilities conception, the disadvantaged are marginalised in the sense that they are deprived of access to basic aspects of *living in dignity*, or as equals at least with reference to this basic level of dignity. In terms of the centre-margin image, we can re-imagine it drawing on the Aristotelian roots of the concept of “flourishing” in the CA: a flower with different petals, each petal representing one aspect of flourishing, that is, a functioning, and marginalisation as the extent to which an individual or group has “stunted” or entirely missing petals.

While it is logically and practically possible that different aspects of marginalisation are experienced separately—for example, the well-resourced, safe person who still has little political power—the disadvantages associated with marginalisation tend to cluster (Wolff and De-Shalit 2007, 119ff). As capabilities are ends and means, there is an intuitive explanation for this in the CA. For example, poor health or even famine co-depend on voicing one’s needs. Inversely, a person in poor health will find it difficult to participate in the political process (Sen 1999). Sen’s correlation thesis explains why some scholars have spoken of “fertile functioning” that is, functionings that are likely to affect the character of other functionings (Wolff and De-Shalit 2007, 120). This points to the importance of social innovations that enable the fertile combination of capabilities (Ziegler 2010). In addition, the interrelation of capabilities helps explain why the capability of participation is important as a means and end for the CA; however, we shall return to this point below.

Such interrelations indicate that for the analysis of marginalisation, a perspective is required that focuses both on ends and on the explanation of processes. Put differently, there is a need to focus on the ways in which individuals or groups come to occupy disadvantaged positions. To do so, we propose an understanding of marginalisation as “the result of a social process through which personal, social or environmental traits are transformed into actual or potential factors of disadvantage.”¹ The term *trait* puts the focus on the relative immovability of the feature. Personal traits comprise that universe of individual characteristics that cannot be modified by choice in the short term. Personal traits are differently distributed, and it is a matter of much controversy whether this distribution is “earned,” “deserved,” “contingent,” a “brute fact,” etc. We take a social perspective: personal traits do not cause marginalisation in isolation; rather, it is a *social process* that transforms these traits into *actual or potential factors of disadvantage*. By choosing the wording “potential,” our CA-inspired approach underscores the idea that

¹ Here we continue the discussion of marginalisation as a process as proposed in Chiappero-Martinetti and von Jacobi (2015, 2).

social processes may be systematic, but not exact. Framing personal traits as actual and *potential* factors of disadvantage leaves space for individual agency in the process of marginalisation as well as for overcoming it (Chiappero-Martinetti and von Jacobi 2015, 2). Likewise, social and environmental *traits* are (potential) factors of marginalisation. Group membership or environmental characteristics² are examples of such traits—again unchangeable in the short term—that can be transformed into factors of disadvantage. Traditionally, a specific emphasis of the CA has been the analysis of such traits in relation to resources on one side and achieved outcomes on the other: via the notion of conversion factors, we can analyse the extent to which a person can transform a resource into a functioning.³ However, there is need to say more about “traits” in relation to social processes. We thus propose to complement the CA with social theory.

2.1. CA, Marginalisation and the Social Grid

Beckert (2009, 2010) provides a synthesis of a number of institutionalist approaches that point to the interplay of institutions, cognitive frames and actor networks in social processes. Relational patterns and socio-structural linkages; policies, rules and laws manifested in institutions; and cultural, interpretive and cognitive structures all have a bearing on the character and dynamics of social processes. Rather than considering these “social forces” in isolation from one another, Beckert (2010) suggests that they are “irreducible,” tightly interacting and co-evolving:

Each of the three structuring forces contributes to the social organization [...] by shaping *opportunities and constraints* of agents as well as *perceptions* of legitimacy and illegitimacy. (Beckert 2010, 609, emphasis added) these social forces structure the dynamics by which individuals fall into advantageous (central) or disadvantageous (marginal) positions. In terms of our CA conception of marginalisation: if we are concerned that a personal, social or environmental trait is an actual or potential factor of disadvantage, then we need to study the institutions, cognitive frames and actor networks that constitute the disadvantage accrued from that particular trait. Opportunities and choices of individuals are directly affected by social forces, for example, with *whom* we get in contact through existing *networks*; which and whose rights are protected by existing *institutions*, or which *cognitive frames* drive our decision-making. Similarly, Beckert observes that social forces contribute to:

positioning actors in more or less powerful positions. At the same time, actors gain resources from their position which they can use to influence institutions, network structures, and cognitive frames. (2010, 606)

Thus, the social grid enriches the capability perspective by making it possible to examine the extent to which, through the dynamic interrelation of social forces, space is (or is not) created for (marginalised) individuals to contribute towards the social ends that they deem valuable (Ferrero and Zepeda 2014; Frediani, Boni, and Gasper 2014; Nicholls and Ziegler 2015). With this in mind, we may reasonably ask which measures and policy instruments might support the creation of such space?

Thus far, this paper has demonstrated that a CA conception of marginalisation, and the ordering processes by which it is manifest or overcome, offers a number of conceptual benefits. However, this also raises a number of challenges for social innovation policy. The CA (re-)inserts the role of individual agency and collective action into analyses of social innovation and marginalisation. This promotes the recognition of human diversity in which there may be a plurality of life goals and

² Examples of studies that have treated different social and environmental factors, crucial for human development are Bourdieu (1984), Acemoglu, Johnson, and Robinson (2002) and Pierson (2004), including from a CA view, Longshore Smith and Seward (2009); for an overview see von Jacobi (2014a).

therefore valued capabilities. However, this represents a challenge for public policy because it demands the pursuit of a plurality of goals or the pursuit of a smaller number of goals to the exclusion of others. The CA requires public policy to be informed by interested (but particularly, affected) agents, that collectively define its goals. The operational limits of democracy play a role here where representation and implementation may lead to an irreconcilable set of multiple goals; the privileged pursuit of some goals over others; and/or a tendency to pursue the most common or central goals articulated by a polity. This poses a particular challenge for those facing marginalisation—particularly with regard to their capacity to alter the institutions, cognitive frames and social networks that structure their disadvantage.

Public policies that aim at supporting social innovation, with a view to reducing marginalisation, should keep these inevitable tensions in mind. Focusing on the substantive freedoms and achieved functionings of individuals, as well as their interrelation (including the especially “fertile” role of participation for other functionings) introduces a multidimensional, plural appreciation of disadvantage, but also of the strategies to overcome it. In light of this, and the “institutional embeddedness” of marginalisation (Beckert 2009, 264), effective social innovation capable of tackling marginalisation depends on (a) the participation of marginalised individuals in (b) a process that addresses the social structuration of their disadvantage.

