Radical futures? Exploring the policy relevance of social innovation

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Abstract

Purpose – This paper aims to unpack the sets of policy ideas underpinning the use of social innovation, thus permeating the allegedly politically neutral language of the concept.

Design/methodology/approach – Drawing on Daigneault (2014), this paper adapts a four-dimensional approach to investigate the sets of ideas underpinning different conceptualisations of social innovation, particularly in relation to who the actors driving social change are, the nature of the problems addressed, the objectives pursued and the means used to achieve these objectives.

Findings – Applying the four-dimensional approach to a corpus of literature, this paper found evidence of two different perspectives along each dimension, namely, a radical empowerment approach and an incremental market-oriented one.

Research limitations/implications – A limitation of the study is the focus on academic literature, whereas a broader focus on policy discourse may give further insights. However, this paper argues that this study can be the ground for future research to investigate whether and how the two approaches identified have been adopted in different institutional and policy contexts.

Originality/value – The paper contributes to the development of social innovation research by boosting and encouraging further investigation on how different sets of ideas underpin social innovation discourse and its use as a policy concept.

Keywords Empowerment, Social innovation, Policy ideas

Paper type Research paper

1. Introduction

In many countries, the concept of social innovation is presented as a "new" or at least a renewed approach to tackling interconnected social problems. Emerging from different theoretical perspectives, the concept has begun to converge broadly around the notion of collaborative approaches aimed at tackling social problems and/or achieving social change (Ayob *et al.*, 2016; Montgomery, 2016; Ziegler, 2017). The alleged neutrality of the concept implies that social innovation is often perceived as a technical solution to address complex social problems, which is detached from wider political implications. From this perspective,

by sharing ideas and involving stakeholders from different sectors, social innovation enables new solutions to social problems. This "collaborative discourse" (Ziegler, 2017) is attractive to policymakers across the political spectrum, as it leaves space for considerable variation concerning the extent of the collaboration (who is involved), the nature of the social problems addressed, the social change, which is aspired to and the means by which these goals are achieved (Ayob *et al.*, 2016; Ziegler, 2017). Therefore, the moral principles and policy ideas underpinning social innovation policy approaches are concealed (Teasdale *et al.*, 2020).

In this paper, we focus on academic social innovation literature to unpack the framework (s) of ideas, which underpin the concept of social innovation and develop a lens to permeate the alleged neutrality of the concept. We adapt a four-dimensional approach drawing on Daigneault (2014) to specify who the actors collaborating and driving social innovation are, the nature of the problems they seek to address, the objectives they pursue and the means used to achieve these objectives. Applying this approach to analyse a corpus of literature investigating the policy relevance of social innovation, we find evidence of a radical empowerment approach and a more incremental market-oriented one along each dimension. This helps us to sketch out the different policy agendas deriving from both approaches.

The paper proceeds as follows. Firstly, we offer a brief introduction to social innovation as a policy concept. Then, we turn attention to how academic literature has treated the role of ideas in policymaking. This leads us to adapt Daigneualt's four-dimensional framework to investigate different understandings of social innovation as sets of policy ideas. Our methods section describes how we selected articles for review, and the approach to analysis. Our findings are constructed around each of the four identified dimensions, namely, actors, problems, objectives, means. In our discussion section, we bring together these dimensions to develop a typology, which distinguishes between a radical empowerment approach to social innovation and a more incremental market-based approach. Our findings are discussed in the context of existing literature before setting out implications for future research.

2. Background: social innovation and policy ideas
2.1 The policy relevance of social innovation
Our study is located within a wider literature on social innovation and its policy relevance. Although social innovation is not a new concept, the relevance of social innovation as a policy concept and its role in relation to the reform of existing welfare provision has gained momentum in recent years.

As noted by Godin (2012) social innovation was originally posited as a challenge to religious traditions and political orthodoxies in the 19th century. The label social innovators was applied to those (particularly socialists) seeking to subvert the established order. As the meaning of innovation, in general, has gained a more positive connotation, social innovation has come to be seen as a post-welfarist approach to addressing interconnected social problems, bypassing the silos and bureaucracy associated with "traditional" welfare states, and bringing the knowledge and expertise of the social sector to the policy table (Mulgan *et al.*, 2007). In this context, social innovation relates to new ways of creating public value (Osborne, 2006; Teasdale and Dey, 2019; Brandsen *et al.*, 2016), which, as we shall show, can be distinguished by their different ideological underpinnings.

