

# 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.



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## **Policy Brief D1.2**

### **Re-assessing social innovation to tackle marginalisation**

By Alex Nicholls and Daniel Edmiston

D1.2 is a CRESSI policy briefing paper based on:

Deliverable D1.1: Report on Institutions, Social Innovation & System Dynamics from the Perspective of the Marginalised



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Creating Economic Space for Social Innovation

# Re-assessing social innovation to tackle marginalisation

## *Policy Brief D1.2*

By Alex Nicholls and Daniel Edmiston

### 1. Introduction

The CRESSI (CReating Economic Space for Social Innovation) project is a four-year research programme funded by the Seventh Framework Programme of the European Community for Research, Technological Development and Demonstration Activities (2014-2018)<sup>i</sup>. One of the primary objectives of the research is to explore how public policy agendas might better cultivate social innovation to enhance the lives of the most marginalised and disempowered citizens in Europe. For the purposes of this project, marginalisation is understood as a social process that may turn personal traits<sup>ii</sup> into factors of disadvantage, restrict access to financial capital<sup>iii</sup> and/or inhibit an individual's ability to fulfil their basic human needs<sup>iv</sup>. Poverty, social exclusion, deprivation and vulnerability are not fixed or isolated conditions - they are social and relational phenomena reflecting broader systemic processes<sup>v</sup>. As such, marginalisation can be understood as characterising these phenomena as well as their causes.

Between 2000 and 2010, one of the primary objectives of the Lisbon Strategy was to reduce the extent of poverty and social exclusion in Europe. Despite substantial economic growth across the majority of the European Union during this decade, Member States did not meet the targets prescribed. With a renewed emphasis on the *social* market economy, Europe 2020 is the EU's key strategic framework to promote 'smart, sustainable and inclusive growth' within and across Member States. This ten-year strategy is designed to inform the direction of economic growth and job creation within the European Union between 2010 and 2020. The headline targets of this strategy include raising the employment rate, investing in research and development, reducing greenhouse emissions, increasing educational attainment and tackling poverty and social exclusion. A key feature of Europe 2020 is to facilitate and embed social innovation across Europe to 'deliver the kind of inclusive and sustainable social market economy we all want to live in'<sup>vi</sup>. The strategy is underlined by a series of flagship initiatives and process innovations to ensure Member States realise their social and economic potential. These include the European Platform against Poverty and Social Exclusion which seeks 'to promote social innovation for the most vulnerable'<sup>vii</sup> through evidence-based innovations in social policy, greater coordination across the policy spectrum among EU Member States and ring-fenced funds and key partnerships with civil society. In addition, the Innovation Union aims to increase access to finance for marginalised groups and support the economic underpinnings of social innovation. These flagship initiatives are action focused, which in conjunction with the Open Method of Coordination (OMC) in the field of social protection and social inclusion and the European Semester, helps track the progress of Member States and increases their accountability to meet Europe 2020 targets. Reflecting on the strategy and targets of Europe 2020, CRESSI will explore the significance and utility of these measures to consider what impact they are having on social innovation and its capacity to tackle marginalisation across Europe.

Social innovation is posited as a solution to some of the causes of and problems arising out of marginalisation. Within the context of high public debt and fiscal austerity, social innovation has increasingly been cited as a means by which to overcome the scarcity of resources and the persistence of socio-economic challenges. Social innovation policies across the EU are largely considered 'rich but scattered'<sup>viii</sup>. The European Union has and continues to support a range of measures that facilitate social innovation. Among others, these include: policy co-ordination and capacity building, community and local initiatives (e.g. stakeholder-centred urban development),

structural and social funds (e.g. European Social Fund), regional instruments (e.g. JASMINE, JEREMIE, JESSICA and JASPERS), special exemptions and assistance for SMEs and third sector organisations (e.g. from particular public procurement policies) and support for social entrepreneurs and enterprises (e.g. Social Innovation Europe). Of course, developments in European public policy extend well beyond these measures and a principle task of the CRESSI project is to identify these and establish the extent to which they are sufficiently capable of supporting social innovation. The Bureau of European Policy Advisors has commended progress made in facilitating social innovation and the beneficial effects of its proliferation. However, they have also suggested that an accurate assessment of the impacts of social innovation programmes is difficult given the dispersed and short-term nature of public initiatives<sup>ix</sup>. There are many examples of best practice and positive outcomes but these tend to be isolated, concentrating on a specific community, area or outcome rather than contributing to or embedding structural change<sup>x</sup>.