In recent years, social innovation has repeatedly been cited by the European Commission (EC) as a key strategy to “deliver the kind of inclusive and sustainable social market economy we all want to live in” (BEPA 2010, 16). Not only is social innovation understood as a means to achieve an end in this regard, it is also regarded as an end in itself. With this in mind, the following section examines the EU’s high-level strategic commitment to social innovation and its role in tackling marginalisation. We start by considering the extent to which the EC’s conception of marginalisation and social innovation aligns with that outlined above. We then proceed to consider how this translates into the policy-making process through two key EU-funded policy programmes.

3. An EC Interpretation of Marginalisation and Social Innovation

At the centre of Europe 2020—the EU's "ten-year jobs and growth strategy"—social innovation is reported as "another way to produce value, with less focus on financial profit and more on real demands or needs for reconsidering production and redistribution systems" (European Commission 2014a, 8). This approach is largely shaped by the EC's definition of social innovation as:

the development and implementation of new ideas (products, services and models) to meet social needs and create new social relationships or collaborations. It represents new responses to pressing social demands, which affect the process of social interactions. It is aimed at improving human well-being. Social innovations are innovations that are social in both their ends and their means. They are innovations that are not only good for society but also enhance individuals' capacity to act. (European Commission 2013b, 6)

The Bureau of European Policy Advisers (BEPA) has also argued that there are a number of dimensions to social innovation that need to be attended to or accommodated within a common *working* definition employed by the EU. According to BEPA, social innovation, as a process, aims to: meet the social demands of vulnerable groups that are not currently met by the existing socio-economic settlement; address societal challenges in which the boundary between the "social" and "economic" blurs; and promote a participatory approach to social organisation and interactions that centres on empowerment (BEPA 2010). These objectives of social innovation are not seen as mutually exclusive. Innovations that meet social needs are able to address societal challenges and through the development of new forms of organisation and social interaction facilitate empowerment and participation, both as a source and outcome of well-being.

In light of this, the EC advances a definition of social innovation that has the capacity to tackle marginalisation more effectively in three important respects. First, the definition of social innovation advanced by the EC recognises the socio-structural processes and interactions that can lead to, or indeed tackle, marginalisation, rather than treating social needs as idiosyncrasies of the socio-economic process. This opens up the possibility for identifying and addressing some of the causal mechanisms that structure the character and prevalence of marginalisation. The second, related, benefit is associated with the dynamic conception of marginalisation that arises as a result. If social innovation is both a means to meeting social needs and an end (approach to addressing societal challenges), marginalisation, as a conceptual and empirical category, takes on a somewhat novel form. It moves from being a static condition to an iterative exercise whereby the role of individual agency and collective action gains new significance for understanding how capabilities are secured and functionings are achieved. Finally, the EC considers active participation and empowerment, particularly of vulnerable groups, as an essential means and end of social innovation. This definition of, or perhaps ambition for, social innovation potentially has the capacity to transform those socio-structural dynamics that give rise to marginalisation, as outlined in Section 2.

At least at the EU level, the terms "marginalisation," "disadvantage," "inequality," "social exclusion," "worklessness" and "poverty" are often used interchangeably in policy discourse and political rhetoric. This, in part, reflects increasing institutional recognition that marginalisation, in its various manifestations, is a complex and multidimensional phenomenon.

In 1975, the European Council adhered to a conventional poverty measure. Whilst this focused on monetary resources it was broadly acknowledged that poverty leads to being "excluded and marginalised from participating in activities (economic, social and cultural) that are the norm for other people" (Eurostat 2010, 6). Over time, various permutations of this participation standard have been introduced alongside other measures and dimensions of social and economic stratification. Invariably, "the complexity of the concept of social exclusion has resulted in the elaboration of a portfolio of indicators which represent more broadly its various facets" (Eurostat 2013, 2).

As part of the Europe 2020 strategy, the EC has sought to tackle the phenomenon of marginalisation across Europe. In 2010, the "Employment, Social Policy, Health and Consumer" (EPSCO) Council of Ministers adopted a social inclusion target to reduce the number of people that were at risk of poverty and social exclusion by 20 million. This is one of the five headline targets that measure the impact of the Europe 2020 strategy. Through the Open Method of Coordination (OMC), EU Member States are assessed on their progress in alleviating poverty and social exclusion. To do so, the EC has introduced and used a composite "at-risk-of poverty and social exclusion" (AROPE) indicator to capture the multidimensional nature of marginalisation and the multiple factors that lead to poverty and social exclusion (Maître, Nolan, and Whelan 2013). This composite indicator has only been officially used since 2010. The indicator includes non-monetary aspects and factors of disadvantage that increase the prevalence and risk of social exclusion (Euro-stat 2010). The headline indicator employed by the EU focuses on households that either have very low work intensity, live below the relative poverty line or experience material deprivation. Whilst the indicator employed by the EC does not measure individual capabilities, it does track certain empirically detectable factors of disadvantage that may be the result of capability deprivations or lead to further ones.

Perhaps of most interest from a capabilities perspective, is how the EU conceptualises material deprivation. Individuals are defined as materially deprived if they cannot afford certain goods considered by most people to be desirable or even necessary to lead an adequate life. An individual living in a household that is unable to afford at least three items on a given list is believed to be suffering from material deprivation. Severe material deprivation is identified if at least four of those items cannot be afforded. Importantly, the indicator distinguishes between those who cannot afford a particular item and those who do not have it for another reason including that they may not want it. In this sense, the achieved functionings specified are relative to the prevailing standards of a community but also sensitive to the multiple value sets of the population who may choose to pursue different activities or goods (Sen 1984, 84-85).

In certain respects then, the definitions of social innovation and marginalisation advanced by the EC appear to align with those advanced at the beginning of this paper. The following examines how these definitions (or perhaps ideals) are translated and realised in the EU policy-making process. Two key policy programmes underlining the EU's social innovation policy agenda are examined: The ESF and the EU Programme for Employment and Social Innovation. As illustrated below, they represent perhaps the largest and most explicit commitment to supporting social innovation at the EU level (Edmiston 2015).

3.1. European Social Fund

The ESF is an EU funding instrument designed to promote social inclusion through sustainable, quality employment. In doing so, the ESF seeks to reduce inequalities throughout and within EU member states and promote economic and social cohesion (SIE 2011). Policy discourse surrounding the ESF refers to social innovation as a key mechanism by which to tackle marginalisation (European Commission 2014a, 63). However, for the Multi-Annual Financial Framework running between 2007 and 2013, the proportion of funds allocated to social innovation, varied across member states, but generally ranged only between 1% and 5% of the total funding received by that country (European Commission 2013c, 27). It is estimated that more than €2 billion of these funds were dedicated to public sector innovation and more than €1 billion was dedicated to innovative activities designed to support the development of skills and combat unemployment (European Commission 2013c, 27).