The social innovation concept has a rich academic heritage and derives from distinct disciplinary traditions including sociology, management, design, urban geography and innovation studies (Nicholls and Murdock, 2012; Edwards-Schachter and Wallace, 2017). Ayob *et al.* (2016) trace the emergence of social innovation as an academic concept, showing how, over time, it has blurred a focus on the social conditions necessary to trigger innovation (read collaboration) with a focus on the social change created by innovation. While detracting from

analytical utility, this blurring of approaches has opened up the concept of social innovation to a wide range of academic, policy and practitioner audiences (Anheier *et al.*, 2015; Eriksson *et al.*, 2014). The essential elements of social innovation are that it is social in its means and its ends (Murray *et al.*, 2010). However, this can be interpreted in different ways (Marques *et al.*, 2018). There is usually some consensus that social innovation involves some form of collaboration (the social means). Contestation tends to focus on the nature of the social ends pursued and/or created through social innovation (Montgomery, 2016). In this sense, it is possible to recognise, on the one hand, those who recognise social innovation as any marginal improvement to the quantity or quality of life (Pol and Ville, 2009; Edwards-Schachter *et al.*, 2012); and, on the other hand, more radical perspectives focussing on the democratic restructuring of social relations brought about by social innovation (Moulaert *et al.*, 2005; Moulaert and MacCallum, 2019).

Social innovation emerged onto the mainstream political agendas around 2008–2010 in the US and Europe (Bonifacio, 2014; Edmiston, 2015; Sinclair and Baglioni, 2014). This followed interest in the concept from powerful transnational actors. In 2000, the organization for economic co-operation and development launched a Forum on social innovation to facilitate international dissemination and transfer of best policies and practices on social innovation. In 2009, President Obama created the Office for Social Innovation and Civic Participation in the US Government. The office aimed at identifying and scaling solutions to social problems that emerged from market and civil society-based initiatives, with a major focus on cross-sector working.

In 2010, the European Commission President Barroso famously stated that "the financial and economic crisis makes creativity and innovation in general, and social innovation in particular, even more important" (Social Innovation eXchange, 2010), positioning social innovation as a key element of the EU2020 strategy (Edmiston, 2015). In this strategy, social innovation is defined as:

> Developing new ideas, services and models to better address social issues. It invites input from public and private actors, including civil society, to improve social services [1].

Hence, at a policy level, there is a focus on collaboration and cross-sector approaches to problem-solving (or input from different actors), aimed at improving social issues. The social issues to be addressed are rarely specified, nor is there mention of the desired end state to which social innovation might lead us (Teasdale *et al.*, 2020). As such, social innovation is often portrayed as politically neutral (Edmiston, 2016). However, as our next section makes clearer, policy ideas are rarely, if ever, neutral in their implementation. Ideas inform policy agendas and practices and structure actors choices (Daigneault, 2014).

2.2 The role of ideas in policy-making

Prior to the 1990s ideas were treated "instrumentally and functionally" as dependent variables (i.e. solutions to pre-existing problems) (Blyth, 1997, p. 229) in policy analysis. During the 1990s, the "ideational turn" in political studies brought to the fore the role of ideas in policymaking processes (Béland, 2005; Béland and Cox, 2010; Blyth, 1997; Campbell, 1998). Research within this tradition moved towards the role of ideas in shaping policy agendas, and understanding policy change. The emphasis on the role of ideas does not imply that ideational scholars have underestimated the interests of actors and the institutional configurations in which they move. Far from denying the role of historical institutional context and actors' choices, the ideational approach is actually rather agency-centered. Indeed, it explains change as the results of actors' choices, and sees these choices as constructed by actors' interests and historical and institutional paths (Surel, 2000; Béland and Cox, 2010).

This emphasis on ideas can be traced back to previous theories about policymaking processes, particularly to Kingdon's multiple streams (Kingdon, 2014) and Hall's policy paradigms (Hall, 1993). In his work *Agendas, alternatives and public policies* (2014 [1984]),

Kingdon argued that solutions are not selected based purely on a rational choice, but are the result of multiple ideational and institutional factors. This perspective recognises that in policymaking a fundamental ambiguity conditions and limits the rationality under which any choice is made. Kingdon argued that an idea enters the policy agenda when a "policy window" opens that is when an opportunity opens for advocates to promote their (pre-existing) solutions to new problems. According to this theory, nothing is new, and any policy alternative emerging as a solution is a new recombination of familiar elements. The sudden opening of a window of opportunity can lead to the paradox of policy solutions searching for problems (Zahariadis, 2008) or even to policies designed as a response to one particular problem being used to address another seemingly unrelated problem (Béland, 2005).