This poses a particular challenge for social innovation. Due to the economic and social environment within which it operates, policy instruments and support are often needed to nurture social innovation across its life cycle. Scaling-up the operation and efficacy of social innovation nurtures its capacity to affect structural change, thereby, facilitating its transition to independence and autonomy. There has been some concern that Europe lacks a unitary policy framework designed to facilitate social innovation. In response there have been calls for social innovation to feature more prominently in the Europe 2020 framework.

The new EU Programme for Employment and Social Innovation (EaSI)<sup>xi</sup> comes some way to respond to this challenge. This programme of action seeks to modernise employment and social policies, increase job mobility, access to micro-finance and social entrepreneurship between 2014 and 2020. It consolidates and extends three existing programmes: Progress (Programme for Employment and Social Solidarity), EURES (European Employment Services) and the European Progress Microfinance Facility.

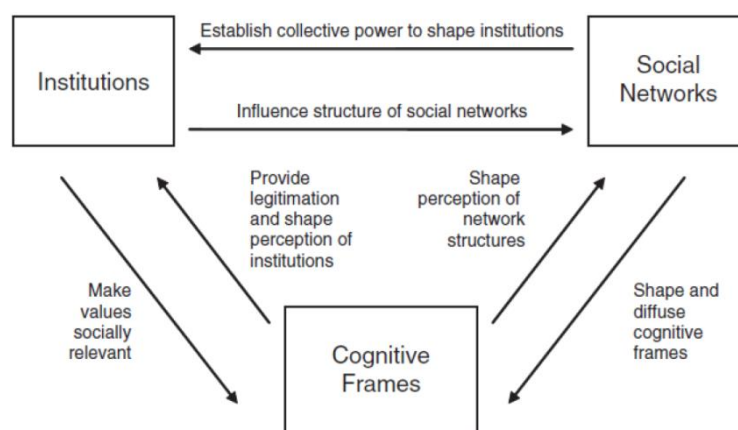
Whilst innovation was a focus of European public policy during the Lisbon Strategy years, there were fewer examples of *social* innovation as a central policy objective. Prior to Europe 2020, social innovation was treated more as a means than an end - a prescription of policy processes and governance rather than facilitating it directly. In many instances, it was treated as a feature, but not constitutive, of EU strategies and policy agendas. Europe 2020 has since established a range of activities that ostensibly integrate and reflect social innovation as a policy priority. This approach demonstrates a renewed emphasis on the distinction and relationship between innovative social policies and social innovation policies in tackling marginalisation.

Social innovation includes forms of action, process or change that may affect the social and economic space within which marginalisation occurs. There are three domains of public policy that are of relevance in this regard. Firstly, there are social innovation policies that are specifically designed to have a direct bearing on the capacity for agents and organisations to affect structural change through social innovation. Secondly, innovative social policies offer novel approaches to the design and delivery of assistance, services and initiatives that have some bearing on structural relations and/or the outcomes of citizens. Finally, there are other public policies that, whilst not directly targeting social innovation or marginalisation, have indirect effects. There is now a broad recognition that social innovation is contingent on effective coordination across the policy spectrum but particularly in the realm of social policy. This has significant implications for the design, delivery and evaluation of public policies that seek to facilitate social innovation tackling marginalisation.

## 2. Making sense of social innovation to tackle marginalisation

CRESSI has developed a framework to explore the economic underpinnings of marginalisation and social innovation in Europe. This framework takes an institutionalist perspective that draws on a range of theoretical contributions from economics, sociology and philosophy<sup>xii</sup>. From this framework it is possible better to understand the structural determinants of marginalisation and social innovation that operate within the market and social sphere. In order to tackle marginalisation, it is necessary to identify and address the structural processes that give rise to it. Similarly, the conditions under which social innovation flourishes or fails need fully to be understood to explore its potential as a driver of structural change. CRESSI proposes that marginalisation and social innovation are shaped by the prevailing socio-economic and political system. This process is described here as a Social Grid<sup>xiii</sup>; whereby co-evolutionary relationships shape the social and economic space within which marginalisation occurs. Concomitantly, these social dynamics also influence the capacity for social innovation to act as a means of redress. This Social Grid is comprised of three key social forces: ‘institutions’, ‘social networks’ and ‘cognitive frames’.

