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Creating Economic Space for Social Innovation

# CRESSI Working papers

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CRESSI Working Papers

No. 44/2018

## **Fair (economic) space for social innovation? - A capabilities perspective**

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ISBN 978-0-9955852-2-5



*“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 and von Jacobi, N., Fair (economic) space for social innovation? A capabilities perspective, A Working Paper of the project: “Creating Economic Space for Social Innovation” (CrESSI), European Commission – 7th Framework Programme, Brussels: European Commission, DG Research and Innovation.

## **Acknowledgements**

This text has much benefited from written comments by Rutger Claassen, Daniel Edmiston, Adalbert Evers and Christopher Houghton-Budd, discussion at the Berlin CrESSI workshop in January 2017 and at the CRÉ Montreal in December 2017, and Amelia Pope’s editorial work. We also would like to thank Alexandra Robasto for formatting the text into a working paper. Remaining mistakes and responsibility for the analysis rests on the authors. The final version of this text will appear as chapter three of “Creating Economic Space for Social Innovation” edited by Alex Nicholls and Rafael Ziegler, Oxford: Oxford University Press 2018.

## **Fair (economic) space for social innovation? - A capabilities perspective**

Social innovation is not limited to innovation in markets. Accordingly, the economic space at issue is not confined to markets. In fact, there is frequently a tension between the search for profits and saving costs, and the search for social solutions. For example, helping the least well-off is likely to cost more than helping the better-off in a marginalised group (Molnár and Havas 2018), and either way, there might not be a product or service to be sold in the market. How then to think about and analyse economic space for social innovation?

This chapter draws on a typology of *modes of provision*, the ways in which a service or good is provided to users and beneficiaries. Based on work at the intersection of economics and ethics (Anderson 1993, Claassen 2009), the typology provides a tool for analysing social innovations and their reconfigurations beyond the market/non-market dichotomy, and beyond the tendency in some strands of social innovation to reduce social innovation to ‘social business’ and the integration of organisations and individuals in markets.<sup>1</sup> In addition to market provision, the typology adds modes of self, informal, public and professional provision. We introduce the term *collaborative pluralism* to highlight the varieties of modes of provision as well as their reconfigurations in social innovation. We argue that collaborative pluralism captures a central dynamic of social innovation and related policy, raising a series of distinct ethical questions.

For the ethical analysis, we draw on the capabilities approach as one contemporary ethical approach to justice and development (Nussbaum 2006, Sen 2009). If social innovation is about improving and securing capabilities, what ethical issues arise with respect to modes of provision and their reconfigurations in social innovation processes? We suggest that due to the diversity of people and their social and environmental contexts, a variety of modes of provision in principle improves choice and outcomes. This point especially holds for patients, i.e. those who cannot effectively choose their beings and doings, and whose well-being is unlikely to be met via one mode only. Societies, however, are in a constant process of change. Drawing from the social innovation literature (Evers and Brandsen 2016), we therefore propose that for fostering and securing a fair space for social innovation, it is useful to think of social innovation as ‘messages’ that point to potential changes in modes of provision and their configurations. We use the formulation ‘fair space for social innovation’ to highlight the evaluative aspect in the background of discussions of economic space or economic underpinnings of social innovation; it introduces a general ethical or social perspective on social innovation and its role in society.

Section one introduces the typology of modes of provision. Section two turns to a capabilities perspective on modes of provision in the economic space for social innovation. Section three offers a refinement of the extended social grid model as well as the lessons of the latter for the issues discussed here. Section four concludes.

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<sup>1</sup>For a critical discussion of this point see Jessop et al. 2013, 110f.

## 1. Modes of provision

Michael Mann defines economic power as deriving ‘from the human need to extract, transform, distribute, and consume the produce of nature’ (Mann 2013, 1-2). This wide framing of economic issues beyond markets is useful for social innovation, but calls for further elaboration as an analytical tool. Elizabeth Anderson (1993) distinguishes four modes of production, distribution and consumption of goods and services: markets, gift-exchange in private relations, public-good provision via the state, and professional standards used in the sphere of civil society. Refining her typology, Rutger Claassen speaks of five modes of provision: ‘each provides a specific way of integrating the economic phases of production, exchange and consumption of goods’ (2009, 423-425). We use this typology for analysing economic space for social innovation:

- *Self-provision.* The producer of the good consumes it herself. There is no exchange with others, no money involved. A well-known example, *avant la lettre* of current social innovation discourse, is Henry Thoreau's Walden self-sufficiency experiment (Thoreau 1854). A social variation of this experiment is communal gardening, which takes us to:
- *Informal provision.* The exchange of goods is governed by social norms, for example in reciprocal gift-giving. No money is involved in exchanges, no expectation the respective giving is of equal value; reciprocity is 'open to discretion as to value and time' (Offer 1997, 457). If a neighbour helps you fix something in your apartment, you ‘owe’ him. This usually means he can ask you a favour ‘at some point in the future’, and this might simply be something you can provide, no matter if it has ‘the same value’. Social innovation examples include sharing-platforms such as ‘free-cycle’, where people offer and request goods from others for free. Notoriously, such platforms are easily taken over by market forces.
- *Market provision.* Exchanges are based on price signals, and based on individual wants, preferences and purchasing power. If producers and consumers are willing to include other-regarding considerations in their consumer choices, there is room for social innovation within markets (e.g. fair-trade goods). Often, however, markets find it difficult to achieve such a dynamic without state regulation.
- *Public provision.* Resources are pooled (e.g. via taxes or mandatory labour) so as to provide goods to the respective group's members, be it public goods such as public radio or military defence, or the provision of specific goods linked to individual entitlements (e.g. public infrastructure for wheelchair accessibility). The provisioning process is organised via a political process of decision making. Public drinking water and social housing (Schimpf and Ziegler 2018, Schimpf et al. 2018) are examples of social innovations frequently provided publicly.
- *Professional provision.* The good or service is based on the expert knowledge of the provider (e.g. doctors). Professionals are either paid directly by their clients or indirectly via public schemes (such as health insurance), private initiatives (such as philanthropic activities) or some combination thereof.

This typology shows how the human need to extract, transform, distribute, and consume the produce of nature can be provided by more than the market. It allows to better specify the typically vague and rather unsatisfactory category of the ‘non-market’ for analysing economic space for social innovation. It also corrects an often-skewed image of economic space as essentially a matter of markets. As Avner Offer notes, while price-driven market exchange has been at the centre of economics ever since Adam Smith, there is a ‘less noted . . . persistence of non-market exchange into modern times’ (Offer 1997, 450 & 458): For example, household production in Australia, the UK and the US, as estimated by extended national accounts, fluctuates around one quarter to one third of the national product.