For the period 2014–2020, member states negotiated the funds they will receive from the ESF. Member states partially match the funding received through the ESF and managing authorities in member states then distribute these funds to operational programmes. These programmes support local and specialist organisations to deliver a range of employment-related activities. Whilst member states and managing authorities are, to some extent, able to interpret the strategic priorities of the ESF, the funding priorities are principally negotiated and agreed at the EU level. The priority axes of the ESF focus on: “getting people into jobs” by providing opportunities to obtain training, qualifications and skills with a view to finding gainful employment, promoting social inclusion, enhancing the educational outcomes, skills and training received by young people, and improving the quality of public administration and governance (European Commission 2013d, 2013e). As priority axes, these objectives represent the central cognitive paradigm that frames the causes of, as well as the solutions designed to tackle, marginalisation.

As a condition of their funding, member states are required to identify fields of social innovation that correspond to their specific needs. This can be undertaken during the development of operational programmes or at a later stage. Each operational programme co-financed by the ESF will have to demonstrate how planned actions have contributed towards social innovation in the coming years (European Commission 2013b, 2013f). In addition, the European Code of Conduct on Partnership makes access to European Structural and Investment Funds conditional on working in partnership with trade unions, employers, NGO’s and other bodies promoting, for example, social inclusion, gender equality and non-discrimination (European Commission 2014b). These requirements encourage actors, networks and organisations making use of European Structural and Investment Funds to realise social innovation as an approach to and goal of their activities.

The regulations surrounding the ESF state that it will commit to “the promotion of a high level of employment, the guarantee of adequate social protection, the fight against social exclusion, and a high level of education, training and protection of human health” (European Commission 2013g, 470). At least 20% of the ESF running from 2014 to 2020 has been allocated towards promoting social inclusion to ensure “people in difficulties and those from disadvantaged groups” receive the same opportunities as others to integrate into society.

However, this funding has tended to focus on work integration rather than broader social integration:

(S)omeone in a job is less at risk of poverty and more engaged with society. But the job market is not a level playing field. Getting work can be harder for some groups and individuals. Whether because of ethnic origin, education, disability or age—a number of people find the job market closed to them. (European Commission 2013d, 1)

To the extent that funds are available specifically to assist particular groups, the ESF acknowledges what role different endowments and conversion factors might play in contributing towards the capabilities and achieved functionings of individuals. In spite of its narrow focus on entry into the paid labour market, this represents a high-level commitment to, or at least recognition of, the idea of inclusive employment and that people may need different levels of support to move closer towards achieving such an outcome. For work integration, social enterprises perform a particularly salient function across Europe.

The ESF claims to develop "human capital to empower and support people" (European Commission 2014c, 20). However, tackling marginalisation is principally understood as an activity focused on the (re-)employment and activation of marginalised groups (European Commission 2013e). The centrality of work and training to the EU social inclusion strategy is demonstrable through the investment priorities and stated objectives of the ESF. Importantly though, the ESF tends to focus on equipping EU citizens with the resources they need for the labour market as it currently functions, rather than supporting initiatives and measures capable of transforming the labour market in a "sustainable" or "inclusive" manner (e.g. European Commission 2013h). Whilst there are many instances of EU-sponsored social innovations assisting and employing target groups, the ESF tends to focus on investments that help "Europe's workforce adapt to the changing needs of the economy" (European Commission 2013d, 1). In line with the EU's Social Investment Package, this strategy to tackling marginalisation centres on "re-training," "re-skilling" and "up-skilling" disadvantaged, unemployed or young people (e.g. European Commission 2015a). As such, funds to tackle marginalisation are principally used to facilitate the integration of individuals into the existing economic paradigm and system of production and consumption. Such an approach allows little institutional or cognitive space to accommodate or attend to the multiple goals and ends that a CA to public policy design demands.

The ESF aims to capitalise on innovative ideas, methods and services to enhance the efficacy of employment assistance and activation services by "promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy in order to facilitate access to employment" (European Commission 2013i, 475). Crucially though, social innovation is only recognised and supported at the implementation stage in ways that contribute towards the maintenance of broader socio-economic relations and dynamics. Whilst ESF-funded activities may be innovatively social in their means, by drawing on the experience, expertise and resources of actors and organisations engaged in social innovation, the activities and objectives funded are not always innovatively social in their ends. That is, the existing funding priorities currently limit the capacity for social innovation to significantly disrupt or alter "the process of social interactions" that shapes the European labour market (European Commission 2013b). Social innovation may (and almost certainly does) occur as a result of the ESF. However, this is largely a by-product, rather than an explicit objective of operational programmes. This limitation is perhaps propagated by the lack of systematic evidence collected on how the funds are used to support social innovation (TEPSIE 2014).

3.2. EU Programme for Employment and Social Innovation

The EC argues that "unemployment is the main cause of poverty for the working-age population" (European Commission 2010, 4). Invariably, this informs Europe 2020s overall strategy for tackling

marginalisation but also how the EU views the role of social innovation in this process:

the fight against poverty and social exclusion needs to rely on growth and employment as well as on modern and effective social protection. Moreover, innovative social protection intervention must be combined with a broad set of social policies including targeted education, social care, housing, health, reconciliation, and family policies, all areas where welfare systems have so far tended to intervene with residual programmes. (European Commission 2010, 5)

Compared to the ESF, the EU's Employment and Social Innovation (EaSI) Programme is a much smaller financing instrument designed to support employment creation, social policy and EU labour mobility.

The EC claims that "the concept of social innovation, which has a special focus on youth, is at the heart of EaSI" (European Commission 2013j, 7). The programme brings together three programmes of activity that were managed separately between 2007 and 2013. This integrated programme was originally going to be called the Programme for Social Change and Innovation, but was later renamed.

The 2015 EaSI work programme centres on a priority of "getting more people into work and ensuring that workers have the skills they need to progress and adapt to the jobs of the future" (European Commission 2015b, 3). Once again, this EU funding instrument appears to have focused on innovations that are more social in their means rather than in their ends. Supporting a broad range of labour market and social policy experimentation, the EaSI programme of activity tends to direct the majority of its resources towards innovations that proffer individual solutions, or mere strategies and tools, to cope with socio-structural dynamics. In doing so, EaSI measures fail to acknowledge the structural determinants of agency and outcome and the "institutional, cultural and social embeddedness" of actors (Beckert 2009, 264). As a result, publicly supported activities often fall short of allowing social innovation processes to be genuinely transformative.