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



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

This has four important implications for social innovation policies and innovations in social policy.

Firstly, these social dynamics are often poorly attended to in the policymaking process at both the domestic and European level. For example, a policy initiative will attempt to challenge public perceptions of Roma communities (cognitive frames) or increase civic engagement (social networks) without addressing the institutional factors and social dynamics that have such a bearing on its success. Secondly, implementation of social innovation often occurs without a wide and deep consideration of the factors that affect its potential and effects. Very often, social innovation initiatives or funding do not fully account for external costs and constraints. Thirdly, ex-ante and ex-post evaluations of social innovation and innovative social policy often overlook the reflexive and, thus, diffuse effects of policy on the three key social forces. Finally, whilst public policies have the capacity to disrupt social relations, they are equally affected by social forces within the social grid. This will have a bearing on how public policy conceptualises and responds to the causes and effects of marginalisation, as well as how social innovation might be seen as a policy solution.

Marginalisation and social innovation can be seen as embedded within a set of co-dependent relationships. Social innovation will inevitably have some bearing (positive or negative) on marginalisation, but equally, marginalisation shapes the capacity and character of social innovation processes. Once understood as such, analysis of social innovation takes on a novel form. If policy making, implementation and evaluation can comprehensively attend to these relationships, it becomes possible to enhance the effectiveness of social innovation and innovative social policies. With this in mind, policy needs to extend beyond its existing confines to focus on the social forces affecting marginalisation and social innovation, but also the social dynamics that exist therein. This is arguably a social innovation in itself. However, importantly this would also proffer a deeper understanding of the effects of social innovation, the conditions under which it thrives and its potential to address marginalisation through structural change.

Across and within EU Member States, power plays a significant role in shaping marginalisation and social innovation. The ability to control and affect change is affected by hybrid networks of power that intersect to alter socio-structural relations<sup>xiv</sup>. The concentration and dispersion of power affects these relations and the extent to which it is possible for social innovation to address societal challenges. Power can be exercised within and across cultural, economic, military, political, scientific and environmental domains to enact the macro-structural context. The administration and implementation of social innovation embodies a variety of means and ends that work across these domains. The potential of social innovation is, therefore, contingent on power relations that exist within and across these areas. This raises questions about the relationship between power, marginalisation and social innovation. For example, who decides the priorities and strategic framework of the European Union? How do institutions govern the behaviour and outcomes of European citizens (particularly those that are marginalised)? Who controls common or shared ways of thinking? What role can social networks play in instigating a realignment of power when they are concurrently subject to power relations? The transference of power from the powerful to the powerless helps ensure that social innovations are enacted, but more importantly, that these are implemented in a way that maximally benefits the most disempowered citizens in Europe. Accordingly, if social innovation and innovative social policies intend to tackle marginalisation through structural change, it is necessary to take account of, and where possible address, the power imbalances that exist at the individual, collective and institutional level. CRESSI will explore the political economy of social innovation and public policymaking in this regard.

People's power to pursue their own ends is central to overcoming marginalisation. As a multi-dimensional phenomenon, the extent and character of marginalisation is influenced by a range of factors. Socio-structural relations, power networks and individual endowments will have a bearing on whether people possess the capabilities to realise their own potential or pursue what they see as valuable<sup>xv</sup>. For instance, an individual may have the intellectual ability and inclination to take a tertiary education course but they may not have the financial resources to commit to such an

activity. Resources and services provided to support such individuals can help improve the capabilities, outcomes and agency of individuals. Whilst social innovation and innovative social policies often enhance capabilities at an aggregate level, they can, at times, fail to address the needs of the *most* marginalised and disempowered citizens. Individuals and groups suffering multiple forms of deprivation or exclusion are often the least able and likely to make use of services, initiatives and goods<sup>xvi xvii</sup>. In addition, agents and organisations are often better equipped to address minor aspects of marginalisation, rather than, for example, chronic or absolute poverty. In the political economy of social policy and social innovation, policymakers, practitioners and social innovators need to be mindful of this and its repercussions for tackling poverty and social exclusion.