While Kingdon marked a break from the past in treating ideas as potentially independent from policies, Hall's theory of policy paradigms takes this a stage further in showing how ideas underpin political decision-making. Hall developed the concept of policy paradigms in his research into the change in British economic policy between the 1970s and 1980s. He defined a policy paradigm as "a framework of ideas and standards that specifies not only the goals of policy and the kind of instruments that can be used to attain them but also the very nature of the problems they are meant to be addressing" (Hall, 1993, p. 279). Hall adopted Kuhn's concept of scientific paradigm more in a metaphorical than in an analytical way, as "a set of ideas, beliefs and principles that guide policy" (Daigneault, 2014, p. 456).

Within the ideational tradition, scholars have variously discussed the status and definition of ideas, as theories, values, norms, worldviews, mechanisms of identity formation and the relation between ideas and paradigms. For instance, Surel showed how, at an ontological level, policy actors are guided by normative and cognitively held beliefs, which both guide the development and implementation of policies (Surel, 2000). Campbell explored the different roles of ideas in policymaking, as background (cognitive) taken-for-granted assumptions or as explicitly articulated (normative) theories at the forefront (Campbell, 1998). The key point here is that ideas shape policies, as they influence decisions. This poses a distinct challenge to the concept of policymaking as a rational and technocratic process.

Drawing on this tradition, Daigneault (2014) sought to translate Hall's concept or paradigm for analytical purposes, aiming to more clearly specify policy paradigms as sets of ideas underpinning the policymaking process. He identified four dimensions underpinning actors' policy choices, namely, the values and assumptions about social justice and the role of the state underpinning the paradigm; the conceptualisation of problems; the identification of the ends and objectives to be pursued; and the appropriate means and instruments needed to achieve them (Daigneault, 2014, p. 461). While there is ongoing debate as to whether the language of policy paradigms can usefully be applied to all areas of policymaking (Baumgartner, 2014), it is generally accepted that ideational frameworks shape policy decisions (Nicholls and Teasdale, 2016). In the next section, we outline how the framework developed by Daigneualt can usefully be adapted to understand how (and identify which) ideational frameworks underpin different approaches to social innovation.

3. Methodology
Following Daigneault, our empirical focus was on a set of academic literature on social innovation to identify different perspectives as to the appropriate role of the state, conceptions of the problem that should be addressed through social innovation, identification of the more specific policy objectives to be pursued and the policy instruments used to achieve such goals. The aim was not to "pigeon-hole" authors into different traditions, but rather to begin to reveal the different ideas underpinning social innovation

policy approaches, and then to search for patterns that might point to more consistent ideational frameworks.

The initial literature search was conducted in December 2015, during the first year of the lead author's doctoral thesis. Relevant literature was identified through searches on ProQuest and Google Scholar. The search made use of strings containing key concepts and synonymous in three different areas:

(1) Social innovation.

(2) Social and public policies.

(3) Welfare and social reforms.

Keywords were identified for each area and strings were created to search the databases. Papers published between 2005 and 2015 were selected.

Table 1 sets out our initial scoping search on ProQuest to demonstrate the processes we went through in narrowing down the literature.

A literature search was also conducted on Google Scholar. As Google Scholar does not allow the same string to be applied, which were used in ProQuest, nor to limit the search to title and abstract, the search strategy had to be slightly modified. Google Scholar only allows searches in full text or in the title. Therefore, the search was limited to the title of papers, as a search of full text resulted in a lack of sensitivity (and over 90.000 results). A simplified string was, therefore, used: "social innovation" AND (policy OR policies). This search produced 99 results.

Searches	String	Result	Notes
Search 1	"Social innovation" AND ("social policy" OR "public policy" OR polic* OR welfare OR reform)	8.233 sources	This result was too broad The group of keywords related to "polic*" was isolated from "welfare OR reform"
Search 2	"Social innovation" AND ("social policy" OR "public policy" OR polic*) AND (welfare OR reform)	2.740 sources	The search was refined but lacked sensitivity The keyword "polic*" was isolated from all the others The search was also refined using the option "anywhere except full text", as the phrase "social innovation" is used quite often in texts, which are not related to the research topic
Search 3	All ("social innovation" AND polic* AND (social OR public OR welfare OR reform))	1.168 sources	The result was still too broad and still lacked specificity The search was narrowed within the confines of the abstract and title to increase specificity
Search 4	Ab ("social innovation" AND polic* AND (social OR public OR welfare OR reform))	321 sources	Newspapers, Wire feed, Magazine and Trade Journal were excluded to narrow the results and include only academic literature (including journal articles, reports, working papers)
Search 5	Ab ("social innovation" AND polic* AND (social OR public OR welfare OR reform))	200 sources	Acceptable result.