We should stress that these modes are ideal-types, identifying main modes of provision in a messy reality. For example, market provision in practice includes corporations, which are internally more political structures in many ways not so different from the bureaucracy of the state (one reason for Schumpeter’s (1943) claim that the growth of corporations in capitalism leads to a development towards socialism. Moreover, the list itself may be controversial. Consider what is likely the most controversial mode on the list: professional provision. We see professionals working in public, market and even informal provision; is professional provision then a transversal phenomenon across state, business, civil society and family? As a matter of funding, this is no doubt correct. Professionals can be funded by the state, via market mechanisms or supported informally. Still, Anderson has a point when she observes that professional norms would be compromised if determined exclusively by markets (Anderson 1993, 156), say the provision of health by supply and demand. Or, as another example, if the state exclusively decided what and how educators teach (van der Linden 2018). Education and health are prominent examples of the provision of goods and services that are of primary importance yet sufficiently complex to support the idea that provision should be strongly informed by professionals so as to ensure sufficient quality. Offer suggests that an important mechanism in professional provision is the entrance into the profession as a ‘gift’ of the professional peer group, to be ‘repaid’ with considerable discretion (Offer 1997, 463).

The fact that modes of provision are blurry in practice, and goods and services identifiable across various modes is taken up later in the discussion of collaborative pluralism. Here we only note one further question relevant for social innovation discussions: Should we add theft and robbery as a mode of provision<sup>2</sup>? The question points to the fact there is a large ‘shadow market’ in the grey zone of market provision, where there are numerous issues of marginalisation, exclusion and deprivation relevant for social innovation.

In our view, this addition is of interest for social innovation chiefly as a transitional phenomenon. It highlights a central point: social innovation is about changing modes of provision and their reconfiguration. ‘Ordinary’ theft and robbery is associated with perhaps unusual, but still no doubt widespread aspects of informal provision – for example, in mafia organised robbery for the benefit of the respective community –, with

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<sup>2</sup>We owe this suggestion of a sixth mode to Rutger Claassen (personal communication to Rafael Ziegler, 13.10.2017).

shadow market activity – as in much of the market for drugs, weapons and prostitution – or with varieties of corruption in public and professional provision. But consider by contrast a famous inspiration for social entrepreneurs and innovators: the social action of Gandhi (Tiwari 2011). At the end of his salt march in 1930, in violation to British rule, Gandhi collected salt. For Gandhi a public act of civil disobedience to call for change in law. In our language here, Gandhi aimed for a change in the mode of provision. The example suggests two insights: there are borderline cases that challenge a prevailing mode of provision; civil disobedience is arguable one form this challenge can take for social innovation. The point of this example is not to introduce a new mode of ‘robbery and theft’ but rather to point to the importance of dynamics in economic space for social innovation. In our Gandhi example, a different taxation system (and ultimately an end to colonial rule); or in more recent social innovation discussion an end to the ‘war on drugs’ due to different public policies (e.g. Kahane 2013).

We suggest the typology usefully highlights a diversity of provision within economic space, beyond a reductive focus on markets. Table one, column one lists the five modes. We can draw on this typology to investigate:

- The values, norms and institutional logics governing the respective mode of provision
- The ability of the respective mode to deliver goods and services, especially for marginalised groups
- The ethical desirability of the modes and their (re)combinations.

While the first two points mostly call for empirical research, the third point calls for further conceptual analysis. It is hence central in the following sections.

### *Simple, complex and collaborative pluralism*

Communitarian pluralists, following Walzer (1983), distinguish different social spheres and associated goods such as education, political power and security. From their perspective, liberal theorising in the tradition of Rawls (1999) mistakenly investigates distributive principles for society as a whole; instead we should look for appropriate principles within each sphere. Rutger Claassen (2009) calls such theorising *simple pluralism*: for each good there is one appropriate mode of provision and associated rule of distribution. As David Miller puts it: ‘The relationship between the meaning of a good and the distributive principle is not here a conceptual one; it is rather that once we have seen what kind of good medicine is, this immediately triggers a particular distributive principle which we see as applying to all goods of this sort’ (quoted by Claassen 2009, 429).

Claassen makes the case for *complex pluralism*, which asserts there can be various modes of provision for a good, and that diversity might even be normatively preferable. Consider health: we might value the choice offered by a society that pursues good health for everyone simultaneously as a good provided publicly,

informally and through the market. In view of the variety of contexts as well as people, complex pluralism is justified where it improves choices and outcomes.

This distinction between simple and complex pluralism is helpful for what we call the *collaborative pluralism of social innovation*. Social innovation includes innovations in goods and services that go beyond market provision. Thus it welcomes the ‘simple pluralist’ emphasis on a variety of social spheres and goods. However, it does not follow that each sphere is ‘distinct’ with unique goods, actors and distributive principles. In social innovation, actors from politics, business, civil society tend to be involved in various reconfigurations of provision. For example, a move from pure public provision to provision that also includes business and civil society. This observation takes us into the direction of complex pluralism, and a variety of modes of provision for a good. However, reconfiguration in social innovation refers not only, and not necessarily to modes of provision existing alongside each other, thereby ideally offering more choice and improved outcomes (as proposed by complex pluralism). It also concerns actors from different modes working together in provision, or protesting a form of provision. We use the term collaborative pluralism to emphasise not just the plurality of modes, associated actors and their values, but also their relations and recombinations in social innovation.<sup>3</sup>

In social innovation research, the collaborative dynamic is frequently framed as a matter of social ontology, for example the three-sector framing of society as comprised of civil society, market and state (Nicholls, Simon and Gabriel 2015<sup>4</sup>). ‘Multi-sector collaboration’ (ibid. p.9) refers to various relations amongst the three sectors: public-private for state-market collaboration, social enterprise for market-civil society collaboration and the ‘shadow state’ for state-civil society collaborations. The focus is on the ‘blurring of the boundaries’ (Nicholls and Murdock 2012) and on hybrid modes of provision.

Jenson (2015, 99) provides the example of an increasingly collaborative form of childcare provisioning in the UK after 1997. While public funding increased as part of the ‘social investment state’, provision could be public, private or civil society, and coordination and co-operation across these sectors was encouraged. According to Lyon and Fernandez (2012, 4 quoted in Jenson 2015), by 2009, 73% of fulltime day-cares were

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<sup>3</sup> We are not aware of any prior usage of this term in social innovation research. However, there are three related uses we would like to point out: 1) In environmental thought, ‘collaborative pluralism’ is used in the discussion of environmental pluralism and the claim that there is no one (monist) value framework for analysing and dealing with environmental problems. Accordingly, environmental pluralists call ‘negotiators to accept the legitimacy of alternative frames and look for outcomes that maximize the preference of diverse stakeholders that collectively have the ability and will to affect change’ (Hull 2007, 386). This use of collaborative pluralism draws from pragmatist philosophy. 2) In political science, specifically the study of transition processes in Central and Eastern Europe, Frederick Bernard (1992, 4f) contrasts individualist pluralism and collaborative pluralism. Both oppose the idea of an imposed ‘unity’, but the latter draws from solidarism to search for a pluralism of social entities so as to achieve abstract ideals such as socialism. Just like the Gandhi example, this use emphasizes the political nature of pluralism and the variety of options that become visible once pluralism is acknowledged. 3) In psychology, John McLeod (2013, 393) uses ‘collaborative pluralism’ to refer to therapist-patient relations, where the patient is seen as a participant making valuable contributions (conceptual, methods, cultural etc.) to therapy as a process. While we cannot discuss these uses further here, it does seem that the questioning and breaking of hierarchies and dominance (of conceptual schemes, of political regimes, of interpersonal relations) is a commonality throughout these uses, and in this sense resonates well with our use here.