The PROGRESS axis or the Programme for Employment and Social Solidarity is the EU's main instrument to promote welfare reforms through employment and social policy experimentation. Between 2014 and 2020, PROGRESS has committed between €10 and €14 million each year to test labour market policy innovations and social policy experimentation, looking at methods, processes and finances (European Commission 2013j, 7). An annual work programme defines the funding priorities and activities supported by PROGRESS (European Commission 2015b). From this, calls for tender and calls for proposals are issued and eligible organisations can then bid to contribute towards or lead on certain activities. These calls are open to a range of public and private bodies and networks at the local, regional, national and supranational levels. The programme committee that develops and decides upon the calls for tender and proposals is made up of senior civil servants with responsibility for labour market and social policies in their respective EU members states. In this sense, innovation (social or otherwise) is only accommodated and supported in a way that reflects existing institutional dominance through prevailing actor networks and field dynamics. The participation and incorporation of marginalised actors would help strengthen the capacity for social innovations to provide human-centred and effective interventions capable of tackling marginalisation. However, without the participation and empowerment of those individuals targeted by interventions, marginalised actors are unable to "gain resources from their position which they can use to influence institutions, network structures, and cognitive frames" (Beckert 2010, 606). This limits the potential for social innovations (as a means and end) to disrupt socio-structural relations and power dynamics significantly through an enrichment of individual capabilities and activation of personal agency.

The Microfinance and Social Entrepreneurship axis of EaSI has the potential to overcome this in a number of ways. The principle objective of the axis is to increase the availability of productive credit to

"vulnerable groups" and micro-enterprises as well as opening up access to finance for social enterprises. This axis builds upon the European Progress Microfinance Facility (EPMF) that will run alongside this until 2016. Launched in 2010, EPMF helps individuals that would otherwise struggle to obtain credit and provides them access to alternative forms of finance. This includes those currently unemployed and those who would normally have trouble securing credit as a result of their personal, social or environmental traits. The EPMF increases the availability of loans below €25 000 to

persons who have lost or are at risk of losing their job, or who have difficulties entering or re-entering the labour market, as well as persons who are facing the threat of social exclusion; or vulnerable persons who are in a disadvantaged position with regard to access to the conventional credit market. (European Commission 2014d, 50)

Since its inception, the EPMF has helped more than 20 000 entrepreneurs with loans and guarantees worth a total of €182 million (European Commission 2014e, 9). Managed by the European Investment Fund, EPMF supports selected microcredit providers in the EU to increase lending by issuing guarantees to share the burden and risk of non-payment. Microcredit providers are able to set their own conditions for receipt of funds. Of those individuals that have gained access to microfinance through EPMF: 60% were unemployed or inactive when they applied, 36% were women and just below 6% were aged under 25 (European Commission 2014e, 9–10).

These measures have contributed towards job creation for those experiencing socio-economic and credit marginalisation. Importantly, self-employment and micro-enterprises contributing towards the social economy have been at the centre of these activities (European Commission 2014d). In this capacity, EPMF has paid much greater attention to the participation and empowerment of marginalised groups as a means and end of social innovation. Beyond opening up access to microfinance, the Microfinance and Social Entrepreneurship axis of EaSI will focus on capacity-building in microfinance institutions and the development and expansion of social enterprises (European Commission 2013j). Between 2014 and 2020, a total of €92 million will support social entrepreneurs. Up to €500 000 will be available to a social enterprise, provided the annual turnover of the organisation is less than €30 million (European Commission 2013j). Whilst these measures represent a much smaller investment in nominal terms, the Microfinance and Social Entrepreneurship axis of EaSI does engender an approach to tackling marginalisation that attends to the diverse endowments, value sets and capabilities of individuals. Indeed, it places these at the centre of socio-economic development and social innovation.

4. Conclusions

As a putative problem-solver that is particularly susceptible to modification and reinterpretation, social innovation is liable to conceptual, ethical and empirical slippage (Jenson 2012). As illustrated in the case of the ESF and EaSI, an ostensible claim to be social or innovative does not necessarily count as such. There is a danger that ideals and descriptions are superimposed onto a phenomenon or initiative with markedly different origins and outcomes. Social innovation may be supported through policy instruments and agendas in ways that are neither recognised nor intended.

With this in mind, Section 3 of this paper sought to interrogate, from a capabilities perspective, the differing ways in which EU social innovation policy is strategically articulated and then implemented with a view to tackling marginalisation. Taking ESF and EaSI as examples, it is clear that publicly supported social innovation can become exposed to institutional capture whereby the concept and potential of social innovation is only accommodated and supported in a way that is strategically and financially valued by prevailing institutions, actor networks and cognitive frames. In light of this, the EC interpretation of social innovation and marginalisation is not necessarily, or even commonly, realised in practice through EU social innovation policy programmes and funding. In spite of the high-level definition endorsed by the EC, social innovation tends to be supported through EU policy instruments as a means towards the maintenance of prevailing institutions, networks and cognitive ends. This belies the transformative

potential of social innovation emphasised in EU policy rhetoric and actually points to the reproduction of power structures in certain instances. Without specific and committed attention to the prevailing institutions, actor networks and cognitive frames that structure marginalisation, social innovation will continue to be expressed in terms of its means rather than its ends in EU policy-making processes.

In this instance, the ESF and EaSI exhibit an overall tendency to treat social innovation as a vehicle for promoting work integration and thereby tackling marginalisation. This is problematic because it assumes that work integration, or at least a move towards the evaluative and empirical "centre," is the most effective strategy for tackling marginalisation (Wolff and De-Shalit 2007). Invariably, this neglects the multiple value sets and endowments of individuals. Equally, conflating labour market integration with social inclusion fails to address, or at the very least, to problematise, the socio-structural dynamics and labour market processes from which social needs and societal challenges arise (Levitas 1996). It assumes that tackling marginalisation is best achieved by integrating individuals and groups into the existing economy. As a result, political and cultural aspects receive a secondary status, and with it the capacity of citizens to reshape the economy in terms of their political and cultural ideals (Ferrero and Zepeda 2014). While we have noted that at the level of cognitive framing the EU approach to marginalisation and social innovation is in many ways resonant with a CA-inspired approach to human development, we conclude that there is much less evidence for this in institutional practice. Rather, the conceptions here appear to be reduced to important, but nonetheless partial strategies for overcoming marginalisation, that is, work integration. In turn, the transformative potential of human development and social innovation as a genuine alternative (Moulaert et al. 2013) is reduced, and even at risk of being subverted entirely.

Publicly supported social innovations that seek to contribute towards the maintenance or consolidation of the institutional and cognitive centre are unlikely to effectively address marginalisation. In fact, measures designed to contribute towards this process are likely to have the converse effect. One strategy of displacing institutional dominance is to incorporate groups marginalised from multiple institutional and cognitive centres into the policy design and implementation process. As the capacity to participate and contribute towards this process depends on other capabilities, in particular economic ones, we also suggest that there is a need to focus on "secure capabilities" and economic standing more generally (Wolff and De-Shalit 2013). However, we must leave the question of secure capabilities, their bearing on participation and the policies deemed necessary to foster a constructive relationship between the two to a future paper.

