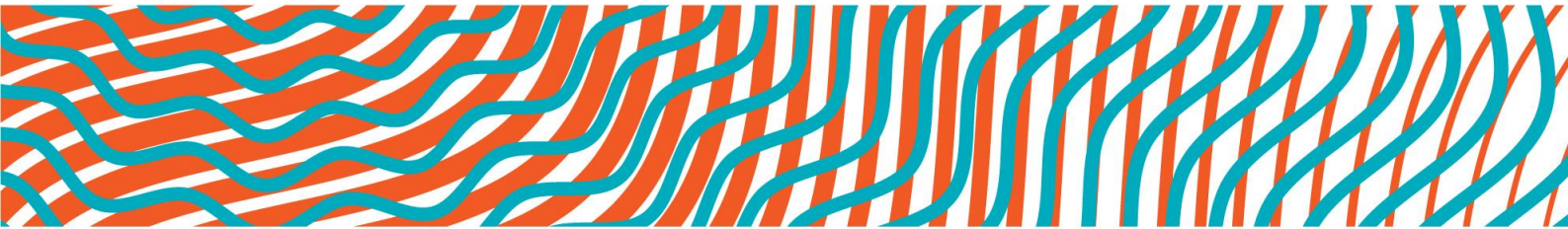


# transformative social innovation theory



## How to make monitoring into a useful activity for social innovators?

**Working paper, key insights for practice and  
policy, lessons for facilitation tools and  
workshop report**

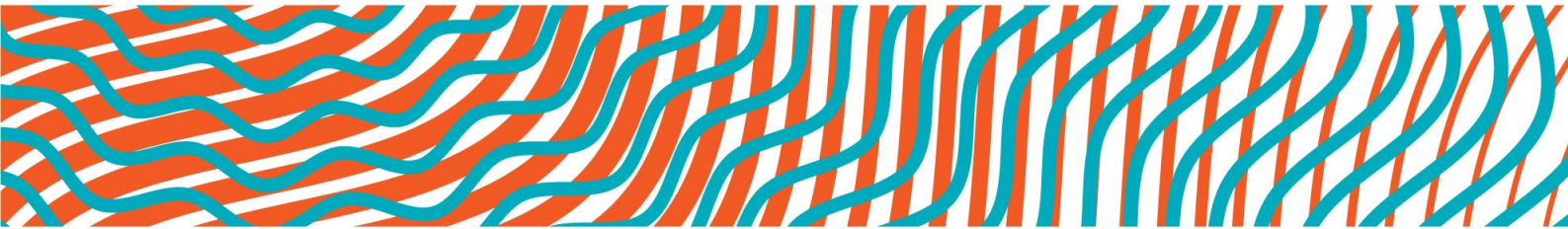
### Deliverable 2.5

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# transformative social innovation theory



## About TRANSIT:

TRANSIT is an international research project that aims to develop a theory of Transformative Social Innovation that is useful to both research and practice. It is co-funded by the European Commission and runs for four years, from 2014 until 2017. The TRANSIT consortium consists of 12 partners across Europe and Latin America. For more information, please visit our website: <http://www.transitsocialinnovation.eu/>.

## Focus of deliverable:

This deliverable focuses on the topic of monitoring for social innovation, and consists of 4 parts: (1) working paper on monitoring and evaluation for social innovators, (2) key insights about monitoring for practitioners and policy makers (inputs for the TRANSIT brief), (3) an outline of the facilitation tool (input for proto-typing tools), (4) the workshop report on resourcing and monitoring.

## Reference:

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## Introduction to Deliverable 2.5

This is the fifth deliverable of TRANSIT's Work Package 2 on "Synthesis" (WP2). The object of WP2 is to safeguard the relevance and applicability of the Transformative Social Innovation Theory through "transdisciplinary translation" into "policy insights" and ideas for the development of "practical tools". More generally, WP2 Synthesis provides scientific recommendation for "transdisciplinary translation" across four cross-cutting themes: governance, social learning, monitoring and resourcing.

This report deals with the topic of monitoring. It has been written in conjunction with the report on resourcing (Deliverable 2.4). Resourcing of social innovation depends on the ability to generate tangible and intangible benefits for members, through the activities that they do. For obtaining resources from external parties, social innovation initiatives have to **demonstrate positive social impact**, and this depends on tools for delivering and for demonstrating impact. This means that resourcing and monitoring are closely intertwined processes and capacities. Monitoring for impact is the key concern for service commissioners with implications for demonstration projects and assessments of service readiness and/or upscaling readiness. However, monitoring is also an internal concern for social innovation initiatives – especially for those with transformative ambitions.

This deliverable contains the outcomes of four TRANSIT activities in relation to monitoring.

### 1.1 Working paper: A review of monitoring and evaluation methods for social impact evaluation with suggestions for use

In this report, we offer a discussion of the methods available for monitoring and evaluation. The present paper reviews and critiques the state-of-the-art of measuring and evaluating social innovation. The overall conclusion of the report is that all methods have positive value but also limitations. For measuring what has been achieved, SROI is a useful method. For fostering innovation and improvement of social innovation, Developmental evaluation (Patton, 2011) and Dynamic evaluation (Kieboom and Vahl, 2014) are useful methods, because of the elements of formative evaluation and identifying opportunities. Monitoring should be fit for purpose and maximum efforts should be undertaken to make it so. Action research can be used to find useful ways of monitoring, as shown by the experiences of the eco-localisation project of Kersty Hobson and co-workers (Hobson et al., 2016). In action-based forms of evaluation, evaluators do not take distance but immerse themselves in contextual specifics, they "co-create interpretations and arguments, examine the evidence and reason together" (Patton, 2011, p. 287). It helps social innovation initiatives (SII) to consider its assets, theory of change, mechanisms for delivery, success conditions, side-effects and contextual changes relevant to the future of the SII. Focussing

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on only those factors that can be measured (as happens in randomised controlled trials), may keep from view essential factors and processes that link causes to effects.

An earlier version of this paper has been circulated and discussed with the participants of the synthesis workshop on Resourcing and Monitoring in Maastricht on 16-17 Febr, 2017. In addition, the findings have been presented at the 6<sup>th</sup> EMES international conference on social enterprises in Louvain-La-Neuve on July 4, 2017 <http://emes.net/events/conferences/6th-emes-international-research-conference-social-enterprise/> Feedback from participants at the Maastricht workshop and EMES conference is incorporated in the report. Because the report has been subjected to external review and because monitoring experts from TRANSIT were all involved in this deliverable, we have decided not to do an internal review, which was also difficult for time reasons.

## 1.2 Key insights about resourcing and monitoring for practitioners and policy makers (inputs for brief)

This section states the relevant insights for policy and practice. It serves as input for the TRANSIT brief on resourcing and monitoring which will come out in August 2017.

Key insights about resourcing of social innovations:

- Social innovations have different from usual structures to their resourcing needs: they use mostly abundant and non-rival resources and have relatively low requirements for scarce and rival resources.
- Even so, there is a complementarity among resource needs: a lack of secure base-level funding even at low levels of requirement (i.e. to cover money costs of operating and to obtain some key skills, such as to pay part-time local organisers) is destabilising and diversionary. It frustrates possibilities to leverage otherwise wasted resources into productive use.
- As social innovations grow the structure of their resourcing needs changes. They are likely to need to perform new organisational and managerial functions as well as incur financial costs of scaling-out and/or scaling up.
- Typically, they encounter funding and skill gaps and a constraining legal and regulatory framework. Innovations are needed in finance, external governance, and the science system if social innovations are to go to scale.
- Seeking financial sources creates tensions and risks. Measures need to be developed to mitigate these and to help stakeholders make informed choices about trade-offs.

Key insights into how social innovation initiatives meet their resource requirements:

- Many initiatives have volunteers as an important resource in their activities. Other models for engaging participants include mutual-aid and exchange-based activities, such as are practised by Time Banks. Time Banks are based on exchange of time and services.
- Some initiatives are based around the sharing of other assets and resources. Examples are Eco-Villages. FabLabs and Hackerspaces.



# **transformative social innovation theory**

- Many initiatives develop new resources, using their free labour and the experience that comes from practising their activities to generate information about 'how to do' what they do, to create support software that enables their activities to be performed more effectively, and to build internet sites and webpages to disseminate information to other practitioners. These become mutually accessible resources for members of their networks. Examples include: Impact Hub, Living Knowledge, Time Banking and INFORSE.
- Some initiatives are affiliated to Universities, such as the DESIS Lab and Science Shop. These have access to resources of the Universities through the integration of their activities into University course and curricula.

## **1.3 Outline of facilitation tool on monitoring**

This section explores how insights from the working paper and the workshop on resourcing and monitoring can be used for the development of a 'tool' on monitoring for people involved in transformative social innovation.

## **1.4 Workshop report on resourcing and monitoring**

This document reports on the outcomes of the TRANSIT workshop on Resourcing and Monitoring in Maastricht, Febr 16-17, 2017. The workshop report provides a synthesis of main insights and contestation points. Further, the report contains highpoints of the presentations and discussions. and discussions.

## 2 A review of monitoring and evaluation methods for social impact evaluation with suggestions for use

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### Abstract:

*Different forms of monitoring/measuring of social innovation are needed to respond to the evaluation concerns and questions of different stakeholders and the evaluation needs that arise at different stages in the process of social innovation. The established social innovation measurement paradigm, which is based on positivism and is grounded in economics-based methods, responds to some but not to all of these needs. It is ill-suited to explore, account for, or to support potentially-transformative social innovation. Furthermore, issues of causality and attribution are especially problematic in the case of societally transformative social innovation, which engages with complex systems and involves lines of influence that cut across levels of scale. These concerns have led to calls to develop new assessment frameworks that would address the limitations of conventional approaches (e.g. Antadze and Westley 2012) and, in respect of support for scaling of potentially transformative social innovations. For fostering innovation and improvement of social innovation, Developmental evaluation (Patton, 2011) and Dynamic evaluation (Kieboom and Vahl, 2014) are useful methods. There is also value in combining methods. We propose that social return on investment (SROI) analysis pays more attention to the stories of people involved (those helped by a SII and the professionals in providing the help in the case of help services), to explain to outside people what the SI is about and for understanding better causal-effects links. Monitoring should be fit for purpose and maximum efforts should be undertaken to make it so. Action research can be used to find useful ways of monitoring, as shown by the experiences of the eco-localisation project of Kersty Hobson and co-workers (Hobson et al., 2016). Focussing on only those factors that can be measured (as happens in randomised controlled trials), may keep from view essential factors and processes that link causes to effects.*

### 2.1 Introduction

Monitoring of impact of social innovation initiatives is mostly done as an informal, qualitative, ad hoc activity, if done at all. Many social organisations and societal initiatives would like to do this in a better way. An exemplary statement is

*“The initiatives [of the Migration Hub] are growing; more and more people want their [our] services. We are having a great impact, but we don’t have the tool to show the amount of impact we are having. How do we do this? Do we need a business model?” (Hoffmeister, 2016)*

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<sup>1</sup> The report draws on interviews by Kay Hoffmeister with social organisations (based in Berlin) on monitoring and discussions at the TRANSIT workshop on resourcing and monitoring on Febr 16-17, 2017 in Maastricht (NL). We also thank Marlieke Kieboom of the Knowledge group for her suggestions.



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An example monitoring activity is a website that registers activities and comments (used by *Civocracy*, an online platform offering people the possibility to vote online on things that affect their community)

*“on our website, we have (...) a progress box. In that box you can see the number of people participated, the number of comments that were forwarded by the community, and the number of comments (...). And then a last badge about policy making (...) [but] that is all we are tracking. [we] do not really get important data for the real social impact measurement. The demographic data is also missing. We are very biased on our work. So we say that our social value generating is amazing! But I can't show it. However we need to try as much as possible to unbiased ourselves, and to elaborate on our impact. But that is a thing we haven't tackled yet.” (Hoffmeister, 2016)*

Graefewirtschaft, a Berlin-based social enterprise that employs migrants and asylum seeking, audits the people they employ in the businesses it runs (a restaurant called “*Die Weltküche*”, kitchens catering for schools, kindergartens and day-care centres and household services and care for the elderly)

*“Generally speaking we use the social auditing procedure. A main indicator for us is the amount of people we get into jobs and apprenticeships”.*

In the Netherlands, a platform for social enterprise and citizen initiative called “*Kracht in NL*” created a metric system for social impact called MAEX.<sup>2</sup> The MAEX consists of 8 elements which are scored on a scale from 0 to 10 (the highest score): smart use of existing resources; self-reliability; social cohesion; cooperation for a better environment; (social) safety; sustenance support; leisure; education/development. The scoring is done by the initiatives themselves and reflects their own subjective assessment of impact.

The MAEX makes visible initiatives that occur around the Netherlands (1091 in total), signalling to others what they are doing, which social impacts are being created and what resources they need (specific expertise, money, materials etc.). For those interested in it (volunteers, local government, businesses) it offers a portal for participation. For government and research it offers data on SII in the form of information on the nature of activities, types of social impact that are being created, the average amount of volunteering time per week (which is 50) and amount of self-earnings (which is 26% on average).

In Figure 1 the MAEX scores are given for 4 initiatives in the Netherlands:

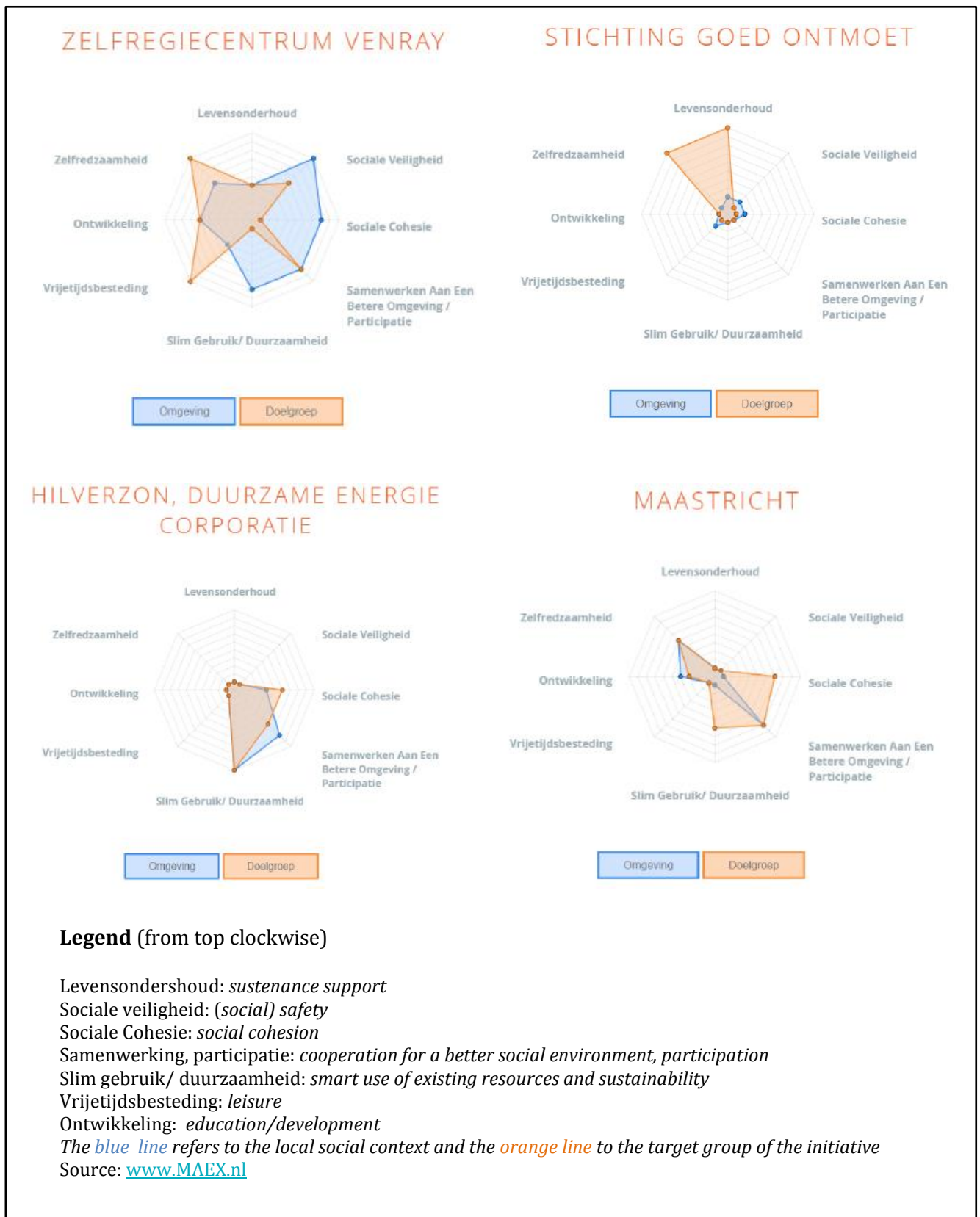
- Zelfregie-centrum Venray: experience experts help people with psychological problems get a grip on their life (especially those who are not eligible to official care because of budget cuts and illness requirements)
- Stichting Goed ontmoet: a food bank
- Hilverzon, Duurzame energie cooperatie: a renewable energy cooperation
- Senioren kennis netwerk Maastricht: professionals-in-residence offering knowledge services to societal initiatives and local organisations at the interface of government and society.

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<sup>2</sup> The name MAEX refers to the AEX the Amsterdam Exchange Index, the official index of the stock exchange in the Netherlands. The term M stands for Maatschappelijk (*Societal*).

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Figure 1. MAEX scores for 4 initiatives in the Netherlands



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The field of evaluating social innovations is developing rapidly in response to a widening range of questions being asked about social innovation, its outcomes, its impacts and the contexts within which it operate and with which it interacts. The paper surveys selected literature on evaluation theory, methods and practice in this field. The materials reviewed are selected for their relevance to the concern of TRANSIT for transformative social innovation.

In section 2 we explore what is driving developments in this field by looking especially at the changing context for social innovation and at the expanding range of evaluation interests, foci and questions of different stakeholders.

Section 3 provides a review of currently dominant evaluation methods and tools, their strengths and their weaknesses. This draws on existing surveys of the field. It is found that the dominant tools, indicators and metrics within the paradigm are based mostly on standard economic and accounting approaches, which is related to the need for summative evaluation by funding agencies. Section 4 describes the most prominent of the approaches: Social Return on Investment (SROI). Section 5 presents and discusses an exemplary analysis of SROI, as an example of summative evaluation for the case of Foster Parents in the Netherlands.

Section 6 contains the recommendations from a group of experts on social entrepreneurship (GECES) tasked by the European Commission provides to offer recommendations on impact measurement. Section 7 outlines a contingency approach to impact measurement (developed by Alex Nicholls in the CRESSI project), which starts from the question *how can organizations chose an approach that is appropriate to their concerns and context?*

Section 8 presents an innovation-oriented form of evaluation called developmental evaluation (DE), developed by Michael Quinn Patton. Rooted in case studies of (social) innovation processes, DE seeks answers to questions that are relevant to *innovation*, by helping the SI take a broader systems perspective and help them navigate (inherently uncertain and judgment-based) processes of change, by making them reflect on their assets, their theory of change and the opportunities and dangers afforded by a changing context. It contends that the measuring needs at each stage in social innovation processes are different and that the measuring approaches and tools used, such as indicators and metrics, will also need to change from one stage to the next.

Section 9 discusses evaluation anxiety and discusses the role of action research. Section 10 discusses the importance of the monitoring of *context* (for helping SI initiatives find suitable partners and strategies). Finally, in Section 11, we draw conclusions from the overall discussion on evaluation, monitoring and measuring for the development of a theory of transformative social innovation (TSI) and the development of supporting tools and methods in the TRANSIT project. A table with monitoring elements of TRANSIT cases is being provided in Appendix A.

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## 2.2 Diverse demands for monitoring and evaluation

The 'evaluation' issue is not so simple or straightforward as it might at first appear. There are many very different kinds of evaluation question that can be asked about social innovation. Different stakeholders, with different concerns and interests, have different evaluation needs and therefore pose different evaluation questions. Also the evaluation needs of specific stakeholders, and especially those of social innovators and social organisations, will change depending on the stage of the social innovation process and the context for the innovation. What is being evaluated and in respect to which impacts and which targets differs from one evaluation question to another. Even the levels of scale at which impacts manifest are potentially different. At one extreme, some evaluation questions concern outcomes and impacts experienced at the scale of individuals. At the other extreme are much broader changes that manifest at higher levels of scale. The evaluation question that underlies and motivates the TRANSIT project is especially relevant here since it concerns impacts of social innovation processes that could manifest at the societal level through broad, lasting (and therefore transformative) changes in social relations, institutions, constructs and behaviours. In this perspective the 'targets' of interest are the social relations, institutions, constructs and behaviours manifested by and in society and aspects of these that are relevant to important qualities of society, such as its cohesiveness, greenness and resilience. As well as positive impacts there is also scope for social innovation to have negative impacts, which are also important to be included in evaluations. The 'content' of evaluation is therefore also a relevant aspect of evaluation design.

Overall, different evaluation purposes and questions call for different types of evaluation and for different evaluation approaches, methods and tools. Similar arguments apply to the range of different social innovations, stages in the social innovation process and implementation contexts. They apply also to different definitions and perspectives on social innovation and, especially, to whether social innovation is defined mostly or exclusively by its content (as products, services, activities, actions, etc.) or as a process. This wide diversity means that there is a need for different types of evaluation and for evaluations to be designed and implemented that are 'fit for purpose' and 'fit for context'. At the same time, there are clearly commonalities in evaluation processes that imply the possibilities of some generalizable principles and guidelines. Also some needs for information and other resources recur across different kinds of evaluation questions. There is a strong interest in capitalising on these commonalities to provide for comparability across evaluation and to help in reducing monitoring burdens and increasing monitoring efficiency.

Furthermore, since social innovations are (by definition) innovative and therefore are likely to be evolving through the stages of their invention, experimentation, proving and upscaling social innovations as objects of evaluation are a moving target. From a management perspective this is important because monitoring, evaluation and comparison of variants of the 'basic model' of the social innovation is an important part of learning about a social innovation and perfecting its design. The kinds of evaluation questions important to social innovators to support learning and continuous improvement

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are therefore likely to involve comparison of the impacts and outcomes of different design variants and their comparative advantages, disadvantages and effectiveness.

Against this backdrop it is useful to list some of the main distinctions that are relevant in mapping the field of social innovation evaluation. An important distinction is between **internal** stakeholders in social innovation and their concerns versus **external** stakeholders and their concerns. The distinction is important in part because the values sought through social innovation may be different for these different groups. Internal stakeholders, such as mission-oriented social organisations need to know what impacts their activities are having and how effective these are in achieving the outcomes and impacts they seek. They are especially interested in the technical effectiveness of their actions and activities in relation to achieving their social goals and objectives. They are likely to want to use evaluation as a management tool to help inform their decision making at different stages in the social innovation process. Some external stakeholders may be more interested in the social impacts actually produced and less concerned for how these are produced; for example interest organisations may want to know how social innovations affect particular individuals and groups of special concern to them.

When social organisations receive funding from public, private, philanthropic or blended sources there is a need both for the social organisation to demonstrate that the funds it receives are making a difference and for the funders to demonstrate that grants, loans and investments in social innovation organisations and activities are productive and efficient. If social organisations take over or complement roles and functions taken by the state (for example in areas of welfare delivery) and receive income in return, this also generates a need to measure financial performance and added value for reasons of transparency and accountability. When the financial instruments used to finance activities take the form of performance assurance contracts, as applies to Social Impact Bonds, the very viability of the funding instruments depends on developing and agreeing ways to measure outcomes and impacts. In general a capacity to demonstrative effective and productive use of funds is especially important in the context of a more challenging financial context characterised by greater competition for funds.

What is at 'stake' and is, therefore, of monitoring and measuring interest for these different actors and stakeholders can include, *inter alia*: the range of outcomes and impacts produced, positive and negative; the activities through which outcomes and impacts (positive and negative) are produced; the nature of the mechanisms through which impacts and outcomes are produced; the value-added to different affected parties by the activities of the social organisation, including to beneficiaries in groups of special interest (such as the vulnerable, excluded, unemployed, or elderly); the relative and absolute 'technical' effectiveness of the social innovation; the financial effectiveness of investments in the social innovation; specific aspects of the social innovation (such as its acceptability to regulatory authorities, its need for finance, its possibilities to generate financial returns as well as social returns, the possibilities for it to take over roles from the state that the state might be happy to offload, the safeguarding and governance issues surrounding the innovation, etc.).

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Evaluation questions can therefore be addressed toward the social innovations of interest, but they can equally be addressed toward the organisations that promote them, the resources (such as finance) that are applied to them, the strategies, activities and actions that they entail, or the contextual conditions they encounter. They can be directed toward specific outcomes and impacts that might be sought or be more open and designed to explore different outcomes and impacts, both positive and negative. They can be directed on different targets: individuals, groups, communities, sectors, society as a whole, etc. One question that has become very important in the current context, especially to policy makers, is the evaluation question that the TRANSIT project is asked to explore concerning the societally-transforming potential of social innovations.

At different stages in social innovation processes, evaluation may play very different roles. **Formative evaluation** is useful for gathering information about the effects of actions and activities, positive and negative, when little is known about these. **Summative evaluation** is useful when more is known about impacts and interest lies in fine tuning innovations or selecting among different variants prior to scaling up. As we discuss later in this paper in more detail, a third form of evaluation, **developmental evaluation**, is, in principle, very important for the purpose of increasing positive impacts (Box 1).

Against this backdrop there is a growing for evaluation systems and metrics to measure social impact and outcomes, but also a diversifying demand, since the demands are arising from different sources and these reflect different perspectives, purposes and needs. Different stakeholders have different evaluation foci and needs, which manifest as differences in the kinds of evaluation questions they seek to answer including differences at the very fundamental level of what is being evaluated; i.e., the impact *of what on what?* Furthermore, evaluation needs and questions are likely to change through different stages in the development of a social innovation as the social innovation develops, evolves, diffuses and goes to scale. The dominant evaluation paradigm is based on positivism and involves a strongly linear model of evaluation that conceptualises clear cause-effect links and seeks to explore these. This paradigm focuses on social innovation as defined by content (i.e. social innovation perceived as innovative actions, activities, products or services) rather than social innovation defined as a *process* interacting with complex systems. In section 8, we a deeper discussion of developmental evaluation will be offered.

## Box 5: Developmental evaluation

“Developmental evaluation refers to long-term, partnering relationships between evaluators and those engaged in innovative initiatives and development. Developmental evaluation processes include asking evaluative questions and gathering information to provide feedback and support developmental decision-making and course corrections along the emergent path. The evaluator is part of a team whose members collaborate to conceptualize, design and test new approaches in a long-term, on-going process of continuous improvement, adaptation, and intentional change. The evaluator’s primary function in the team is to elucidate team discussions with evaluative questions, data and logic, and to facilitate data-based assessments and decision-making in the unfolding and developmental processes of innovation.”(Patton, 2008).



# transformative social innovation theory

In Table 1, the results of a developmental evaluation exercise are given for the case of homeless people in Canada, showing the elements of DE, the translation of it for the case of homeless day labourers and the ways in which they were helped with securing housing and achieving better income.

**Table 1. Results from a Developmental Evaluation exercise: Experimenting with innovative ways to help homeless day labourers secure housing and better income in Canada**

<b>What was developed through developmental evaluation?</b>	<b>What this means</b>	<b>Examples</b>
<i>Understanding the challenges of innovation and systems change</i>	The effort to tackle a complex problem may generate new and/or deeper insights about the nature of the challenge being addressed and/or the context in which it is being addressed.	The innovators realized the importance of social supports in the “homelessness puzzle”, once some of the clients who secured housing were drawn back to the streets to regain the friendship and company of their previous network.
<i>Theory-of-change elaboration</i>	The innovators may have new ideas about how they might address the challenge and/or the kinds of results they might expect from their efforts.	The innovators expanded from their strategy focused primarily on housing and employment income to one that included education, social networks, and mental and emotional help.
<i>Change mechanisms</i>	The establishment of concrete mechanism (e.g., practices, regulations, relationships, policies) that have an influence on the challenge being addressed may represent the most tangible development of the innovation.	The innovators established (a) a protocol with local credit unions to provide clients with access to bank accounts, even before they had permanent addresses; and (b) an arrangement where laborer could bypass predatory, temporary job agencies (which took 50% of their wages) and use a nonprofit intermediary that allowed them to retain all their employment earnings.
<i>Capacity development of social indicators</i>	Developments that relate to the capacity and morale of the innovators and affect how they think and pursue their innovation (e.g., skills, resources, membership).	The trust between previously disconnected service agency leaders increased after these early successes and allowed them to open up their work to discussing the deeper reasons why they found it difficult to integrate their services more closely (e.g., competition for resources).