The CRESSI framework offers novel insights into the structural determinants of marginalisation and social innovation, the networks of power affecting systemic relations, and the role of capabilities in determining citizen outcomes and agency. From this, it is possible to develop a new definition (and ambition) for social innovation tackling marginalisation through structural change. Social innovation can be described 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<sup>xviii</sup>.”

Adopting this definition opens up the opportunity for unique social explanation and policy analysis. Taking a non-reductive approach that accounts for the multifarious ways in which marginalisation occurs and how social innovation may help, it is possible to devise effective solutions to complex problems facing the social market economy in Europe.

### **3. Re-assessing existing and emerging policy agendas**

The framework outlined above raises a number of possibilities in terms of analysing social innovation and marginalisation. Within this framework, the effects, potential and function of social innovation need to be seen as directly addressing marginalisation, but also contributing towards structural change that, in turn, alters the conditions and processes that lead to poverty and social exclusion. This mode of analysis has significant implications for policy design, implementation and evaluation - not only within the arena of social innovation, but more broadly across other policy domains. The complex systems upon which social innovation is contingent, compel policymakers, researchers and practitioners to re-assess the existing policy agendas designed to address marginalisation.

The non-reductive approach taken in the framework attempts to capture the reflexive relationships that exist between institutions, social networks and cognitive frames. It also seeks to capture the power networks that affect these relationships and how individuals who are marginalised by such a process respond. If these factors are meaningfully attended to, this raises a number of points for consideration in the design and implementation of policy agendas. Public policy has many diffuse and unintended impacts. As a result, it is often hard to anticipate how individuals are going to respond to legislative or distributive change. It is, therefore, equally, if not more, difficult to anticipate how the interconnected and co-evolutionary relationships between institutions, social networks and cognitive frames are affected by policy change. In acknowledging the complexity of socio-structural relations, it becomes particularly difficult to anticipate how and which policies might be able to address power imbalances and social forces when the relationships between them are inherently dynamic. The policymaking and implementation process needs to come some way to overcome these limitations if social innovation is meaningfully to contribute towards structural change. Similarly, if social innovation and innovative social policies are contingent on a range of

factors across the policy spectrum, the relationship between the two needs to be more fully understood to identify a) the conditions under which social innovation flourishes and b) when policy transfer is appropriate across and within EU Member States.

The framework also raises a number of questions surrounding the evaluation and delivery of policies designed to facilitate social innovation. The irreducibility of socio-structural relationships makes it difficult to assess the efficacy of social innovation. However, presuming it is possible to capture this process, if a social innovation does not lead to a disruption in social relations, can this be considered a success? Whilst it might directly address some of the effects of poverty and social exclusion, it may not directly address the causes of marginalisation. Should such an activity be considered a policy priority? These are important questions for the European Commission to consider, particularly when allocating constrained funds, resources and services to projects across the European Union. Within the context of pressing need, alleviation strategies play a crucial role in the social market economy. However, structural change is understood as important precisely because it proffers prevention strategies and long-term solutions. The European Commission should have a clearer justification and rationale for allocating resources in this regard to ensure social innovation is able to instigate a change in social relations.

The framework discussed in this policy briefing offers a novel opportunity better to understand marginalisation, social innovation and the relationship between the two. It also enables policymakers, practitioners and researchers to consider the contribution and effectiveness of existing and emerging policy agendas in this area. This is only possible through the development of a stronger evidence base that identifies the drivers of effective policy interventions and social innovation. Mindful of the social dynamics and power relations that affect the capabilities of marginalised groups, the CRESSI project seeks to contribute towards that evidence base to enhance the impact and efficacy of social innovation.

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<sup>i</sup> Further details about the CRESSI (Creating Economic Space for Social Innovation) Project are available at: <http://www.sbs.ox.ac.uk/ideas-impact/research-projects/cressi>.

<sup>ii</sup> Chiappero-Martinetti, E. and von Jacobi, N. (2014). ‘How can Sen’s ‘Capabilities Approach’ contribute to understanding the role of social innovations for the marginalised?’, in Houghton Budd, C., Naastepad, C.W.M., and van Beers, C. (Eds.), *Report on Institutions, Social Innovation & System Dynamics from the Perspective of the Marginalised, Deliverable D1.1*, Chapter 3. Available on the CRESSI project website at: <http://www.sbs.ox.ac.uk/ideas-impact/cressi/publications-0>

<sup>iii</sup> Houghton Budd, C. (2014). ‘Capital, Capacities and Capabilities: Open Access Credit and the Capability Approach’, paper presented at “Human Development in Times Of Crisis 2014”, Athens, Greece, 2-5<sup>th</sup> September 2014.