Table 1.
Scoping search and results

As Google Scholar includes a larger range of sources, the search on Google Scholar included a number of relevant sources that were not captured by ProQuest. After duplicates were removed from the combined set of outputs, 276 sources were collected and screened. Of those, 232 were excluded due to lack of relevance and 44 sources were fully read. Subsequently, four additional relevant sources published after December 2015 (date of the initial review) were added to the sample.

The 48 selected papers were fully read and coded using structural coding (Saldaña, 2015), which allows to code segments of data that relate to a specific research question or topic. Relevant text was initially coded against the four dimensions identified by Daigneault. In a second round of coding, we developed themes within each of the broad codes:

- The role of the state and social justice. While it was almost impossible to identify explicit statements as to what social justice "is", we were able to identify differences around the appropriate role of the state and the market in pursuing social justice.

- Conceptions of the problem that needs addressing through social innovation. Here, problems were classified by whether they were economic – e.g. particularly as a response to the global financial crisis – or whether they were concerned with creating the conditions for society to flourish.

- Identification of policy objectives to be pursued. We classified policy objectives according to whether they were focussed on supporting economic growth or on creating the democratic conditions necessary for empowerment and social justice.

- Policy means. Here we sought to identify the more specific policy means and instruments used to pursue social innovation. We distinguished between those that sought to bring the efficacy of markets to tackling social problems (e.g. social impact bonds), and those that incorporated democratic approaches into policy decision-making (e.g. participatory budgeting approaches).

In our findings section, we describe the ideas identified against each of these dimensions, in turn. This leads in our discussion section to the development of a typology of different ideas underpinning social innovation policy approaches and policies.

4. Findings
4.1 Social justice and the role of the state
While it proved difficult to identify ideas as to what social justice is (or should be) from the academic articles, it was noticeable that there is considerable debate as to the appropriate role of the state (or market) in social innovation approaches to pursuing social justice.

Many studies refer to relationships between multiple private and public actors as an intrinsic characteristic of social innovation (Chalmers, 2013; Fougère et al., 2017). In a review published in 2016, Ayob, Teasdale and Fagan (Ayob et al., 2016) drew upon the existing literature to characterise social innovation "as a process, whereby new forms of social relations lead to societal change" (Ayob et al., 2016, p. 14). Despite broad consensus on the importance of inter-sectoral collaboration in the design and delivery of social innovation, it is noticeable that different authors place different emphases on the appropriate role that should be played by state and public bodies as compared to non-governmental actors.

One set of literature attaches primary importance to public bodies in promoting, guiding and regulating social innovation and in the state determining what social justice ought to be. From this perspective, government can play a role in catalysing social justice through social innovation policy. Moore and Westley (2011) and Moore et al. (2012) identified four different phases in the development of social innovation and observed how cross-sector

collaborations are an important element during the first phase when a crisis manifests the vulnerability of a system and the solution emerges through collaboration between previously disconnected actors. They highlighted the role of the public sector, particularly in terms of enabling interactions between different groups to create partnerships able to catalyse the emergence of new ideas and facilitate the development of social innovation.

In this context, the discourse on social innovation is closely linked to that concerning public sector innovation, meaning new models of policy production and implementation, new approaches to measurement and accountability and the creation of innovative public sector organisations, which are able to promote social innovation (Cressey *et al.*, 2015). This is particularly relevant at a local level, where social innovation can complement existing welfare programmes and is related to a tendency towards decentralisation, the promotion of multi-level governance models in the public sector (Oosterlynck *et al.*, 2013) and a shift in local authorities' traditional approach to social care (Henderson *et al.*, 2019). Social innovation is part of an emerging "welfare mix", where welfare provisions are increasingly shaped through the involvement of various types of actors with a guiding role played by local authorities (Ewert and Evers, 2014). In this context, the debate on social innovation also relates to social policy and welfare reforms, diverting the debate about the "social investment state" towards the importance of local strategies and "new forms and instruments of public governance such as networks, partnerships, urban and local politics, as well as inter-urban alliances" (Ewert and Evers, 2014, p. 431).