# transformative social innovation theory

*Deepening understanding of context*

Developments that are not under the complete control of innovators but in which what happens (emerges) contextually shapes the goals, design, delivery, and results of the innovation (e.g., economy, demographics, key events). All developments are important to track and assess in DE Whereas the previous four types in this exhibit refer to the development of the innovations, this fifth one (the context) is equally important because innovation does not emerge in a vacuum, but instead is highly influenced by the context in which it is unfolding

Source: Patton (2016)

## 2.3 Evaluation paradigms and its toolbox

There is a limited body of past research on the monitoring of social innovation and the evaluation of social impact. Albeit this is now a fast-developing area, it is widely acknowledged in the evaluation literature that the area of social impact measurement has been under-conceptualised, under-theorised and under-researched. A specific observation is that research on metrics for social innovation is scarce and that there has been very little work to develop tools and methods to evaluate social innovation and social impacts specifically (e.g. Ebrahim and Rangan 2010).

On this basis, most currently-used tools in social impact measurement practice were not developed expressly for social impact assessment. Instead they are based on standard economic methods and tools of financial accounting and reporting. These tools therefore have closer affinity with perspectives and needs arising in social finance, for example needs to measure investment efficiency and productivity or to optimise investment portfolios, rather than with needs arising from mission-oriented social organisations concerned to improve or to track the effectiveness of their activities and actions.<sup>3</sup>

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<sup>3</sup> Antadze and Westley (2012) note that for social organisations productivity of finance is a means to an end, not an end of itself.

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Against this backdrop, there have been several review studies already of approaches to measuring social impact (e.g. Mulgan, 2010; Nichols, 2015; Antadze and Westley, 2012). Included in most such reviews are:

- **Cost-benefit and cost-effectiveness analysis:** these are widely used tools based on expressing the costs and benefits of interventions in money terms, often applying a discount rate and often using a 'costs-saved' approach to place money values on social benefits; e.g. the saved or avoided healthcare costs of an intervention that promotes healthier lifestyles. CBA and CEA are often used for large programs in areas of public provision of social and welfare services: health care, care of the elderly/young/vulnerable, rehabilitation of ex-offenders, etc.
- **Stated preference:** the approach is based on expressing benefits in money terms using a willingness-to-pay approach through which beneficiaries or potential beneficiaries of an intervention are asked to estimate how much they would be prepared to pay for the benefits.
- **Revealed preferences:** compares options and infers the value of benefits from the choices people actually make; e.g. using relative costs of similar homes in different locations to estimate difference in local amenity value.
- **Social impact assessment and social return on investment:** estimates direct costs of an action/intervention, the probability of it working and the likely change in future outcomes (sometimes with a discount rate). This is a broad family of tools used to support philanthropy and impact investment decisions, for example to compare alternative grant or investment options. Many (sometimes fund-specific) variants exist; e.g. Best Available Charitable Option (Acumen Fund).
- **Public value assessment:** seeks to assess how much the public values a service, such as public-service broadcasting
- **Value-added assessment:** seeks to assess the quality added through a service, such as education, by comparing entry- with exit- level characteristics, such as educational-levels (rather than by using only qualifications attained, which cannot account for differences in school intake).
- **Quality-adjusted or disability-adjusted life years:** seeks to estimate the cost-effectiveness of health-care treatments by combining objective and subjective experiences (extension of life and experienced life quality).
- **Life satisfaction:** assesses social projects and programs in terms of the extra income beneficiaries would need in order to achieve an equal gain in their life satisfaction.

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The Life Satisfaction Approach is potentially interesting for evaluating social innovation impacts in contexts where there is a demand for money valuations. The Life Satisfaction Approach seeks to value non-market impacts. It uses econometric methods to estimate the life satisfaction provided by non-market goods and converts this into a monetary figure by also estimating the effect of income on life satisfaction. The approach therefore seeks to assess impact in terms of "how people think and feel about their lives as a whole, instead of assessing impact based on what people say they want and what they choose" (Fujiwara and Campbell, 2011).

- Government accounting: some national governments (e.g. France, Italy) use standard sets of indicators to monitor government spending and its societal effects

This listing confirms that many of the most widely-used methods in current use stem from conventional accounting practices, so they are not designed from first principles for capturing social impact. CBA, CEA and related assessment methods are further limited because the indicators can measure only single aspects of performance and each impact requires a 'tailor-made' indicator. These assessment methods are therefore unable (or unlikely) to reflect the full value of the social impacts. The most widely-used model of social impact measurement currently – the Social Return on Investment (SROI) model – is also based on conventional economic and accounting principles and on cost-benefit thinking. The approach seeks to establish a ratio of returns (economic, environmental and social) to the activities of an organisation. The model reviews the inputs, outputs, outcomes and impacts made and experienced by stakeholders in relation to the activities of an organisation, putting money values on all costs and benefits created by the organisation (economic, social, environmental) and expressing these in terms of a productivity ratio (Arvidson et al 2010).

Not being developed specifically for this field and for the needs within it, currently-available methods and tools are therefore not always fully appropriate for the specifics of particular evaluation tasks or for fulfilling specific evaluation functions. Needs within the field are diverse already but also are still diversifying, so the challenge of developing new and more appropriate social impact evaluation approaches is becoming more urgent.

Antadze and Westley (2012) state that the situation calls for the creation of new evaluation models that incorporate not only financial but also environmental and social considerations and that provide mechanisms for determining the scale, impact and durability of social innovations. But they note, also, that there are special challenges in evaluating social innovations, which is intrinsically more difficult than evaluating technical innovation.<sup>4</sup> Of considerable significance in this regard is their observation that the dynamics of social innovations and the challenges they address are nonlinear, uncertain and unpredictable, which implies that "a positivist approach to measuring social impact is insufficient" (Antadze and Westley 2012, p.134). This is significant because the established paradigm of monitoring and measuring social innovation is based on positivism. However,

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<sup>4</sup> They state, for example, that unlike technical innovation, the impact and outcomes of social innovations cannot, at least initially, be judged by growth in market share, profitability, or even consumer satisfaction.

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this observation holds added significance for the TRANSIT project since a positivist paradigm is intrinsically unsuited for exploring the wider impact of social innovations in respect to broad-scale processes of societal transformation. We return to this point later in the present paper.

## 2.4 Social return on investment

There is currently a strong government interest in incentivising or requiring social organisations to use the Social Return on Investment (SROI) model. Wood and Leighton (2010), in a report on behalf of DEMOS, suggest this is because public services are facing a period of unprecedented cuts as efforts are made to recover the economy and public finances in the wake of the economic and financial crisis and policymakers are seeking both to harness social organisations in the delivery of services and to ensure value for money. In the UK, for example, social organisations have increasingly been harnessed in delivering public services leading, since 1997, to “an unprecedented shift toward plurality in public services.”<sup>5</sup> Thus, Wood and Leighton observe: “a recent surge of interest in social reporting has seen SROI becoming the tool promoted by government, thanks to its unique feature of attributing monetary values to ‘soft’ outcomes” (Wood and Leighton, 2010, p.14).

The surge of interest by policymakers in social reporting using SROI has led to concern over both the appropriateness of making SROI a dominant approach in measuring and reporting social impact and the practical feasibility of this in the short term. Concerns are expressed also for social organisations to be treated fairly, so that lack of capacity to use SROI should not be an impediment to their receiving income. In a survey of social organisations, Wood and Leighton (on behalf of DEMOS) found that very few organisations are implementing SROI as yet and that the majority are not ‘SROI-ready’.<sup>6</sup> The DEMOS study concludes that “although SROI may be neither practicable nor desirable for all organisations, the basic concepts of outcomes evaluation that it encourages are important for all organisations to achieve.” Furthermore, the DEMOS study accepts that there will be continuing pressure on social organisations to monitor and report SROI.

Against this backdrop, the DEMOS report makes a set of recommendations, including that there is a need first to set a more achievable social value measurement target for the whole sector. This could be “a universal benchmark” established as “a stretch target” to help improve evaluation in the sector. It therefore needs to embody good practice in outcomes measurement and evaluation and to be accompanied by investment in training and practical guidance. Also, social organisations should be encouraged and incentivised to work toward it by commissioners and funders. The DEMOS study further suggest that any such benchmark should be underpinned by three principles: proportionality, so that the burden of evaluation is in line with the scale and nature of the organisation

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<sup>5</sup> Wood and Leighton report that by 2010 the UK government accounted for one-third of the total income of social organisations and that, by then, around 27,000 charities (25% of the total number of registered charities) relied on government for over three-quarters of their funding

<sup>6</sup> Wood and Leighton define SROI-readiness as involving the capacity “to identify and measure organisational outcomes adequately in a quantitative way.”

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undertaking it; comparability, so that even with a range of flexible frameworks, organisations can still produce outputs based on comparable principles and terms of reference; and, standardisation, so that there are tools and data available to remove the need to evaluate outcomes from scratch and reduce the burden on organisations.

The Calouste-Gulbenkian Foundation, which funded the DEMOS research, advocates that foundations work with grantees to face the challenges posed by measuring social returns and, in support of this, makes the following suggestions to funders:

- Include a budget for measurement of outcomes (and then social returns) in your grants and set measures for yourself as well so you learn in parallel with your grantees.
- If you hit difficulties in your discussions with grantees come back to the common goal: social impact. Discuss this with your grantees: many of the problems of measurement turn out to be problems of lack of agreement on goals.
- Even if you do not seek to quantify the financial impact of your outcomes do think about how this financial value will be delivered as it will refine your view of what is truly valuable.
- Monitor implementation around outcomes, not outputs, as this is where the impact is often assumed and not managed.
- Be persistent: this is going to be a long journey. Seek continuous improvement; one of the benefits of measures is that they enable us to continually ratchet up expectations (of ourselves and others).
- Share good practices between grantees and with other funders.

## 2.5 An exemplary analysis of SRIO: The case of Foster Care in the Netherlands

In this section, we present an exemplary analysis of a social return on investment calculation, to give an idea of how it works.<sup>7</sup> The analysis is undertaken by Sinzer in the Netherlands, at the request of the sector organization of foster care homes for children who are unable to live with their parents. It concerns children in the age category up until 18 year for whom youth care professionals consider the home situation inappropriate for their socio-emotional, physical and cognitive development because of violence, sexual abuse and negligence. Foster care homes (gezinshuizen) are an alternative to state care institutions (residentiele instellingen). In the SROI the costs and benefits are determined for funders, municipalities, the children themselves and agencies responsible for finding places of care. The costs and benefits for the parents are not determined but their acceptance of the referral and their assessment of moments of contact is assessed (via scores on a scale from 0 to 5).

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<sup>7</sup> This section is based on <http://www.gezinspiratieplein.nl/lezen-weten/lijst-met-alle-publicaties/74-maatschappelijke-business-case-gezinshuizen/file>



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Effects for all people and organisations involved are being determined via interviews with foster care providers, experts and to a smaller extent the children. For children the positive effects include: the creation of a prosocial network (based on relationships of care and trust), greater chances of obtaining a school diploma, finding work, less debt and a greater sense of self-love and acceptance. For funders the benefits include lower care costs (which amount to 11688 euro per child). For municipalities/government the benefits include: prevention of crime, less need for special education, and lower demands on social welfare arrangements.

Based on interviews with foster parents, for each effect category, the duration of the effect (1, or 3 years) is estimated together with the attributed chance of the effect occurring. Each effect is monetarized, based on cost and benefit information that is available. The cost information used gives a hard element to the monetarization but no attempt is made to personify the costs and benefits. The basis for calculating the benefits from reduced crime are the costs of custody. The avoided psychological damage to victims of crime is not included. The benefits of having a support network of 3 persons are calculated as 4500 based on the maximum payment of 1500 euro that volunteers in the Netherlands can receive for doing volunteering work. This translates into a benefit for the child of 714 euro a year based on a positive impact chance of 32% (the impacts chance stems from subjective guess by experts). The gains of a diploma are based on econometric studies that say that every extra year of schooling results in 5-15% income. The 5% number is used as this is considered most appropriate (the percentage increases with level of education) and for income, the average minimum wage for 18 to 20 year olds is used. Here the impact factor is estimated at 22%. Those assumptions appear reasonable (more reasonable than those for estimating the benefits of having a social support network which are not based on benefits for the recipient of care but based on the sum of money that government is prepared to pay for the work done by volunteers in general).

The value of the benefits for a foster care child is estimated at 1,727 euro, for municipalities at 4,106 euro and for agencies responsible for finding places of care it is 189 euro. The biggest benefit category is the saving in the costs of direct care by bringing children in foster care homes. The SROI (the quotient of overall benefits and costs) is estimated at 1.30 (91% of which stems from the lower care cost element), indicating a positive societal business case. Human stories about life changing experiences are absent from the evaluation, a missed opportunity. For fostering innovation, the SROI offers little. The analysis does not provide any insights into conditions for success and processes behind achieving positive results for the children, the results of which could help foster care people to provide care in a better way and other organisations to take helpful measures. To funders, the study showed a clear benefit which they already knew. The analysis is an example of a summative evaluation.

The limitations of a purely summative evaluation are recognized in a blog by Marlon van Dijk on theories of change, where she offers useful suggestions for increasing impact.<sup>8</sup> In her blog, she argues for a deeper investigation of the conditions for success and for using

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<sup>8</sup> <http://blog.sinzer.org/author/marlon-van-dijk>

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such knowledge for a more tailored approach of social care. The example she uses is that of an alcohol rehabilitation programme, where it was discovered that having a social support network of family and friends was a critical factor for success. It also was discovered that failures to get off alcohol resulted in depressions, feelings of failure and reduced motivations, as negative side-effects. These learnings led to the introduction of buddies for people without social support and the decision to limit the programme to those with social support. Both choices greatly improved the effectiveness of the rehab programme and helped to reduce the negative side-effects.

## 2.6 The recommendations of the GECES sub-group

The DEMOS study, while supporting the idea of a universal reporting of social impact, nevertheless has concerns over the pre-occupation on SROI that represents the evaluation priority of funders, but does not necessarily respond to the evaluation needs and concerns of other stakeholders. As evaluation needs and questions of parties with other than only financial perspectives also need to be considered, more comprehensive approaches to monitoring and evaluation are needed. The DEMOS study therefore recommends the development of a more comprehensive and universally applicable evaluation framework. Progress in this direction is represented by the recommendations of another group – the GECES sub-group on Impact Measurement – whose report on 'Proposed Approaches to Social Impact Measurement has just been submitted (GECES, June 2014).

GECES (Group of Experts of the Commission on Social Entrepreneurship) was established in the policy context of European Commission legislation and practice. The Single Market Act II states that “the Commission will develop a methodology to measure the socio-economic benefits created by social enterprises” and that “the development of rigorous and systematic measurements of the impacts of social enterprises on the community is essential for demonstrating that the money invested in social enterprises yields high savings and income”. The GECES sub-group on Social Impact Measurement was therefore established “to agree upon a European methodology which could be applied across the European social economy” (GECES 2014, p.i).

The immediate need for a methodology relates to two funding instruments for social enterprises. The European Social Entrepreneurship Funds (EuSEFs) and the Programme for Employment and Social Innovation (EaSI)<sup>9</sup>. Both programmes come under the Social Business Initiative (SBI) and are focused on supporting the development of Social Enterprise within EU Member States.<sup>10</sup> The measurement needs of these two instruments are different, however. For EuSEFs there is a need to create a standard for judging whether a social enterprise qualifies to receive financial support. For the EaSI programme, under

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<sup>9</sup> Under EaSI, €86 million in grants, investments and guarantees will be made available to social enterprises in 2014-2020.

<sup>10</sup> In this context, a social enterprise is defined as an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders. It is characterised by the dominance of a social objective of the common good, the reinvestment of most profit with a view to achieving the social objective, and by governance structures (e.g. systems of organisation, ownership, stakeholder participation, etc.) that reflect this mission.

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which grants will be made available to social enterprises that are able to demonstrate “a measurable social impact”, the need is for those managing the funds to report upon the extent to which the social impact targets of the whole fund are delivered (GECES 2014).

The GECES report makes clear, nevertheless, that the development of a standard for impact measurement goes beyond these immediate needs, pointing out that “nowhere in the world is there an agreed standard for social impact measurement” and that “to develop one would bring consistency to reporting” (GECES 2014, p.i). While the GECES standard is thus developed in relation to social enterprise and social entrepreneurship and is sensitive to the funding instruments it is intended to serve, the underlying intention to “measure social impact” is relevant more widely across the field of social innovation. The GECES report, like the DEMOS report, thus identifies the need for an agreed and universal measurement standard and seeks to build foundations for this in the form of a set of principles and guidance for an approach that evaluates impact based on outcomes.

The main argument of the GECES report is that it is neither possible nor desirable to devise a rigid set of indicators in a top-down and ‘one-size-fits-all’ fashion to measure social impact in all cases.<sup>11</sup> The report warns that to impose a pre-determined, closed set of quantitative indicators “from the top” also risks being highly counterproductive, especially if funding decisions are based on performance against these indicators, since this introduces dangers of perverse incentives; for example risks of social organisations organising themselves so as to maximise their achievements against pre-set measures, rather than to achieve the greatest social impact in their own eyes (GECES, 2014, p. 11).

Rather the sub-group recognises that there exists a range of approaches to measuring social impact, which differ in the detail of indicators and metrics, but which show some convergence on the main steps in the process that constitutes the groundwork for any measurement of social impact. Broadly, these steps involve, “identifying clearly the social impact sought, the stakeholders impacted, a ‘theory of change’ for social impact, putting in place a precise and transparent procedure for measuring and reporting on **inputs, outputs, outcomes** and for assessing thereby the **impact** actually achieved, followed by a ‘learning’ step to improve impacts and refine the process” (GECES, 2014, p.10, highlights maintained as per original). This is recognised to be an iterative process.

Instead of proposing indicators and metrics of its own, therefore, the GECES sub-group proposes the development of a standardised methodological approach for developing customised and context-sensitive impact assessments. This is based upon a set of principles and guidelines concerning: setting objectives; analysing stakeholders; measuring results; verifying and valuing impact; and monitoring and reporting. As no single set of indicators can be devised top-down to measure social impact in all cases the approach proposed by the GECES is to develop a framework for indicators. It is suggested that this, “should provide a broad structure into which the majority of cases should fit,

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<sup>11</sup> The report of the sub-group states that “there is a range of approaches to measuring social impact, each of which promotes particular kinds of indicators, but that none of these has yet reached the state of a gold standard”. Further “it is unlikely that any of these will become a gold standard since diversity of social need, intervention, scale and stakeholder interest demand different information and presentation of it” (GECES, 2014, p.10).

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showing differences between different types of intervention but recognising that for each type indicators are likely to be selected from a range” (GECES 2014, p.11).

Concepts and terminology play a key role in the development of the GECES guidance. The literature review undertaken by GECES as part of its remit identifies five key terms that recur in social impact assessment studies. These are adopted in developing the approach that GECES proposes. The approach distinguishes:

- Inputs: Resources used in delivery of an intervention
- Activity: What is done with those resources (the intervention)
- Output: How that activity touches the intended beneficiaries
- Outcome: The change arising in the lives of the beneficiaries and others
- Impact: The extent to which that change arises from the intervention

In respect of the last of these several adjustments are to be taken into account:

- Deadweight: To account for changes that would have occurred anyway
- Alternative attribution: To discount change attributable to other activities and actions
- Drop-off: To account for the decreasing effect of interventions over time
- Displacement: To account for negative consequences.

In coming to a standard capable of wide application, GECES draws a distinction between four elements in producing a meaningful measurement of social impact:

- Process: The series of steps and stages (mechanisms) by which the social innovators or funders investigate, understand and present how activities achieve change (outcomes) and impact in the lives of service-users and stakeholders.
- Framework: For each major area or sector in which social innovators intervene, a list of the most usual outcomes being targeted and, for each of these, a series of sub-outcomes that appear most regularly.
- Indicator: A particular way of attaching a value or measure to those outcomes and impacts.
- Characteristics: Qualities of the reported measurement of the outcomes and impacts that contribute to recognition of reliability, validity and robustness.

The GECES report also draws attentions to limitations that attach to any project seeking to establish a standard for measuring impacts of social innovation. It refers to: the intrinsic

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difficulty of capturing all impacts objectively, especially given the wide diversity of impacts; difficulties in capturing qualitative aspects of impacts, which can be underrepresented when using quantitative indicators; the need for measurement to be a proportionate activity that balances the wish for accuracy with the costs of measuring more precisely; the trade-off between comparability and context-sensitivity (the need for measurement and choice of indicators to be relevant in the specific case and context); and, the difficulty of sticking to any standard over a number of years in the fast-changing world of which social innovation is a part. The standard proposed by GECES therefore reflects “a balance between the needs of funders, investors and policy-makers for sound information on measurable social impacts with the need for proportionality and practicality” (GECES 2014, p.ii).

Within the limits implied by these caveats, the GECES sub-group develops a process to measure social impact, defined as “the social effect (change), both long-term and short-term, achieved for its target population as a result of its activity undertaken – taking into account both positive and negative changes, and adjusting for alternative attribution, deadweight, displacement and drop-off”. This standard process involves five stages:

- Identifying objectives: This is concerned with both the objectives of the service being measured and the measurement objectives of the various parties.
- Identifying stakeholders: This is concerned with identifying who gains and who gives what and how.
- Setting relevant measurements: This is concerned with the theory of change that the social innovation uses to plan and implement its intervention; i.e. with how the activity is thought to achieve the outcomes and impacts most needed by beneficiaries and stakeholders. Measurements appropriate to explaining the link from activity to impact are set with input from major stakeholders.
- Measuring, validating and valuing: This is concerned with assessing whether – and to which extent – the targeted outcomes are achieved in practice.
- Reporting, learning and improving: This is concerned with using the measurements in regular reporting about services and their effectiveness to internal and external audiences.

The format for reporting is an integral part of the proposed GECES standard and is a means for quality assurance as well as of communication, so both structure and content are prescribed in terms of a set of points to be covered. These include:

- I. An explanation of how the process has been applied

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- II. An explanation of the effects of an intervention in terms of outcomes, beneficiaries, and an account of attribution that considers deadweight, alternatives, drop-off, etc.)
- III. The social innovator's logic model (theory or hypothesis) of change, suggesting how/why the activity caused or contributed to the outcomes and impacts
- IV. An identification of third parties having a role in the delivery of these outcomes and impacts, explaining how they contributed (which is important for alternative attribution)
- V. An identification of those stakeholders whose interests are being measured and the nature of the gain to them (appropriately categorised)
- VI. A set of indicators for the identified impacts with explanation for the selection of these, how the indicator relates to the impact and the needs and interests of stakeholders and how these have been agreed with stakeholders.
- VII. A social and financial risk analysis covering the contingency that targeted social and financial outcomes are not delivered.

The standard for social impact assessment proposed by GECES marks some progress in that it provides for some consistency across assessment processes but proposes a flexible framework for selecting metrics and indicators so that these are contextually appropriate. It also continues in the (positive) direction of measurement based upon outcomes and impacts, rather than on outputs (see, also: Epstein and Yuthas 2014).<sup>12</sup>

The standard is nevertheless narrower in scope than would be needed to cover a full range of possible evaluation questions. In part this is because it is based on a positivist approach to impact assessment, which assumes a greater clarity of means and goals than necessarily applies in all stages of a social innovation. An explicit argument in the GECES report, for example, is that “social enterprise needs to be defined and qualified by way of function, principle and primary purpose, and the impact measurement should be based upon and emerge from this” (GECES, 2014, p.7).

In part the scope is reduced because social innovators and their evaluation questions and needs are under-represented in the development of the standard relative to investors and their needs. While recognising that the context for and field of evaluation has been changing rapidly over recent years “to meet changing social, policy and investment needs”, the proposed GECES standard heavily emphasises support for investment and financial decisions.<sup>13</sup> The report refers specifically to the global financial crisis as a motivation for measuring impact because of “the resulting heightened desire of funders and investors (public or private) to concentrate scarce resources on initiatives with an impact that can

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<sup>12</sup> Epstein and Yuthas (2014) *Measuring and Improving Social Impacts: A Guide for Non-Profits, Companies and Impact Investors*, Greenleaf Publishing.

<sup>13</sup> Thus for example, the GECES report states that: “In the case of all stakeholders, a key need for social impact measurement can be seen in decision making. The investor needs to evaluate the advantages of the impact achieved against the risks of investing. The fund manager needs to consider whether a given investment delivers both acceptable social and financial returns, as well as whether it meets policy and fund focus objectives. The service-user needs to understand the nature of the intervention, and the gains to be enjoyed by engaging with the service. The funder of the service, be it a public body, a service-user, or another party, needs to understand the value it gains and for which it is paying. The needs of all such stakeholders should be recognised and should be balanced” (GECES 2014, p.2).



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be demonstrated”. Equivalently, the needs of service-providing organisations considered in developing the standard are mostly those relating to scrutiny and accountability; i.e. monitoring is designed to support transparency in explaining how funds are used and to demonstrate they are being used productively.<sup>14</sup>

More generally, in the GECES report the field of social impact measurement is considered to be a facet of the economic evaluation of impact, which has roots that can be traced back to the 18<sup>th</sup> Century. By implication, the proposed GECES standard is also developed from those roots and strongly reflects the approaches of economics, finance and accounting.

In some reports there is recognition also that a ‘perfect’ system would be an illusory objective and that the aim should be more one of continuous improvement of schemes and metrics. It is suggested also that working to improve evaluation is an important part of the process of social innovation, since this imposes a discipline of conscious reflection and precision over the impacts that a social innovation seeks to have, the mechanisms through which impacts are created, and the strategies to be deployed for maximising the effectiveness of achieving impacts.

## 2.7 A contingency approach to impact measurement and evaluation

Accepting that formal methods for SIO have severe limitations in terms of do-ability and usefulness, Nicholls (in a report for CRESSI) develops a contingency approach. The starting point for the contingency approach is the question *how can organizations chose an approach that is appropriate to their concerns and context?* This question brings into focus the goals for evaluation. According to Nicholls, establishing a basis for trust is one important goal (important in its own right). A second important goal is offering an information basis for decision making for the social organisations and those interested in supporting it or evaluating it. These considerations led him to distinguish what he calls *The Basis-for-Trust Dimension*. For stakeholders what the social organisation is doing is important to know and mission statements and descriptions of activities are valuable for this. For social organisations working on a pay-per-performance basis for public authorities and those funded by social impact investors this will not be enough. External funders may also have an interest to ‘look under the bonnet’ to “form judgements about the quality of the management team and the challenges and prospects facing the business” (Nichols, 2015, p. 20). In general, direct contact, dialogue and observation are ways to “allow confidence to build up (or not) and reduce the need for the costly generation and processing of abstracted evidence and reports” (ibid, p. 15). The need for quantitative analysis also will be smaller when the initiative is embedded in a community, a social movement or field of professional activity with well-described practices and ethos as to what is permitted and what not (ibid, p. 20).