<sup>iv</sup> Ziegler, R. (2014). ‘Innovation and justice – a discussion of conceptual foundations for creating a fair space for innovations with specific reference to the capabilities approach’, paper presented at “Human Development in Times Of Crisis 2014”, Athens, Greece, 2-5<sup>th</sup> September 2014.

<sup>v</sup> Jordan, B. (1996). *A theory of poverty and social exclusion*, Cambridge: Polity Press.

<sup>vi</sup> European Commission Press Release, IP/09/1807, Brussels, 24 November 2009. Available at: [http://europa.eu/rapid/press-release\\_IP-09-1807\\_en.htm](http://europa.eu/rapid/press-release_IP-09-1807_en.htm)

<sup>vii</sup> IPEX Document COM(2010)0758. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: The European Platform against Poverty and Social Exclusion: A European framework for social and territorial cohesion. Available at: <http://www.ipex.eu/IPEXL-WEB/dossier/document.do?code=COM&year=2010&number=0758>

<sup>viii</sup> BEPA (2011) “*Empowering people, driving change*”: *Social Innovation in the European Union*, Bureau of European Policy Advisers, European Commission, Luxembourg, Publications Office of the European Union.

<sup>ix</sup> *Ibid*

<sup>x</sup> European Commission Press Release. José Manuel Barroso, “Political guidelines for the next Commission”. Available at: [http://ec.europa.eu/commission\\_2010-2014/president/pdf/press\\_20090903\\_en.pdf](http://ec.europa.eu/commission_2010-2014/president/pdf/press_20090903_en.pdf)

<sup>xi</sup> European Commission news item, 28/06/2013. “New programme for Employment and Social Innovation (EaSI)”. Available at: <http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=1093>

<sup>xii</sup> This framework principally draws upon Jens Beckert’s Social Grid Model, Amartya Sen’s Capability Approach and the framework of societal power sources developed by Michael Mann.

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- <sup>xiii</sup> 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.
- <sup>xiv</sup> Heiskala, R. (2014). ‘Forms of power, European empires and globalizations: Michael Mann’s The Sources of Social Power and beyond’, in Houghton Budd, C., Naastepad, C.W.M., and van Beers, C. (Eds.), *Report on Institutions, Social Innovation & System Dynamics from the Perspective of the Marginalised, Deliverable D1.1*, Chapter 8. Forthcoming publication. To be made available via the CRESSI project website at: <http://www.sbs.ox.ac.uk/ideas-impact/cressi/publications-0>
- <sup>xv</sup> Chiappero-Martinetti, E. and von Jacobi, N. (2014). ‘How can Sen’s ‘Capabilities Approach’ contribute to understanding the role of social innovations for the marginalised?’, in Houghton Budd, C., Naastepad, C.W.M., and van Beers, C. (Eds.), *Report on Institutions, Social Innovation & System Dynamics from the Perspective of the Marginalised, Deliverable D1.1*, Chapter 3. Available on the CRESSI project website at: <http://www.sbs.ox.ac.uk/ideas-impact/cressi/publications-0>
- <sup>xvi</sup> Flanagan, S. M., and Hancock, B. (2010). ‘Reaching the hard to reach’ - lessons learned from the voluntary and community Sector: A qualitative study. *BMC health services research*, 10(1), 92.
- <sup>xvii</sup> Lord, P., Southcott, C., and Sharp, C. (2011). *Targeting children's centre services on the most needy families* (LGA Research Report). Slough: NFER. Available at: <http://www.nfer.ac.uk/publications/LGTC01/LGTC01.pdf>
- <sup>xviii</sup> Nicholls, A. and Ziegler, R. (2014). ‘An extended social grid model for the study of marginalisation processes and social innovation’, in Houghton Budd, C., Naastepad, C.W.M., and van Beers, C. (Eds.), *Report on Institutions, Social Innovation & System Dynamics from the Perspective of the Marginalised, Deliverable D1.1*, Chapter 2. Available on the CRESSI website at: <http://www.sbs.ox.ac.uk/ideas-impact/cressi/publications-0>



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