Displacing institutional dominance demands a commitment to the principle and practice of "bottom-up" policy development and implementation. Whilst traditional forms of stakeholder consultation and deliberation offer an opportunity to incorporate the views of beneficiaries into the policy-making process; such strategies tend to reflect dominant policy or political thinking in terms of their framing of social problems and the consequent range of policy solutions deemed appropriate. To address the social and economic challenges facing the EU, Phillippe Van Parijs suggests that there needs to be, *inter alia*, a thickening of EU civil society and an enrichment of the electoral institutions that foster the construction and defence of an EU-wide general interest (Van Parijs 2006). Whilst of value, such an approach risks reproducing existing material and status hierarchies.

If social innovation is to address marginalisation effectively, there needs to be a more concerted attempt to privilege the interests and (re-)insert the voices of marginalized groups into civil society, electoral institutions and the policy-making process. This requires the introduction of methods that place those historically marginalised from the institutional and cognitive centre at the heart of the policy-making process. This may include, but is not limited to, public deliberation, co-production and participatory grass-roots action that enables marginalised groups to: identify and define social problems; co-design socio-economic and political solutions; and hold those at the institutional and cognitive centre to account for progress made. Such a strategy would incorporate multiple value sets into the policy-making process to promote social innovation that is grounded in the doings and beings that *all* individuals have reason to value.

References

- Acemoglu, D., S. Johnson, and J. Robinson. 2002. "Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution." *Quarterly Journal of Economics* 117 (4): 1231-1294.
- Beckert, J. 2009. "The Social Order of Markets." *Theory and Society* 38: 245-269.
- Beckert, J. 2010. "How Do Fields Change? The Interrelations of Institutions, Networks, and Cognition in the Dynamics of Markets." *Organization Studies* 31: 605-627.
- BEPA. 2010. *Empowering People, Driving Change: Social Innovation in the European Union*. Brussels: Bureau of European Policy Advisers.
- Binder, M., and T. Broekel. 2011. "Applying a Non-parametric Efficiency Analysis to Measure Conversion Efficiency in Great Britain." *Journal of Human Development and Capabilities* 12 (2): 257-281.
- Borzaga, C., and R. Bodini. 2014. "What to Make of Social Innovation? Towards a Framework for Policy Development." *Social Policy and Society* 13: 411-421.
- Bourdieu, P. 1984. *Distinction: A Social Critique of the Judgment of Taste*. Cambridge, MA: Harvard University Press.
- Chiappero-Martinetti, E., and N. von Jacobi. 2015. "How can Sen's 'CA' Contribute to Understanding the Role for Social Innovations for the Marginalized?" CRESSI Working Paper Series No. 3/2015. Oxford: University of Oxford.
- Chiappero-Martinetti, E., and P. Salardi. 2008. "Well-being Process and Conversion Factors: An Estimation." Working Paper Series 3, Human Development, Capability and Poverty International Research Centre, IUSS, Pavia.
- Edmiston, D. 2015. "EU Public Policy, Social Innovation and Marginalisation: Reconciling Ambitions with Policy Instruments." CRESSI Working Paper Series No. 18/2015. Oxford: University of Oxford.
- European Commission. 2010a. *The European Platform against Poverty and Social Exclusion: A European Framework for Social and Territorial Cohesion, COM(2010) 758 final, SEC(2010) 1564 Final*. Brussels: European Commission.
- European Commission. 2013b. *Guide to Social Innovation*. Brussels: Regional and Urban Policy Publications, Office of the European Union.
- European Commission. 2013c. *Investing in Social Europe*. Brussels: European Commission.
- European Commission. 2013d. *The European Social Fund at Work: Getting People into Jobs*. Brussels: European Commission.
- European Commission. 2013e. *The European Social Fund at Work: More Jobs, Less Marginalisation*. Brussels: European Commission.
- European Commission. 2013f. *Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down general provisions (EC) No 1083/2006*. Brussels: European Commission.
- European Commission. 2013g. "Regulation (EU) No 1304/2013 of the European Parliament and of the Council of 17 December 2013 on the European Social Fund and Repealing Council Regulation (EC) No 1081/2006." *Official Journal of the European Union* 347: 470-486.
- European Commission. 2013h. *The European Social Fund at Work: Equipping Europe's Youth for Today's Job Market*. Brussels: European Commission.

- European Commission. 2013i. *Regulation (EU) No 1304/2013 of the European Parliament of the Council of 17 December 2013 on the European Social Fund and repealing Council Regulation (EC) No 1081/2006*. Brussels: European Commission.
- European Commission. 2013j. *EaSI: New EU Umbrella Programme for Employment and Social Policy*. Brussels: European Commission.
- European Commission. 2014a. *Social Innovation: A Decade of Changes*. Luxembourg: Publications Office of the European Union.
- European Commission. 2014b. *The European Code of Conduct on Partnership in the Framework of the European Structural and Investment Funds*. Brussels: European Commission.
- European Commission. 2014c. *Promoting Inclusive Growth: European Social Fund Thematic Paper*. Brussels: European Commission.
- European Commission. 2014d. *Interim Evaluation of the European Progress Microfinance Facility: Final Report Specific Contract/VC/2013/0660*. Brussels: European Commission.
- European Commission. 2014e. "Implementation of the European Progress Microfinance Facility-2013." Report from the commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. Brussels: European Commission.
- European Commission. 2015a. *Upskilling Unemployed Adults (aged 25 to 64): The Organisation, Profiling and Targeting of Training Provision*. Brussels: European Commission.
- European Commission. 2015b. *Work Programme Funding Priorities for 2015: European Union Programme for Employment and Social Innovation (EaSI)*. Brussels: European Commission.
- Eurostat. 2010. *Combating Poverty and Social Exclusion*. Luxembourg: Eurostat.
- Eurostat. 2013. "The Measurement of Poverty and Social Inclusion in the EU: Achievements and Further Improvements." Seminar "The way forward in poverty measurement" 2-4 December 2013, Working Paper 25. Geneva: United Nations Economic Commission for Europe.
- Ferrero, G., and C. Zepeda. 2014. "Rethinking Development Management Methodology: Towards a 'Process Freedoms Approach" *Journal of Human Development and Capabilities Special Issue*, 15 (1): 28-46.
- Frediani, A., A. Boni, and D. Gasper. 2014. "Approaching Development Projects from a Human Development and Capability Perspective." *Journal of Human Development and Capabilities Special Issue* 15 (1): 1-12.
- Grisolia, F., and E. Ferragina. 2015. "Social Innovation on the Rise: Yet another Buzzword in Times of Austerity?"
- von Jacobi, N. 2014a. "Meso Factors of Development-the Role of the Context for Human Development Achievements." PhD thesis, IUSS, Pavia.
- von Jacobi, N. 2014b. "Can the Context Mediate Macro-Policy Outcomes? Contextual Differences in the Returns to Bolsa Familia in Brazil." UNU-WIDER Working Paper 049/2014.
- Jenson, J. 2012. "Social Innovation: Gadget, Concept or Mobilizing Idea?" RC19 Annual Conference. Oslo, Norway.
- Kuklys, W. 2005. *Amartya Sen's Capability Approach: Theoretical Insights and Empirical Applications*. Berlin: Springer.
- Levitas, R. 1996. "The Concept of Social Exclusion and the New Durkheimian Hegemony." *Critical Social Policy* 16 (46): 5-20.