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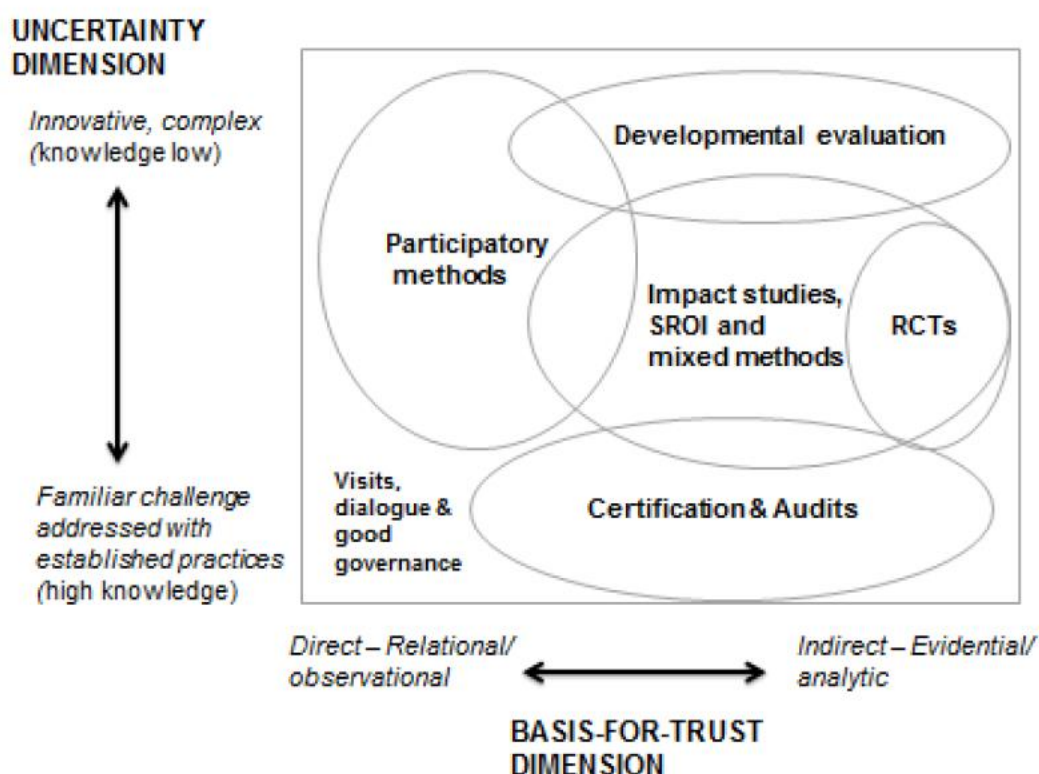
<sup>14</sup> This extends to the use of impact measures to enable service providers and commissioners to improve effectiveness in delivery, where concerns expressed in the GECES report are for both technical efficiency (of the intervention) and financial efficiency (of the investment).

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The second dimension of the contingency framework is the degree and amount of uncertainty. Uncertainty is high for novel and complex initiatives and low for well-established ones. Both trust and uncertainty will affect the confidence of external stakeholders in the occurrence of positive outcomes.

The value of the Contingency Framework is that it offers guidance in terms of the most appropriate impact measurement approach for the different context (shown in Figure 2)

Figure 2: A Contingency Model for Social Impact Measurement



Source: Nicholls, 2015 (p. 21)

According to Nichols, the central area of the graphs is the most difficult because uncertainty is considerable and the basis for trust is unclear. Here, certification and participative approaches will not be sufficient or appropriate for some stakeholders but the initiative may not be able to undertake certified method because of costs. Nicholls feels that especially here the SROI has a great to offer here because of its flexibility, in terms of combining (quantitative) evidence with participatory relationship building.

## 2.8 Developmental evaluation for innovation

After having discussed positivistic models of evaluation, especially, SRIO, we now offer a deeper discussion of developmental evaluation *as a model of evaluation for innovation*. In developmental evaluation, the focus is not on impact evaluation but on possibilities for

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*increasing* positive impacts through innovation. Developmental evaluation fits with internal needs for monitoring and external ones for summative evaluation and constitutes an important complement to positivistic forms of evaluation that are grounded in measurement rather than in exploration of possibilities.

Antadze and Westley (2012) argue that Milbergs and Vonortas (2004) made a major contribution in their analysis of innovation metrics by recognising that innovation is a process that entails change within complex systems, that it is multidimensional, that it is uncertain and that these aspects are not captured through conventional approaches. This line of argument is taken up also by Morris (2011) who says that the pursuit of innovation necessarily involves a venture into the unknown and concludes from this that “opportunities will be lost if we try to pin these unknowns down too early” in our (innovation and evaluation) processes. These aspects “open the possibility that the evaluation of the impacts of innovation is itself an experiment” (Antadze and Westley, 2012, p. 143).

This reflection on innovation as a complex process operating and interacting with complex systems is at odds with the established paradigm. The established paradigm of social impact measurement derives from a positivist tradition that defines social innovation narrowly as a product or service, rather than as a process. The range of evaluation questions asked, the scope of impacts and values considered, and the types of assessment methods used within the established evaluation paradigm are therefore all much narrower than is needed to capture the full range of impacts when social innovation is defined as a process that entails change within complex systems. Yet, crucially, it is in this latter understanding of social innovation that it holds potential to transform society; i.e. by contributing to broad and lasting changes in social relations, institutions, constructs and behaviours.

Elaborating further on conventional measuring approaches and the difference with approaches that might be needed to evaluate social innovation, Antadze and Westley (2012) group currently-used approaches according to whether they are focused on single or on multiple outcomes and according to whether approaches are designed deliberately to capture particular outcomes (which they refer to as approaches of ‘deliberate design’) or whether they are open to reconfiguration by emergent qualities of the transformation they are measuring (‘emergent design’).

They find that most currently-used approaches are characterised by deliberate design, with either a single outcome (economic) focus or a multiple-outcome focus. They also show that most approaches are applied to measure concrete phenomena, such as products, services, and behaviours, rather than something more abstract, like a process or an idea. This, they conclude, is unsurprising, precisely because conventional notions of evaluation have been based generally on traditions of positivist science, leading to an approach that is causal and linear and based on input-output measurements. As a result, they say, “what can be counted tends to be what is evaluated” (p. 144). Concrete

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phenomena are relatively easy to evaluate. Social innovation, by contrast, demands a link among complex and abstract phenomena, social processes, and multiple outcomes.<sup>15</sup>

Antadze and Westley (2012) draw attention to an alternative approach to evaluation, referred to by Patton (2011) as ‘developmental evaluation’, which arises from this perspective on and definition of social innovation as “a complex process” determined by “its impact on the broad system”, rather than by the conventional definition of social innovation as a specific outcome in the form of a product, service or behaviour. In the perspective of development evaluation the evaluation focus shifts from measuring social innovation as a product or service to evaluating it as a process that has impacts.

By introducing ‘development evaluation’ Patton draws a distinction with more usual ‘formative’ and ‘summative’ modes of evaluation. Effectively, Patton is introducing a third and new mode of evaluation that is designed to serve a hitherto overlooked purpose. Both formative and summative evaluations are tests of a model. Formative evaluation is used to improve a model and bring it to some final stage of refinement. Summative evaluation is used to determine the success and effectiveness of the final model and, especially, to help decide whether it should be continued, extended or disseminated. It implies the existence of well-defined goals, an optimal solution, a targeted intervention and a fairly stable environment. Developmental evaluation, by contrast, “supports innovation development to guide adaptation to emergent and dynamic realities in complex environments”. It suggests constant movement back and forth between problem and solution in support of an ongoing and continuous development process. Here Patton is describing a constructivist role for evaluation and a role in the adaptive management of upscaling processes.

Developmental evaluation is “purpose-and-relationship driven and not method-driven”; making method decisions is part of the process (Patton, 2011, p. 288). “It’s all about persistently asking questions and pursuing credible answers in time to be used” (Patton, 2011, 288). **Typical questions** to be used are (pp. 46-47):

- *What is the baseline understanding of the situation?*
- *What are the vision and values that will guide innovation?*
- *What are the initial conditions and the nature of the environment within which action will occur?*
- *What is meant by innovation?*
- *What do rapid feedback and initial results reveal about progress in desired directions?*

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<sup>15</sup> This raises the issue of attribution and causality in social innovation assessment. These are difficult issues to handle generally because social sector impacts can be caused by multiple factors and actors. However, there are additional difficulties of assessing impact and ascribing causality in a complex process when social impacts may result from actions by more than one organisation and lines of influence may be too long, complex and indirect (Earl et al. 2001).

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- *What's considered "working" and "not working" as exploration unfolds and innovation is undertaken?*
- *What criteria emerge to tell the difference between working and not working?*
- *What processes and outcomes generate enthusiasm? Why?*
- *How is the programme as an intervention system connected to and affected by larger systems in its environment?*
- *What are the trends in those larger systems?*
- *What can be controlled and not controlled, predicted and not predicted, measured and not measured?*
- *How to distinguish signal from noise to determine what to attend to?*
- *What innovations emerge that merit more formal implementation as pilot programmes ready for formative evaluation?*

It is based on a number of **key conditions**, which are that:

- ✓ Social innovators have a strong vision and commitment to making a difference.
- ✓ There is a willingness and capacity to act and innovate under conditions of uncertainty and turbulence.
- ✓ There is commitment to use data and rapid feedback to make sense of what emerges during exploration and innovation, and use those emergent understandings to guide next steps.
- ✓ Funders are willing to try out and trust the innovation process and developmental evaluation as a way of monitoring what emerges.
- ✓ Evaluators are capable of operating without predetermined clear, special and measurable outcome or a well-defined logic model.

Ontologically, it is based on the view that "conclusions include reasoning, critical thinking, judgment, and argument—and cannot be reduced to methods and data". Reconstructing concepts of fairness, autonomy, resilience and sustainability (in terms of one's own understanding and that of others) may be part of the process, giving the evaluation an element of "phronesis" (practical judgment) (cf. Loeber, 2007 and Avelino and Grin, 2017). Patton (2011) lists five main uses for developmental evaluation: for ongoing development in adapting a project, program, strategy, policy or other initiative to new conditions in complex dynamic systems; for adapting general principles to a new context as ideas and innovations are taken from elsewhere and developed within a new setting; for developing a rapid response (in real time) in the face of sudden major change; for developing the performance of a potentially scalable innovation; and for evaluating major systems changes and cross-scale developments to provide feedback on unfolding systems changes, evidence of emerging tipping points and/or on how an innovation may need to be adapted as it is taken to scale in the effort to have broader impact.

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Purpose	Key conditions	Priority questions	Common evaluation approaches	Key factors affecting use
<b>Developmental evaluation</b>				
<ul style="list-style-type: none"> <li>Help social innovators explore possibilities for addressing major problems and needs, and identify innovative approaches and solutions.</li> <li>Develop promising innovations.</li> <li>Support adaptation in complex, uncertain, and dynamic conditions.</li> <li>Document what actions innovators engage in, the short-term results and consequences of those actions, and their connections to the larger vision of the innovators.</li> <li>Identify emergent processes and outcomes that accompany innovation, and support making sense of their implications.</li> <li>Support ongoing development and adaptation to changing conditions.</li> </ul>	<ul style="list-style-type: none"> <li>Social innovators with a strong vision and commitment to making a difference.</li> <li>Willingness and capacity to act and innovate under conditions of uncertainty and turbulence.</li> <li>Commitment to use data and rapid feedback to make sense of what emerges during exploration and innovation, and use those emergent understandings to guide next steps.</li> <li>Funders willing to try out and trust the innovative process and developmental evaluation as a way of monitoring what emerges.</li> <li>Evaluators capable of operating without predetermined clear, specific, and measurable outcomes or a well-defined logic model.</li> </ul>	<ul style="list-style-type: none"> <li>What is the baseline understanding of the situation?</li> <li>What are the vision and values that will guide innovation?</li> <li>What are the initial conditions and the nature of the environment within which action will occur?</li> <li>What is meant by innovation?</li> <li>What do rapid feedback and initial results reveal about progress in desired directions?</li> <li>What's considered "working" and "not working" as exploration unfolds and innovation is undertaken?</li> <li>What criteria emerge to tell the difference between "working" and "not working"?</li> <li>What processes and outcomes generate enthusiasm? Why?</li> </ul>	<ul style="list-style-type: none"> <li>Developmental evaluation.</li> <li>Systems-and-complexity-based interactive design.</li> <li>Rapid assessment, rapid feedback.</li> <li>Emergent evaluation.</li> <li>Real-time evaluation.</li> <li>Ongoing environmental scanning and outcomes monitoring.</li> <li>Reflective practice.</li> <li>Participatory action research.</li> <li>Network analysis.</li> <li>Systems change mapping.</li> </ul>	<ul style="list-style-type: none"> <li>Innovators and developmental evaluator(s) able to work together in partnership: mutual respect and trust.</li> <li>Getting busy and action-driven innovators to value and spend time in sense making, reflection, and data interpretation to inform ongoing innovation.</li> <li>Openness to what emerges.</li> <li>Adaptive capacity.</li> <li>Tolerance for ambiguity and uncertainty ("getting to maybe").</li> <li>Balancing quality and speed of feedback.</li> <li>Nimble, agile.</li> <li>Integrate and synthesize multiple and conflicting data sources.</li> </ul>



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All of these different uses for development evaluation stress the importance of context. Context sensitivity includes paying attention to the primary intended users of an evaluation, priority uses, the political environment within which the evaluation occurs, the stage of development of the innovation and other factors relevant to the use of the evaluation. A key conclusion drawn by Patton (2011) and reinforced by Antadze and Westley (2012) is that standardized metrics are not appropriate for developmental evaluation given the diversity of innovation contexts, so development of metrics and their continuous review and revision (as emergent metrics) needs to be built-into the social innovation process as a central aspect of development evaluation.

*“Evaluation isn’t something to incorporate only after an innovation is underway. The very possibility articulated in the idea of making a major difference in the world ought to incorporate a commitment to not only bringing about significant social change, but also thinking deeply about, evaluating, and learning from social innovation as the idea and process develops.” (Westley et al., 2006)*

Antadze and Westley further argue that formative, summative and developmental evaluations are not exclusive; rather they can play complementary roles at different stages in the development of social innovation. Using the adaptive cycle of Gunderson and Holling (2002), Antadze and Westley (2012) suggest that formative evaluation can support the exploitation stage by fine-tuning a model, summative evaluation can support the more stable and grounded conservation phase by judging overall effectiveness of a model, and developmental evaluation can support the reorganisation and release phases “where social innovators need to make sense of the emergent opportunities, understand the ongoing dynamics, and try out new ideas and approaches” (Antadze and Westley 2012, p. 146).

As social innovation process progresses this will imply change in requirements not only in terms of evaluations, but also in terms of suitable business, financial, learning and governance models. Next to the stage of development, the characteristics of the context space matter. Kirkland (2013) distinguishes three evaluation ‘spaces’: simple, complicated and complex.<sup>16</sup> Complex space call for open exploration and put a premium on flexibility. Complicated space involves a better, but still not fully, understood space where there is still room for debate and decision about the best way forward. Here the focus is on measuring what is thought will happen, so the focus is on measuring sought outcomes. There is a need also to consider the efficacy of different approaches, so that different variants of an intervention might be tested and evaluated to see which gives best results. There is still a need to be mindful of unintended consequences, so evaluations systems are needed to capture those things that do not show up with established measures. Simple space by contrast is where a good deal is known already about the context, the intervention and the mechanisms and nature of its effects. Here the focus of evaluation is on measuring what is thought or is expected to happen. Approaches, like randomised controlled trials can be appropriate here because the effects sought are known and the need is for the most robust method to detect these.

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<sup>16</sup> <http://www.nominettrust.org.uk/knowledge-centre/blogs/evaluating-social-innovation-what-and-when>

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For social innovation, useful alternatives to developmental evaluation exist. Traditional models based on goals and step plans may not be suited because of the asset nature of social innovation initiatives (which are based on autonomy and consent). An interesting approach for social innovation is the model of Dynamic evaluation which is based on help to innovators in terms of intervention suggestions and sharing of experiences via stories (Kieboom and Vahl, 2014).<sup>17</sup> In the case Education Pioneer, the innovators in education (school teachers) were asked to share their stories and to structure and order their experiences on the basis of feedback from other innovators in education. Like developmental evaluation, dynamic evaluation seeks lessons for innovation. It exploits people's natural interest in stories and their proneness to understand causal elements of "why and how" if they are presented in the form of a narrative.<sup>18</sup> The stories themselves may need further articulation, systematisation and scurтинisation, which is done by bringing people in direct contact with each other (allowing them to ask questions) and by breaking down the stories into four parts: 1) the problem that was being addressed, 2) the idea, 3) the actions, and 4) the results obtained. It helps SI people to better deal with the critical issue of finding partnerships of collaboration and subjects them to external feedback, something which Developmental Evaluation is said to be less suited for.<sup>19</sup>

## 2.9 Evaluation anxiety

Imposed forms of evaluation create anxiety. Funders (or governments) often desire the demonstration of social impact in return for funding. However, initiatives are not keen on spending time on those activities, do not have the necessary expertise or would rather focus the monitoring on different aspects. They prefer to spend their scarce resources on *making* impact rather than on measuring it.

Monitoring fit for purpose can be created as part of an action research project, as shown by the action research project on monitoring and evaluation of eco-localisation projects in the UK (described in Hobson et al., 2016). In the project, the interest in monitoring and evaluation was explored amongst low carbon' community groups and partnerships (LCCGPs). The interest in M&E was examined and exploited in a step-wise process, which started with a one-day M&E workshops in Oxford, London and Manchester. The aim of the project was not so much to collect and analyse M&E data, but rather "to explore what happens when groups are given the space, resources and tools to do so themselves, in-keeping with calls for 'a more holistic evaluative frame' when examining the impacts of community groups" Hobson et al., 2016, p. 1398).

In a second step, experience was gained with M&E methods in the course of several months. Each group was asked to trial at least two M&E tools and was allocated one project team member as support over the trial period. When the trials had ended,

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<sup>17</sup> This section is based on <https://www.kl.nl/wp-content/uploads/2013/01/MD-Deliverable-3.2-Case-Study-Education-Pioneers.pdf>, [https://www.kl.nl/wp-content/uploads/2014/04/pres\\_mk\\_de2.pdf](https://www.kl.nl/wp-content/uploads/2014/04/pres_mk_de2.pdf)

<sup>18</sup> A narrative is "an account of the unfolding of events, along with an effort to explain how and why these processes and events came to be". <http://understandingsociety.blogspot.nl/2014/02/a-causal-narrative.html>

<sup>19</sup> Personal communication of Marlieke Kieboom in an email.



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feedback was being sought from each participating group on the process and tools. Overall, the feedback was “positive and constructive”. Participants said that the evaluation led them into discussions on their mission and ‘theories of change’. It enabled some groups “to plan future projects in line with the desire to create specific impacts” rather than using M&E for capturing “outcomes after-the-fact”. In the words of a Transition Network staff member, the M&E exercise ‘stimulated me to do some of the work that I’ve been wanting to do, like around theories of change because that was the first thing that confronted me when I started doing this project. It was “so what’s your theory of change and how are you going to fit the impacts and what you want to measure into that logic model”?’ (p. 1401)

The exercise revealed anxiety towards the element of judgment and the possibility that it might “highlight shortcomings within the group, either in terms of tensions between members or perceived missing skills and constituents”. The exercise also showed that not all of them are interested in expansion. One group in particular, chose “not to take up the mantle of becoming a well-funded and expansive group, able to deliver on national level policy goals and prove their impact to attract competitive external funding” (Hobson et al., 2016, p. 1406). People in this group were content with their current size. For this group, “doing projects that were of interest to them – not ones that delivered the most quantifiable impacts – was their intended pathway”

Another important conclusion found by the researchers is that action research can help people to find their own way of dealing with M&E, in ways that help them gain traction with the public and specific stakeholders, through expressions of their ethos and particular representations of impact (Hobson et al., 2016 p. 1505).

## 2.10 Monitoring of context to find suitable partners and strategies

In section 8 the importance of context sensitivity is being mentioned. In this section, we examine the element further for the case of social innovation. At this moment, opportunities for social innovation are large because there are shifts underway that favour social innovation initiatives as service providers. We see, for example, the shift from local authorities acting as direct service providers to becoming service commissioners in areas of adult social care, urban poverty relief, etc. Another relevant development is the discussion about the current welfare systems and experiments with new forms of social welfare provision and rules, such as incentives for welfare claimants to volunteer, experiments with basic income, possibilities for health service beneficiaries to engage in activities that will help them to improve their own health or engage them in helping improve the health of others.

But such evaluations come with additional challenges, often in the form of dilemmas. For example, when establishment actors set the agenda and expect the SIs to play along, they are creating problems of co-opting. An example is the UK government deciding to send thousands of people (benefit claimers, including migrants) to time-banks without providing appropriate resource. SI’s can collapse when agendas are imposed top-down by (single-topic) agencies. The development goals of funders and SI leaders may also conflict

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with the wishes of volunteers not to be judged and their desires for keeping to old ways of doing. SI leaders must take care not to lose the grassroots element.

Table 2. Scaling routes for social innovators

Scaling route	Models and approaches	Activities
Influence and advise	<ul style="list-style-type: none"> <li>Campaigning and advocacy</li> <li>Consultancy</li> <li>Training</li> </ul>	<ul style="list-style-type: none"> <li>Public speaking</li> <li>Publishing</li> <li>Engaging with policymakers</li> <li>Communicating via traditional and social media</li> <li>Advising or training others</li> </ul>
Build a delivery network	<ul style="list-style-type: none"> <li>Federations and membership models</li> <li>Communities of practice</li> <li>Kitemarks and quality marks</li> <li>Licensing</li> <li>Franchising</li> <li>Delivery contracts</li> <li>Collaborations</li> </ul>	<ul style="list-style-type: none"> <li>Representation</li> <li>Advocacy and awareness raising</li> <li>Transferring knowledge, codifying processes, sharing good practices, providing tools</li> <li>Training, support and quality assurance</li> <li>Community and movement building</li> </ul>
Form strategic partnerships	<ul style="list-style-type: none"> <li>Strategic alliances</li> <li>Mainstreaming into the public sector</li> <li>Piggybacking on another organisation's infrastructure</li> <li>Joint ventures</li> <li>Mergers and acquisitions</li> </ul>	<ul style="list-style-type: none"> <li>Brokering and managing partnerships with other organisations that allow a step change in scale</li> <li>Transferring knowledge</li> <li>Creating a sense of common values and mission</li> </ul>
Grow an organisation to deliver	<ul style="list-style-type: none"> <li>Setting up new branches</li> <li>Growing delivery capacity of a central team</li> </ul>	<ul style="list-style-type: none"> <li>Building staff and team capabilities</li> <li>Raising funds/investment</li> <li>Developing organisational capacity and systems</li> </ul>

Source: NESTA (2014, p. 5)

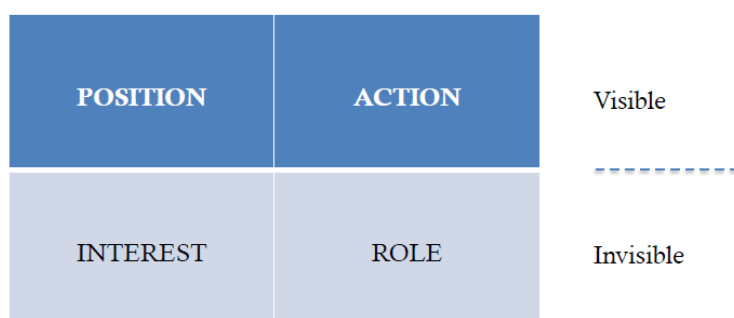
To go to scale, social innovation initiatives may use different routes (Table 2). They may campaign for recognition and support by government and incumbent actors, they may build a delivery network, form strategic partnerships and grow an organisation to deliver. The choice of stakeholder-collaborators is a critical issue for going to scale (NESTA, 2014). Social innovators are advised to differentiate people into those who'll pay, those who'll take part, use and benefit, and those who'll devote their time to the innovation and make it happen (NESTA, 2014, p. 6.). This helps them to identify allies and work with them in mutually beneficial ways.

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A possible way of investigating motivations of actors (especially those who hold the key to system change and transformative impact) is the PAIR matrix of Henk Diepenmaat of Actor Management. The PAIR-analysis is a method that helps to improve on understanding of the players in a certain field of players, where *P* stands for *Position*, *A* for *actions*, *I* for *Interests* and *R* for *Role*.

- **'Position'**: A position is the espoused viewpoint, which is usually declared to others in public, in the press, in a position paper, or at a private negotiation table. An example statement is that the 'empowerment' of citizens and communities is *"absolutely essential to our economic, social and political future. If our local economies are vibrant and strong we are far less vulnerable to global shocks or the failures of a few dominant industries. If people know that their actions can make a real difference to their local communities, they're far more motivated to get involved – and civic pride is revived."* (Cameron, 2009: n.p.). Positions are often about the concrete characteristics of the *present* or the *future* situation of an underlying change perspective, as seen by the actor who is taking up a position. They say something about the intentional logics of an actor.
- **'Role'** is a name that covers a set of acting- and other perspectives that go together and are typical for a certain actor (for example a certain *business company, a research organisation, intermediary, advisory body, mayor, teacher*).
- **'Interest'** is something that an actor wants for himself (to be re-elected, to achieve particular goals, to have a good income or to maintain the one he or she has). If an interest is under threat, the actor will take a curative or preventive action. The interest
- **'Actions'** are the actual conducts/activities carried out by a party. Actions are the entire concrete manifestation of interpreting one's own intentional logics in a world shared with other actors. (Diepenmaat, 2011).

## The pair matrix



The PAIR-matrix is made up of six "halves": a bottom half, a top half and 2 diagonals (*from bottom left to top right and from top left to bottom right*)

Source: Diepenmaat

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The PAIR matrix helps to think about partners for collaboration in a more structured way, and for offering guidance for what to do. The PAIR-matrix is made up of six “halves”: a bottom half, a top half and 2 diagonals (from bottom left to top right and from top left to bottom right).

- **Top half: positions and actions.** This is what can be observed directly: *positions* are expressed and *actions* are carried out. Interests and roles, by contrast, are to a large extent invisible and are hidden in the actors’ inner selves. The advocacy for Big Society by the Cameron government was suspected to be a cover for spending cuts (Small Government). Positions are only credible if they are combined with action, which can be asked for.
- **Bottom half: interests and roles.** The bottom half is the invisible half of the PAIR-matrix. It is also the half that allows us to overcome the deadlock in the multi-actor process. After all, interests can be served by more than one position and roles can be fulfilled by more than one action. That is why looking for cooperation is more likely to be successful if one is not focussed on the positions that have been taken up and the actions that have been carried out (top half), but on interests and roles. When looking for cooperation, one should look down to the bottom half. It may be less tangible, more difficult to grasp, but *that* is where the wiggle room is, if there is any.
- **The diagonal from top left to bottom right: positions and roles.** Ideally, positions and roles mutually enhance each other: important positions have competent and recognisable roles; and robust roles are secured by a clearly articulated position. But if a position is created based on a role rather than based on an interest, this is highly vulnerable to change. SII should be aware of that.
- **The diagonal from top right to bottom left: interests and actions.** A similar consideration goes for the diagonal interests-actions. Actions should be rooted in interests and interests should be secured by actions. Actions that fit with their own natural roles and direct interests, but that are not rooted in a deeper interest, can change when deeper interests can be served better

The behaviour implications of the PAIR matrix are as follows: *If you want to form coalitions, focus on the bottom half. If you want to enrol new actors, look at the left half. If you want to know whether actions and roles fit together perfectly, look at the right half. If you want to see through monopolies, look at the diagonal from top left to bottom right. And if you want to identify shortfalls in action (given interests) and actions which are weakly connected to interests (and thus may disappear), you should look at the diagonal from top right to bottom left.*

Researchers of Wageningen University and the VU Amsterdam developed a method called **Reflexive monitoring in action** (RMA) which offers a more systematic approach to the scanning of opportunities for system innovation by undertaking a system analysis, stakeholder analysis, causal loop mapping and other activities. It is a form of

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developmental evaluation with an important role for research, where “the insights gained from monitoring are tried and experimented with in the projects and activities” (van Mierlo et al., 2010).