<sup>4</sup> Or alternatively the quadruple welfare diamond proposed by Jenson (2015).

in the private sector, 15% in the voluntary sector of civil society and 12% in the public sector. A variety of modes of provision is on offer; moreover, this variety is a result of actors and institutions from these different modes collaborating.<sup>5</sup> Finally, the high percentage of the private sector underscores the importance of evaluative questions. For example, does the market mode dominate the other modes, possibly reducing choice, especially if access to private day-cares is not affordable for all?

Another example is Ian Vickers' et al. (2017, 3) analysis of a recent change in the British health sector: from a traditionally tax-funded universal healthcare provided largely by public organisations to a new scheme with more civil society and business involvement. According to their analysis, this reconfiguration and its 'hybrid cultures' create on the one hand 'space for innovation', partly due to reduced 'bureaucratic disincentives' providing staff with more space to experiment (ibid. 11). On the other hand, they report a tension of the norms associated with the respective modes in the new constellation. For example, while government claims private sector involvement will increase 'efficiency' and 'effectiveness' (ibid. 3), the business logic clashes with ideas of knowledge sharing (ibid. 11). Extrapolating from these examples, such reconfigurations in education and health point both to normative advantages (more choice, more space for experimentation) and risks (business logic erodes the ethos of universal health care, unequal access to nurseries). Also, both cases point to the fundamental role of the state as regulator and significant funder of the new configurations.

The state, however, is not necessarily the initiator of such reconfigurations. Klein et al (2013, 372) discuss the 'Québec model': responding to a crisis in the region regarding its social and economic policies, citizens' associations, together with health and social service professionals, developed 'public medical clinics implemented in several Montreal working-class neighbourhoods' (ibid. 375). This bottom-up approach was later taken on by the Québec government in the form of local community centres (ibid. 376). They also report that the women's movement in Québec introduced public day cares that were also institutionalised by the government, thereby also, however, reducing local autonomy (ibid. 376). These examples suggest that social innovation initiatives might emerge from civil society. However, there is no specific 'direction' as far as the initiative for collaboration is concerned, rather historical context and the respective social regime are of great importance.

Moving from these examples back to the conceptual level of collaborative pluralism, it is noteworthy that Anderson anticipates its potential early on: 'hybrid social practices that combine features of different spheres of life may help break through currently sterile debates which suppose that there is no "third way" between laissez-faire capitalism and comprehensive state planning of the economy' (1993, 167). The qualifier 'collaborative' broadens the focus on a pluralism of *various* modes of provision and the *interrelations* this implies amongst various sectors and actors. We refer to these collectively as 'collaborative strategies' (see table one, column seven provides examples).

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<sup>5</sup> For similar developments at the EU-level, see Sabato et al. 2017.



The choice of modes of provision and their reconfigurations raises further questions. We tend to associate modes of provision with evaluative concepts and norms<sup>6</sup>, which in turn are frequently invoked to legitimise reconfiguration (in the above example, the UK government brings in private actors to increase ‘efficiency’ and ‘effectiveness’). Table one, column three lists values commonly associated with the respective modes. We need to be cautious, however, regarding the empirical accuracy of such associations, not least due to their role for the legitimisation of policies. These associations merit further scrutiny:

- What are the values and norms associated with the respective mode, and who holds them?
- Can the values and norms of one mode be transferred to another mode, or effectively orient new reconfigurations? What about resulting tensions?
- What evaluative considerations should be taken into account for an ethical discussion on economic space of social innovation?

We stick to the last question, as it is a conceptual question; whereas the other two strongly depend on empirical research and social innovation case studies. We draw from the capabilities approach as an entry point to the contemporary discussion of justice and equality.

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<sup>6</sup>‘Evaluative’ includes value concepts and predicates such as good or bad, better or worse, desirable or undesirable; ‘normative’ includes operators such as right or wrong, ought and may (List and Valentini 2016). Social innovation includes both evaluative issues of the ‘good’ and normative issue of the ‘right’. For simplicity, we use ‘evaluative’ as short for ‘evaluative and normative’.

## 2. Capabilities and economic space for social innovation

The capabilities approach derives its values and principles from a general reflection on human beings, rather than from specific norms governing a mode of provision. It is, in Amartya Sen's vision, an 'agent-oriented view' (Sen 1999, 11) emphasising the intrinsic and instrumental value of agency for justice and development. However, this focus on agency is incomplete if patiency is not part of the analysis, especially when marginalised groups are concerned. Accordingly, this section introduces both concepts and links them to our discussion of economic space for social innovation.

According to the capabilities approach, agency is primarily a question of individuals.<sup>7</sup> Sen defines agency as the ability to pursue goals one values and has reason to value; an agent is 'someone who acts and brings about change, and whose achievement can be judged in terms of her own values and objectives, whether or not we assess them in terms of some external criteria as well' (Sen 1999, 18). Agency involves a moment of reflection, placing the capabilities approach in the tradition of political philosophy that emphasises the intrinsic importance of individual choice and reflection (Nussbaum 2006, 184f). Agency, in addition, includes exercise, the 'bringing about', thereby situating the capabilities approach within traditions of political philosophy that emphasise the need not just to look at formal rights and entitlement but also at the real opportunity to exercise and enjoy them. Beings and doings, or 'functionings' as the capabilities approach calls them, are very important in this perspective.

This focus on individual's capabilities and functionings emerges from, and is closely tied to, an extended philosophical discussion of the appropriate category (or 'currency') for evaluating equality and justice: capabilities, resources, primary goods, utility . . . (Cohen 1993). Here we assume that the capabilities approach offers a valuable and justified approach, i.e. we do not discuss its strengths and weakness vis-à-vis other approaches.<sup>8</sup>

Even presupposing the category of capabilities, there are further questions: Which capabilities? For whom? Decided by whom? Within the capabilities approach, we can distinguish between democratic and philosophical ways of dealing with these questions. These two positions are exemplified by Sen and Nussbaum, respectively, with many variations of the 'philosophical' and 'democratic traditions' as well as the further position that the interrelation of both is needed (Byskov 2016, Claassen 2010, Sen 2009, Nussbaum 2000). According to the democratic approach, capabilities should be determined in public, democratic deliberation (Sen 2009). By contrast, the philosophical approach proposes a more substantive interpretation of capabilities. Martha Nussbaum proposes a list of ten central capabilities as a threshold requirement of justice

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<sup>7</sup> This evaluative focus notwithstanding, social or collective agency is important for understanding social change processes also in relation to social innovation (see Ibrahim 2017 on collective capabilities and social innovation).