- Longshore Smith, M., and C. Seward. 2009. "The Relational Ontology of Amartya Sen's Capability approach: Incorporating Social and Individual Causes." *Journal of Human Development and Capabilities* 10 (2): 213-235.
- Maître, B., B. Nolan, and C. Whelan. 2013. "A Critical Evaluation of the EU 2020 Poverty and Social Exclusion Target: An Analysis of EU-SILC 2009." GINI Discussion Paper 79. Brussels: European Commission.
- Moulaert, F., D. Maccallum, A. Mehmood, and A. Hamdouch, eds. 2013. *The International Handbook on Social Innovation: Collective Action, Social Learning and Transdisciplinary Research*. Cheltenham: Edward Elgar.
- Nicholls, A., and R. Ziegler. 2015. "An Extended Social Grid model for the Study of Marginalization Processes and Social Innovation." CRESSI Working Paper Series Paper No. 2/2015. Oxford: University of Oxford.
- Nussbaum, M. 2006. *Frontiers of Justice: Disability, Nationality, Species Membership*. Cambridge, MA: Harvard University Press.
- Pierson, P. 2004. *Politics in Time: History, Institutions, and Social Analysis*. Princeton, NJ: Princeton University Press.
- Pol, E., and S. Ville. 2009. "Social Innovation: Buzz Word or Enduring Term?" *The Journal of Socio-Economics* 38: 878-885.
- Sen, A. 1984. "The Living Standard." *Oxford Economic Papers* 36: 74-90.
- Sen, A. 1987. *The Standard of Living*. Cambridge: Cambridge University Press.
- Sen, A. 1999. *Development as Freedom*. Oxford: OUP.
- Sen, A. 2009. *The Idea of Justice*. London: Allen Lane.
- SIE. 2011. *Financing Social Impact Funding Social Innovation in Europe-Mapping the Way Forward*. Brussels: Social Innovation Europe Initiative.
- TEPSIE. 2014. *Growing the Field of Social Innovation in Europe. A Deliverable of the Project: "The Theoretical, Empirical and Policy Foundations for Building Social Innovation in Europe" (TEPSIE)*. Brussels: European Commission.
- Van Parijs, P. 2006. "Bottom-up Social Europe: From Subsidiarity to Euro-Dividend." Plenary Address at Finnish Presidency of the European Union Conference "The EU's Evolving Social Policy and National Models-Seeking a New Balance," Helsinki.
- Wolff, J., and A. De-Shalit. 2007. *Disadvantage*. Oxford: OUP.
- Wolff, J., and A. De-Shalit. 2013. "On Fertile Functionings: A Response to Martha Nussbaum." *Journal of Human Development and Capabilities* 14 (1): 161-165.
- Ziegler, R. 2010. "Innovations in Doing and Being. Capability Innovations at the Intersection of Schumpeterian Political Economy and Human Development." *Journal of Social Entrepreneurship* 1 (2): 255-272.



Journal of Human Development and Capabilities

A Multi-Disciplinary Journal for People-Centered Development



ISSN: 1945-2829 (Print) 1945-2837 (Online) Journal homepage: <http://www.tandfonline.com/loi/cjhd20>

ARTICLE #3

Creating (Economic) Space for Social Innovation

Rafael Ziegler, György Molnár, Enrica Chiappero-Martinetti & Nadia von Jacobi

To cite this article: Rafael Ziegler, György Molnár, Enrica Chiappero-Martinetti & Nadia von Jacobi (2017) Creating (Economic) Space for Social Innovation, Journal of Human Development and Capabilities, 18:2, 293-298, DOI: 10.1080/19452829.2017.1301897

To link to this article: <http://dx.doi.org/10.1080/19452829.2017.1301897>

Published online: 28 March 2017

THE POLICY FORUM

Creating (Economic) Space for Social Innovation

RAFAEL ZIEGLER*, GYÖRGY MOLNÁR**, ENRICA CHIAPPERO-MARTINETTI† & NADIA VON JACOBI‡

*GETIDOS, University of Greifswald, Greifswald, Germany

**Centre for Economic and Regional Studies, Hungarian Academy of Sciences, Budapest, Hungary †Department of Political and Social Sciences, University of Pavia, Pavia, Italy

‡Saïd Business School, University of Oxford, UK

KEYWORDS Capabilities approach, Economic development, Social innovation, Marginalization, Innovation

The 2006 UNDP report made a powerful point about innovation and social impact. The changes in urban water provision, sanitation and wastewater removal across European cities since the mid-nineteenth century “became the vehicle for a leap forward in human progress” (UNDP 2006, 5). For example in Great Britain, “the improved sanitation contributed to a 15-year increase in life expectancy in the four decades after 1880” (ibid.). These changes were brought about by a combination of social reform ideas, improved understanding of diseases, engineering developments, and municipal investments in infrastructure (Scheuerle et al. 2016). For the rapidly growing cities of industrialized Europe, they established clean and affordable water “at the twist of a tap”. Yet, if we think of innovation today, the focus is likely to be on market products and services, on smart-phones and Uber, even if their social impact is much more ambivalent.

The rise of social innovation in policy discourses across Europe, at least since the financial crisis of 2008–2009, signals a growing dissatisfaction with mainstream ways of thinking about innovation and its role for economic development. As the capability approach (CA) has emerged in critical response to reductive interpretations of economic and social development (Sen 1999), it deserves consideration as a tool for the analysis and critical promotion of social innovation. We propose six points deriving from a capabilities perspective on creating space for social innovation.