## 2.11 Conclusions

In reviewing the literature on and tools for social impact evaluation it is apparent that there are different perspectives on evaluation systems and tools and that these reflect different perspectives on social innovation. The perspectives of social sector actors differ from those of for-profit sector actors, so that the adaptation and application of models of performance used in the for-profit sector – such as measures of profit or productivity – are potentially problematic for social sector actors. For social sector actors financial performance is often a means rather than an end of social sector activity. Social sector actors are mission-focussed and therefore they need *mission-based measures for performance evaluation*. It has nevertheless been observed that, to date, the debate around the measurement of social innovation outcomes and impacts “mainly reflects the perspective of private social finance that is attempting to be more strategic about its capital allocation” (Ebrahim and Rangan, cited by Antadze and Westley 2012, p. 135). Existing tools for social impact assessment are therefore ones mostly borrowed from economics and accounting. Not being developed specifically for this field and for the needs within it, they are not always appropriate.

Even if there is some overlap in interests, approaches, metrics and data needs, stakeholders’ different evaluation needs therefore require different focuses and methods, as even what is to be evaluated – the productivity of finance, the effectiveness of activities, the nature of benefits experienced by different beneficiaries – differs. Further, the evaluation needs of a social organisation are likely to evolve as the organisation and its innovations evolve, diffuse and go to scale. Overall, because of the importance now applied to the sector, this is a very fast-moving field where progress is being driven by the imperatives and opportunities (political, financial and social) to harness social organisations and social innovation both to maximise social impact and to optimise social investment.

The diversity and dynamics of needs are stimulating new work to develop evaluation frameworks based on generalizable principles and protocols that seek to combine consistent guidelines with flexibility over indicators and metrics. These put premium on understanding the processes and pathways through which outcomes and impacts are produced. However, even the most-recently proposed frameworks are still being developed from a largely positivist perspective. Furthermore, the issues of attribution and causality, which are difficult issues to handle generally in social innovation assessment,<sup>20</sup> are especially problematic when lines of influence may be long, complex and indirect and when outcomes are influenced by multiple factors and interactions among these, as is likely to apply when concern is for transformative societal change (Earl et al. 2001).

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<sup>20</sup> The difficulty arises, inter alia, because social sector impacts can be caused by multiple factors and actors and the precise contribution of a particular activity to an outcome and impact may not be separable.

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Policymakers, researchers and social innovators interested in whether and how bottom-up social innovations might contribute to positive societal-level change and in understanding how any such contribution might be maximised have a yet different concern from those that are typically addressed within the established evaluation paradigm that is focussed on what has been achieved. The question of *how to enlarge positive impacts* requires an approach to evaluation that is very different from the approaches developed under a positivist perspective that seek evidence in relation to pre-specified cause-effect links and chains. Whereas in a traditional impact assessment the focus is on measurement of outcomes and attribution, developmental evaluation uses monitoring to obtain new data and understandings about the complex dynamics behind positive outcomes and reasons for failure, with the help of stories of success and failure in combination with a look at data.

To us, all methods have positive value but also limitations. For measuring what has been achieved, SRIO is a useful method. For fostering innovation and improvement of social innovation, Developmental evaluation (Patton, 2011) and Dynamic evaluation (Kieboom and Vahl, 2014) are useful methods. There is also value in combining methods. We propose that SRIO pays more attention to the stories of people involved (those helped by a SII and the professionals in providing the help in the case of help services), to explain to outside people *what the SI is about* and for understanding better causal-effects links. Monitoring should be fit for purpose and maximum efforts should be undertaken to make it so. Action research can be used to find useful ways of monitoring, as shown by the experiences of the eco-localisation project of Kersty Hobson and co-workers (Hobson et al., 2016). In action-based forms of evaluation, such as developmental evaluation, evaluators do not take distance but immerse themselves in contextual specifics, they “co-create interpretations and arguments, examine the evidence and reason together” (Patton, 2011, p. 287). Focussing on only those factors that can be measured (as happens in randomised controlled trials), may keep from view essential factors and processes that link causes to effects.

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## 2.13 Appendix

Network	Social innovation initiative	Monitoring element	Process and impact
DESIS	Creation of Sustainability Report by Study Center of Design & Technology (CedTec/DESIS LAB), for the State University of Minas Gerais in Brazil for the year 2011.	<b>Sustainability report.</b> The report was prepared following the guidelines of the GRI - Global Reporting Initiative.	The report was created despite absence of support from the University. One-off affair.
Impact Hub	Incubation and acceleration programme for entrepreneurs	<b>Social impact analysis</b> is part of the programme	Source of income for the IH Incubation Center in Vienna.
Transition Town	Creation of Impact matrix in TT Tooting which was considered useful for professionalizing and for making funding bids.	<b>Impact matrix</b>	The impact matrix was a result of discussions during the “Visions and Pathways” day
DESIS	educational food activities in schools located in the poorest neighbourhoods of the city of Aveiro In Portugal	A didactic game where students (from the 1st to 4th year) follow a storytelling process and <b>keep record</b> of their meals in a diary.	One-time event involving 5 schools. Discontinued because of lack of (public) funding
iMinds	New structure for the Living Lab Unit in the IMinds platform thanks to a positive impacts evaluation and a merger with imec	<b>Impact evaluation</b> (of the living lab by two external organisations)	The impact evaluation took away negative views on the value of Living Labs and facilitated a merger with imec, a nanotech research center
GovLab	Evaluation of the Co-Bologna project by independent researchers	Survey questionnaire	The evaluation is not completed, but the agreement to be evaluated signaled openness to innovation and to learning to the Municipality of Bologna
Living Labs	Application for ISO 9001 quality certificate for the management system of ReGIM Lab	Compliance with ISO 9001 which involves (survey-based) bi-yearly <b>client satisfaction analysis</b>	Acquiring the ISO certification provided the Living Lab unit of ReGIM Lab with national and international recognition and allowed it to become part of the European Network of Living Labs
Budget monitoring	Letting go of the human rights elements in workshops about budget monitoring organized	Human rights as an <b>evaluative element</b> was being removed or	The effect was a watered down version of budget monitoring fitting with the

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	by the Centre for Budget Monitoring and Citizen Participation (CBB)	downplayed	demands of municipalities
Budget Monitoring	Revoking of policymaking and budget authority of districts by the City of Amsterdam.	More <b>centralized budget information</b>	Districts lost budget authority and a district level budget with it

Source: Jørgensen et al. (2015)

## 3 Key insights about Resourcing and Monitoring for practitioners and policy makers (inputs for the TRANSIT brief on Resourcing and Monitoring)

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ICIS, Maastricht University  
Julia Wittmayer, DRIFT, Erasmus University Rotterdam  
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Tim Strasser, ICIS, Maastricht University

### 3.1 Intro text about social innovation in a changing world

In every city and town, people engage in social innovation. We speak of social innovation when people come together to do something that is relationally unusual. Examples are: the trading of services via a time bank, energy cooperatives, co-housing, participatory budgeting, sharing systems for people who do not know each other personally and impact hubs where social entrepreneurs liaise and share space and a IT infrastructure. The social relation is not just a means to a goal (a functional thing) but valued in its own right for reasons of autonomy, relatedness, purpose and social value creation. They provide gainful activities to those without jobs and for those who want to work in a cooperative way with others, for reasons of conviviality, learning certain skills, experimentation and autonomy.

Social innovation initiatives are responses to perceived gaps and deficiencies in established arrangements and provisions. In countries without social welfare systems, social innovations offer mechanisms for sustenance, which makes them even more important. Social innovation contributes to transformative change but is itself subject to pressures for change from dominant institutions in the form of regulations and requirements to demonstrate positive social impact. This two-way relationship is studied in the TRANSIT project with the aim of building a theory of transformative social innovation that is helping practitioners and policy makers in formulating policies and strategies for unlocking the potential of social innovation to address societal challenges.

At the moment **the scope for certain social innovations to go to scale is high** because there are shifts underway that favour their emergence as service providers. We see, for example, the shift from local authorities acting as direct service providers to becoming service commissioners in areas of adult social care, urban poverty relief, etc. Another relevant development is the discussion about the current welfare systems and experiments with new forms of social welfare provision and rules.

Social innovation involves tangible and intangible resources. **Tangible** ones are: money, volunteer time, derelict or unused buildings, unused land, equipment, software, waste materials (discarded products, etc.). **Intangible** resources are: the core beliefs and principles of the initiative, its

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mission, trust and personal ties and relations with outside actors. Credibility, image and integrity are important resources too, since they impact on the capacity to retain members, the commitment of members and the sense of 'ownership' that members have over the social innovation.

## 3.2 About this brief

This brief offers findings of the TRANSIT project with regard to resourcing and monitoring. It is based on 4 workshop papers which were discussed at a 2 day workshop in Maastricht (NL) on Febr 15-16,, 2017. In the brief we discuss pathways for resourcing, methods for monitoring social impact, tensions around resourcing and monitoring, the need for avoiding social ills (which requires a preventative infrastructure with an important role for social innovation activities), and the role for social enterprises and science in supporting SI. The brief is the 5<sup>th</sup> brief of the TRANSIT project.

## 3.3 Intro text about resourcing and monitoring

For their growth and development social innovation initiatives must find **reliable ways of resourcing themselves** – not only for specific activities but also for their basic costs, and not only for one specific project but in a sustained way. They often use underused resources (vacant land, buildings, the time of volunteers) but also to obtain financial resources from external people (government, philanthropists, charities and social impact investors), they need to **demonstrate positive social impact**, and this depends on tools for delivering and for demonstrating impact. This means that **resourcing and monitoring are closely intertwined processes and capacities**. Monitoring for impact is the key concern for service commissioners with implications for demonstration projects and assessments of service readiness and/or upscaling readiness. However, monitoring is also an internal concern for social innovation initiatives – especially for those with transformative ambitions.

## 3.4 Material to include

### 3.4.1 About resourcing

1. Social innovations have different from usual structures to their resourcing needs. They use mostly abundant and non-rival resources and have relatively low requirements for scarce and rival resources. Examples are: volunteer labour (i.e. the time and talents of individuals and groups), derelict or unused buildings, unused land or space, old or discarded equipment, waste materials, underdeveloped resources, etc.
2. Social innovation initiatives usually involve relatively little in the way of financial capital or monetary support for day-to-day operations. They often apply free labour to other low value

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resources and assets in order to transform these to have higher value.

3. They often make intangible resources into assets and use the freely-given time and skills of individuals and groups to carry out their activities and create assets (new resources) useful to the initiative, such as software, webpages and knowledge/experience relevant to the initiative.
4. They also often partner with other organisations and make use of their spare capacities or develop relationships with professional organisations willing to provide pro bono support.
5. Many social innovation initiatives are specifically directed toward 'de-resourcing'; i.e. making do with less, sharing, creating fulfilment and wellbeing through activities than need no material resources, etc.
6. As social innovations grow the structure of their resourcing needs changes. They are likely to need to perform new organisational and managerial functions as well as incur financial costs of scaling-out and/or scaling up.
7. The internal cohesion of the social innovation is related to the capacity to remain true to the core mission. Autonomy of action is often an important attribute prized by members of social innovation organisations. This also provides a capacity for bottom-up innovation, which is often most effective in addressing challenges and problems, since the people most affected are the ones developing solutions.
8. Credibility and legitimacy are also important resources. These can come from being 'recognised' by other important or influential actors, such as by government, major funders, major charities, businesses or universities as being worthy of attention and support; e.g. by providing favourable legal and regulatory status, supplying grants, entering into partnering arrangements, pro bone provision of support services, or providing independent assessment of positive social impact. They can come also through the patronage of well-known and well-respected figures.

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Box 1 highlights some findings from the TRANSIT cases about resource requirements of initiatives and how these are met.

Box 1: **Key resource requirements** of illustrative social innovation initiatives and how these are met

- Many initiatives have volunteers as an important resource in their activities. This applies in relation to local initiatives and projects of *Transition Towns* and to the Danish *INFORSE* member's local activities, especially in the early years. Participation in these local activities is perceived by proponents to demonstrate a willingness among people to switch between periods of (formal) employment and periods of volunteering when (formally) unemployed.
- Other models for engaging participants include mutual-aid and exchange-based activities, such as are practised by Time Banks. Time Banks are based on exchange of time and services.
- As well as mutual aid based around service exchange, some initiatives are based around the sharing of other assets and resources; e.g. *Eco-Villages*, *FabLabs* and *Hackerspaces* include substantial exchange of artefacts and experiences among the active members of the labs and spaces.
- Many initiatives develop new resources, using their free labour and the experience that comes from practising their activities to generate information about 'how to do' what they do, to create support software that enables their activities to be performed more effectively, and to build internet sites and webpages to disseminate information to other practitioners. These become mutually accessible resources for members of their networks. Examples include: *Impact Hub*, *Living Knowledge*, *Time Banking* and *INFORSE*.
- Some initiatives are affiliated to Universities, such as the *DESIS Lab* and *Science Shop*. These have access to resources of the Universities through the integration of their activities into University course and curricula.

9. To grow and "mushroom" social innovation initiatives must find reliable ways of resourcing particularly their basic costs, and not only for specific activities or one specific project but in a sustained way.
10. In their evolution, they can hit a 'funding gap' where they are no longer so eligible for charitable grants (as they are no longer making a loss), but they are not generating income sufficient to attract investors.
11. Seeking financial sources creates tensions and risks. When they are founded and are operating at low activity levels, social innovations typically have low requirements for scarce and rival resources compared to commercial organisations. Nevertheless there is a complementarity among the different resources that are needed. Some financial resource is usually needed to cover base-level money costs of establishment and operation. Often money is needed for some paid staff to act as organisers, since organising and coordinating activities requires high levels of commitment. The success and survival of local initiatives

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of many kinds of social innovation is found to depend on having paid (or partially paid) organisers and coordinators; e.g. Time Banks. This means that many local initiatives have recurrent need for small amounts of money for organising and coordinating costs.

12. The lack of reliable funding streams to cover base-level operating costs (even at low levels of requirement) threatens survival and sustainability and can frustrate the possibility for the social innovation to leverage non-rival and waste resources into productive use with positive social impact on a continuous basis. There is also a risk that any social capital built up gradually and progressively over several years of operation of a social innovation organisation can be lost if a break in funding disrupts operations. The social capital built from earlier years of investment can be lost quickly, but can only be rebuilt slowly. One strategy to reduce this risk is to diversify the income stream by requesting funds from several different foundations, asking each for only part of what is needed overall and ensuring that no single foundation is asked to assume continuous and total responsibility for financing the SIO. The downside is that this increases the workload in administering (multiple) small grants.
13. Applying for money is time consuming and diversionary. Much of the time of organisers is spent, not on core mission, but on applying for funds to cover base-level costs needed just to run the activities and keep them going. This applies, for example, to many *FabLabs*, local *DESIS Labs* and local *Time Banks*. This prompts some initiatives to seek to generate own income streams so they can self-finance. Some initiatives generate income by selling products (e.g. software from *Hacker Spaces*) or services (e.g. advice from local *Impact Hubs*) or running course and hosting different kinds of event (*Impact Hubs, Fab Labs, UK Transition Towns*).
14. There are **three basic pathways for resourcing**:
  - *External Funding Pathway*: this is a pathway that seeks investment and/or income by delivering services to external sponsors, especially services that help reduce costs on public sector agencies. It involves developing and delivering services of interest to the external sponsor. Contracts are established over the terms and conditions of receiving investments and/or income. The performance of the social innovation is measured and monitored in relation to designated target outcomes. This pathway is beginning to be supported by social finance, including through innovative 'pay-for-performance' financing instruments.
  - *Autonomous Funding Pathway*: this is a pathway through which a social innovation organisation seeks to develop an own-income stream to self-finance its activities and fund continuity and growth. There are different ways of doing this. Evidence from the case studies shows that this can be achieved by establishing a separate social enterprise activity that generates a surplus, part of which can be returned to the social innovation organisation. Examples are the selling of food in a neighborhood restaurant or tuition fees for providing trainings on organic farming in an eco-village and reciprocal exchange systems of goods (e.g. tools and hardware) and services (e.g. cooking for ICT support).
  - *Embedding Pathway*: this pathway involves the social innovation organisation partnering

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with an existing larger organisation that is wealthier or better funded and with which there is some complementarity of mission. The case studies show, for example, Time Banks that have embedded with Medical Insurers, Hospitals, large faith organisations (Catholic Diocese) and large charities as partners. Each of these partners is wealthier and has recurrent income streams. The social innovation receives financial support for helping the wealthier partner deliver its mission.

## Box 2: **The embedding pathway**

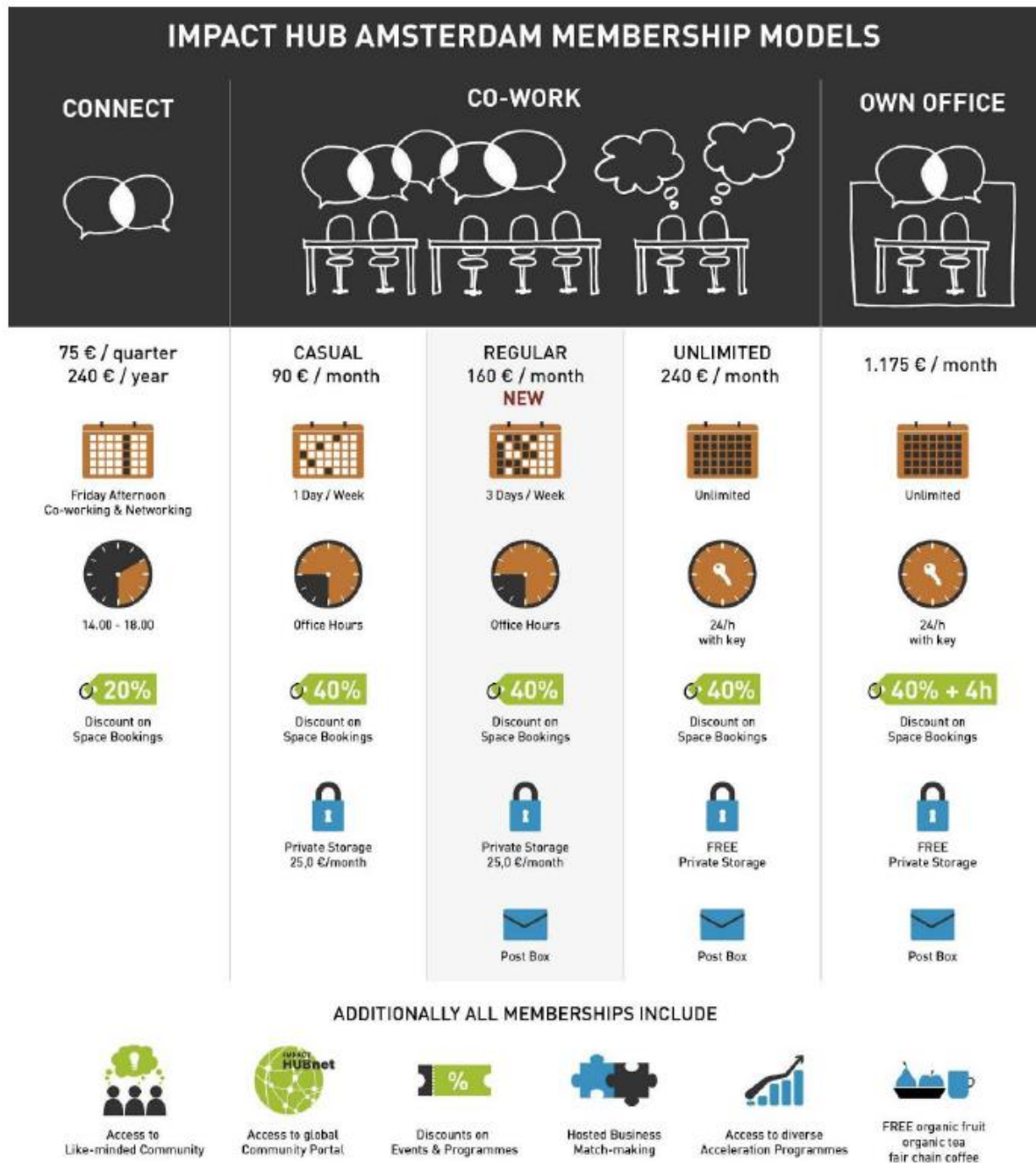
The approach of embedding Time Banks in larger organisations has been used by Martia Blech in the US. She has successfully run Time Banks over a 30 year period. However, over this period she has had three different organizations as partners and has twice experienced abrupt severance of the relationship with a partner organization, each time because of changes in the leadership of the partner organization and resulting changes of policy. The first severance of a relationship came after 19 years of successful operations with a health insurer. The second severance occurred even though the Time Bank was well embedded in the routine practices of the partner organization, a hospital. The current partnership, with the Catholic Diocese of New York is ongoing. Each severance has necessitated the creation of new time banks, with new memberships.

All three approaches offer possibilities for growth and development, especially when used in combination. However, each is **subject to limitations, tensions and difficulties**. They should avoid mission drift and avoid becoming so small that their continuation is threatened. The use of multiple sources of income increases resilience (Marks et al., 2017).



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## Overview of membership models and respective prices for Impact Hub members



Source: Impact Hub Amsterdam Website

15. The scope for certain social innovations to go to scale is high but in doing so they encounter **tensions** and **difficulties** such as:

- **Internal struggle over growth and direction.** This first tension is the internal struggle of an initiative between founders and leaders and other members of SII, over issues of growth and professionalisation. The transformative ambitions may not be commensurate with the

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members' ambitions, causing conflict between leaders and between leaders and members. This problem is aggravated when the grassroots have to pay dues to the member organization and its leadership for services received. How to keep people (as the main resource of a SII) motivated? Without the grassroots there is nothing to lead, nothing to learn about/from and no social impact.

- **Fishing in the same pond.** There is a tension over the need to grow the number of local initiatives/branches and the fact that overall available grant support is often in limited supply for early stage SII. Competition for grants between and within SII is therefore often a zero-sum game and may discourage cooperation. The processes of competing (often for very small and very short-term grants) and reporting for auditing purposes is a significant diversion and drain on the human resources of SII, including at grassroots level. This needs to be understood by policy makers. A more rational and strategic grant awarding system is needed to avoid this.
- **Internal and external needs for monitoring.** This tension relates to the misalignment between internal and external motivations, aspects and goals for monitoring. Funders (or governments) often desire the demonstration of social impact in return for funding but initiatives are generally not keen on spending time on those activities. They prefer to spend their scarce resources on *making* impact rather than on *measuring* it. Are there workable models that are not overly burdensome and make sense to all parties concerned? Models that offer quality assurance and fit with the needs for data management and security. Instead of monitoring what they do, it may also be useful for SII to monitor the external environment, to identify opportunities.
- **Problems of base funding.** This tension relates to the contradiction that funders want to pay for specific activities but not for the base costs of initiatives. Funders seem to close their eyes for the fact that social impact can only occur if the fixed costs, such as rent, administrative staff, or the accountant are also covered. This often goes together with a second tension, namely that funders want to fund pilots but refrain from getting engaged on a long term and more sustainable basis. Undertaking piloting and demonstration work can strain the SII to the point of risking insolvency. There are also tensions with pooling resources: if initiatives have to pool different resources, they also need to answer to different resource givers.
- **Co-option from imposed agendas.** When establishment actors set the agenda and expect the SIs to play along, they are creating problems of co-opting. An example is the UK government deciding to send thousands of people (benefit claimers, including migrants) to time-banks without providing appropriate resource. SIs can collapse when agendas are imposed top-down by (single-topic) agencies. What is needed is a genuine co-production process. How to achieve that?

16. **For those tensions there are no optimal solutions.** Each innovator has to make its own choice. New circumstances, will lead them to make different choices. But the tensions are best acknowledged and openly discussed. Here we should also say that the tensions are not just

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something for social innovators to consider but also something for government and funders to be mindful of. From the workshop emerged the following **suggestions for dealing with the tensions:**

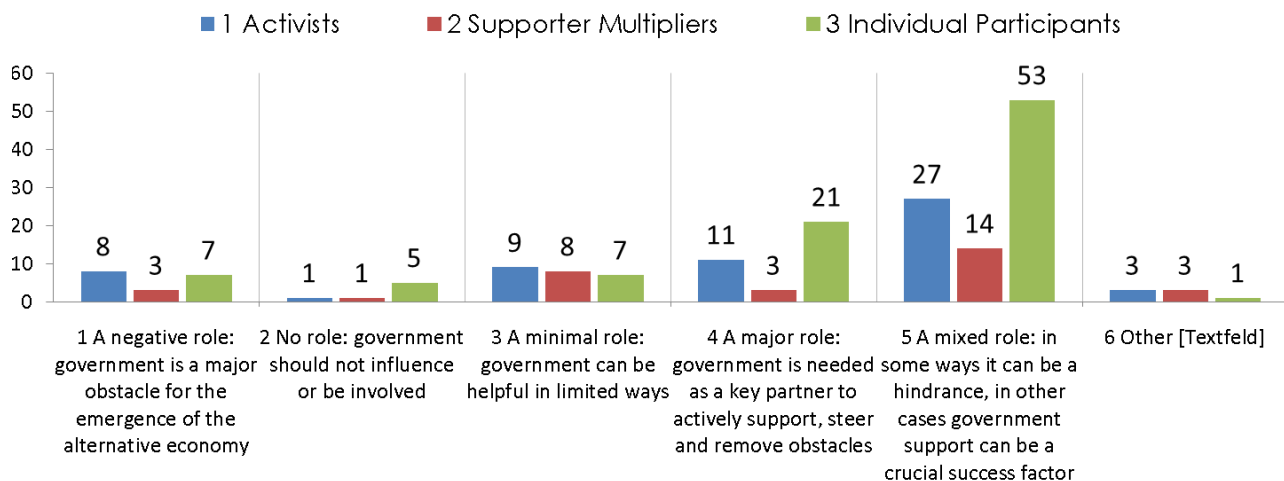
- To survive budget cuts, social innovators are advised to use of a **mix of resources** (membership fees, income from social business, foundation /philanthropic funding, direct government/statutory funding). This advice is based on analysis of reasons behind long-term success which showed that the secret behind long-term success is to have a mix of resources.
- Policy makers should **respect the integrity** of social innovation activities (as the core values on which they are based) and critically examine its own practices. Legislative changes are needed for SI next to funding. This includes changing the rules and processes around contracting and procurement.
- **Monitoring of social impact.** When social organisations receive funding from public, private, philanthropic or blended sources there is a need both for the social organisation to demonstrate that the funds it receives are making a difference and for the funders to demonstrate that grants, loans and investments in social innovation organisations and activities are productive and efficient. If social organisations take over or complement roles and functions taken by the state (for example in areas of welfare delivery) and receive income in return, this also generates a need to measure financial performance and added value for reasons of transparency and accountability. When the financial instruments used to finance activities take the form of performance assurance contracts, as applies to Social Impact Bonds, the very viability of the funding instruments depends on developing and agreeing ways to measure outcomes and impacts. In general a capacity to demonstrative effective and productive use of funds is especially important in the context of a more challenging financial context characterised by greater competition for funds.

17. In an attempt to preserve autonomy, several initiatives refrain from government funding. Both Ashoka and Impact Hub have internal rules not to accept money from government. The financial resources from e.g. the funds of George Soros were not welcomed in Asia within Ashoka, but it was finally accepted in Central and Eastern Europe considering the numerous socially positive moves the investor made there.

The different views about cooperation with government are shown by a survey under participants at the Solikon conference in Berlin in 2015. Few people saw no role for government or a major role for government. Government is often seen as a source of hindrance and a crucial success factor.

**Answers to question: *What do you see as the role of government in fostering the alternative economy?***

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Source: Solikon conference in Berlin (186 responses)

18. Of the initiatives we studied, Ashoka stands out as extremely well-resourced in terms of man power, finance and pro bono support from powerful organisations such as McKinsey.