A second set of literature emphasises the roles played by private actors in developing social innovation and pursuing social justice. For instance, social innovation is often used to refer to the dynamic involvement of "non-state actors in the delivery of social services" (Harslof, 2014, p. 112). These non-state actors can include the third sector, social enterprises, community organisations and social movements. The third sector, in its various forms, is a relevant player supporting the development of social innovation, both by implementing social innovation initiatives and advocating for social innovation at a public and policy level (Anheier *et al.*, 2015; Eriksson *et al.*, 2014; Borzaga and Bodini, 2014).

Other studies highlighted the roles of non-state initiatives within communities and individual entrepreneurs (not necessarily "social" ones). From this perspective, social innovation differs from other social actions because it values the community as a social agent, sees the community sector as an industry and fosters the formation of community-led and -owned social enterprises (Adams and Hess, 2010). Bottom-up initiatives and forms of democratic governance are key in developing social innovation, and "Schumpeterian" entrepreneurs, citizen mobilisation and participation play a crucial role in developing social innovation (Edwards-Schachter *et al.*, 2012). Effectively, social innovation pursues social justice through the contribution of "small organisations, individuals and groups who have the new ideas and are mobile, quick and able to cross-pollinate". The state is just one (of many) possible actors involved in the implementation of social innovation, as big organisations are "poor at creativity but generally good at implementation, and which have the resilience, roots and scale to make things happen" (Caulier-Grice, Kahn *et al.*, 2010, p. 27).

In summary, although there is some consensus that social innovation is characterised by cross-sector relations and that both public sector and private initiatives are involved, it is nevertheless possible to identify two broad sets of positions. On the one side is a group emphasising the role of private initiative and assigning to it the creation of social innovation and its disruptive and forceful dynamic, with the state is seen as having a mostly supportive and regulatory role. On the other side are those who emphasise the role of public actors at different levels (national and local), in relation to leading or guiding social justice, as either innovator or coordinator.

4.2 Conceptions of problems: societal and economic challenges
Many definitions of social innovation have emphasised its positive potential to solve a variety of problems (Caulier-Grice *et al.*, 2010; Phills *et al.*, 2008; Pol and Ville, 2009). However, the nature of these problems is often poorly specified, such that social innovation is treated as a "policy panacea" with inherent problem-solving capacities (Benneworth *et al.*, 2015; Grimm *et al.*, 2013; Segercrantz and Seeck, 2013). Our review highlighted a distinction between articles, which focus on the social dimension of problems, and those which adopt an economic perspective. This distinction is blurred somewhat, as in many European countries social innovation policies are developed in the fields of social services, health, work integration and community development, but are promoted by ministries responsible for the economy (Anheier *et al.*, 2015).

One set of literature sees social innovation as emerging to cope with economic problems following the financial crisis and relates social innovation to the inability of governments to address these problems. From this perspective, social innovation is often advocated as a response to economic stagnation, austerity measures introduced to respond to public budget deficits, changing demand for welfare support.

Bonifacio (2014) noted that social innovation became an increasingly popular concept in European discourse after 2008, when the financial crisis seemed to expose the reality of inequality in Europe. social innovation has since appeared in the European policy landscape as a convenient response in a situation of budget constraints. On similar lines, it has been observed that social innovation emerged as a response to the crisis of public accounting. In recent years, economic austerity measures have led to the abandonment of universal services coverage in many states, resulting in increased social tensions. Social innovation has emerged in this context as a diffused potential response to these tensions (Ewert and Evers, 2014; Oosterlynck *et al.*, 2013).

From this perspective, problems addressed by social innovation originated primarily from the inability of the welfare state and governments to deliver social justice in an increasingly connected world, and required the intervention of non-state actors, such as the third sector, entrepreneurs and citizens (Caulier-Grice *et al.*, 2010; Borzaga and Bodini, 2014).

Another set of literature placed particular emphasis on the social and social policy dimension of the problems addressed by social innovation. Positioning economic and social crisis as caused primarily by market mechanisms, social innovation triggers dynamics of change, activating a re-elaboration of diffuse local practices, evaluating impacts, developing networks and participation and playing a key role in the reform of welfare policies (Bertin, 2015). from this perspective, social innovation address articulations of new social relations as an important element of new economic arrangements (Avelino *et al.*, 2015).