<sup>8</sup> But see the conclusion for some hints in this direction.

(Nussbaum 2011, 17-45). Whatever the subjective ways to bring about change, there is a threshold of central capabilities required for living in dignity. Her list of central capabilities is probably the most well-known basic justice capabilities account.<sup>9</sup> The threshold idea can be spelled out differently, and Nussbaum sees her account as open to corrections and improvements. In practice, there is much overlap between the democratic and philosophical positions in the domain of basic justice. Sen (2009) proposes a focus on ‘manifest injustices’, which in many ways overlaps with Nussbaum’s focus on basic justice.

A commonality across capability conceptions is a focus on the diversity of individuals and groups. Unlike economists and philosophers theorising about justice and the economy in terms of ‘representative agents’, the capabilities approach emphasises heterogeneity as a key consideration for analysis: differences in personal traits and in social and environmental contexts make a difference for the real freedom of individuals. ‘Conversion factors’ are the differential ability of individuals to convert a good or service into achieved functioning. Conversion differences explain unequal distribution of capabilities even where access to resources is the same, suggesting a normative reason to focus on capabilities rather than resources.

An illustrative example: In Germany, prison staff is mandated to pass on all information obtained from prisoners. Prisoners, accordingly, cannot trust prison staff to keep confidential information. The Violence Prevention Network responds to this problem via the creation of an outside organisation that visits prisoners without this constraint, to create room for confidential discussion and as an opportunity to build trust, create social ties and ultimately reduce recidivism (Korn 2009). For simplicity, we can imagine two agents, prison and NGO staff, both seeking to restore trust and reduce crime. The prison staff cannot fully ‘convert’ this service into achieved functioning due to the governing regulations. While this example focuses on a conversion-problem with others as beneficiary, it is easy – and familiar from the literature – to give self-regarding conversion problems. Standard examples include riding a bike, which depends on personal traits, social norms, infrastructure and the environment; or women’s exercise of their formal right to vote in a society with patriarchal norms.

Conversion differences can lead to the marginalisation of individuals and groups. Due to the enormous diversity of life, its individuals, norms and structures, there is always somebody marginalised from a good or service. Take the capability of eating ice-cream. People with lactose intolerance cannot eat ice-cream; in the past, religious norms blocked the public eating of ice-cream as too frivolous; in extremely hot places, your ice-cream simply melts away before you can enjoy it etc. In short, the category of capability and associated conversion differences are general concepts not specific to justice, marginalisation and exclusion. An evaluative focus on important ethical matters requires further specification.

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<sup>9</sup> For a recent account that focuses on agency, see Claassen 2016.

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 (von Jacobi et al 2017, 5). The term *trait* in this conception of marginalisation puts the focus on the relative immovability of the feature. Personal traits comprise individual characteristics that cannot be modified by choice in the short term. Personal traits are variously 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, social processes transform these traits into actual or potential factors of disadvantage. Likewise, social and environmental traits are (potential) factors of marginalisation. Group membership or environmental characteristics are examples of such traits that can be transformed into factors of disadvantage. For example, location in the country-side is a trait that can become a disadvantageous factor when urban infrastructure (e.g. water supply, energy etc.) is ‘extended’ (or not) to the countryside. From the philosophical perspective, the *disadvantaged* are deprived of (sufficient) access to basic aspects of living in dignity.<sup>10</sup> From the democratic perspective, the *disadvantaged* are identified via the determination of capability deprivation in public discussion. Philosophical reflection and democratic discussion are interrelated in dynamic public reflective equilibrium, where substantive philosophical proposals (such as Nussbaum’s) are put to public scrutiny and then revised if needed (Wolff and De-Shalit 2007).

### *Patiency*<sup>11</sup>

A focus on human beings as agents is incomplete if humans as *patients* are not considered. We posit the agency-patiency dynamic as two poles of a multi-dimensional spectrum, rather than a dichotomy. For example, a social housing program might improve social aspects of agency and well-being of formerly homeless people such as having a secure and safe shelter, personal property, being able to welcome guests etc. while not improving their political agency as citizens, involved in the decision-making around the social housing program (see Edmiston and Aro 2016).

Patients are individuals who cannot effectively choose their functionings. For example, in a patriarchal context, women might not exercise learning opportunities, perhaps sometimes not even ‘wanting’ to exercise them due to their upbringing. A social innovation focused on the empowerment of such a group is likely to encounter psychological and social resistance by a variety of people, including those it seeks to empower.

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<sup>10</sup> This point can be further spelled out via Nussbaum’s threshold list of central capabilities for living in dignity, yielding a roughly speaking sufficientarian position for the evaluation of justice issue. However, there are also other ways of spelling this out, and as this point is not essential at this stage of our discussion, we only want to highlight that there are various ways to do this (see also Wolff and De-Shalit 2007 for an extended discussion). Anticipating the discussion further below, it is noteworthy that especially for marginalisation and social exclusion the ‘philosophical’ starting point and thus the proposal of capabilities is important as such groups typically are in no position to voice their own perspective.

<sup>11</sup> We would like to emphasise that the term ‘patient’ in this discussion carries no negative connotation. Rather, it aims to provide an ethical scope for the discussion that comprehensively includes the ‘target groups’ of social innovations as ‘ends’.

‘Learned helplessness’ might be a personal, psychological trait blocking agency even in the presence of resources, rights etc. (Molnár and Havas 2018).

Another variant of the issue is ‘passive empowerment’ (Bonvin 2017, 19f). In our social housing case, well-being, and possibly some aspects of agency, improved. However, the homeless people do not define or control the conditions of the program. As Jean-Michel Bonvin notes, passive empowerment is typically ambivalent. It can improve well-being and agency to some extent, yet it sets the conditions. These conditions, and their material and symbolic implementation, determine eligibility and uptake. While a homeless person who does not accept the housing program ‘emancipates’ herself from an institutional constraint<sup>12</sup>, the functioning possibilities provided via the policy (such as safe shelter) then need to be provided in an alternative way (ibid. 29) or else the person remains disadvantaged in this respect. With a view to the diversity of individuals and contexts, this point about conditionality and alternatives suggests an argument for a variety of modes of provision, assuming that it increases the suitable options for individuals. Adalbert Evers and Taco Brandsen (2016, 165f) find that in urban social innovations across Europe, the innovators they study tend to relax the conditionality of admission into welfare programmes, including what counts as giving something back in return. The finding reflects the more discretionary understanding of reciprocity in informal provision discussed above. In practice, however, the current trend in social policy is quite different: resource provision based on conditions mainly aimed at improving employability in markets (Bonvin 2017, 25<sup>13</sup>).