### Box 3: The resource base of Ashoka

Ashoka offers a telling example of a highly diverse resourcing portfolio, mobilizing a wide network and multiplicity of activities:

- Financial contributions from private individuals (mostly from business entrepreneurs) and organization
- Stipends for Ashoka Fellows are mostly financed by companies.
- Coaching of fellows through the Ashoka Support network which is highly selective and intense.
- Pro bono partners such as McKinsey
- Cooperation with private business universities (or centers such as the Ashoka-McKinsey Centre for Social Entrepreneurship at Sao Paulo, Brazil).
- Specially developed Internal knowledge tools (an example is the PATRI framework for scaling social impact)
- The Ashoka Hub, an online platform for Ashoka fellows, staff and Ashoka support network people
- Globalizer summits
- The ChangemakersXchange programme for young people

A pivotal element of Ashoka is the Ashoka fellow selection process. The process is highly demanding on the part of the candidate and the selectors. If the person qualifies for the selection process – by fulfilling the requirements of having creativity, entrepreneurial quality, ethical fibre and the idea being new with substantial social impact – a series of interviews starts according to the scheme below. The lengths of the interviews can reach 4-5 hours. Not only is the project of the individual discussed in great details but it is also a life interview about the candidate's track record in being entrepreneurial and his or her motivations. Talking about their own personal backgrounds, drivers, key turning points in one's life is often challenging, sometimes creating inconveniences for the candidates but may result in revelations about

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oneself. Similarly, their ideas and programmes receive multiple questions and comments from various audiences. The interviewers are leaders in Ashoka and in business. Going through the steps of the project usually makes it more focused and strategic, more professionally communicated, and many candidates assess the process itself as empowering, providing new insights and resources (Vanizette, 2014, Jakab, 2014). This is reinforced by the survey of Ashoka, where 89 % of the responding Fellows stated that “the selection process helped me strengthen and develop my idea” (Impact Study, 2013).



Source: [uk.ashoka.org/nominate-fellow](http://uk.ashoka.org/nominate-fellow)

## 3.4.2 About monitoring

1. Monitoring of impact of social innovation initiatives is mostly done as an informal, qualitative, ad hoc activity, if done at all. Many social organisations and societal initiatives would like to do this in a better way. An exemplary statement is

*“The initiatives [of the Migration Hub] are growing; more and more people want their [our] services. We are having a great impact, but we don’t have the tool to show the amount of impact we are having. How do we do this?” (Hoffmeister, 2016)*

2. What is being evaluated and in respect to which impacts and which targets differs from one evaluation question to another. At one extreme, some evaluation questions concern outcomes and impacts experienced at the scale of individuals. At the other extreme are much broader changes that manifest at higher levels of scale. The evaluation question that underlies and motivates the TRANSIT project is especially relevant here since it concerns impacts of social innovation processes that could manifest at the societal level through broad, lasting (and therefore transformative) changes in social relations, institutions, constructs and behaviours. In this perspective the ‘targets’ of interest are the social relations, institutions, constructs and behaviours manifested by and in society and aspects of these that are relevant to important

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qualities of society, such as its cohesiveness, greenness and resilience. As well as positive impacts there is also scope for social innovation to have negative impacts, which are also important to be included in evaluations. The 'content' of evaluation is therefore also a relevant aspect of evaluation design.

19. When social organisations receive funding from public, private, philanthropic or blended sources there is a need both for the social organisation to demonstrate that the funds it receives are making a difference and for the funders to demonstrate that grants, loans and investments in social innovation organisations and activities are productive and efficient.
20. If social organisations take over or complement roles and functions taken by the state (for example in areas of welfare delivery) and receive income in return, this also generates a need to measure financial performance and added value for reasons of transparency and accountability.
21. There is currently a strong government interest in incentivising or requiring social organisations to use the Social Return on Investment (SROI) model. In a SROI investment, the monetarized benefits are compared with the costs. SROI is a principle-based method which can be applied in several ways, giving flexibility to the evaluator. SROI is not without its problems. Social impacts involve complex matters of attribution and valuation. Broader impacts such as social change can hardly be accounted and monetarized and benefits are typically co-produced (by external circumstances), thus creating a difficult issue of attribution.

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## Box 4: Social return on investment (SROI)

Social return on investment is a principles-based method for measuring extra-financial value (i.e., environmental and social value not currently reflected in conventional financial accounts) relative to resources invested. It can be used by any entity to evaluate impact on stakeholders, identify ways to improve performance, and enhance the performance of investments.

There are seven principles of SROI. These are:

**1. Involve stakeholders (i.e. everyone who has a 'stake' or an interest in the subject of the SROI)**

*Inform what gets measured and how this is measured and valued in an account of social value by involving stakeholders*

**2. Understand what changes (for those stakeholders)**

*Articulate how change is created and evaluate this through evidence gathered, recognising positive and negative changes as well as those that are intended and unintended*

**3. Value what matters (also known as the 'monetisation principle' - see below)**

*Making decisions about allocating resources between different options needs to recognise the values of stakeholders. Value refers to the relative importance of different outcomes. It is informed by stakeholders' preferences*

**4. Only include what is material**

*Determine what information and evidence must be included in the accounts to give a true and fair picture, such that stakeholders can draw reasonable conclusions about impact*

**5. Do not over-claim**

*Only claim the value that activities are responsible for creating*

**6. Be transparent**

*Demonstrate the basis on which the analysis may be considered accurate and honest, and show that it will be reported to and discussed with stakeholders*

**7. Verify the result**

*Ensure appropriate independent assurance*

Source: [https://en.wikipedia.org/wiki/Social\\_return\\_on\\_investment](https://en.wikipedia.org/wiki/Social_return_on_investment)

22. Monitoring should be fit for purpose and maximum efforts should be undertaken to make it so. Action research can be used to find useful ways of monitoring, as shown by the experiences of the eco-localisation project of Kersty Hobson and co-workers (Hobson et al., 2016). In action-based forms of evaluation, such as developmental evaluation, evaluators do not take distance but immerse themselves in contextual specifics, they “co-create interpretations and arguments, examine the evidence and reason together” (Patton, 2011, p. 287). Developmental evaluation helps members of a SII reflect on their assets, theory of change, mechanisms of change that are

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utilised and the opportunities and dangers afforded by a changing context. DE also accepts that the measuring needs at each stage in social innovation processes are different and that the measuring approaches and tools used, such as indicators and metrics, will need to change from one stage to the next.

## Box 5: Developmental evaluation

“Developmental evaluation refers to long-term, partnering relationships between evaluators and those engaged in innovative initiatives and development. Developmental evaluation processes include asking evaluative questions and gathering information to provide feedback and support developmental decision-making and course corrections along the emergent path. The evaluator is part of a team whose members collaborate to conceptualize, design and test new approaches in a long-term, on-going process of continuous improvement, adaptation, and intentional change. The evaluator’s primary function in the team is to elucidate team discussions with evaluative questions, data and logic, and to facilitate data-based assessments and decision-making in the unfolding and developmental processes of innovation.”(Patton, 2008).

In Table 1, the results of a developmental evaluation exercise are given for the case of homeless people in Canada, showing the elements of DE, the translation of it for the case of homeless day labourers and the ways in which they were helped with securing housing and achieving better income.

**Table 1. Results from a Developmental Evaluation exercise: Experimenting with innovative ways to help homeless day labourers secure housing and better income in Canada**

### What was developed through developmental evaluation?

#### What this means

#### Examples

*Understanding the challenges of innovation and systems change*

The effort to tackle a complex problem may generate new and/or deeper insights about the nature of the challenge being addressed and/or the context in which it is being addressed.

The innovators realized the importance of social supports in the “homelessness puzzle”, once some of the clients who secured housing were drawn back to the streets to regain the friendship and company of their previous network.

*Theory-of-change elaboration*

The innovators may have new ideas about how they might address the challenge and/or the kinds of results they might expect from their efforts.

The innovators expanded from their strategy focused primarily on housing and employment income to one that included education, social networks, and mental and emotional help.



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<i>Change mechanisms</i>	The establishment of concrete mechanism (e.g., practices, regulations, relationships, policies) that have an influence on the challenge being addressed may represent the most tangible development of the innovation.	The innovators established (a) a protocol with local credit unions to provide clients with access to bank accounts, even before they had permanent addresses; and (b) an arrangement where laborer could bypass predatory, temporary job agencies (which took 50% of their wages) and use a nonprofit intermediary that allowed them to retain all their employment earnings.
<i>Capacity development of social indicators</i>	Developments that relate to the capacity and morale of the innovators and affect how they think and pursue their innovation (e.g., skills, resources, membership).	The trust between previously disconnected service agency leaders increased after these early successes and allowed them to open up their work to discussing the deeper reasons why they found it difficult to integrate their services more closely (e.g., competition for resources).
<i>Deepening understanding of context</i>	Developments that are not under the complete control of innovators but in which what happens (emerges) contextually shapes the goals, design, delivery, and results of the innovation (e.g., economy, demographics, key events). All developments are important to track and assess in DE Whereas the previous four types in this exhibit refer to the development of the innovations, this fifth one (the context) is equally important because innovation does not emerge in a vacuum, but instead is highly influenced by the context in which it is unfolding	A slowdown in the construction industry (the major employer form homeless day laborers) required the innovators to develop relationships with different types of employers and adjust their expansion plans.

Source: Patton (2016)

23. The co-production element of impacts is shown by the case of an alcohol rehabilitation programme, where it was discovered that having a social support network of family and friends

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was a critical factor for success. It also was discovered that failures to get off alcohol resulted in depressions, feelings of failure and reduced motivations for those involved. These learnings led to the introduction of buddies for people without social support and the decision to limit the programme to those with social support. Both choices greatly improved the effectiveness of the rehab programme and reduced the negative side-effects. Source:

<http://blog.sinzer.org/author/marlon-van-dijk>

24. Monitoring of social impact is best pursued as a learning activity in which attention is given to the mechanisms behind achieving positive social impact. It is practiced more by social innovation initiatives that are oriented towards change than by grassroots initiatives. The Impact Hub and Ashoka deploy various monitoring and evaluation methods.

## Box 3: **Monitoring and evaluation activities in the Impact Hub in Amsterdam**

At the Impact Hub Amsterdam, there are two main topics that are subject to monitoring and evaluation: (1) the impact of the Impact Hub on its members/ customers (including satisfaction etc.), and (2) the impact that the members themselves are having in/on society.

Every year, the Impact Hub Amsterdam uses the standardized global Member Impact Survey, which is developed at the global level and can be adapted to the local Impact Hubs. In addition, the Impact Hub Amsterdam uses its own monitoring practices and 'metrics' to set targets and to track membership uptake and impact.

The above activities are combined with informal and peer-driven forms of evaluation and monitoring, including interviews, conversations and focus group talks with members to assess their needs and levels of satisfaction. Impact Hub does not engage in formal impact assessments, for the reason that most individual members are preoccupied with their own social enterprise, and would rather not be bothered with explicit monitoring activities.

They publish a yearly impact report in which they show case Impact Hub projects and offer information on the number of start-ups that are scaled up, the investment capital raised through their investment ready program, the membership and how members are scaling up their activities (or planning to do so).

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**#2450 PARTICIPANTS STARTED UP VIA  
EVENTS OVER 2014/2015, OF WHICH  
759 IN 2014 AND 1691 IN 2015**



**#321 STARTUPS SCALED VIA  
ACCELERATION PROGRAMMES OVER  
2014-2015, OF WHICH  
114 IN 2014 AND 207 IN 2015**



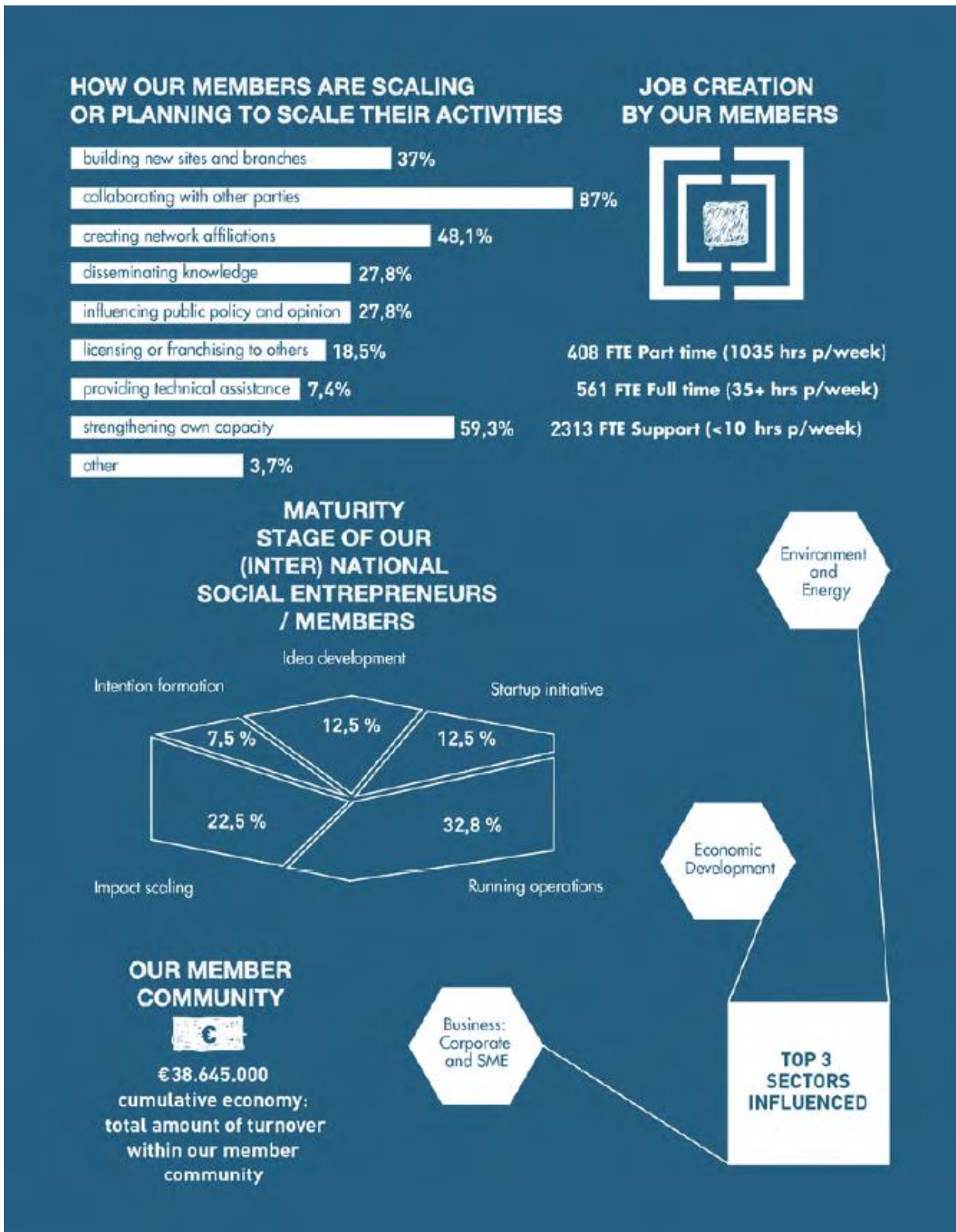
**#3.000.000 EURO IMPACT  
INVESTMENT CAPITAL RAISED  
THROUGH OUR LAST INVESTMENT  
READY PROGRAM, COHORT 2014-2015**



**#633 OUR COMMUNITY:  
CURRENT AMOUNT OF  
ENTREPRENEURIAL MEMBERS,  
INVESTORS, MENTORS, EXPERTS,  
PROGRAM PARTICIPANTS**

**OUR  
MEASURED  
IMPACT**

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25. The combination of a SI with a social enterprise can be very beneficial, where SIs are being helped by social enterprises in monitoring social impact and professionalizing their activity.
26. Science has an important role to play for SI too, through for example, the creation of special software, education, action research, social impact measurement, and advocacy and research for an alternative economy, but there are limits to what science can do, which have to do with research funding, university careers depending on scientific publications and disciplinary education and research which fails to appreciate the values, asset-based nature of SII and local situatedness.
27. For making a fuller contribution to social innovation the science system needs to be incentivised. Ways to do this are:
  - By adding relevance to practitioners as an impact category.
  - By allowing normativity to be part of research projects.
  - By giving more importance to societal relevance in the evaluation of university staff.
  - The use of vouchers, issued by government to civil society organizations who can use these to hire researchers.
  - Degree certificates that show community value
  - University certification: Business schools should need to get certified by ERS: equity, responsibility, sustainability.

## 3.5 Candidate cases for inclusion

Hour Exchange Portland (HEP) in Maine (US) as an old, well-established and well-run case with diverse sources of resourcing

- ❖ Hour Exchange Portland (HEP) in Maine, launched in 1995, is one of the longest running **neighbour to neighbour community time exchanges** in the US and a historic leader in the time bank movement (see: [www.hourexchangeportland.org](http://www.hourexchangeportland.org)).
- ❖ HEP has over 500 active and diverse members that include seniors, families, and refugees, many low income and/or experiencing disadvantage.
- ❖ Special programs include “**access to the arts**” in which members can attend arts and entertainment events for time credits and “**access to education**” where time credits can be used to learn new skills, take classes or receive private tutoring.
- ❖ **Health care has consistently remained the most utilized service in HEP**, providing access to mental health services, therapies, nutrition counselling, childbirth support and transportation to medical appointments paid in time credits.

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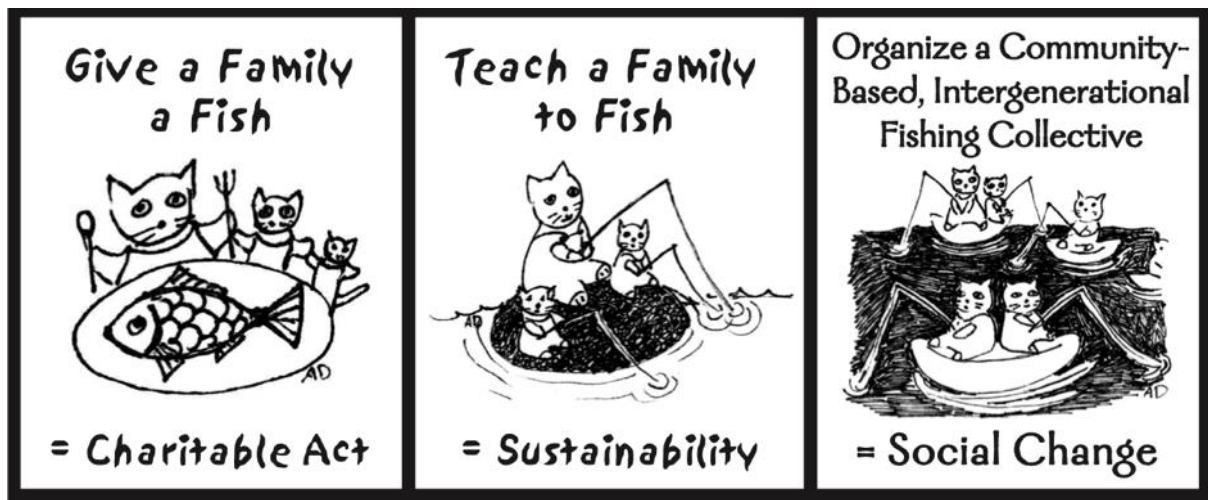
In addition, HEP has focused efforts on **supporting refugees and immigrant populations**, thanks to an effective collaboration between HEP and Catholic Charities Refugee and Resettlement Program.

## 3.6 Candidate pictures for use





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## 4 Training Tool on “Resourcing for SI Initiatives”

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### 4.1 Goals

The Training Tool on “Resourcing for SI Initiatives” has as main objective to generate skills of conceptualization and design of resourcing strategies useful for practitioners.

This Training Tool is the last one of a series of innovative training proposals. During the last 3½ years, we learn about the implications of different types of pedagogical instruments; and also, about the usability of the new knowledge generated in the TRANSIT Project. So, in this sense, this training tool complements the Training Tools on Social Learning (D.6.5) and Monitoring (D.6.6). This is the reason of the modular structure of the Training Tool of Resourcing.

The secondary objectives of the Training Tool are:

1. Generate skills in the assessment of resourcing problems at different levels: i) monetary resources; ii) human resources, iii) collective and individual resources; iv) internal and external resources; and v) technological (soft and hard) resources.
2. Define strategies in order to deploy different models of resource management for SI initiatives
3. Deploy a learning methodology in order to solve new resource problems and improve the general strategy.

### 4.2 Target Audience

This tool was made for practitioners that are part of SI initiatives. As a general definition, we understand as a practitioner (in the same way of the Training Tool “Building Learning for Transformative Social Innovation”) any actor, social group, organization, movement or institution that operates on concrete local problems and builds strategies of social innovation for its resolution. The character of practitioner is not defined by official membership but by the type of action that a person performs. In short, everyone who deals with a social innovation as a professional is a practitioner. Thus, a university teacher-researcher, an undergraduate student, a public officer, a municipal agent, a researcher or extensionist from a science and technology institute, a peasant, a schoolteacher, a firefighter, a neighbor (among many other possible actions) is considered practitioner if he or she is involved in the concrete dynamics and territorial processes towards social innovation.



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## 4.3 Pedagogical Proposal

The pedagogical proposal is based on a new methodology of formation where the user constructs his own formative trip in function of a thematic proposal. In this sense, this Training Tool, is administered directly by the user for reasons of evaluative learning. The training tool combines explanations on a power point format that is linked to the learning processes defined in D.6.5 and the monitoring training tool based on Critical Turning Points (D.6.6). The final goal is that the user can deploy a complete experience of problem assesment, strategy definition and learning generation.

## 4.4 Research deliverable

The contents of this tool are the result of research, communication and engagement products of the project. Without the work of more than 3 years of the entire Transit Consortium team, these contents would have been impossible to generate. In this sense, the problems and strategies involve in this training tool emerged from the 20 in-depth case studies reports:

Network Name	Document
<b>ASHOKA</b>	Matolay, R.; Weaver, P. and Strasser, T. (2015) <a href="#">Transformative social innovation narrative : Ashoka</a>
<b>BASIC INCOME</b>	Backhaus, J. and Pel, B. (2016) <a href="#">Transformative social innovation : BIEN and Basic Income : a summary of the case study report on BIEN and Basic Income</a>
<b>CREDIT UNIONS</b>	Dumitru, A.; Lema-Blanco, I.; García-Mira, R.; Haxeltine, A. and Frances. A. (2015) <a href="#">Transformative social innovation narrative of Credit Unions</a>
<b>DESIS</b>	Cipolla, C.; Afonso, R. and Joly, M. P. (2015) <a href="#">Transformative social innovation narrative of the DESIS Network.</a>
<b>Living Labs</b>	Ruijsink, S., Smith, A. (2016) <a href="#">Transformative Social Innovation: European Network of Living Labs : summary report</a>
<b>Fab Labs</b>	Smith, A.; Hielscher, S. and Fressoli, M. (2015) <a href="#">Transformative social innovation narrative : Fablabs.</a>
<b>Global Ecovillage Network</b>	Kunze, I. and Avelino, F (2015) <a href="#">Transformative social innovation narrative of the Global Ecovillage Network</a>
<b>Hackerspaces</b>	Smith, A.; Hielscher, S. and Fressoli, M. (2015)

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	<a href="#">Transformative social innovation narrative : Hackerspaces.</a>
<b>INFORSE</b>	Elle, M. (2015) <a href="#">Transformative social innovation narrative of INFORSE.</a>
<b>Co-operative Housing</b>	Becerra, L. and Kunze, I. (2016) <a href="#">Transformative social innovation : co-operative housing : a summary of the case study report on co-operative housing</a>
<b>Living-Knowledge</b>	Dorland, J and Søgaaard Jørgensen, M. (2015) <a href="#">Transformative social innovation narrative : Living Knowledge Network</a>
<b>Participatory Budget</b>	Wittmayer, J. M. and Rach, S. (2016) <a href="#">Participatory budgeting in the Indische Buurt (chapter 5 of TRANSIT case study report participatory budgeting)</a>
<b>Seed Movement</b>	Balázs, B.; Smith, A.; Aistara, G. and Bela, G. (2016) <a href="#">Transformative social innovation : Transnational Seed Exchange Networks : a summary of the case study report on Transnational Seed Exchange Networks</a>
<b>Sharing Cities</b>	Majo, C. de; Elle, M. Hagelskjær Lauriden, E. and Zuijervijk, L. (2016) <a href="#">Transformative social innovation : Shareable - Sharing Cities : a summary of the case study report on Shareable - Sharing cities</a>
<b>Slow Food</b>	Dumitru, A.; Lema-Blanco, I.; Kunze, I.; and García-Mira, R. (2016) <a href="#">Transformative social innovation : Slow Food Movement : a summary of the case study report on the Slow Food Movement</a>
<b>The Impact Hub</b>	Avelino, F.; Wittmayer, J. M. and Afonso, R. (2015) <a href="#">Transformative social innovation narrative of the Impact Hub : a summary.</a>
<b>Time Banks</b>	Weaver, P.; Dumitru, A.; Lema-Blanco, A. and García-Mira, R. (2015) <a href="#">Transformative social innovation narrative : Timebanking</a>
<b>Transition Towns</b>	Longhurst, N. (2015) <a href="#">Transformative social innovation narrative of the Transition Movement</a>
<b>La Vía Campesina</b>	Juarez, P.; Balázs, B.; Trantini, F.; Korzenszky, A. and Becerra, L. (2016) <a href="#">Transformative social innovation : La Vía Campesina : a summary report of the case study on La Vía Campesina</a>

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## 4.5 TT Structure

This Training Tool is structured around a modular logic. That is, the training is developed along modules that can be run incrementally or separately. The tool is composed of three modules or parts.

The first module is dedicated to the assessment of **resourcing problems**:

1. *Monetary resources*: this problem is related to the access to monetary funding needed to run the SI initiative.
2. *Human resources*: this problem is related to the set of knowledge and skills required by SI Initiatives, different from the available “supply”.
3. *Collective and Individual resources*: a conflict may occur between the need of collective resources for the SI initiative, network or movement and the demand of resources generated by individual members or sub-entities inside the SI initiative.
4. *Internal and External resources*: a conflict may occur between the generation of own resources (for example, as a result of merchandise activities) and the requirement of external founding. Not always the internal and external logics of financing match and, as a result, the SI initiative can suffer negative effects.
5. *Technological (soft and hard) resources*: a mismatch between the technological availability and the concrete technological demands (of software and hardware) produced by new ways of social organization (in the sense of SI initiatives) may exist.

Note: In most cases, these problems emerge in a combined way. So, you can find in a same moment problems related to monetary, human and technological resources.

The second is about **different strategies (or approaches)** that SI initiatives (included in the TRANSIT Project) deployed:

1. *Venture Capital Approach*: This strategy is based on finance (as a risk activity) individuals in order to foster innovative activities. In this sense, the SI works as a “private equity bank” and start with a seed fund.
2. *Commons Approach*: The concept of “commons” is a term adopted by modern economic theory in order to indicate broad set of resources that are self-managed by local communities and therefore made accessible to all members of society, a group or a movement. Therefore, it is possible to understand commons as an alternative resource management model, combining principles of cooperation and resource-sharing with a community-based self-governance and self-monitoring approach that is an alternative to public and private models
3. *Self-financing Approach*: This strategy is based on different kinds of activities oriented to gather “monetary” or “in-kind” resources: These activities are: i) memberships; ii) production and commercialization of merchandises; iii) festivals; iv) volunteers, v) donors, etc.

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4. *Workforce Collaborative Approach*: This strategy was very well developed by TimeBanks but is in the core-business of the cooperative movement. The idea is to replace money with workforce as a way to deliver services and goods in context of economic restrictions.

As we settled in the TT, the strategies (introduced in a very short way) can be deployed in mixed ways. The idea is deliver the best resource strategy matching to the particular requirements of each SI initiative.

Finally, a **methodological proposal** is presented to design and plan learning for resourcing activities.

## 5 Report of TRANSIT workshop on Monitoring and Resourcing

Veronica Olivotto, IHS, Erasmus University Rotterdam  
Tim Strasser, René Kemp, Paul M. Weaver  
ICIS Maastricht University  
Saskia Ruijsink, IHS, Erasmus University Rotterdam

Venue: Maastricht, 16-17 February 2017



## 5.1 Summary

This report presents the results of the TRANSIT workshop on resourcing and monitoring, which took place on Febr 16 and 17, 2017 in Maastricht. Participants consisted of TRANSIT researchers, social innovation practitioners and change agents. For 2 days, participants from Europe, Asia and the USA met to discuss experiences, research findings and challenges for social innovators regarding resourcing and monitoring. The discussions were structured around 5 tensions that were identified as important topics for discussion by the workshop organisers (René Kemp, Paul Weaver, Julia Wittmayer, Saskia Ruijsink, and Tim Strasser):

- Internal struggle over growth and direction
- Fishing in the same pond (for funding)
- Internal and external needs for monitoring
- Problems of base funding
- Co-option from imposed agendas

We also discussed the role of science, government, business, intermediaries and NGOs for achieving transformative change through social innovation. This report contains the harvest of 2 days of intensive discussions following presentations based on 3 papers that have been specially written for the workshop and presentations by invited experts.