Also, within this tradition, Amanatidou *et al.* (2018, 2014) focussed on the social dimension of the issues addressed by social innovation, and highlighted how different interpretations of social innovation correspond to different degrees of "sociality" or models of social engagement, according to the different roles of society present in the various definitions of social innovation. Amanatidou *et al.* (2014) recognised four variations in the way society is reflected in social innovation definitions, namely, a first level of sociality where social innovation addresses social needs in a broad sense; a second level where not just the ends but also the means are characterised as social; a third level where the focus is on society's participation and engagement; and a fourth level characterised by the development of capacities, empowerment, democracy and solidarity within society. Similarly, in a more recent study, Amanatidou *et al.* (2018) distinguished three growing levels of societal engagement in social innovation definitions, namely, a first level that they

called "society consulted", a second level called "society in partnership" and a third level characterised by "society in control" (Amanatidou *et al.*, 2018, pp. 20–21).

Both sets of literature position social innovation as a response to crisis. However, there are two different perspectives on which types of problems should be tackled through social innovation. One set of literature sees the emergence of social innovation in relation to the need to allocate scarce resources in a time of economic crisis. This perspective relates social innovation to the inability of welfare systems and the state to cope with emerging needs. Another set of literature sees social innovation as primarily addressing pressing social issues and the need for a radical change in social structures and relations.

4.3 Policy objectives and outcomes: empowerment of disadvantages and economic growth
Relating closely to the problems social innovation is designed to address, conceptions of policy objectives to be addressed are divided between those aimed at empowering individuals and communities to develop social justice, and those that see social innovation as a necessary complement to (sustainable) economic and technological growth.

The former approach has been recognised as important in investigating the role of social innovation in the governance and socio-economic development of urban communities (Moulaert *et al.*, 2005; Moulaert *et al.*, 2007). In this context, scholars emphasised the social dimension of social innovation, arguing that social innovation aims to increase "socio-political capability and access to resources" and to enhance the "rights to satisfaction of human needs and participation" (Moulaert *et al.*, 2005, p. 1976). Hence, social innovation involves developing the capacity for individuals and communities to resist neoliberalism, and elaborate locally embedded alternatives (Moulaert *et al.*, 2007: 206). From this perspective, social innovation is aimed at a "transformation of institutions, overthrowing oppressive structures with power, collective agency to address non-satisfied needs, building of empowering social relations from the bottom-up" (Moulaert and Van Dyck, 2013, p. 466). The policy objectives are the empowerment of disadvantaged groups, the creation of democratic conditions necessary to pursue social justice and the eventual radical transformation of power relations in society. Here, the transformative potential of social innovation relates to changing existing power relations and promoting processes of empowerment (Avelino *et al.*, 2019a, Avelino *et al.*, 2019b; Pel *et al.*, 2020).

A second perspective is less focussed on the capacity of social innovation to foster the empowerment of the disadvantaged, and highlights instead the potential of social innovation in acting as a complement to sustainable economic growth, particularly during times of economic crisis. In this context, the link between social innovation and the broader concept of innovation emerges. Along these lines, Howaldt and Schwarz (2010, p. 7) noted that the economic shift "from an industrial society to a knowledge and service economy" entailed a paradigm shift in innovation theory from a focus on technological innovation to a theory integrating the economic dimensions of innovation with social ones. From this perspective, social innovation becomes the central concept in a new integrated theory of socio-technical innovation, which is able to integrate economic growth with a form of development that should be not only economically but also environmentally and socially sustainable.

It is notable that the literature has rarely focussed explicitly on social innovation's objectives. However, we can note that where the "problem" is conceived of as the disintegration of society caused by neoliberal growth strategies, social innovation becomes a means to creating new social structures, which challenge inequality and injustice through the empowerment of disadvantaged groups. Where the problem is conceived as the welfare

state being incapable of delivering sustainable economic growth, social innovation becomes a means of reintegrating the social and economic dimensions of innovation.

4.4 Policy means: governance strategies and financial instruments

Our review identified two broad groups of policy instruments designed to facilitate social innovation, namely, democratic innovations such as coproduction and participatory budgeting and social investment approaches designed to attract private funding for social welfare and/or direct such funding towards non-state actors delivering (what were once) public services. Many authors focussed on reforming welfare systems and policymaking processes as a means to foster social innovation. Such reforms were designed to enhance the capacity of public institutions through introducing more participatory and deliberative mechanisms for decision-making and resource allocation (Cressey et al., 2015). In essence, these authors focus on social innovation *within* public institutions. Here, a particular emphasis is on local governance (Ewert and Evers, 2014). Moulaert, Martinelli et al. (2007) argued that models of social innovation challenge the established urban governance model and promote the importance of a new model of urban governance, which is able to enhance participation, and support small scale projects, bottom-up engagement and sustainable human development. Oosterlynck et al. (2013) also highlighted the importance of governance changes towards multi-level models to foster social innovation. This would require valuing new forms of participation and new instruments. Participatory budgeting, for instance, is recognised as a tool able to promote new models of governance and collaboration amongst actors implementing social innovation (Novi and Leubolt, 2005; Goldfrank, 2013). Similarly, Avelino et al. (2015) highlight how social innovation contributes to renewing social relations while promoting new economy arrangements that challenge established institutional constellations in the existing economy.