The considerations result from discussions within the EU-research-project *CrESSI—Creating Economic Space for Social Innovation*, which focuses on social innovation in Europe and specifically on social innovation for and with marginalized groups. If the following points are mostly focused on Europe, this is due to the limitations of the project, and not intended as a point about social innovation as such. Moreover, the conceptual malleability of social innovation makes it susceptible to reinterpretation. For this reason, CrESSI uses a definition that serves as a benchmark to critically assess policies and projects:

The development and delivery of new ideas and solutions (products, services, models, modes of provision, 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. (Nicholls and Ziegler 2015)

To track the impact on human capabilities and accompanying social processes, the project places the CA in an extended social grid model. The “social grid” arises from the work of sociologist Beckert (2010), who recognizes that explanations of economic change cannot be reduced to the work of social networks, institutions or cognitive frames acting in isolation. Rather, economic change results from the interplay of these three forces. Our model is “extended,” however, as we focus not only on market exchange but on social change more generally. For this, the model draws on an updated version of Michal Mann’s historically derived account of the social sources of power: the economic, but also political, ideological, military, environmental and artefactual forms of distributive and collective power (Heiskala 2016). We analyse these forms of power via their manifestation in institutions, networks and

cognitive frames. Mann's multidimensional account of power provides a social framing for human capabilities as a plural set of power "to be" and "to do", and the associated evaluative and prescriptive questions of capability distribution, disadvantage and empowerment. Based on this extended social grid model, the project tracks the evolution and impact of social innovations with respect to access to credit and markets and such basic needs as housing, education, food or freshwater and sanitation.

We now turn to six considerations for creating space for social innovation. We start with two points about the general, cultural framing of innovation, and then move to two points each on creating economic as well as political space for social innovation.

- (1) *Creating cultural space for social innovation: an integrated framing of multiple capabilities.* The CA offers an integrated, plural evaluation space for the impact and process of innovation beyond a reductive focus on markets. The CA with its focus on the ends of human development shifts attention from the loudest shouting, disruptive Über-innovator to the capabilities and functionings involved in innovation processes. It is a move from for-profit-innovation to capability innovation (Ziegler 2010), not to exclude business innovation but so as to situate innovation in a wider and integrated discussion of ends. Ongoing CA-research for improved valuation of these ends and associated statistical accounts is very helpful for social innovation. Much social innovation happens in networks with volunteers and unpaid labour; it is easily rendered invisible, dismissed and devalued in so-called "market-based" democracies, even if the capabilities impact is real. Making such impact visible is also important for a better understanding of social innovators. Our research on social innovation with long-term impact shows innovators to make a multidimensional case that locates the respective issue across plural ends and means. For example, freshwater and sanitation is not only a matter of healthy nutrition and hygiene options, but also instrumentally important for work and education. The framing in multiple dimensions creates space for actor-coalitions that are important for implementing and spreading an approach, including the regulations that enable/constrain the innovation. A point highlighted by our model is that such multidimensional cases are expressed via cognitive frames of the respective historical context, and that these frames at any time are themselves internally diverse. The framing of a Victorian social reformer of the "sanitary conditions of the poor" is not identical with the perspective of workers thereby "helped." Conflicts, including of culture, are part of the very process. Simply "good" or "bad" innovations are unlikely in the light of multiple frames as well as multiple capabilities affected. They rather point to problematic captures of the social innovation. As the plurality of objectives and values is a characteristic of social innovation, "public discussion and a democratic understanding and acceptance" (Sen 1999, 79), is an essential condition of social innovation. It follows that careful evaluation of the impact and process of social innovation is needed. With respect to the most disadvantaged groups, this task presupposes recognizing basic justice issues (in the sense of Martha Nussbaum) and manifest injustices (in the sense of Amartya Sen). As the CA originates from the philosophical discussion of equality and justice, the CA offers a rich tradition to deal with this task.
- (2) *Creating cultural space for social innovation: the critique of innovation for innovation's sake.* In contemporary Europe, innovation is frequently treated as a valuable end in itself, or as necessary for total utility/welfare maximization and organizational profit-maximization. Yet, innovation and its cycles of creative destruction also cause disadvantages and social costs. Sticking to our freshwater example, innovations in fertilizer and pesticide use can yield water quality problems due to increased nutrient load and pollution. This process in turn tends to affect some groups more than others, potentially causing environmental injustice and increasing the water treatment costs for water suppliers. A CA-perspective on innovation therefore needs to include questions from the CA critique of utility- and profit-maximization: how are heterogeneous benefits and burdens of innovation distributed? How can innovations be modified, sometimes even be stopped or taken out again (exnovation)? In short: it questions pro-innovation perspectives and calls for a systematic ethical perspective that creates space for a discussion of the ends of social innovation. One implication of this point is attention to the "replication" and "scaling" of innovations. A solution for one context might be a problem in another one. The transfer of ideas should be mediated by public discussion so as to facilitate adaption or even refusal of the innovation. Refusal leaves space for other practices; it is not to be identified with a rejection of shared ends. The problem is rather "implementation-generalization." On an abstract level, there might be

agreement on basic needs, central capabilities and say a human right to water; but this point does not imply that the same approach to water provisioning should be implemented everywhere. Paying attention to the variety of cognitive frames, institutions and networks while holding abstract ends in view is one way of remaining open to this point.