Key insights from the workshop are:

1. To grow and “mushroom” social innovation initiatives must **find reliable ways of resourcing themselves** – not only for specific activities but also for their basic costs, and not only for one specific project but in a sustained way.
2. There are **three basic pathways for resourcing**:
  - *External Funding Pathway*: this is a pathway that seeks investment and/or income by delivering services to external sponsors, especially services that help reduce costs on public sector agencies. It involves developing and delivering services of interest to the external sponsor. Contracts are established over the terms and conditions of receiving investments and/or income. The performance of the social innovation is measured and monitored in relation to designated target outcomes. This pathway is beginning to be supported by social finance, including through innovative ‘pay-for-performance’ financing instruments.
  - *Autonomous Funding Pathway*: this is a pathway through which a social innovation organisation seeks to develop an own-income stream to self-finance its activities and fund continuity and growth. There are different ways of doing this. Evidence from the case studies shows that this can be achieved by establishing a separate social enterprise activity that generates a surplus, part of which can be returned to the social innovation organisation. Examples are the selling of food in a neighborhood restaurant or tuition fees for providing trainings on organic farming in an eco-village and reciprocal exchange systems of goods (e.g. tools and hardware) and services (e.g. cooking for ICT support).

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- *Embedding Pathway*: this pathway involves the social innovation organisation partnering with an existing larger organisation that is wealthier or better funded and with which there is some complementarity of mission. The case studies show, for example, Time Banks that have embedded with Medical Insurers, Hospitals, large faith organisations (Catholic Diocese) and large charities as partners. Each of these partners is wealthier and has recurrent income streams. The social innovation receives financial support for helping the wealthier partner deliver its mission.
3. The scope for certain social innovations to go to scale is high but in doing so they encounter **tensions** and **difficulties** such as:
- **Internal struggle over growth and direction.** This first tension is the internal struggle of an initiative between founders and leaders and other members of SII, over issues of growth and professionalisation. The transformative ambitions may not be commensurate with the members' ambitions, causing conflict between leaders and between leaders and members. This problem is aggravated when the grassroots have to pay dues to the member organization and its leadership for services received. How to keep people (as the main resource of a SII) motivated? Without the grassroots there is nothing to lead, nothing to learn about/from and no social impact.
  - **Fishing in the same pond.** There is a tension over the need to grow the number of local initiatives/branches and the fact that overall available grant support is often in limited supply for early stage SII. Competition for grants between and within SII is therefore often a zero-sum game and may discourage cooperation. The processes of competing (often for very small and very short-term grants) and reporting for auditing purposes is a significant diversion and drain on the human resources of SII, including at grassroots level. This needs to be understood by policy makers. A more rational and strategic grant awarding system is needed to avoid this.
  - **Internal and external needs for monitoring.** This tension relates to the misalignment between internal and external motivations, aspects and goals for monitoring. Funders (or governments) often desire the demonstration of social impact in return for funding. However, initiatives are not keen on spending time on those activities, do not have the necessary expertise or would rather focus the monitoring on different aspects. They prefer to spend their scarce resources on *making* impact rather than on *measuring* it. Are there workable models that are not overly burdensome and make sense to all parties concerned? Models that offer quality assurance and fit with the needs for data management and security. Instead of monitoring what they do, it may also be useful for SII to monitor the external environment, to identify opportunities.
  - **Problems of base funding.** This tension relates to the contradiction that funders want to pay for specific activities but not for the base costs of initiatives. Funders seem to close their eyes for the fact that social impact can only occur if the fixed costs, such as rent, administrative staff, or the accountant are also covered. This often goes together with a second tension, namely that funders want to fund pilots but refrain from getting engaged on a long term and more sustainable basis. Undertaking piloting and



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demonstration work can strain the SII to the point of risking insolvency. There are also tensions with pooling resources: if initiatives have to pool different resources, they also need to answer to different resource givers.

- **Co-option from imposed agendas.** When establishment actors set the agenda and expect the SIs to play along, they are creating problems of co-opting. An example is the UK government deciding to send thousands of people (benefit claimers, including migrants) to time-banks without providing appropriate resource. SI's can collapse when agendas are imposed top-down by (single-topic) agencies. What is needed is a genuine co-production process. How to achieve that?
4. **For those tensions there are no optimal solutions.** Each innovator has to make its own choice. New circumstances, will lead them to make different choices. But the tensions are best discussed and openly discussed. Here we should also say that the tensions are not just something for social innovators to consider but also something for government and funders to be mindful of. From the workshop emerged the following **suggestions for dealing with the tensions:**
- To survive budget cuts, social innovators are advised to use of **a mix of resources** (membership fees, income from social business, foundation/philanthropic funding, direct government/statutory funding). This advice is based on analysis of reasons behind long-term success which showed that the secret behind long-term success is to have a mix of resources (Marks and Weaver, 2017).
  - Policy makers should **respect the integrity** of social innovation activities (as the core values on which they are based) and critically examine its own practices. Legislative changes are needed for SI next to funding. This includes changing the rules and processes around contracting and procurement.
  - Monitoring of social impact is best pursued as a learning activity in which attention is given to the mechanisms *behind* achieving positive social impact. **Developmental evaluation** offers a useful model in this respect by making you reflect on your assets, your theory of change and the opportunities and dangers afforded by a changing context. DE also contends that the measuring needs at each stage in social innovation processes are different and that the measuring approaches and tools used, such as indicators and metrics, will need to change from one stage to the next.
  - Social value creation depends on more than a set of metrics, tools and instruments such as social impact bonds (SIB) and social return on investment (SROI). It foremost depends on a **preventative agenda** in which service providers are thinking of ways to prevent social ills through social innovation. Alternative coins (such as the Hull coin) and Timebanking (a service exchange system where people trade services on an hour for hour basis) offer an infrastructure for monitoring and evaluation, which can be used to determine costs being saved by prevention or treatment of social ills.



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5. **Social impact assessment** may help to obtain funding and public service contracts but its use **may encounter cultural barriers** as people can be sensitive to “not wanting to be criticized” and may view it as representing mistrust, which may be overcome by not making it an issue of criticism but of learning. The asset-based approach of social innovation needs to be safeguarded.
6. **The combination of a SI with a social enterprise** (i.e. with people that have a business mind) **can be very beneficial, where** SIs are helped by social enterprises (or develop into one) in dealing with external parties, where social enterprises provide services of monitoring social impact.
7. **Science has an important role to play for SI**, through for example, software systems, education, action research, social impact measurement, and advocacy and research for an alternative economy, but there are also limits to what science can do for social innovation, because of research funding, university careers depending on scientific publications and the disciplinary nature of education and research that fails to appreciate the values, asset-based nature of SII and local situatedness.
8. For making a fuller contribution to social innovation **the science system needs to be incentivised**. Ways to do this are:
  - By adding relevance to practitioners as an impact category.
  - By allowing normativity to be part of research projects.
  - By giving more importance to societal relevance in the evaluation of university staff.
  - The use of vouchers, issued by government to civil society organizations who can use these to hire researchers.
  - Degree certificates that show community value
  - University certification: Business schools should need to get certified by ERS: equity, responsibility, sustainability.
9. Instead of comparing the costs and benefits of remedial action, **more attention should be given to prevention of social ills and problems**. SIs can be a force for developing a preventative infrastructure: many systems are looking at that (perhaps for the wrong reasons) but don't know how to do that in practice. The focus should be less on trying to change the rigidities of established institutions and focus more on what is missing. The concept of preventative infrastructure is useful in this regard. The scope for transformative change lies in marshalling new SIs, building on capacities that are already available and to reach that redundancy and freedom from established institutions that comes from strengthening a complementary system
10. **Social impact bonds** as a possible source of funding are particularly suited for:
  - Projects working with a well-defined services/treatment population
  - Projects seeking to accomplish measurable outcomes
  - Projects that can identify a reliable comparison group/ counterfactual
  - Projects that can scale up quickly and have shorter time frames to deliver social impact

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But: SIs may be consumed by the institutional requirements of SIB involvement in adopting required strategies and actions necessary to succeed in a performance based environment. Next to opportunities they present challenges to SIs in maintaining integrity of mission.

## 5.2 The motivation for the workshop

We are living in a changing world. Inherited models of employment, welfare delivery, social security, social inclusion, innovation and resource use are stressed. There is a need for greater resilience, based on fundamental rethinking of underlying values, principles and understandings. Welfare systems are being reformed, alternative currencies are gaining ground, complementary economic systems are created, companies are aiming for more than monetary value, the active citizen is praised and there are scientists who engage themselves with social causes by working with practitioners and civil action groups. When activities of work, welfare support, knowledge production and living get organised in different ways we speak of social innovation. Examples are neighbourhood restaurants, fablabs, timebanks, eco-villages or community-based care. By creating new relations and new ways of doing, knowing, framing and organizing (Haxeltine et al., 2016), they provide value for those involved and often also for society. **Benefits for society** are related to issues of integration, education and training, forms of care, community resilience and cohesion and a reduced need for social welfare payments, health care and policing that can come, for example, from co-production and active citizenship.

The influence of social innovation initiatives goes beyond what they are achieving locally. When they are joining forces in seeking contextual and institutional changes they have wider societal impact. The institutionalization journey depends on resourcing (types of resources and ways to access them) and monitoring (assess one's impact or progress). To grow and "mushroom" social innovation initiatives must find reliable **ways of resourcing** themselves – not only for specific activities but also for their basic costs, and not only for one specific project but in a sustained way. They do so in at least three broad ways depending on their wish to go to scale and/or become a social enterprise:

- **Freely available resources**, this includes natural, human and infrastructural resources such as an unused building or piece of land, volunteering, and services for free.
- **Revenue and other 'exchange'-schemes**, examples are the selling of food in a neighborhood restaurant or tuition fees for providing trainings on organic farming in an eco-village and reciprocal exchange systems of goods (e.g. tools and hardware) and services (e.g. cooking for ICT support).
- **External funding**, by for example government, philanthropists, social impact investors and donations.

All three approaches offer possibilities for growth and development, especially when used in combination. However, each is **subject to limitations, tensions and difficulties**. Any social innovation seeking funding on a sustained basis needs to demonstrate that it can offer something that society wants and is willing to pay for– it needs to engage in monitoring or allow monitoring by others to demonstrate impact. Securing funding often depends on being able to demonstrate

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that something that has worked on a small scale also works on a larger scale. Delivery on the larger scale with the financial support of investors or service commissioners brings with it additional quality standards of performance, reliability and safeguarding as well the need to demonstrate that payments are warranted, for example by delivering cost savings.

This is where, for example, Timebanking is now. We see experiments in using the time exchange mechanism for pilot projects in assimilating refugees, building secondary economies, rehabilitating ex-offenders, skilling the unemployed, inclusion of care home residents, providing care in the community, co-producing health and wellbeing, etc. However, setting up such pilots and running them as experiments and demonstration projects requires that the SI secures funding for organising, monitoring and evaluating the pilots. **Often the challenges addressed require more than what one single social innovation can offer**, so there's a need to secure partners with complementary resources, which may be other social innovation initiatives, but can also be other actors, such as charity, business, local authority or university. Organising these kinds of project takes the social innovation into a new zone, since it requires a certain degree of professionalism in building and managing consortia and project proposals. It requires capabilities that many social innovation initiatives do not yet have.

Resourcing depends on the ability to **demonstrate positive social impact**, and this depends on tools for delivering and for demonstrating impact. This means that resourcing and monitoring are closely intertwined processes and capacities. Monitoring for impact is the key concern for service commissioners with implications for demonstration projects and assessments of service readiness and/or upscaling readiness. However, monitoring is also an internal concern for social innovation initiatives – especially for those with transformative ambitions. There are social innovation initiatives, such as the Impact Hub, a co-working space for social entrepreneurs, who aim for positive impact. This means, they are interested in ways of monitoring that help them understand their own impact and which is in line with their understanding and values.

At the moment **the scope for certain social innovations to go to scale is high** because there are shifts underway that favour their emergence as service providers. We see, for example, the shift from local authorities acting as direct service providers to becoming service commissioners in areas of adult social care, urban poverty relief, etc. Another relevant development is the discussion about the current welfare systems and experiments with new forms of social welfare provision and rules, such as incentives for welfare claimants to volunteer, experiments with basic income, possibilities for health service beneficiaries to be prescribed activities that will help them to improve their own health or engage them in helping improve the health of others.

## 5.3 Focus topics of the workshop: Five tensions

Regarding resourcing and monitoring in a changing world, there are **five sources of tension** for social innovation initiatives (SII) aiming for transformative change. These are:

1. **Internal struggle over growth and direction.** This first tension is the internal struggle of an initiative between founders and leaders and other members of SII, over issues of growth and professionalisation. The transformative ambitions may not be commensurate with the

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members' ambitions, causing conflict between leaders and between leaders and members. This problem is aggravated when the grassroots have to pay dues to the member organization and its leadership for services received. How to keep people (as the main resource of a SII) motivated? Without the grassroots there is nothing to lead, nothing to learn about/from and no social impact.

2. **Fishing in the same pond.** There is a tension over the need to grow the number of local initiatives/branches and the fact that overall available grant support is often in limited supply for early stage SII. Competition for grants between and within SII is therefore often a zero-sum game and may discourage cooperation. The processes of competing (often for very small and very short-term grants) and reporting for auditing purposes is a significant diversion and drain on the human resources of SII, including at grassroots level. This needs to be understood by policy makers. A more rational and strategic grant awarding system is needed to avoid this.
3. **Internal and external needs for monitoring.** This tension relates to the misalignment between internal and external motivations, aspects and goals for monitoring. Funders (or governments) often desire the demonstration of social impact in return for funding. However, initiatives are not keen on spending time on those activities, do not have the necessary expertise or would rather focus the monitoring on different aspects. They prefer to spend their scarce resources on *making* impact rather than on *measuring* it. Are there workable models that are not overly burdensome and make sense to all parties concerned? Models that offer quality assurance and fit with the needs for data management and security. Instead of monitoring what they do, it may also be useful for SII to monitor the external environment, to identify opportunities.
4. **Problems of base funding.** This tension relates to the contradiction that funders want to pay for specific activities but not for the base costs of initiatives. Funders seem to close their eyes for the fact that social impact can only occur if the fixed costs, such as rent, administrative staff, or the accountant are also covered. This often goes together with a second tension, namely that funders want to fund pilots but refrain from getting engaged on a long term and more sustainable basis. Undertaking piloting and demonstration work can strain the SII to the point of risking insolvency. There are also tensions with pooling resources: if initiatives have to pool different resources, they also need to answer to different resource givers.
5. **Co-option from imposed agendas.** When establishment actors set the agenda and expect the SIs to play along, they are creating problems of co-opting. An example is the UK government deciding to send thousands of people (benefit claimers, including migrants) to time-banks without providing appropriate resource. SI's can collapse when agendas are imposed top-down by (single-topic) agencies. What is needed is a genuine co-production process. How to achieve that?

## 5.4 DAY 1 Resourcing needs of social innovation

### 5.4.1 SESSION 1: Welcome and Introduction

After welcoming words from René Kemp from ICIS, Julia Wittmayer project leader of TRANSIT (together with Flor Avelino) introduced the TRANSIT project about transformative social innovation. She explained the research aims and research work of TRANSIT. Funded by the EU,

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TRANSIT asks how different social innovation initiatives (SIs) relate to each other to bring forward societal change and how bigger societal changes affect SIs. SI is not well theorized and by **building a theory** about how SIs work, TRANSIT wants to fill this gap.

In TRANSIT, social innovation is understood as **changes in social relations** and ways of doing, knowing, organizing, and framing. Julia notes that most understandings of SI tend to be over-simplistic with presumptions of agency and positive outcomes. In addition to critically evaluating what SI are achieving vis-à-vis dominant institutions, TRANSIT researchers want to make a positive contribution to positive transformative impacts, by building a theory of transformative social innovation of practical relevance in formulating policies and strategies for unlocking the potential of social innovation to address societal challenges.

The theory is still under development, but TRANSIT researchers see SI as **a process** where actors have ambitions but the context in which SIs are embedded may not be conducive to achieve change, affecting the outcomes SIs want to achieve. Hence **outcomes are not pre-determined but co-produced** through the interaction between actors from SI initiatives and the surrounding context. This creates challenges in theory building which should account for tensions and possibilities of capture. The presentation of Paul Weaver went into those, where he noted the following dilemmas:

- Social innovators need finance, but should not lose autonomy as the basis for their existence.
- For countenancing autonomy, politicians need to relinquish some control, but they are held politically accountable for the use of public funds.
- If SI are to take over public tasks, there is a need for safeguards and quality assurance for which they are ill-prepared and ill-wired.

TRANSIT findings include the following: SI is born out of the desire of people to change dominant forces around us by catering for autonomy, sense of relatedness and activities that produce positive impacts also for others (communities) and the natural environment. The SI cases are counter-responses to *perceived gaps and deficiencies in established arrangements and provisions*. Often, social practices from the past are re-invented/ re-introduced in a new or changing context. In order to become transformative, they need to be sustained and grow, so as to challenge the established context. For this, they need resources and the ability to mobilize them. TRANSIT works with the assumption that agency is possible if SIs are able to mobilize resources outside the conventional system in order to build alternatives. SI practices can grow in different ways: they can intensify, diversify, replicate, extend, embed aspects of themselves into another organization.

In his presentation Paul Weaver relayed the most important **insights from TRANSIT on the issue of resourcing**, which are that:

- SIs make use of non-rival resources (e.g. unused labour, wasted resources) and they may have very little need for financial resources at the beginning. As they grow they can fail very easily however, because of the lack of key finance at the right moment when more

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organizational capacity is needed, interaction with other actors intensifies, and may face funding and skills gaps for rolling out activities to show initial impact.

- The sources of funding are changing: in previous decades, money was typically coming from grants, projects, tenders, but now there are also ways to achieve autonomous funding by starting a social enterprise that generates funding for the SI or by embedding the SI into a large organization or by forming a partnership (e.g there are cases where time banks became aligned with hospitals or insurance, see Weaver and Marks, 2017).
- The option of social investment could address external funding needs. Yet, SIs are not risk free and while their accounting may be satisfactory as such, the problem is that standard available monitoring tools always look for financial surplus and SIs may not have much.
- As social innovations grow the structure of their resourcing needs changes. They are likely to need to perform new organisational and managerial functions as well as incur

In TRANSIT we uncovered various **tensions** in monitoring and resourcing which map onto **risks** such as: inertia from fishing in the same pond of available funding (zero positive game), insecurity, insolvency, integrity (stemming from conflicts between personal interest of leaders and the interests of the organization), loss of independence and loss of innovativeness (e.g. when SIs have to meet standards to win funding they may stop adapting to their changing environment). The tensions and risks are described in the paper of Weaver and Marks for the workshop (which is included in the same deliverable as this report) and therefore are not elaborated on here.

This workshop's aims are therefore to understand and discuss:

- The changing context for social innovation
- Working with the tensions in resourcing and monitoring
- Routes to resourcing
- Monitoring for internal and external reasons
- How to incentivise the science system for transformative SII?
- Policy recommendations

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## 5.4.2 SESSION 2: The changing context for social innovation



Picture 1: Lisa Bovill about Hullcoin

### 5.4.2.1 Lisa Bovill (Hull City Council) about the Hullcoin

Lisa opens by retelling the Worgl experiment, an Austrian town facing poverty crisis in 1932, in the midst of the Great Depression. The town successfully experimented with its own local currency (in the form of a stamp script) under the drive of the Mayor at the time. The success of the pilot spread and as 200 other towns in Austria wanted to replicate the example, the Austrian Central Bank closed down the project because it was a challenge to established authority, and possibly it was also “ahead of its time”. The city of Hull is experiencing a poverty crisis in the aftermath of years of austerity budget cuts to welfare system that have not been seen since post-war period. The cuts are wide in scope and affect disability benefits and other important support systems that are leading to the inability of citizens of paying the council tax. The Government would normally step in but it didn't have enough resources to do so. The strategy foreseen so far has been one of crisis relief (e.g. a food bank was established in 2014) but the pathway should rather follow resilience and prevention by supporting grassroots activities and invest in alternative energies and inclusive growth. The idea to explore how Bitcoins can be used to support local communities affected by poverty came in 2014. The media immediately picked up the issue reframing it as: “A local authority prints digital money and gives it to the poor”. The good thing about media attention was that experts came forward to help make it a practical reality. Also a company, Kaini Industries, was set up outside of the local authority to develop the idea and product. The model is using blockchain technology as a platform where people can register as individuals, organizations or retailers. People who engage with charities and community groups across the city of Hull can earn Hullcoin by volunteering and undertaking activities that generate social benefit. Significantly, Hull coin is generated as a reward for positive social action, rather than debt (as in the current money system based on fiat money where banks create money via debts). The coin can be spent with local retailers who will offer a discount on the normal price.

Lisa reflected about the role of local government and innovation and points out that it is likely that local authorities will outsource more to community-based solutions, rather than offering direct delivery of services, because they don't have the resources. She presented the following points as enabling and constraining outsourcing public services to mutuals and cooperatives:



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- **Legislative changes are needed** for restricting tenders to employee based mutual / cooperatives.
- **Local authorities are risk averse** because they are ultimately accountable. SI if disruptive is risky.
- Local authorities have links to existing providers and will often privilege them over what new SIs can offer.
- Local authorities need to consider extra social value beyond service delivery, for this the need to know local problems. Local authorities do not always know the local needs before they write a tender.
- Local authorities need to be seen as responsible and reliable by SI and the wider public.
- Small groups are not in the position to bid for big contracts and in Hull the **voluntary sector is very divided**. Skills of different organizations should be brought together in a partnership, but lots of social organizations are actually hostile to each other, which prevents them from forming **partnerships**
- For small SIs it is difficult to know who to talk to in Municipalities. A complication is that local authorities are '**beasts with multiple heads**', which means you have to talk to different people, which is off-putting: 'you never can assume that you have the Municipality's attention'.
- SIs need to **demonstrate sound management and accountability** of the initiative.
- Tenderers need to **understand what local authorities priorities are** and translate / tailor their offerings to those.
- There is already a **different relationship** between the State and individuals. Rights and duties have changed. Service provision occurs via intermediaries and procedures.
- **Technology will replace lots of jobs** (legal, financial services, etc): creates different relationship between individuals and labour market. Individuals will have more time that SI needs to capitalize on.

## 5.4.2.1.1 Discussion:

MM: What's the infrastructure for creating the bitcoin chain?

LB: We got first funding to develop the bitcoin technology through the Big Lottery. We have 5 employees plus a board of directors. So far, we won three funding cycles and with this we are trying to reduce the risk by getting a minimum viable product off the ground. There are 150 local businesses registered to accept bitcoin and charities to issue them. Transactions are already taking place. Discounts are given by some businesses.

We also had internal tensions (board fell apart) when realizing the company has big potential to grow and a whole infrastructure needed to change. Spinning out from local authority is a big step for the people involved (new roles), there are positive and negative insider issues.

The technology allows us to track the positive action generated by the transaction coming from the volunteering done for community organisations. The platform also allows to upload video and photos related to the social action. This makes it a good news story that's directly embedded in the transaction (like a living CSR report).



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RK: Why would retailers give people discounts?

LB: For attracting customers. Retailers can decide themselves how much discount to give to people. This facilitates market-based decision-making, rather than top-down imposition of (compulsory) discount rates.

MM: Is the coin re-circulated?

LB: The bitcoins are given in recognition of social outcomes, it is not treated as money, and it has no exchange rate with the British pound.

PW: There's a bigger aim for time bank credits and Hullcoins to have exchange rates. Time banking in Hull has achieved the creation of a mutual aid network economy. It can be built to address different sectors and sharing of facilities to tap into spare capacities from different organizations, possibly with the help of Hullcoins.

LB: the long term goal is to model in real time the automatically recorded transactions on the block chain and build dynamic models from emerging spontaneous social action.

PW: The Time bank in Hull is also trying to involve the local Methodist church operating a system to welcome refugees, who now reside in very cheap housing. The church provides a safe/warm welcome, some financial support, meals but the Time bank can provide access to community and productive activities, such as learning languages and access services. This is invaluable for a person who cannot work legally. Carina monitored this as a pre-pilot and the resulting report will be used to win funding for a full pilot involving hundreds of refugees.

Filipa (Transition Towns): The EU legislation makes a difference between alternative and complementary currencies. It considers complementary ones as legal because they are connected to dominant currency and primarily for use in a local context. It considers alternative currencies which are disconnected from existing financial systems as illegal. This aspect is addressed in the book "Sustainability and money: the missing link" by Bernard Lietaer.

LB: The Hullcoin is traded in a restricted way so it will never completely replace normal currency and extinguish debt therefore it is considered a complementary currency.

RB: What are local politicians thinking about the Hullcoin?

LB/DS: We are not challenging money, we are trying to make a distinction and tap into the psychology of spending, of feeling you have economic power by spending reward points. In terms of politicians there has been a move towards acceptance but mostly from independent thinkers; there's the notion that change will come and that the state needs to empower community networks. That's why there's been greater acceptance for this.

The technology of the block chain has already proven quite disruptive: The UK spends 3.5 million pounds a year just to get benefits to people's bank accounts. This would be reduced to 8 pounds using block chain tech! Unfortunately the block chain technology is used for high end financial transactions mostly at the moment. These technological advances can create massive cost-saving benefits, which can lead politicians to turn a blind eye to other issues.

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## 5.4.2.2 Changing the NHS in the UK: Sebastian Yuen



Picture 2: Sebastian Yuen about NHS in UK

In his presentation, Sebastian Yuen discusses the challenge of changing the National Health System in the UK. The health system in the UK is suffering from rising demands but not having enough money for this and suffering from a vision that is politically led and not evidence led. The reason for increasing demands are several and in need of deeper analysis. People choose to go to the emergency department much more than in the past and prefer going to the hospital rather than a general practitioner (GP). The average time to deal with a case is increasing. 'The winter pressure [the time of year when the system is overstretched from demand] is on all-year round'.

There is an increasing awareness about new ways of thinking by top officials but change is slow to get from the top to where the change is needed. The NHS Vision of 1948 was unattainable in the first place because it declared that health services would be paid for by taxation, it would be comprehensive and universal. Following an increasing unrealized demand, the health system started charging for everything.

Similarly the latest NHS vision is well thought through as a logical framework but in reality there are huge differences in the quality of general practitioners across the UK. The vision understands the need for a medical model that understands and addresses the social determinants of health but the way it is now general practitioners only give you medical assistance. 'The predominant ethos is that of a command and control culture where everybody is shouting at everybody to get patients through the system as quickly as possible'.

There is no one NHS but four and they are all different (NHS in England takes biggest amount of money). Commissioners (payers) should say which services are needed at the local level and come up with commissioning. Commissioners (e.g. hospital, mental health centers) are too small, have no

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power and they are told by providers what to do. Another unhelpful factor is that regulators keep changing so there's a lack of continuity.

The pressure on the NHS system is increasing under demographic changes whereas there's great variation in the quality of care. The NHS needs to save 30£ Billion by 2020.

There are new models of care on the horizon however and commissioners are motivated to do things differently. For instance, changing the payment system from activity paid to the best practice of care with multiple components. There are new initiatives in health care and many are being invited by top NHS officers to discuss how to change the NHS. Example (social innovation) initiatives are:

- @WeNurses
- #Ptleaders
- The Academy of Fab Staff (NHSmanagers.net) i
- School of Change Agents (Helen Beven) online virtual program
- (see slides for more)



Picture 3: Lunchbreak

## 5.4.3 SESSION 3: Working with the tensions in resourcing and monitoring

Saskia Ruijsink introduced the five tensions emerging from TRANSIT's case studies research, which are selected for discussion at the workshop. She explained the Critical Turning Points database and how they can reveal tensions using the cases of iMinds (Living Lab) and Share Bloomington (Shareables Network). iMinds Living Labs offers researchers and entrepreneurs the chance to test and co-develop their innovative solutions with their target audience. It is part of the iMinds company offering innovative ICT applications in society. Share Bloomington is a volunteers group engaged in sharing and time bank activities.