These examples point to the complexity and intricacy of the agency-patency dynamic. We are all patients in some contexts. A well-known point from environmental ethics is important here: ‘moral patient’ refers to the important and difficult question of who ought to be considered as a member of the community (Ott 2010), as a subject of consideration and not only as an object of use. If moral patients are considered, the community conception includes a sub-group of beings with functionings making up their well- or ill-being but without a capability of choosing functionings in a reflective way, at least not if such choice includes joint deliberation and decision-making on policies and programs. Moral patients might be in their situation contingently or permanently. While the boundaries of this community are controversial (Nussbaum 2006), it is evident that practically any ethical theory will include moral patients. Moral patients in this sense include babies and to

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<sup>12</sup>‘Emancipate’ is in quotes here because non-acceptance might be an active ‘I would not prefer not to’, but it might also be a simple ‘mess-up’ where conditions are such that potential beneficiaries fail to meet up on time, have the right papers etc.

<sup>13</sup>Bonvin distinguishes two approaches with respect to ‘activation’ for employability: workfare strategies mainly aimed at putting pressure on people to take up available jobs, human capital strategies (often associated with the ‘social investment state’) that seek to improve on employability by providing employers with adequate education and training. While there are important differences between these approaches, the ‘final objective in both is the independent man characteristic of liberal and social contract approaches ... [rather than] recognizing that *all* human beings without exception are both vulnerable and autonomous.’ (Bonvin 2017, 26 italics added). Second, the objective is primarily understood in relation to the primary labour market, bracketing both the question of quality of work in this market as well as other varieties of work and life (ibid. 27-28). This social policy observation also holds by and large for social innovation policy in Europe, or as the European Commission simply puts it: “The European Commission’s objective is to encourage market uptake of innovative solutions and stimulate employment” ([http://ec.europa.eu/growth/industry/innovation/policy/social\\_de](http://ec.europa.eu/growth/industry/innovation/policy/social_de), last accessed 26.10.2017, see also von Jacobi et al. 2017, section 3).

some extent, children, persons with disabilities, animals and plants, ecosystems, the planet (with increasing contestation as we move along this list) . . . and all of us in various contexts.

Social innovation aimed at empowerment typically deals with patients, individuals without (or with reduced) agency. Accordingly, the dynamics of patients-becoming-agents, and of agents-supporting-patients are of central importance. It follows that paternalism is an issue for social innovation in many contexts<sup>14</sup>.

### *Capabilities and modes of provision*

Evaluating social innovations and their (mixed) modes of provision requires investigating if, how and whose agency is promoted; if, how and whose patiency are morally considered; for both patients and agents, which capabilities are promoted/hindered? Beyond modes of provision, actors and associated values, table 1 therefore lists the beneficiaries of social innovation as patients in social innovation processes (column 4), as agents in such processes (column 5) as well as the cross-cutting capability questions (column 6). We use the term ‘beneficiary’ as a general term to refer to the target group of a social innovation, be it as agents, patients or both:

*Agency:* As social innovation emphasises agency as end and as mean,<sup>15</sup> there is the question of the role of beneficiaries as agents of change in the various modes of provision. What is the form and the degree of active involvement of beneficiaries in social innovation processes? What is the outcome of a social innovation in terms of improved agency of beneficiaries? Both questions are needed, because a beneficiary as patient in the process might be a beneficiary as agent in the outcome.

*Patiency:* Column four of the table provides examples of beneficiaries as patients, i.e. those permanently or contingently lacking capacities for reflection, voice and participation in social innovation processes. To paraphrase Bonvin, they might be ‘passively empowered’ in the sense of improved outcomes, but they have no say in the conditions of this process. We need to distinguish permanent and contingent patients. For permanent patients the lack of choice and agency is not problematic as such. Problematic is rather, if their well-being is not considered, hence there is a question of appropriate ‘advocates’ or ‘spokespersons’ to ensure that the entitlements of patients are considered. For those who are only contingently in a position of patients

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<sup>14</sup>For further discussion, see Ziegler et al. 2018.

<sup>15</sup>For example, a widely referred to social innovation definition in the EU says that ‘social innovation is social in both its ends and its means. This kind of innovation not only serves society but also enhances society’s capacity to act’ (BEPA 2009). Likewise, albeit with a greater emphasis on the power questions thereby raised, the CrESSI- definition used here includes a focus on agency as outcome and as a means (see Nicholls and Ziegler 2015).

advocates and spokespersons might still be required, but now with the familiar social innovation telos of empowering, i.e. bringing individuals into a position of choice.<sup>16</sup>

*Capabilities:* As noted above, a patient in the process might be an agent in the outcome. This dynamic illustrates that considered over time, i.e. during the whole implementation of a project, beneficiaries might be both patients and agent, and the two roles are therefore not exclusive options for a social innovation as far as contingent moral patients are concerned. Column six of table one regards all modes of provision and looks at capabilities in terms of two categories: a) process: are beneficiaries morally considered in the process (patients), is their voice heard and do they have a say (agents)?; outcome: what capabilities are improved, what capabilities are harmed as a result of the social innovation. Column six adds as a further, relational point that is in danger of getting lost if beneficiaries are considered in isolation. Marginalisation is a relational phenomenon: some are at ‘the margin’ (in terms of health, educational and economic opportunity) as compared to others. Where this position is depended on those ‘in the centre’ – e.g. if one group's wealth is based on the exploitation of another, then equality and relative standing is important for dealing with the disadvantage.

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<sup>16</sup> In keeping with the capabilities approach, we need to emphasize that a position of choice does not mean that people have to get actively involved in decision-making (for example as homeless people in a social housing program), but they have to be in a position to do so, if they so wish. This is the ‘liberal’ aspect of the capabilities approach. In practice, however, it is a matter of judgment to what extent choice remains a real opportunity, if those subjected to the respective policy or program do not exercise some control (the ‘republican’ concern that liberty might turn into domination, Pettit 2014).