- (3) *Financing economic space for social innovation I: Social Impact Bonds (SIBs)*. Financial mechanisms focused on capability and functioning outcomes, especially for the disadvantaged, seem desirable so as to avoid implementation-generalization. Within the context of (politically determined) resource scarcity, SIBs have been proposed as a tool that seeks to leverage private social investment for service experimentation and innovation, with the repayment of investors, partially or wholly, contingent on the social outcomes achieved. Originating from the UK, there has been worldwide interest in the capacity of SIBs to support innovative welfare services that minimize the associated risks for public sector and civil society stakeholders, whilst also improving the social outcomes of targeted beneficiaries. Due not least to their novelty, there is, at present, relatively limited evidence on the operation and impact of SIBs (McHugh et al. 2013). However, CrESSI research suggests that: (a) the potential of SIBs to secure social outcomes is derived more from the small and experimental nature of services rather than, purely or even necessarily, the financial mechanisms that underpin it; (b) that complex social problems require at least some degree of service continuity and support infrastructure existing alongside SIBs offering more intensive, if only temporary, assistance to target populations; and (c) that the tool can only be expected to work in specific contexts, not as a one size fits all instrument (Edmiston and Aro 2016).
- (4) *Financing economic space for social innovation II: Reproduction of marginalization and multi-level options*. The interactions between institutions, networks and cognitive frames can reproduce marginalization. A grave example for this is the longstanding marginalized position of the Roma, mainly in Central and Eastern Europe. Seeking to change power relations, social innovation must target all three social forces: the existing economic, ideological and political power structures play a crucial role in marginalization. National authorities are not a neutral, long term finance provider for marginalization problems, but in part responsible actors in the process of reproduction. Schools and municipalities, employment and regional development policies all potentially contribute to its persistence. Under such conditions, even the utilization of European funds for the inclusion of the most deprived social groups can be ineffective and inefficient, if facilitated via the national authorities that make up the social process from which marginalization results. Those who are more detached are less likely to reproduce the marginalization. Therefore, leaping over political levels from the national to the more detached EU level for direct investment into the social inclusion of the most marginalized might provide an alternative option. In this way, funds could directly (and really) reach the NGOs supporting marginalized communities, bypassing the national and local administrations. This is an existing, but very rare practice in the case of some Roma pilot projects. The direct investment proposal faces objections from those who argue that issues should be dealt with at the most local level. Our analysis suggests that entrenched marginalization and exclusion will make it unlikely for the issue to be solved “at the most local level” and that hence the change in political level is potentially legitimate. Even then, many challenges remain such as adopting a longer-term perspective beyond short-term projects and avoiding “cream-skimming,” that is, investing in the least marginalized of the marginalized where it is easier to achieve short-term success. Selecting the cheaper solution may even increase the marginalization of the rest of the target group, and consequently the long-term social costs, too (Molnár 2016).
- (5) *Creating political space for social innovation: the capability to associate*. Finding bottom-up solutions that actively involve those disadvantaged or that ensure their say in the transfer and adaptation of approaches relies on the capability to associate. However, our research suggests that this capability cannot be taken for granted. The disadvantaged do not necessarily organize themselves, also not in social innovation processes. The social innovator is frequently an actor external to the disadvantaged group. If the goal is to promote social innovation processes that at least in the medium-term involve the beneficiaries as active co-shapers of the process, there is a need to focus

on approaches that actively foster the capacity to associate. For example network approaches that at the respective community level (neighbourhood, village, hamlet) start with information-sharing and group formation, and the building of bridges to other, similarly affected, as well as non-marginalized, groups and actors. In the background, the state has several opportunities: education can early on focus on civic education, on learning from concrete involvement in civic organization, and foster the respective capacity to aspire via textbook examples, specific awards etc. It can also promote diverse social ties via enrolment rules. Labour- and unemployment policies can provide space and time for association, and secure conditions can reduce the risks of associative action. Finally, policy that encourages the formation of association, especially among the least advantaged, and that reduce economic, political and administrative costs of foundation and operation is a further political instrument.

- (6) *Creating political space for social innovation: the heterogeneity of individuals and a focus on youth and migration.* Increased life expectancy together with low population growth in many European countries, leads to a relative increase of electoral power of older generations. Migration can mediate the problem, but evidently only if migrants are welcome and receive citizenship rights in due course. If younger generations—from Europe, or newly arrived—face a challenging economic situation, as indicated by high youth unemployment, the danger of corrosive disadvantage (Wolff and de-Shalit 2007), with further negative capabilities effects in other domains, is to be expected. Therefore, policy-innovations such as youth quotas to increase their participation capability, and their potentially fertile effects in other domains should be seriously considered (Tremmel et al. 2015). In the light of resurgent nationalisms in Europe, which as the Brexit referendum suggests is also partly linked to intergenerational differences, a focus could be on strengthening youth voice and associations across Europe. There was a strong push for partnership programmes across European nations after World War II and the desire for peace it established on the continent. EU-architect Jean Monnet famously called for acts of concrete solidarity. But this experience is now quite distant from current young generations. So why not reconsider, in the light of the ongoing migration and demography crises, European exchange programmes (in a wide sense) to foster associations and voice across borders, and explore their potential for a more inclusive and sustainable Europe for the twenty-first century?

References

- Beckert, J. 2010. "How Do Fields Change? The Interrelations of Institutions, Networks, and Cognition in the Dynamics of Markets." *Organization Studies* 31 (5): 605–627.
- Edmiston, D., and J. Aro (with contributions from A. Havas and G. Molnár). 2016. "Public Policy, Social Innovation and Marginalization in Europe: A Comparative Analysis of Three Case Studies." CrESSI Working Paper No. 33. Oxford: SBS.
- Heiskala, R. 2016. "The Evolution of the Sources of Social Power, and Some Extensions." In *Global Powers: Mann's Anatomy of the Twentieth Century and Beyond*, edited by Ralph Schroeder, 11–37. Cambridge: Cambridge University Press.
- McHugh, Neil, Stephen Sinclair, Michael Roy, Leslie Huckfield, and Cam Donaldson. 2013. "Social Impact Bonds: A Wolf in Sheep's Clothing?." *Journal of Poverty and Social Justice* 21 (3): 247–257.
- 298 R. Ziegler et al.
- Molnár, G. 2016. "Analysis of Individual Case Kiút Program for Microcredit and Self-employment using the Extended Social Grid Model." in Scheuerle et al. cited below, 252–283.
- Nicholls, A., and R. Ziegler. 2015. "An Extended Social Grid Model for the Study of Social Marginalization Processes and Social Innovation." CrESSI Working Paper No. 2. Oxford: SBS.
- Scheuerle, T., G. Schimpf, G. Gänzel, and G. Mildenerger. 2016. "Report on Relevant Actors in Historic Examples and an Empirically Driven Typology of Types of Social Innovation." CrESSI Working Paper No. 29. Oxford: SBS.
- Sen, A. 1999. *Development as Freedom*. Oxford: Oxford University Press.
- Tremmel, J., A. Mason, P. Godli, and I. Dimitrijoski, eds. 2015. *Youth Quotas and Other Efficient Forms of Youth Participation in Ageing Societies*. Heidelberg: Springer.
- United Nations Development Programme. 2006. *Beyond Scarcity: Power, Poverty and the Global Water Crisis*. New York: Palgrave Macmillan.
- Wolff, J., and A. de-Shalit. 2007. *Disadvantage*. Oxford: Oxford University Press.
- Ziegler, R. 2010. "Innovations in Doing and Being. Capability Innovations at the Intersection of Schumpeterian Political Economy and Human Development." *Journal of Social Entrepreneurship* 1 (2): 255–272.

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.

“Creating Economic Space for Social Innovation” (CRESSI) has received funding from the European Union’s Seventh Framework Programme for research, technological development and demonstration under grant agreement no 613261. CRESSI is a collaboration between eight European institutions led by the University of Oxford and will run from 2014-2018.

This paper reflects the authors’ views and the European Union is not liable for any use that may be made of the information contained here within.

Contact person-Project Manager: cressi@sbs.ox.ac.uk



CRESSI Working Papers are published by the CRESSI Project and may be downloaded free of charge from the CRESSI website: <http://sbs.oxford.edu/cressi>