The five tensions - described in Weaver and Marks (2017) - are:

- **Tension 1 Internal struggle between founders and leaders and other members of SII** over issues of growth and professionalization. The interests and ambitions of the leaders may start to diverge from those of the members' causing loss of grassroots support. This

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problem is aggravated if the grassroots pay dues to the member organization, which can be resented. There may also be differences of opinion among leaders over which direction to go, causing splits in the social innovation leadership sometimes leading to new breakaway social innovation organisations being formed.

- **Tension 2 Fishing in the same pond.** There is a tension over the need to grow the number of local initiatives/branches and the fact that overall available grant support for establishing local manifestations is often in limited supply for early stage SII. Competition for grants between and within SII is therefore often a zero-sum game. The processes of competing for often very small and very short-term grants and reporting how money has been spent and what impact it has made is a significant diversion and drain on the human resources of SII, including at grassroots level. SII may also fish in the same pond of volunteers or people (which is an issue for Share Bloomington, which limits its growth).
- **Tension 3 Internal and external needs for monitoring.** This tension relates to the misalignment between internal and external motivations, aspects and goals for monitoring.
- **Tension 4 Problems of base funding.** This tension relates to the contradiction that funders may be willing to pay for specific additional activities of social innovation organisations (e.g. for pilots, demonstrations or for specific additional projects interesting because, for example, they deliver social impact to specific target groups), but are less interested to support the base costs of the initiatives.
- **Tension 5 Co-option from imposed agendas.** When establishment actors set the agenda and expect the SII to play along, they are creating problems of co-opting. An example is the UK government 'signposting' benefit claimants to time-banks without providing additional resources to the affected time banks. SII can suffer mission drift and added strain on already stretched local organisers.

Participants are being split in **breakout groups** to discuss the five tensions in relation to their experiences.



Picture 4: Break Out groups take off

After one hour the group reconvened and reported back as follows:

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## 5.4.3.1 T1 Internal struggle:

- **Differences between the transnational network organizations and local manifestations** of an SI initiative can create tensions, particularly around: resourcing needs, vision or direction, and the use of money (which has the potential to corrupt). Network organizations tend to be dependent for their continuity on funding, which brings with it a tendency to commercialize and a tension with staying true to internal values. They also tend to have loose or informal accounting procedures, which makes use of money less transparent for local manifestations. Ownership over data and software control was a controversial issue in Timebanking.
- **Investors require a level of dependability** (to deliver outcomes funded for) from network organisations that can be difficult to ascertain, since they cannot guarantee local manifestations will do things as planned.
- The question of **how to grow** was raised: is growing (slowly) an option? Different routes to growing exist: growing an organization vs embedding solutions in other organisations.
- As SI initiatives evolve, there can be **splits between original models and variations** thereof (example: time banks vs spice). This can work beneficial and complementary if the two find distinct markets / target groups / roles to avoid competition and generate a diversity of solutions that can address multiple challenges. A possible solution is a smart partnership among the variations with common goals and celebration of achievements and mutual learning.
- The Transition Network is responsible for **fundraising money**, it tries to find funds free of ties, to inject into the network and use as seed funding for new initiatives, using principles of collaborative design. Also when someone working for the network needs money for specific challenges, it can be fundraised to meet individual needs.
- **Role of founders:** Often founders are “lone heroes” who are good at starting something but not so skilled in governance of a network system. This requires having compassion and patience with founders and supporting them to find other roles (writing books, giving talks, etc), to allow other people to get more active in leading the network governance.

## 5.4.3.2 T2. Fishing in the same point:

### *Reflections on the nature of the problem of fishing in the same pond*

One of the recurrent themes that emerged from the discussion was the fact that there was an **increasingly competitive culture in terms of seeking funding for social innovation** and social enterprises. This had a number of potential effects: it drives a ‘protectionist rather than collaborative disposition; it means that there is a greater reliance on professional bid writing which can disadvantage smaller groups; it means that resources are wasted on grant writing where there are very low chances of success; finally it also means that organisations often rebrand their work to access new limited sources of funding (e.g. calling things ‘social innovation’.

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Another important insight was the idea that there are multiple ponds and that it might be useful to think about the different in these and the way in which they are linked into a **wider funding ecosystem**.

A third issue related to the significance of place and culture in relation to funding. On the one hand there was the observation that there is an increasing globalisation of funding opportunities. On the other, there was the reflection that there are specific kinds of “pond” and different forms of competition in different cultural contexts. For example, experiences in China are very different from those in Europe.

## Possible solutions to the tension

There were a lot of practical suggestions relating to how this tension might be resolved. These are summarised around some key points below.

- **Changing the rules and processes around contracting and procurement.** Several suggestions related to how contracting and procurement could be improved. Ideas included, involving social enterprises in the design of contracts; larger and longer term contracts; building in flexibility and responsiveness.
- **Exploring new funding opportunities.** Some areas such as philanthropy and crowd funding were seen as new “ponds” which might provide opportunities for certain organisations. Likewise, collaborating with universities or companies (under the rubric of Corporate Social Responsibility) was seen as a way of establishing new forms of hybrid organisation.
- **Different approaches to funding.** Some suggestions related to more fundamental changes in the way that funding occurs. Ideas here included funding the mission and not the mechanism (i.e. more core funding); embracing risk and innovation (noting that funders are often risk adverse) and adopting an “asset based” approach to development; devolving more power to communities and the local level.
- **Developing a better evidence base.** Finally the idea of providing more compelling evidence of impact and visibility of the work that is being done was seen as one way of convincing people of the value of specific innovations.

### 5.4.3.3 T3. Internal and external needs of monitoring:

Internal needs are different from external needs. As a rule, one should only measure what is used. Of the available systems of monitoring and evaluation (M&E), SI should use the one is most **fit for purpose**. M&E may encounter **cultural barriers** as people can be sensitive to “not wanting to be criticized” and may view it as representing mistrust, which may be overcome by not making it an issue of criticism but of open learning. Developmental evaluation (Patton, 2011) does evaluations in a socially sensitive way, but is not mainstream yet. Considering that monitoring effectively requires skills and efforts, and that evaluation professionals are expensive, the question of how to monitor is not easy to answer for SI initiatives. In Transition Towns, interns from universities are used for this, but they may lack the professional skills. There is a **need for training programmes**



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**and for government programmes to incentivize researchers** to engage in monitoring and evaluation.

The Hullcoin technology and Timebank system offer an infrastructure for monitoring and evaluation. Next to number based approaches there is a need for qualitative approaches, for example stories about how people's life has changed for the better thanks to SI. Some forms of monitoring require special tools currently not available, for example local resilience scores. In impact assessment there are attribution challenges which are difficult to tackle and which may require the involvement of professionals. Hybrid approaches overseen by professionals may help to satisfy internal and external needs without succumbing into a managerial tool or bureaucratic red tape.

## 5.4.3.4 T4. Base funding:

The discussions evolved around two main topics: problems associated with baseline funding and possible solutions. Baseline funding is the financial basis an organisation needs to cover its basic costs, such as rent, salary, accountant, etc. Often, these costs are framed as 'overhead' and are not covered by current funding schemes. While the overall amount of funding available is increasing, it is reserved for 'innovative', 'new', 'exciting' things – leading to 'innovation lies'. The little **money that is needed to cover the baseline is not funded**. There is increasing competition around such baseline funding.

Organisations are creatively dealing with this challenge. Strategies include 1) crowdfund a 'person' (Transition Network), 2) ask membership fees, 3) reduce costs and make use of unused resources, 4) find long-term funders, or 5) become embedded into bigger organisations.

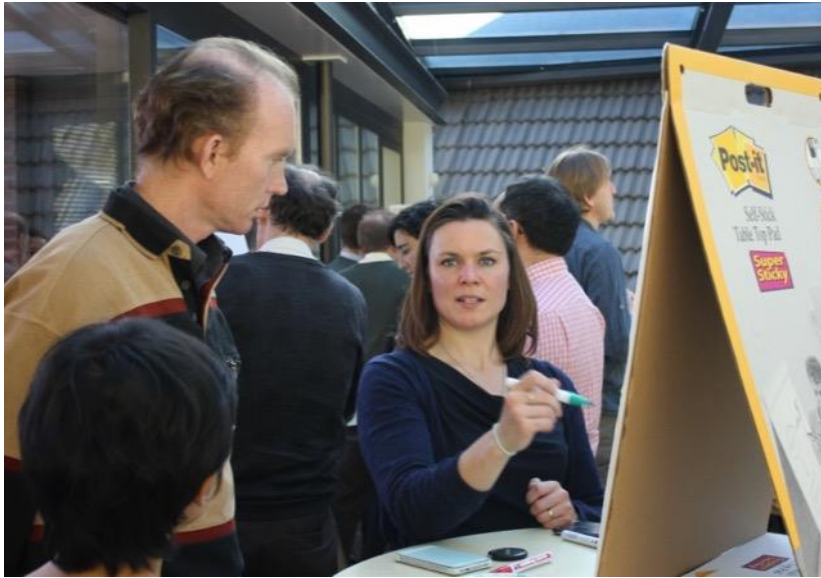
Other solutions that were envisioned include the possibility to **obtain smaller grants for longer periods**, as lots of short-term money for big projects can kill initiatives because it blows them up and makes them fall, rather than supporting them to grow more organically and in a stable way over a longer time-period.

On the other hand, core funding can also strengthen a conservative focus on doing existing things, while **project funding can elicit more innovation**.

Another suggestion is to **combine different funding models**, such as a business and a charity for cross fertilisation (Timebanks). It has been discussed that **funders should provide money 'with no strings attached' and taken along in the learning journey** of social innovations.

The Esmée Fairbairn Foundation, a leading independent grant-making foundation in the UK provides loans to create social enterprises from social innovations – these loans come with a complete support package.

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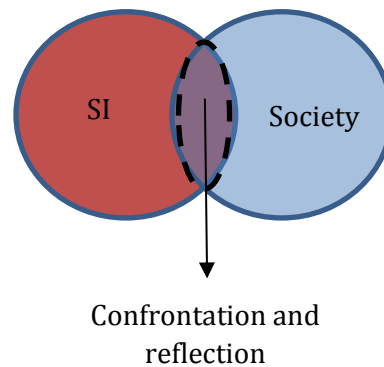
Picture 5; Break Out Group Co-Option

## 5.4.3.5 T5. Co-option:

- Cultural differences create **different forms of co-option** and how co-option materializes. In China, the risk of co-options is less recognized. There is no public funding yet for SI. There is private funding of SI and this typically is based on trust, rather than on official criteria. So the SI's have more freedom. In China and elsewhere it is also a matter of balancing interests in the same SI or network, where people have different backgrounds and limited resources.
- Co-Option is not only related to the risk of being co-opted by funder's agenda's, it is also **related to the more abstract forces of worldviews**. These pose risks for both SI initiatives as well as on the common purpose of achieving social change, by emphasizing certain culturally dominant beliefs or attitudes at the expense of others. For example: since tech-based and smart approaches are extremely popular the SI's focusing on this get much better access to funding, which can lead to non-tech-based initiatives being under-funded or orienting to becoming more tech-based, despite different initial intentions.
- There are also **positive aspects to co-option**: While the co-option risk is important for Sis, a purely defensive attitude is not necessary and potentially counterproductive. An interest from establishment actors to co-opt means that there's a **recognition for doing something important**, something people care about, that can potentially change something. Tensions and conflict are also part of change processes. Without the risk of co-option there is probably low potential for having a transformative impact on society. The co-option not only creates space for confrontation, but also for reflection. Both are critical for addressing the double risk of either becoming dogmatic by sticking too strongly to core beliefs or being exploited by status quo by giving up on core values too easily.

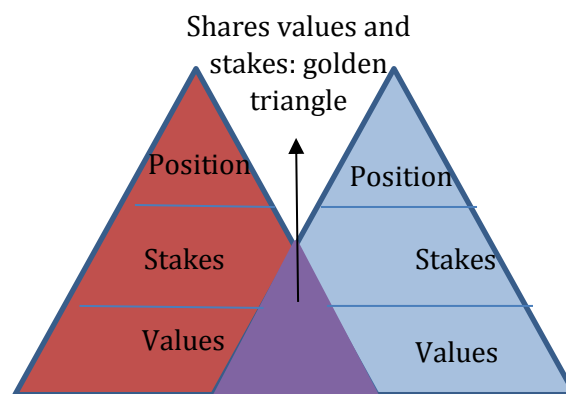


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The following suggestions were proposed, as **possible strategies** for dealing with this tension:

- Trust and allowing mistakes are key in this process.
- The confrontation can be **turned into a reflective dialogue** if there is constructive negotiation. A useful approach for supporting such negotiation processes is the Mutual Gains Approach (see Fisher and Ury (1981)[1991] *Getting to Yes*). In this approach it is important to be transparent in negotiation and to go beyond each other's' positions in negotiation, but rather focus on the values and to a limited extent on the stakes that various partners have in the process. In other words, the focus is on what you share, rather than on the differences. The golden triangle (see below) is often used to explain the principles of the MGA approach



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## 5.4.4 SESSION 4: Routes to Resourcing

### 5.4.4.1 Insights on the experience of Timebanking in healthcare in Rushey Green (South London) by David Boyle



Picture 7; Listening to David Boyle

David Boyle examined in 1966 alternative currencies in the US. There he learned about Timebanks and brought idea to the UK. On behalf of Time banks UK, he lobbied for 3 things: no tax on time credits, people should keep their benefits when they engage in time banks and staying eligible for charity funding.

He noted that Time banks help to deal with the problem that only middle class do volunteering. Hard to reach people were reached via Time banks. Another achievement of TB is to draw in a greater proportion of men. Husbands of female volunteers were lured into TB via handycraft jobs (home improvement). Simple tasks sometimes changed people's lives. Catch 22 of co-production: stay independent & get starved versus becoming part of statutory services.

He discussed several ways for making the case for Time banks:

- Use of cost-benefit evidence (for cost x we deliver y worth).
- Reframe the debate towards “preventative infrastructure” to tackle Beveridge’s “big giants”: want, ignorance, disease, squalor, idleness) bringing into focus that Time banks and other community organizations do what community used to do for its members but no longer does.
- Asking social service contractors: how do you rebuild social networks, how do you plan to reduce the level of need for your service year by year). The reduction of need for social services is a critical element for future care systems, one that receives too little attention.
- Find the insiders / investors who want to innovate from within – no amount of research will make a difference in the end. In all major successes there were some insiders who leveraged

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vital efforts.<sup>21</sup> By coming together with all those innovators in other organisations they could learn about how to get those inertia organisations going to take the next step.)

Mutual, informal support (preventive) infrastructure should become primary to conventional public service infrastructure. **The first question should be: How can you solve your problem in your community networks?** If that's not possible, only then seek conventional network service infrastructure. However, social workers ask the wrong question: what are your needs rather than what can you do about it? Charity is corrosive of self-esteem and social fabric.

## Glimmers of hope:

- Co-production as a new profession with a lot of people are already doing it.
- The greater effectiveness of community-based care. Rather than going for ineffective solutions we should go for the effective ones, even when they cost more money (which they usually do not). In this connection he talked about “airblade effects” (the new hand drier that is 20% cheaper because it actually works. The conventional one just keeps your hands wet. Poor solutions should be avoided and coproduction helps to do that.
- When local municipalities have gone through struggles, innovators rise (e.g. Manchester health care hubs). See “A dream of John Ball” by William Morris
- Social welfare sectors want people to be active. If you act to make things happen you can have a big impact.

### 5.4.4.1.1 Discussion:

IA: How do you distinguish between wannabe innovators and real innovators?

DB: The wannabes will not act in the end. We have to get active, capable people involved, many wealthy seniors are sitting idle. Inactive people can become active for which you need mechanisms of mobilisation and initiatives for them to be involved in.

### 5.4.4.2 Insights on Sustainable Social Innovation Resourcing Strategies in the US by Michael Marks

Michael Marks presented the findings of a study with Paul Weaver on the reasons for long-term success.<sup>22</sup>

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<sup>21</sup> Julia Wittmayer added that DRIFT was engaged in setting up and running a transition program in long term care: 16 experiments, including people who are part of bigger organisations.

<sup>22</sup> Michael Marks, Linda Hogan and Paul Weaver (2017) “Success Case Examples of Sustainable Social Innovation Resourcing Strategies in the United States”, paper for Resource and Monitoring workshop, Febr 16-17 Maastricht.

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Picture 6; Michael Marks on Sustainable Resourcing

The question addressed is: why do some SII manage the long term and others die? This investigation used four selected cases:

- Hour Exchange Portland (HEP) (member to member time banks) with focus on poverty reduction and refugees; partners in care (seniors);
- Partners in Care (PIC) a time exchange community in Maryland
- Parent support Network (PSN) in Rhode Island;
- The Open Table (Arizona, faith-based intervention) poverty reduction focus where churches work with congregation members that adopts people coming back to prison for 12 months to help the person get back on its feet.

These interventions secured a **mix of resources**: three have contractual relationship with an NGO and received statutory funding. PIC has thousands of members, started a boutique (selling second hand goods), with revenues of \$500,000 from boutique sales accounting for 35% of PIC income. Cooperative business income went back to the Hour Exchange.

Initiative	Membership or Licensure Fees	Income from Social Businesses	Partnerships with Other NGOs	Foundation, Philanthropic Funding	Direct Government/ Statutory Funding
Hour Exchange Portland (ME)		X	X	X	X
Partners in care (MD)		X	X	X	X
Parent support Network (RI)			X	X	X
The Open Table (AZ)	X			X	X

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**Partnership with NGOs: embedded or autonomous.** Three out of four cases are all embedded in organisations with similar missions (e.g. PSN in Rhode are helping people that should attend substance abused treatment program who can't take care of their child. In OT many people that went through the 12 months became members of OT.

NGOs approach time banks because they are providers of in-kind work par excellence.

**Membership fees:** time banks have been reluctant to charge their members but the congregation is charging fees for people to become OT member ("missionary trip" in their own neighbourhood). None of the cases are becoming dependent on any one source of money. Often they diversify and statutory money comes only at later stages. By not being depending on gov funding, organisations maintained integrity, innovativeness and are not desperate.

What is the role of government then? Government can act as a **convener** (open way into a community); **as advocate and promoter** of SI; **matching money funding;** provide **referrals;** foster **service integration;** promote **blended funding** for Sis; promote investment readiness to access private funding.

**Leadership** turned out to be a key aspect of the longevity of the SIs. How to avoid a dip when leaders leaves? One possible strategy is to train a successor.

## 5.4.4.2.1 Discussion:

Q: Could it be that these cases were successful because they help local government fulfil their statutory duties?

MM: I don't think so. The leader of HEP is entirely mission driven, support people to get healthcare, where the benefits that arise in one organization can be used in another. She's able to move across models. Put money to target what you are aiming at rather than in the mechanism to achieve it.

CI: **SIs tend to fall in love with their tools and forget the real goals they want to achieve with those tools** and the tool becomes the comfort zone.

Possible strategies for use:

- Have theme-based conferences > time-bank conferences
- Use social impact bonds are a way to resource this.
- **Need to build communities around goals to achieve, not around the tools.** But also can be necessary to have likeminded people to learn about the tools, can be too diverse/messy in mixed communities..
- **Stay sensitive to the context and ask what is really needed here?** Don't force a certain solution onto any context.

How do you study operator dependency, as condition for replication? People want manualized repetition, but it almost never works. You can't replicate organisations but you can replicate peoples' qualities.

RB: We should not let government off the hook too easily when SIs do work that government is supposed to do but does badly (example of "women on waves" offering advice on abortion in international water, e.g. the Mediterranean sea). Should think about what else to make them responsible for! Or be paid the money saved from the government purse.

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Michael Marks also offered a short presentation about **social impact bonds**, where he explained SIB and discussed experiences.

A social impact bond is a public-private partnership finance arrangement that funds effective social services through a performance-based contract. It enables government entities to partner with high-performing service providers by using private investment to develop, coordinate, or expand effective programs and underwrite the risks. More specifically, it opens long-term funding to preventative type initiatives which government often cannot support.

SIBs are particularly suited for:

- Projects working with a well-defined services/treatment population
- Projects seeking to accomplish measurable outcomes
- Projects that can identify a reliable comparison group/ counterfactual
- Projects that can scale up quickly and have shorter time frames to deliver social impact

But: SIs may be consumed by the institutional requirements of SIB involvement in adopting required strategies and actions necessary to succeed in a performance based environment. Next to opportunities they present challenges to SIs in maintaining integrity of mission.

As for the experiences:

- Organizations with best infrastructure, resources, skillset of organizing community are getting involved. Can identify costs, outcomes, etc.
- Very rigorous and costly evaluation in US.
- Rolling out is better in UK and EU. E.g. “Big potential” investment fund
- Umbrella organisations like Timebanks UK that could do some intermediary work, looking at TB as a tool for solving certain social problems.

A deeper discussion of social impact bonds is offered in the paper that Michael Marks and Paul Weaver wrote for this workshop titled “Are Social Impact Bonds (SIBs) A Viable Resource for Social Innovators? A Brief Discussion paper”.



Picture 9; Further discussions at the Talentino restaurant



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## 5.5 DAY 2 Monitoring of SI and the role of science

### 5.5.1 SESSION 5: Reflections from Day 1



Picture 10; What did we learn?

The second day started with a round of reflections on the key insights from the previous day. The following themes were discussed:

#### Creating change within existing institutions versus challenging them and creating complementary institutions

- There are **limitations in established systems to accommodate change**, as many foundations are still operating from an “old paradigm”. The community is an important resource, especially when other (institutional) options do not exist or are difficult to access. For instance, Transition Network (TN) crowd-funds for resourcing TN members with difficulties, or initiatives that have difficulties accessing funding. On the other hand, even institutions like the NHS are recognizing the rigidities they are locked in.
- We need **an agenda for reform in terms of re-institutionalisation** with special attention to interventions that change the playing field (e.g. having unit costs for public services, giving people a budget to decide what kind of care they need (Persoons-gebonden Budget in the Netherlands); alternative/complementary currencies)
- SIs can be a force for **developing a preventative infrastructure**: many systems are looking at that (perhaps for the wrong reasons) but don't know how to do that in practice. The focus should be less on trying to change the rigidities of established institutions and focus more on what is missing. The concept of preventative infrastructure is useful in this regard. The scope for transformative change lies in marshalling new SIs, building on capacities that are already available and to reach that redundancy and freedom from established institutions that comes from strengthening a complementary system



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- The fundamental **need for a complementary economy** needs to be raised and feed into political discussions! This is not happening (enough): even the parties critical of neoliberalism don't see an alternative. This requires spokespeople from all kinds of organizations speaking on behalf of such an alternative (e.g. New Economics Foundation as an example?).
- Should we go for **change within the established system or create an entire new system?** In some SIs there is the notion of “hospicing the dying process of the old, while nurturing the birthing of the new”. A key question is how we can facilitate the transfer of resources that are still captured within existing regimes and re-direct them to initiatives working on complementary/alternative systems? Intrapreneurs / innovative actors (investors, middle-managers, etc) within established institutions can have a key change role for unlocking those resources and making them available for those complementary initiatives.
- We should **better understand the ecosystem of roles:** which roles different actors play in transforming large institutions (from the inside and outside). David Boyle suggested he would be interested to think further about this with anyone interested to go deeper here

## Resourcing approaches and structures:

- We need more small and regular financial support for SIs, as large amounts of money can corrupt and destroy them. **Small amounts of money on a sustained basis, plus complementary/alternative currencies are required.**
- If the aspiration is for SI to offer real alternatives, there's a need for more serious funding for SIs. The question arose, as to **what a healthy funding eco-system would look like** if we had 500 times the resources that we have now: if we were serious around sustainability challenges and have the investments that we really need.
- There are vast amounts of resources available that are just being kept from sharing: **taking an asset-based perspective** entails organizing and marshalling the assets we already have and to stop taking a deficit perspective (“how depressed are you today?”, “are you less depressed now after when you joined a time bank?”). It can kill all the enthusiasm that is a key resource for SI actors.
- **Money corrupts** and is a synonym of power concentration. The more concentrated power is, the more corruption there is. At the same time, citizens should have more influence over how their tax money is being used.

## Relation between SI and other SIs, as well as the context:

- More attention is needed for how SIs relate to each other and how they can **avoid creating their own silos.**
- The **combination of a SI with a social enterprise** (i.e. with people that have a business mind) can be very beneficial. SIs can get help in performance based contracts and share costs/benefits.
- Should we set some boundaries for the term “social innovation”? It is used as a buzzword to mean many things, so we should **be careful about the relations with other systems:** they can be complementary, but should not be supplementary. Otherwise SIs can work as an

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excuse for government and business to step back and relinquish their responsibilities and feed into opportunistic approaches of policy makers.

## Internal issues of SIs:

- **The importance of leadership is under-acknowledged:** we should look more at the innovators, rather than just at the innovations. From such an inquiry we can learn about how more people can become innovators/innovative.
- There needs to also be **shifts in the governance structure of SI initiatives** otherwise there's no real innovation. The community needs to be in the driver seat, not just co-decide without co-owning and co-managing. The idea of the governance of the commons offers a set of principles already define by Eleanor Ostrom which can be adapted in other domains. Otherwise the participation of community will be hijacked by established interests and power-structures.
- For growing SIs the **focus should be more on diffusing capabilities, skills and processes rather than just the tools** or pre-defined models. However, if some SI stick with replicating their tools or models in different contexts, we should explore ways to intervene in that process: For instance, through reflexive monitoring, the SI can reflect on the use of a tool in a certain context and how it can be adapted to fit into another context. So monitoring can have a key role for creating organizations that are more adaptive to different contexts. This is a kind of monitoring that consists of regular moments of reflection that are not about pinning down numbers but guiding the thinking and learning process. In traditional businesses, there is a logical reflection point: whether consumer is buying your products/services or goes to another provider. In social services that may not be the case, perhaps because there is not an alternative provider, or receivers don't have the option of choosing their provider. So SIs need to be more reflective in that regard. However, in some SI initiatives (e.g. Transition Network) it is indeed very common to have cycles of real reflection of the activities and processes. Mostly none of the people are paid, but people still do it because they believe in it. For instance, In the Timebank in Hull there are 3 key things in monitoring services in Hull: "Output, outcome, experience"

## Some general remarks about TSI:

- **Transformations are about tensions:** we need to learn how to deal with them but not avoid them, so we should regard issues that create difficult situations as opportunities, rather than merely as threats.
- The **diversity in backgrounds** among people that work or study SI requires an effort in communication and an acceptance that "we may not always understand each other".
- Most of the tools used by TSI tend to be for **strengthening human connection:** for Timebanks, this is the essence: discovering what is our co-responsibility in change and creating links for people to form a community.

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## 5.5.2 SESSION 6: Monitoring for internal and external reasons

### 5.5.2.1 René Kemp: How to make monitoring a useful activity for SI activities?

René Kemp starts his presentation by saying that next to monitoring of activities & impact SII may engage in monitoring of opportunities & assumptions. He notes that there's an increasing demand for monitoring from funders and an expanding field of evaluation tools, which includes tools for self-evaluation. An example of a self-evaluation tool is the MAEX metric system by Kracht in Nederland. Beyond indicating what type of impact they are achieving for 8 impact categories (on a scale of 0 to 10), the initiatives can indicate which resources they would like to have.<sup>23</sup>

Some initiatives have developed tools for internal reasons of safeguarding the well-being of members. A Health-Check Tool is used by Transition Towns. It works well in monitoring whether as a "transition animal" you are whole or not. The tool and data are collected by trainers from local initiatives.