**Table 1** Modes of provision, associated norms, beneficiaries from agent and patient perspective and collaborative strategies

Mode of provision	Main actors involved	Associated values & norms	Examples beneficiary as patient	Examples beneficiary as agent	Capabilities	Examples for collaborative strategies
Self	Individuals	Autarky	Lack of choice in self-provision	Individuals self-provide based on values and norms they have reason to value	<i>For all modes Process:</i> a) consideration, reflection and voice of marginalized groups in process (also relative to others); b) specific capabilities required for agency <i>Output and outcome:</i> a) capabilities fostered by mode of provision, also relative to other people's capabilities b) capabilities harmed by mode of provision, also relative to other people's capabilities	Market or public finance for informal/self-provision Public delegation of provision to informal/self-provision Public regulation of collective goods, e.g. property or user rights Informal solutions informing public decision-making
Informal	Family, Community	Solidarity, Community	Beneficiary as passive community member, part of a 'target group'	Beneficiary as active community member, using her agency to contribute to collective achievements		Public finance/fiscal arrangements for market provision such as subsidies/tax cuts Public delegation of provision (without finance) to market provision Public regulation of production processes, e.g. <i>certification</i> procedures Informal groupings that act as collective consumer on the market
Market	Enterprises	Self-interest, profit-maximisation, efficiency	Beneficiary as customer	Beneficiary as producer or as political/responsible consumer		Involvement of civil society and markets in the definition of targets and regulations Public-Private-Partnerships in delivery of goods or services
Public	State: government, administration and associated authorities	Representative and direct democracy, Legal justice and basic rights	Beneficiary as welfare-recipient	Beneficiary as citizen, involved in set-up and/or controlling provision of services (for example participatory budgeting)		Public-Private-Partnerships in delivery of goods or services Public regulation of professional associations and of service access Informal gathering to request and acquire professional services
Professional	Experts, Professional associations/net works	Expertise & knowledge, Professional codes	Beneficiary as service recipient	Beneficiary as layperson in position to control experts (for example via participatory councils)		



### *Fair space for social innovation*

The last point about distribution, makes it clear that beyond specific evaluative questions a more general issues suggests itself due to the still prevailing focus on innovation in markets: is public regulation and finance of innovation biased towards provisioning in markets, neglecting other modes of innovation in an ethically problematic way?

This is a very difficult and complex question. Still, our discussion so far suggests first pointers for thinking about it. Economic space for social innovation is de facto a matter of various modes. While one mode might be stronger than another depending on the respective welfare regime and economic system, all modes of provision seem generally present. For example, while the Soviet Union had a state-organised system of production, there were, already in the 1930s, publicly tolerated Kolkhoz markets for the exchange of artisanal production by market prices (Fitzpatrick 1999, 57<sup>17</sup>). As noted above, while market provision has significantly grown in capitalist regimes, household production has prevailed all along. While for any specific context, one mode of production might be preferable to another, as a global starting point a presumption of equality seems warranted: no mode seems preferable as such to any other. Rather, each mode has its own advantages and disadvantages. It is a question of the right ‘mix of modes’ to improve agency possibilities and functioning outcomes.<sup>18</sup> The exclusive focus on one mode is problematic for a fair and versatile space for social innovation. The above quoted EU-social innovation objective of increased market-uptake and job creation exhibits such problematic one-sidedness. One mode appears to *dominate* the others (to adopt a term used by Michael Walzer).

In a second step, the global starting point can be juxtaposed against the complexity of the modes of provision in context, following a basic insight of innovation system studies (Lundvall and Borrás 2005, 611-614): focus on the specific characteristics of a system and its emergence in a region, state or supra-national entity. In context, there are many questions such as: do eligibility criteria of public finance, fiscal advantages and dedicated regulation favour some modes of provision and collaborative strategies over others; are policies directly or indirectly aimed at creating space for social innovation also backed up with sufficient resources (for example, not only a commitment to multi-level governance according to the principle of subsidiarity from the EU but also resources to include new civil society actors at the local level; see Miquel et al. 2013, 158); do they also take into account that social innovation produces losers (for example, that moving away from commodification is against the interest of the respective market actors - the trend towards social business at the level of social innovation definition can be interpreted as market actors using their cultural capital to ‘re-commodify’ as far as possible) etc.?

For such questions in context, a general presumption of equality seems insufficient. Where to start in

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<sup>17</sup> Along with a ‘black’ or ‘second economy’ that always existed alongside state production.

<sup>18</sup> Where this includes then the ‘blocked’ mode discussion.

necessarily complex contexts? Recalling the Gandhi example, we can think of social innovations as ‘messages’.<sup>19</sup> In markets, prices signal information to producers and consumers. An increase in say energy prices can signal to producers that it is worthwhile to invest in innovation: new technologies for producing and storing energy. For social innovation, money as a universal currency does not apply across all modes. However, we can think of social innovators as ‘messages’ that there is an issue to be dealt with.

In the European context, such messages typically originate from civil society, and hence also highlight the role of informal provision. However, in keeping with our comprehensive approach to economic space, we stress that ‘messages’ can originate with actors from all modes of provision. An exception, however, might be organisations that are structurally required to maximise profits, as this introduces a clear tension with a primary pursuit of social goals.<sup>20</sup>

The ‘message’ and its frequent civil society origin has implications for the ‘scaling’ and ‘diffusion’ discussion of innovation. There is frequently no motive to attract further ‘customers’. Rather, the ‘message’ sends a signal into the respective public sphere that there is an issue worthy of public attention. As the profit motive for ‘scaling’ or ‘diffusion’ is much weaker than in business innovation or simply absent, and as moreover those from which the message originates might have little resources at hand for ‘effective’ signalling, the role of intermediaries becomes important (Evers and Brandsen 2016, 174). The role of social networks that can take on and distribute ‘messages’ is very important. And, as these in practice also might not have many resources, the role of applied social science and action research in interpreting the messages in their complexity emerges (Howaldt and Cropp 2017, Weaver and Kemp 2017, Nicholls 2015, Jessop et al. 2013). This task is not least one of value research. ‘Messages’ as such are neither good or bad. Rather, they have to be publicly discussed in terms of their relevance in indicating and dealing with disadvantage of agents and patients. If such a discussion is enabled, i.e. if there is listening and discussion with practical consequences, a fair and versatile space for social innovation is promoted.

There is some evidence that social innovation improves voices in social and environmental policy and explores new ways of including its beneficiaries (Evers and Brandsen 2016, 167, Ziegler et al. 2014, 196f). Still, our discussion of the agency-patency dynamic above suggests caution at this point. The ‘fairness’ of a social system depends on the considerations of all its members, and especially those who are disadvantaged (Rawls 1999). Yet, patients are unlikely to have much capacity to message, or simply to organise themselves collectively to get their voice heard. Moreover, the complex tasks of many working in social innovation along with their diverse, and insecure funding implies that there is frequently not much time to ‘message’: for

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<sup>19</sup> See Evers and Brandsen 2016, 162f, who in a context of urban social innovation discuss social innovations as messages. While their discussion is situated in a specific empirical context, we suggest that the ‘message’ idea is conceptually also relevant for the evaluative questions discussed here. The language of ‘thin’ price signals is appropriate for exchange relations; whereas the language of ‘messages’ seems appropriate to social innovations that require (often complex) communication.

<sup>20</sup> We leave it at this cautious formulation as even within such, frequently large organisations there might be space for ‘intrapreneurs’ or, perhaps as a result of a spin-out, ‘extrapreneurs’ that trigger social change within and between organisations (Tracey and Stott 2017, 55f).

example, regular and comprehensive reporting, let alone own research into the issue. These points suggest that for fostering a fair and versatile space for social innovation at least two issues have to be further discussed: the capability to associate, especially of the marginalised, and the role of the social state in creating and sustaining the infrastructure for people to engage in such tasks (education, economic security etc.).