A second group of authors focus more on policy instruments designed to facilitate social innovation outside of the public sector. Moore and Westley (2011) and Moore et al. (2012) identify four phases in the development of social innovation, and associated each phase to different policy options, focussing alternatively on the different actors involved. In the initial phase, when "a crisis or disturbance makes it clear that the status quo is no longer an option" (Moore and Westley, 2011, p. 3), policymakers should enable interactions between previously disconnected groups to facilitate a more nuanced understanding of complex problems, thus enabling the generation of new ideas and innovations. In a second phase, when groups gather around new ideas and innovations, it is important for policies to implement evaluation and selection processes to identify the successful options. After this, the exploitation phase follows, in which resources need to be leveraged and barriers removed, so policies are needed, which support the creation of a market, demand for the innovations and encourage their scaling out. Finally, innovations need policy approaches, which provide resources to scale innovations and enhance their resilience to future change. Although in theory such "scaling" could be done through the public sector, in practice the model tends to be pushed by those favouring the channel of investment into the third (or social) sector (Eriksson et al., 2014; Anheier et al., 2015; Borzaga and Bodini, 2014).

Amongst those who have emphasised the role of private (or third sector) actors in creating innovation, emphasis is placed on new financial tools to support social innovation and foster the development of innovation intermediaries and incubators (Nelson and Jerkins, 2006; Moore et al., 2012). Key instruments from this perspective are innovative financial tools designed to produce a social impact, for instance, social impact bonds – a form of payment by results offering returns to investors based on the success of the social intervention – (Caulier-Grice et al., 2010; McHugh et al., 2013; Fraser et al., 2016). Such tools

necessarily imply that social performance can be objectively measured, and a large group of authors focus on a need to develop new metrics and indicators to measure the social impact generated by social innovation and to allow the new financial tools to work (Caulier-Grice *et al.*, 2012, 2010; Edwards-Schachter *et al.*, 2012; Nicholls and Murdock, 2012).

Overall, regarding policy means, it is noticeable that ideas concerning types of policy instrument broadly correlate with perspectives on the appropriate role of the state (identified in Section 5.1). Where the state is seen as having a primary role in delivering social justice then policy instruments tend towards those aimed at reintroducing participatory democracy into decision-making – for example, participatory budgeting. Where delivering social justice is seen as a role for private companies (or third sector organisations), policy instruments tend towards those channelling investments towards such organisations (for example, social impact bonds).

5. Discussion

The previous section identified different sets of ideas underpinning perspectives on the appropriate role of the state and social justice; the conception of problems; policy objectives; and policy instruments. With reference to the appropriate role of the state, one group of authors have focussed on the state as an important player in supporting social innovation (effectively implying that the state has primary responsibility for determining what social justice is). Another set of authors characterise social innovation as a response to the failure of the state to meet social challenges and emphasise the role of the private (and particularly market actors) in delivering social justice through social innovation.

As regard conceptions of the problems to be addressed, our analysis identified a distinction between those focussing on social innovation as a response to the economic crisis, and those seeing social innovation as a response to a lack of democracy and the disempowerment of disadvantaged groups (caused by neoliberalism). With reference to ideas concerning the policy objectives of social innovation, one set of ideas concerned social innovation contributing to economic growth, sometimes in a way that incorporated environmental outcomes. A second set of ideas focussed more on social innovation as a route to empowerment of disadvantaged citizens and the radical restructuring of society. Finally, with regard to ideas concerning the specific means used to pursue social innovation, one group focussed more on democratic instruments such as participatory budgeting, while a second group focussed more on technical market-based approaches such as social impact bonds.