Finally, ‘listening’ takes places across various modes of provision. This can be on the one hand important to improve effectiveness and impact (Scheuerle et al. 2016). At the same time, it introduces the possibility of messages getting captured, for better or worse, by more powerful actors (Pol and Bauler 2014). This tension seems unavoidable in a complex economic space. It underlines, however, the importance of strengthening voice and capability of association of the marginalised. This dynamic takes us back to an important insight from ‘simple pluralism’ that we will turn to it now.

### *Blocked modes and blocked collaborations*

Are there modes of provision that should be blocked? In his defence of pluralism, Michal Walzer came up with an impressive list, when he argued that some elements of the social world should be blocked from exchange on the market: human beings, political power, criminal justice, basic liberties such as free speech, marriage and procreation rights, membership in the polis, exemptions from public service (military, juries etc.), political offices, desperate exchanges, prizes and honours, divine grace, love and friendship, and criminal sales (Walzer 1983, 100-103). The list makes an important point about economic space for social innovation: not all possible modes of provision are ethically desirable.

‘Blocked exchange’ is a central concern for economic space for social innovation. For example, the concern with an ‘economistic’ reduction of social innovation is frequently the concern with the commodification of goods that should not be provided via the market (‘Education – not for sale’).

The modes of provision typology invites a generalisation of Walzer’s question, from ‘blocked exchange’ to ‘blocked mode of provision’. Market exchange is a central bone of contention. But we can also ask where a good should be provided informally, publicly, and/or professionally. For example, in Greece, Germany and the Netherlands home schooling, typically provided informally, is ‘blocked’ by law, whereas it is legal in Hungary, France, and the UK. In many countries, the state provides education, but some argue it should only regulate it (Van der Linden 2018). Health professionals often want to block the provision of health services by providers who have not obtained the respective certificates and training etc.

In addition, the collaborative pluralism of social innovation invites a further consideration: blocked collaborations across modes of provision. For example, there are numerous controversies around public-private partnerships, whether public goods should be provided - in part or entirely - by market actors (Schimpf and Ziegler 2018). One concern is that for goods and services linked to entitlements – e.g. freshwater

provision and the human right to water – market provision creates incentives that contradict the respective goal where business organisations maximise profit, and moreover, create a ‘black box’ hindering democratic accountability as it can be difficult for public regulators to hold private organisations accountable regarding pricing, investment decisions and staff policy.<sup>21</sup> Many concerns around a ‘neoliberal’ impact on social innovation concerns such reconfigurations in times of public budget cuts.

Except for extreme examples, our perspective does not automatically generate answers as to what should (not) be blocked. Rather, it provides a style of thinking about it:

- Not just a focus on the market, but on the whole variety of modes of provision
- When considering arguments for or against blocked modes or blocked collaborations, consider beneficiaries of the provision as patients and agents, and the disadvantage(s) overcome (or created) via the respective provision.

Taken together, blocked modes and blocked collaborations foster an important desideratum of an ethical focus on social innovation: avoiding pro-innovation bias. Rather than focusing only on social *innovations*, their diffusion etc., focus also on *exnovation*, i.e. the need to remove innovations that have ethically negative consequences, or to prevent them in the first place.

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<sup>21</sup>For these and related objections of the water justice movement, see Barlow 2008.

### 3. The extended social grid model

The typology introduced above provides a further refinement of the extended social grid model (Nicholls and Ziegler 2015). Inversely, the typology benefits from the extended social grid model for a more refined analysis of (mixed) modes of provision.

With respect to economic power, the typology of modes of provision (and of their combination) deepens the analysis of economic space for social innovation and of the goods and services provided. In addition to market provision, four further modes of provision come into view. We are not saying market provision plays no role for social innovation. Rather, the modes of provision offer a way to move beyond the frequently used, but analytically unsatisfactory, category of ‘non-market provision’ or ‘non-market social innovation’ by replacing it with a rich typology. We also stress that our point is not just about *additional* modes. Rather, much of the social innovation dynamic concerns the relation of these various modes. We introduce the term collaborative pluralism to make this point.

A richer analysis of economic space and its various modes of provision deepens the capability analysis within the extended social grid model. How do modes of provision foster or prevent agency of heterogeneous participants and groups in social innovation processes? While much of this depends on the details of the respective good and service, a variety of modes increases the participation opportunities and the benefits of offering and using goods and services. One reason is due to diversity: one mode of providing a good is more appropriate for a specific group and its relation between providers and beneficiaries, whereas another mode is more suitable for another group. Take the example of public provisioning for job placement services, only available to citizens registered for more than five years in a particular residence. The individual trait of having lived in the same place over the last five years becomes a discriminatory characteristic: those who arrived more recently are excluded from the service and therefore disadvantaged. If provision expands to a private or civil society provider selection criteria are likely to change and ‘duration of residence’ ceases to be (as) relevant. Other traits gain importance, such as access to resources (if the service costs), membership in a community (if the provider is based on say a religious charity) or availability of information (if the main promotion mechanism relies on word-of-mouth). There is a reshuffling of traits that define who assumes a (dis)advantaged position with respect to the conversion process. Inversely, the imposition or domination of one mode of provision reduces agency and choice. For example, the extension of centrally provided freshwater supplies puts considerable pressure on decentralized informal water providers in rural areas, sometimes forcing them to change the mode of provision against their will (Ziegler 2017b). Collaborative pluralism calls for an examination of the respective social innovation and marginalisation cases.

A related issue is the consideration of patency. Social innovation discourse, at least in the EU, emphasises the active involvement of citizens in social innovation processes. Closer consideration of agency in social

innovation for marginalised groups suggests two points: First, marginalised groups are likely to have limited agency precisely due to their marginalised position. Second, some groups that ought to be morally considered are permanent patients (e.g. animals). Both points raise the question which mode(s) or reconfiguration(s) is appropriate to foster, respectively, agency and the consideration of beneficiaries?

The extended social grid model supports a refined analysis of economic space for social innovation, and its (mixed) modes of provision. The social grid analysis, and its analytical separation of cognitive frames, institutions and social networks (Beckert 2010) helpfully refines the analysis of modes of provision and collaborative pluralism. It shows the complexity of reconfigurations across modes of provision:

- *Transfer of values associated with a cognitive frame.* Values such as reciprocity associated with the solidarity-economy cognitive frame in informal provision can travel to market provision if social enterprises include them in their missions. Reversely, values such as self-interest and profit-maximisation associated with neoliberalism as a cognitive frame can travel to informal or public provision. In practice, such questions of transfer imply tension between different ‘institutional logics’ (Vickers et al. 2017) that require negotiation within the collaboration.
- *Formal or informal rules originating within one mode can influence other modes.* In public-private partnerships, there is a public regulation of market provision. For example, when water is ‘privatised’, the state and municipalities still can determine the rules according to which private operations can provide water. Inversely, when water is re-municipalised, business rules relating to profits and organisational structure might prevail under public provision (Härilin 2017).
- *Social networks advocating a mode of provision or its reconfiguration can draw actors associated with other modes.* Social innovation cases repeatedly show that effective networks are able to organise support and coalitions with actors from other modes. Social activists can benefit from support by professionals, public administrators or business. Again, networks are ambivalent: as coalitions they can strengthen a social case, but they can also capture, reduce or change the social goal.