It is possible to identify broad patterns in the sets of ideas shaping social innovation policy agendas. From these, we can begin to develop two distinct ideational frameworks underpinning social innovation policymaking (Table 2). The first ideational framework conceives of social innovation drawing on liberal and market-oriented ideas, which posit social justice as something to be determined through the market (Massey and Johnston-Miller, 2016; Montgomery, 2016), with a limited role for the state (Bonifacio, 2014). Here, social innovation can contribute towards sustainable economic growth through developing solutions to social, economic and even environmental problems that governments have proved unable to fix. These solutions tend to be market-oriented, and can be reduced in economic terms to improvements in quality of life (Pol and Ville, 2009). This suggests a Hayekian inspired approach to social innovation whereby the forces of the market and private initiative determine what the problems are and how best to fix them.

The second ideational framework focusses more on the social and empowering character of social innovation. It draws on sociological traditions, urban studies and network theories to posit social innovation as a more collective and democratic approach whereby different

Dimensions of analysis	Empowerment approach	Market-based approach
Role of public and private actors	Public sector innovation; role of the state as coordinator; engagement of the public sector in partnership and networks; interdependency and ongoing relations between different actors	The public sector as a regulator; private creativity and entrepreneurship drive social innovation (organisations, groups and individuals); relationships develop within a competitive market environment
Problems	Growing deprivation; inequality; social exclusion.	Scarce resources; public budget constraint; economic crisis
Policy objectives	Social justice; empowerment of disadvantaged groups; change in power relations	Sustainable economic growth
Policy means	New models of public policy production; co-production; public-private partnerships; new models of governance	Financial tools for social innovation; regulatory and supportive interventions from the state

Table 2.
The empowerment
and market-based
approaches

actors collaborate to determine what has social value, with basic rights guaranteed by the state. Ideas about problems to be addressed concern the democratic break down of society in the face of neoliberal encroachment. Solutions become focussed on empowering citizens and reinvigorating democracy, to be achieved through democratic instruments such as participatory budgeting and new governance strategies. The main objectives of social innovation are, thus to strengthen social cohesion, reduce inequality and pursue a radical change in power relationships. In this regard, this view of social innovation highlights its potentially disruptive effect upon existing social relations (Moulaert, Martinelli *et al.*, 2005).

This brief overview necessarily oversimplifies matters. It is worth noting that many of the analysed papers broadly adhere to one set of ideas while drawing on aspects from the other. To some extent, this may be a consequence of the fact that most articles include a review section and tend to include and amalgamate theoretically distinct perspectives concerning the policy nature/dimensions of social innovation. Hence, although individual articles and authors are informed by different approaches, the two ideational frameworks represent coherent extremes (or even paradigms), while most authors mix and match ideas from different frameworks across different dimensions.

6. Conclusion

The coexistence of different theoretical and disciplinary approaches in defining and conceptualising social innovation has been noted by different authors, who have framed it in terms of conflicts (Fougère *et al.*, 2017; Montgomery, 2016), contestation (Ayob, Teasdale and Fagan, 2016) or as a sign of the inherently collaborative nature of social innovation (Ziegler, 2017). Our paper builds on this work by more clearly specifying the ideational dimensions underpinning different approaches to social innovation, and highlighting that the term is rarely, if ever, politically neutral.

On the one hand, the market-based approach appears as theoretically grounded in a rational choice theory and utilitarian background and draws on neoclassical economics in interpreting social innovation framed by markets. On the other hand, the empowerment perspective draws explicitly on a normative dimension, pointing towards the enhancement of social justice and seeing social innovation as a key idea to change social relationships, prioritising the societal dimensions of innovation and change.

In particular, our identification of underpinning ideational frameworks opens up possibilities for more critical analysis of social innovation policies. A limitation of our paper is the focus on academic literature. While beyond the scope of this paper, we suspect that the radical potential of the empowerment approach may be used by policymakers to justify market-oriented reforms underpinned by the market-based approach (Sinclair and Baglioni, 2014). This would suggest that policy approaches to social innovation deliberately blur ideational frameworks, using the language of the radical approach to describe and justify the ideas of the market-based approach. To test such a hypothesis, future research should investigate: how the policy idea of social innovation is understood in different institutional and political contexts; who are the policy entrepreneurs advocating for social innovation in these different contexts and how they frame it; what are the policy implications, the advantages and shortcomings of their different understandings of this policy idea.

Future research should also investigate whether and how the two approaches have been adopted in different legislatures, and whether and how specific countries change ideas over time. Such research might focus on whether the two approaches maintain their distinctive underpinnings over time, whether two seemingly distinctive ideational frameworks can eventually become blurred or whether the radical potential of the empowerment approach eventually becomes subsumed into the market-based approach.

Note

1. https://ec.europa.eu/social/main.jsp?catId=1022&langId=en

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