As far as basic needs and central capabilities are concerned, the state is likely to regulate the respective entitlement. Put differently, it is not helpful to think of the modes as separate worlds or sectors. They are, to use a term of Mann, ‘entwined’, and we would expect state and public sectors to play a particularly important role in this ‘entwining’. The *extended* social grid not only takes into account economic sources of power, but also political, cultural, environmental, artefactual and security-related ones (Mann 2013, Heiskala 2016). While the analysis of economic power centrally focuses on the production and use of goods and services, this extension serves as a helpful reminder that the social world includes more than goods and services. While we focus here on economic space for social innovation, this point reminds us that this should not be mistaken as a complete focus on social innovation.

Finally, the extended social grid model encourages a more reflexive use of the capabilities perspective, as itself a cognitive frame advanced by a network of social scientists and policy-makers with a view to institutional change, especially in relation to development, poverty and basic justice (for example Human Development Reports since 1990). It is not itself neutral. Social innovation research is value-laden both in theory and practice. This is no disadvantage; rather our perspective should be seen as one ethical approach amongst other making the topic available for analysis (Ziegler 2017a).

## 4. Conclusion

This chapter draws from the capabilities approach and a typology of modes of provision for the analysis of economic space for social innovation. The typology enables a move beyond markets without lapsing into a black-box of ‘non-markets’. It shows that multiple modes comprise that space. While market provision is important, it is only one mode. An exclusive focus on market uptake of innovation and job creation is like removing all but one wheel from a vehicle, and then wanting to drive on.

In a nutshell, the case for the collaborative pluralism of social innovation is based on four points: 1) A focus on modes of provision and their interrelation improve the empirical grasp of ‘economic space’: instead of markets and non-markets it offers a typology that can be empirically explored. 2) Due to the diversity of people and their social and environmental contexts, a variety of modes of provision in principle improves choice and outcomes. 3) The last point especially also holds for patients, whose well-being is unlikely to be met via one mode only. 4) Societies, however, are in a constant process of change; social innovation as ‘message’ points to changes in modes of provision and reconfiguration that *prima facie* need to be reconfigured for fostering and securing a fair space for social innovation.

We stress that there is nothing automatic about this process. Rather, much depends on societies capacity to ‘message’ as well as to ‘listen’, where taking a balanced perspective includes paying attention to consider blocked modes and blocked reconfigurations. There is no unitary ‘pricing’-mechanism that communicates social innovation messages. That is why we have proposed that rather than exploring the contours of an ideal economic space for social innovation, we could start from social innovation as messages emerging from issues around modes of provision in the real world, the capacities to ‘listen’ and act on those as well as the capacity, especially of those marginalised, to ‘message’.

Investigating this proposal further raises many questions: from the identification of social innovation to the requirements of ‘listening’ and drawing the practical consequences. While these are in part questions for social science, it is also a call for reflection on the role of value research in social innovation analysis. Can researchers offer a test for ‘good’ and ‘bad’ social innovations (as Mulgan 2015, xvi demands)? There is no unitary good or social value; no ethical expert can offer a litmus test for social innovation policies and projects, as some versions of welfarist or utilitarian approaches to social innovation might lead one to expect.<sup>22</sup> Rather, there is a heterogeneous, interrelated set of ends in social innovation processes. The ethical task is to ensure that these ends are present in the discussion of social innovation reconfigurations: which ends are involved, whose ends are they, and how are they distributed? Perhaps, sometimes there are genuine ‘win-win’ cases where everyone gains, or Pareto cases where no one is made worse-off. More likely, reconfigurations imply distributive consequences where some are made better-off and some worse, where some capabilities

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<sup>22</sup>Ayob et al. 2016, 645 classify Mulgan within a utilitarian tradition of thinking about value in social innovation research.



improve and others are reduced or blocked. Thus, a normatively explicit approach to social innovation research is unlikely to yield social innovation evaluations in terms of ‘good’ or ‘bad’, but rather some gains in some capabilities for some groups, and some losses in others. Such results can contribute to an enriched discussion and judgement formation. The role of ethical research on economic space for social innovation is neither prescriptive, in the sense of yielding imperatives of what policy-makers or social innovators should do; nor relativist, in the sense of delegating all value judgments to social innovators and policy-makers. Researchers are themselves participants among others in the process. In this role, they can draw on the discussion within ethics to draw attention to what they propose as ethically relevant issues.

While we proposed here a capabilities approach to these issues, there are, partly complementary, partly conflicting, ethical perspectives for the investigation of economic space for social innovation. As far as we know there is no extant ethics literature on economic space for social innovation. Hence we can only cautiously sketch differences of our approach vis-à-vis other ethical positions. We already noted some scepticism with respect to a utilitarian perspective on our topic. While an operationalisable focus on maximising utility would yield a decision-tool for ‘good’ and ‘bad’ social innovations in terms of the respective overall positive or negative contribution to social value, such a decision-tool risks undermining attention to marginalised groups and individuals in the name of the greater good. This classic liberal objection to utilitarianism takes us to liberal resourcist perspectives (Rawls 1999). Due to the clustering of negative effects among marginalised groups, Rawls’ focus on the least-advantaged in terms of income and wealth may overlap with a focus on the marginalised identified by their disadvantages in relation to central capabilities; however, it puts more emphasis on the relational impact of those better-off on those worse-off. It also adds a long-term focus on the stability of just institutions via discussions of a just-savings principle, especially relevant to the state as a large-scale investor in innovation (Ziegler 2015). However, a singular focus on resources risks overlooking conversion differences due to personal, social and environmental heterogeneity. In fact, the focus on income and wealth as main indicators of economic inequality seems precisely to risk a reductive focus on economic space. Finally, a republican focus on the control of power (Pettit 2014) highlights that innovation produces winners and losers, encounters resistance and hence raises important questions of power and domination. But is the republican focus on civic control equipped to deal with permanent patients? Its singular focus on freedom might be problematic regarding the non-agency concerns relevant for ethical evaluation. So much for some hints at the many further, partly complementary research possibilities. In our view, the rich, internally heterogeneous, open, framework of the capabilities approach offers a fruitful invitation for further discussion.<sup>23</sup>

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<sup>23</sup> See Robeyns 2016 for a methodological proposal how the capabilities approach can be fruitfully linked to both social science research and a variety of further normative theories.

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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.

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