Different methods are available for monitoring impact. The dominant evaluation paradigm is based on positivism and involves a strongly-linear model of evaluation that conceptualises clear cause-effect links and seeks to explore these. Alex Nicholls of the TEPsIE project of social innovation, developed a contingency approach, based on the question *how can organizations chose an approach that is appropriate to their concerns and context?* This question brings into focus the goals for evaluation. According to Nicholls, establishing a **basis for trust** is one important goal. A second important goal is offering **an information basis** for decision making for the social organisations and those interested in supporting it or evaluating it.

For improving the initiative, **Developmental evaluation** (Patton, 2011) is a useful method. In this approach the evaluation focus shifts from measuring social innovation as a product or service to evaluating it as a process that has impacts.<sup>24</sup>

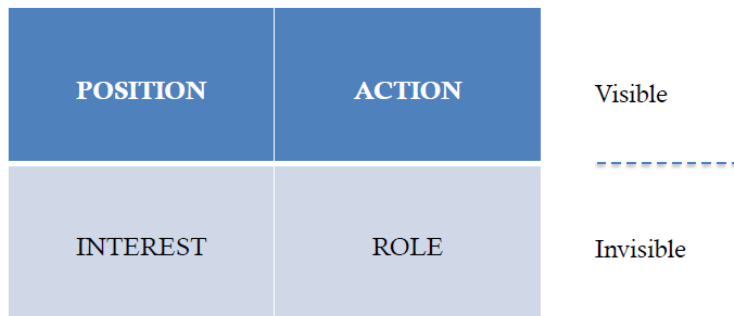
René Kemp notes that monitoring is connected to anxieties because it reveals to people what is not working/needs change. But monitoring can also be empowering, in helping to show impact. A challenge for M&E is to not just 'play the game' of funders (Hobson et al., 2016) but serve the needs of the social innovation initiative, especially the developmental goals of an initiative. For the latter aim they have to look critically at their theory of change and scan the context for opportunities. The PAIR matrix may help them to select and evaluate possible partners for evaluation.

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<sup>23</sup> The 8 impact categories are: Sustenance support; (social) safety; Social cohesion; Cooperation for a better social environment, participation; Smart use of existing resources and sustainability; Leisure; Education/development. The scoring is done by the initiatives themselves and reflects their own subjective assessment of impact.

<sup>24</sup> "Developmental evaluation refers to long-term, partnering relationships between evaluators and those engaged in innovative initiatives and development. Developmental evaluation processes include asking evaluative questions and gathering information to provide feedback and support developmental decision-making and course corrections along the emergent path. The evaluator is part of a team whose members collaborate to conceptualize, design and test new approaches in a long-term, on-going process of continuous improvement, adaptation, and intentional change. The evaluator's primary function in the team is to elucidate team discussions with evaluative questions, data and logic, and to facilitate data-based assessments and decision-making in the unfolding and developmental processes of innovation."(Patton, 2008).

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The PAIR-matrix is made up of six “halves”: a bottom half, a top half and 2 diagonals (*from bottom left to top right and from top left to bottom right*)

Source: Diepenmaat

Two insights relevant for SI practitioners are:

- Actions which are weakly connected to interests are likely to be short lived.
- Organisations with shortfalls in action given the interests of the organisation are potential partners for collaboration.

In the discussion on reflexive monitoring, attention was drawn to “Reflexive monitoring in action”, developed by Wageningen University and the Free University of Amsterdam, to guide process of innovation or innovators through the use of system/stakeholder analysis and action research (van Mierlo et al., 2010).

## 5.5.2.2 Marlon van Dijk (Sinzer): Impact Measurement



Picture 7; Marlon van Dijk presents on measuring social impact

In her presentation on social impact measurement, Marlon van Dijk explained the rationale behind it, the questions that need to be answered and the principles for analysing and reporting.

### Why monitoring?

- Helping funders to decide which initiatives to fund

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- Communications (positive stories for PR purposes)
- To grow the organisation and make better decisions
- Living it: “Social Impact International” developed assessment tool to see if organizations have impact DNA

## Questions for the impact assessment / measurement are:

- Who is going to change for better or worse as a result of the SI activities (can be beneficiaries but also others that are involved in or affected by SII).
- In what way do they change (outcomes)
- How can we prove the change (attribution of effect).

Impact measurement is about the values that are being sought, it is not about money. All relevant effects should be included. Need to identify which changes are most valuable and for whom - don't need to use money to identify value/priority. Need to ask end-beneficiaries *what changes they value most*.

There is no 'control' sample in SI... so it may be difficult to define what change is brought by the initiative and what is connected to changes in the context. Often impact measurement is over-complicated, in having too many questions, models, matrixes. In the end it boils down to a few core questions.

## Basic principles for analysing and reporting:

- Involve your stakeholders!
- Go beyond measuring outputs: the critical issue is not output (for instance how many people are helped) but the positive/negative & intended/unintended outcomes *as a result* of the SI initiative.
- Value what matters: need to understand how stakeholders value the change you want to create in their lives! It is about changes for mothers, youngsters, etc., not about money.
- Look broadly, but then focus on what is material (most relevant for those involved: beneficiaries and impact investors seeking positive impact)
- Do not over/under-claim: acknowledge how others are responsible for the changes brought about. Can be complicated with control-trials, etc. Can also just ask target groups: how much percent was due to the SI activity? How much thanks to others? Assessment can also lead to partnering with other organisations who have a claim in the outcomes delivered
- Be transparent (about assumptions used and the evidence base that is used for converting effects into money)
- Verify results independently, we all have tendency to make it more positive than it is.

All principles should be applied, but level of rigor depends on the objectives of the analysis: planning, management report, investor report, public report. Outcomes and indicators are not enough: **need to prioritize / rank according to values of different outcomes!** One highly negative outcome can out-balance multiple positive but less significant outcomes.

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Valuation methods are mostly based on cost-related methods (avoided costs/resources to society), but is it a true cost saving (example of the detainee that is no longer a cost to the prison system but the prison and its running cost is still there). Value-based methods (based on stated and revealed preferences, life satisfaction: e.g. self-confidence gained) are used less. Values may be assessed via a value game, with cards with products/services that are known by stakeholders, whose market price is known. Ranking the cards in order of importance in relation to a particular outcome that you know is desired, gives an indication of value.

- Reality check: deadweight element (outcomes that would have happened anyway); displacement, attributions, drop-off
- Need to actually use information for better innovation, investment decisions, program improvement, not just “proving”
- We tend to put the bar much higher when it comes to social value rather than financial value! Bar should be set high on completeness. *“It’s better to be vaguely right than precisely wrong”* (J.M. Keynes)
- Lots of resources spent on getting the data and measures right but the most important issue is to measure what we should know. Should be used to maximise social value, in same way as business organization is focused on maximizing financial value! Why is that not so pronounced in social initiatives!?
- Should have social accounting system in place, not just financial accounting system, to maximize your social value.

## 5.5.2.2.1 Discussion

The question centred on two big issues: 1) Can relevant effects be properly valued and attributed? and 2) is SROI something for SI or not? The following things were being said:

- For further developing an initiative, developmental evaluation is more suited, due to the complexity of SI processes.
- SIs are not the same as social enterprises: SIs are usually operating on very small budgets, little time and expertise: don’t have time and skills to do such in-depth monitoring.
- Outcomes are on their way to other outcomes (if so, the distinction between output and outcomes fall apart).
- SI may have difficulty with acknowledging co-produced outcomes! Challenge of determining the contribution of each. Depends on intermediating variables (not just a matter of independent and dependent variables). Effects are context specific.
- Reality is that a lot of SIs activities are asset-based. People are valued for what they can do and not assessed against key performance indicators.
- Is SROI about numbers? Marlon: No it isn’t! It is about stories about relevant impacts which are to be identified and valued.
- How to value the Women on Waves initiative, where the impacts go beyond safe abortions (such as societal views on abortion and rights of women).
- What initiatives value can be very different from what the mainstream “real world” values. How to handle this mismatch?

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- Many impact measurements deal with singular initiatives/projects and don't account for how they are part of a broader movement which challenges dominant institutions and is to be valued for that.
- The resources from volunteers are not accounted for. Impacts are assessed against an investment. It also does not account for spotting what are the overlapping resources that different SIs in the same scenes are using and how these can be enhanced.
- Beneficiaries, end-users, etc. are not adequate words, don't carry the human element.
- Challenge about how to integrate it into the organization in a way that doesn't come at detriment to the activity. Role for universities here?

In response to those comments, Marlon van Dijk said that SROI is essentially a story telling method and it can be integrated with other tools such as participatory appraisal tools. It's about the stories, not just the numbers. Since impact measurement methods are very data intensive, smaller SIs may not be able to collect the amount of data required. Special funding may be needed for this or more simple methods. SROI may guide SII strategies: insights about impacts and the mechanisms through which they are achieved or kept back may help SII to achieve more than they are doing.

## 5.5.3 SESSION 7 How to incentivise the science system for transformative SI?



Picture 8: Discussing the role of science in Fishbowl format

In this session, the role of science for TSI was discussed with the help of a fish-bowl methodology, where a number of 5 chairs were available at the front of the room for participants to take a seat if they wanted to provide an input, while the remaining seats were for participants to listen to the discussion.

This discussion was framed around two main questions:

1. **what does the science have to offer** as contributions for supporting Transformative Social Innovation



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## 2. How can we incentivize the science system to make those contributions?

Christian Iaione, co-founder of GovLab in Bologna, started off and contextualized the discussion by suggesting that we should go beyond the American notion of the triple-helix (of public, private and university partnerships) and rather speak about the “quintuple helix” that includes social innovators and civil society organisations as the “real drivers of innovation”. In this framing, *“universities become an active member of the community and facilitate the creation of new forms of partnerships in the general interest between government, industry and businesses, the not for profit sector, social innovators and citizens, and other institutions such as schools, academies, plus research and cultural centers”* (Iaione, 2015). This framing seems similar to the “emerging fourth mission” of universities, beyond the traditional missions of education, research, and economic development or technology transfer, of “co-creating sustainability transformations” in specific regions or sub-systems (see Trencher et al, 2014).

Regarding the first question, **what science can and should do to serve society** in efforts of transformative social innovation, the following topics emerged from the discussion:

- Challenge assumptions and framings: by posing critical questions, or questions that frame issues in a different light, science can help actors to “think outside the box”
- Give answers, although this was seen as rather presumptive by some.
- Provide evidence and generate accountability through monitoring of efforts
- Offer credibility and experience through partnerships between movements and researchers: social innovation initiatives can be taken more seriously by partnering with researchers and gain from their professional experience.
- Offer process rigour, especially in terms of supporting more structured experimentation and learning processes over the long-term.
- Assessing the impact of SI networks, especially at the international level. While local impacts are more easily graspable, researchers are better suited to study complex dynamics of impact emergence.
- Support capabilities by providing services and tangible products, like proposals, analyses, or software.
- Working more side by side with communities, not just industry. While big business benefits massively from consultants from top universities, such expertise should be made more available communities that lack access to this kind of expertise.
- Leverage education, through engaging students to support change efforts as part of their course-work: for instance, by engaging with questions from NGOs and municipalities. Some examples were given to illustrate: Hull Timebank is working with 65 students for 6 month placements across civil society organisation to work on the question of “what society do we want?” and issuing tokens as credits. [LabGov](#) is being co-developed by students who work on commons-based urban governance topics each year. Two TRANSIT cases, the Living Knowledge network and DESIS offer examples where students are accompanied by educators & researchers to practice transformation in real life.
- Play a translation role between science and practice.
- Support problem-solving efforts of actors.

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- Build theories, since theories about social change can also be effective as mobilizing tool.

Limits of science were also discussed. The fact that many academics do not interact with practice may also derive from not being well suited for that, as they are not trained to do so, e.g. to listen so as to understand a problem from a different perspective. This is one example of the need for change to happen in all sectors, also in science. Science too needs to push the boundaries (e.g. between theory and practice, between rational and intuitive ways of knowing)! Also the need for better science communication was expressed, which could include reports with videos and infographics, not just text and models.

Regarding the second question, **how the science system can be incentivized** to make more of these contributions, it was noted that the science system is under increasing pressure to report on impact of research, as an important, potentially helpful, background factor. This forces academics to consider the value of their work and may lead to more impact case studies and increased collaboration with the third sector.

In the discussion, a number of constraints were mentioned together with suggestions for dealing with these:

- The definition of “impact” for academia: Societal impact should not be confined to “policy relevance”. Relevance to practitioners should be added as an impact category. We need more plural and better-defined understandings and ways of measuring the societal impact of science. The traditional indicator of scientific relevance, scientific citations, was viewed as too narrow.
- The convention of being original and going for high ranking (disciplinary) journals may lead researchers to focus excessively on “new” and competitive contributions, while giving less attention to deepening established knowledge and to knowledge relevant for decision-makers.
- The culture of impartiality and objectivity: If you work in sustainability science, you cannot pretend to be impartial, on grounds that science can only deal with the “is” and not with the “ought”. We should be able to play multiple roles, as long as being open about the roles we play (e.g. pure scientist, scientific arbitrator, issue advocate, knowledge broker; see: Pielke, 2007).
- The publication structure: Public money requires public accountability, not just intra-academic evaluation. However, many scientists are not concerned about who will read the papers apart from their scientific peers. Universities receive a lot of money and have a duty to produce knowledge that is relevant to society.
- The funding and reward system of universities: Whilst there are dedicated programmes for investigating social problems and possible solutions, the programmes are determined by scientists. The programmes may be unduly academic. In this connection it was suggested to **create a social impact currency to incentivise researchers to deal with societal problems**. Vouchers may be used for this, issued by government to civil society organizations who can use these to hire researchers. Apart from incentivising individual researchers, it will allow for a comparison of universities and research groups in terms of winning vouchers, thus playing into the obsession of university managers with rankings. This should be combined with a portal / platform / market to match supply and demand.

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Science shops could play that role. The Local Economic Forum in Totnes is an example of a community-based platform that could be used for this. CoLab can also be an example.

- Evaluation of professors: Social impact is not used to evaluate professors even when they do contribute. Peer recognition is too much based on academic output.
- Degree certificates: We need certificates that show community value, so one can leave the university with a statement that shows how you have contributed to society
- University certification: Business schools should need to get certified by ERS: equity, responsibility, sustainability.

Lastly, the suggestion was made to establish a core group to think about the role of scientific research for social innovation.

## 5.5.1 SESSION 8 Synthesis

In closing of the workshop, participants wrote their main suggestions for policy recommendations on post-it notes for the different topics discussed. These were then clustered and further discussed in sub-groups. Below is an overview of the main points brought back from these sub-groups:



Picture 9: René Kemp discussing the synthesis results

### Science Interface

- Science needs to develop evaluation knowledge and tools that are appropriate to TSI processes, in particular for assessing collectively co-produced impact on societal level.
- Science needs to develop ways of engagement that are more active, collaborative, action research-oriented, where researchers are working more alongside with SI initiatives. This requires better training of researchers for engaging with SI practitioners.
- Creating a voucher-based social impact currency may be an effective means for incentivizing the science system to engage more with TSI challenges.

### Monitoring

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- Use easy tools, light, fast, iterative over top-down dependency driven tools.
- Use of technology can be useful for self-evaluation and recording and sharing data.
- Reflexive monitoring should be seen and used more **as a learning tool**
- Think and do at the same time.
- Monitoring should cater to different target groups in SIs.

## Resourcing

- *Financial resources:*
  - By considering the diversification of funding strategies, we should be looking at what **healthy funding ecosystems** could look like of financing to combine external funding and self-generated income streams.
  - Consider possibility of **income generation through data collection**.
  - Better **communication between SIs and funding agencies** is important.
  - In general, there's a need to **create an inclusive growth bond** to keep consistent innovations go on and this can be scalable and supported to increase their investment readiness.
- *Human resources:*
  - Consider untapped human resources, like elderly people with time on their hands.
  - Leadership of SI initiatives should be studied from a resourcing point of view: what are the characteristics of leadership for social innovation to become transformative?
- A deep-seated cultural problem is that giving money tends to create a sense of top-down control. We need to get to a culture of partnership! This is a message policy makers and funders need to get, so that receivers of funds don't succumb to the pressures of control but can work more collaboratively with funders.
- Group different SIs together through intermediaries, so as to co-fund them to deliver projects together and learn about potentials for synergy in the process.

## Tensions

- While different views on the world can lead to tensions, it's important to recognize them, as well as to embrace and use them generatively, rather than being afraid of them.
- Be open-minded, recognize value of difference, create real encounters, create respect for everyone.
- Develop a toolkit about the five tensions and link them.
- Consider "Intelligent growth" as solution to tensions between original values and external demands and further explore what this can mean in practice, what the different pathways are.

The messages were not discussed as there wasn't time for that; they are possible inputs to future activities, within TRANSIT and other projects. One opportunity to revisit them is at the **TRANSIT Final Conference** on September 14-15, 2017 in Rotterdam, in Blue City <https://www.l4csi.org/> where there will be sessions on resourcing and monitoring. The final event is not a conference but **an activity event** which is set in a former tropical spa complex on the banks of the Maas river. BlueCity010 is inspired by the Blue Economy vision and comprises of a network of about 50 entrepreneurs and SMEs who have aligned their business plans, their material and waste streams

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(e.g. energy and heat) co-designing and collectively comprising an ecosystem and its circular business model.

Other future activities include a policy workshop and various publications. In March 15 2017, TRANSIT researchers will meet with people from the EU Commission, in a policy workshop, to discuss the policy salience of social innovation (its contribution to policy agendas and what policy can do for transformative social innovation). In addition, research findings from TRANSIT are being disseminated via specially written briefs, TRANSIT reports and scientific articles. Next to the brief on theory (which is the next brief), there will be a brief on social learning, resourcing and monitoring and a final brief.

René Kemp thanked all participants for their contributions and expressed his hopes of meeting again.



Picture 10: Group picture in garden



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## 5.6 Workshop Programme

<p><b>Day 1</b></p> <p><b>9:00 – 10:30</b></p>	<p><b>SESSION 1: Welcome &amp; Introduction</b></p> <p>9:00 – 9:05 Welcome (René Kemp)</p> <p>9:05 – 9:25 <b>Introductory session about TRANSIT project and the cross-cutting themes of the workshop</b> (Julia Wittmayer and Paul Weaver)</p> <p>9.25 – 10:30 <b>Getting to know each other.</b> Each participant talks for max 3 minutes about what they are doing, which of the tensions they recognise and whether there are important other tensions to consider</p>
<p>10:30 – 11:00</p>	<p>Coffee break</p>
<p>11:00 – 12.30</p>	<p><b>SESSION 2: The changing context for social innovation</b></p> <p>11:00 – 11:20 <b>Presentations</b> about health and welfare reform and the emergence of a complementary economy (Sebastian Yuan and Lisa Bovill)</p> <p>11:20 – 12:30 <b>Plenary discussion</b> about opportunities afforded by those developments and by other relevant developments</p>
<p>12:30 – 13:30</p>	<p>LUNCH</p>
<p>13:30 – 15:30</p>	<p><b>SESSION 3: Working with the tensions in resourcing and monitoring</b></p> <p>13:30 – 14:00 <b>The TRANSIT database about Critical Turning Points and dilemmas around Resourcing and Monitoring</b> (Saskia Ruijsink)</p> <p>14:00 – 15:00 <b>Interactive session</b> about ways to relieve tensions in R&amp;M. The 5 tensions are discussed at 5 tables according to a <i>world café</i> format (3 rounds of 20 min).</p> <p>15:00 – 15:10 Reporting back</p> <p>15:10 – 15:30 <b>Photo shoot outside</b></p>

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15:30 – 16:00	Coffee/tea
16:00 - 18:00	<p><b>SESSION 4: Routes to resourcing</b></p> <p>16:00 – 16:30  <b>Presentations</b> about incentivized-volunteering and autonomous routes of resourcing via social enterprise, social franchising, open table approaches (David Boyle and Michael Marks)</p> <p>16:30 – 17:30  <b>Plenary discussion</b> about the routes to resourcing.</p> <p>17:30 – 18:00  <b>Closing</b> of day 1</p>
19.00	Dinner in restaurant <b>Talentino</b> (Grote Gracht 74) <a href="http://www.talentino-mestreech.nl/">http://www.talentino-mestreech.nl/</a>

<b>DAY 2</b> 9:00 – 10:00	<b>SESSION 5: Reflections on the day before</b>
10:00 – 12:00	<p><b>SESSION 6: Monitoring for internal and external reasons</b></p> <p><b>Presentations</b> about monitoring tools, tensions and dilemmas (René Kemp and Marlon van Dijk), followed by <b>plenary discussion</b></p>
12:00 – 13:00	LUNCH
13:00 – 14:00	<p><b>SESSION 7: How to incentivise the science system for transformative SII?</b></p> <p>In this session, participants are invited to offer suggestions for making better use of science for resourcing and monitoring, using a <i>fishbowl</i> format. Session host: Tim Strasser</p>
14:00 – 16:00	<p><b>SESSION 7: Synthesis and policy recommendations</b></p> <p>In this session, with the help of post-its and visuals, people in small groups sum up the key insights and recommendations from the workshop (small group work). 45 minutes on key insights and 45 minutes on policy recommendation), plus 30 min plenary session. Session host: Noel Longhurst</p>
16:00 – 16:15	<b>End &amp; Way forward</b> (conference, briefs, training tools) René Kemp
16.30 -	Drinks at the Vrijthof



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## 5.7 Participants TRANSIT workshop on Resources and Monitoring

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## 5.7.1 About the participants

- **Sebastian Yuen:** is a trustee of Timebanking UK but works as a consultant paediatrician for the NHS. He is interested in the role of education and change management: How do you lead change to improve outcomes? How to engage people? How to know what to do? Part of the solution lies in moving health care from big hospitals to communities, trying to be more preventive and integrative, but NHS is very resistant to change.
- **Ken Ito:** teaches and studies social finance in Asia, how philanthropy is responding to the financial and nonfinancial needs of the region's social entrepreneurs. He is interested in theoretical frameworks for understanding social innovation and philanthropic finance and started research in 5 Asian countries
- **Lisa Bovill:** worked for the Hull city council for 20 years, offering internal advice services on civil rights, social welfare. Also external advice, trying to make it more complementary. Poverty inclusion strategy in Hull. Director of local credit union. Set up a SII focusing on blockchain technology for social use.
- **Yao Tang:** social entrepreneurship foundation in China. Liaison for international collaboration, fundraising management for non-profit programs. International exchange on SI, want to know more what is happening in Europe. East Asia SI network: goal to raise international awareness of SI cases & practices and introduce what is happening globally to East Asia.
- **Julia Wittmayer:** studied participatory budgeting and Impact Hubs, focusing on civil society and local government relations on urban level, discourses of big society. Working with action research methods to change science-society interface.
- **David Boyle:** writer, brought time banks from US to Britain, involved in co-production side of time banks. Became somewhat sceptical at SI: something the system would waggle at you to keep you at bay. Spent much time lobbying politicians trying to change from inside. "We want big, innovative ideas". Not true: Politicians actually wanted small, safe ideas. They react with fear to big ideas. Ran an independent review of public servant choice for the UK government: found out why innovative things didn't succeed. Worked with innovative people inside the government (middle-management), run with them for 10 years, not so easy, ended up frustrated.
- **Remko Berkhout:** Shares life-long passion for understanding / creating change. Worked in international development, NGOs in various countries. HIVOS: had a knowledge program: concepts of civil society building. Effective resourcing strategies, impact bonds, philanthropy. SI field is bringing together many disciplines that were so far more separate. Shares scepticism around big claims. Own practice on facilitating learning processes, setting up SI labs with different stakeholders: resources, choices, going wrong a lot. Likes to add genius and scenious (understanding fertile ground around the innovation: e.g. Ushahidi in Kenya: election monitoring using crowd-sourced software, gets a lot of resources, even too much, all focused on social services, apps). Many SIs would benefit not from more direct funding but a better resourced environment and from constitutional reform for the common good).
- **Filipa Pimentel:** From Portugal. National hubs coordinator of Transition movement. Worked as researcher, went to Brussels as EU official, had epiphany and quit job as policy / political advisor, became national hubs coordinator as volunteer for three years full time, funding own job, now paid 2 days a week, but works much more. Very happy to be here. SI is a state of mind and a systemic thing for her. Developed 'slobbing': very different

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approach to lobbying. Working with foundations and EU and how to reinvent funding (decisions), fishing in the same pond.

- **Noel Longhurst:** led Transition Town cases as part of TRANSIT, interested in these topics for long time. Was a director of social enterprise in UK before doing research. Did action research with Transition Town Totnes when it was started in 2006. Helped establish the Totnes Pound (local currency) which has since inspired the Brixton and Bristol pounds. Many of the issues being discussed at this workshop are longstanding within debates around social enterprise and the social economy. We also need to be aware of the paradox of innovation fetish: Innovation is increasingly lauded in various spheres of life illustrated by the existence of TRANSIT and this workshop. However, this also drives a constant desire amongst policy makers and funders to always seek out the novel, which feeds into some of the themes of this workshop. Finally, there is also an emotional side to much of the work that goes on in this field: activists and entrepreneurs are often driven by hopes and fear. This is something that we often tend to ignore as researchers..
- **Michael Marks:** late-career PhD. Worked on juvenile justice. Worked on multiple levels. Lot of practice and administrative experience. Trustee of Timebanks USA. Member of Baltimore BNote currency: taking off a lot. Steering committee on time banks. Consultant on two local timebanks on sustainability and evaluation. Served as action researcher (which is very unique in US: very positivist mentality), developed intervention framework for co-production on a micro level: how to effect engagement for young people involuntarily placed in programs. Set up a time bank within the organization.
  - Two tensions he faced in dissertation process. Lot of language about empowering client populations. But lot of tensions there. Youth advocate programs. Not allowing young people to be co-producers. Programs not revenue generating loose support over time.
  - Involved with Hourworld: largest body with information on time banks, software. Developing mobile app
- **Saskia Ruijsink:** works on urban planning and development in an international context and focuses on social innovation in urban realm. In TRANSIT she is working on developing training tools for monitoring and resourcing and wants to further develop the Critical Turning Points (CTP) methodology of TRANSIT as a tool for reflection. She thinks that education is a key enabler in processes of change and transformation, however only if it allows people to follow their heart and passion, which is crucially important in all we do.
- **Wouter Extercatte:** involved in movement of localisation and humanisation. Was in some ecovillages, founded Dutch ecovillage network. Was involved in Dutch Transition Network in education. Always looking for leverage points to strengthen the movement. Wants to connect funders and change makers. Developing trainings.
- **Veronica Olivotto:** works as teacher and researchers on urban risk and resilience at IHS, an international knowledge and training institution. She worked in TRANSIT on the studying the case of Lab Gov in Italy and developed a timeline of Critical Turning Points (CTP) for this case. She works now with Saskia on developing a monitoring and resourcing tool in which the CTP approach is embedded. She studied sustainability in tourism in Scotland and focused on climate adaptation since graduation. Now she is starting her PhD on the political economy of adaptation: how adaptation strategies create new subjects and how they relate to existing regimes. She is interested in knowledge production in adaptation: how traditional knowledge is embedded in scientific knowledge. Additionally she is interested in the art field and likes to hang out in art spaces of which there are many in Rotterdam. She supports them with knowledge about climate change and identifies how artists work on that. Volunteering in micro-adaptation communities in neighbourhoods, led by municipality: trying to engage citizens more to increase the porosity of the city.

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- **Paul Weaver:** TRANSIT was first project on social innovation. Feels empathy for SI: strong sense of independence and autonomy. Science background, consultancy, but great scepticism of science institution: self-serving system. Keeping one foot in (for income) and one foot out (for independence to do things worthwhile, maintaining distance from system capture). Working on policy suggestions for changing science system to support transition efforts. Now on board of Time Banks UK. Doesn't believe we can transform large systems, need to build complementary systems: create own resources, currencies, etc. He noted that in TRANSIT resourcing wasn't an exciting topic for people to work on.
- **René Kemp:** is professor of innovation and sustainable development; educated as economist, he developed into a critical pluralist. Worked as contract researcher on innovation for SD topics for 30 years. Is interested in an alternative economy: "what this world needs is a different world". Alternative economy is best created in an experience-based way, but we also need fundamental interventions that change the playing field. He co-created the model of Transition Management, used by Dutch government, which is now a field of research (with journal *Environmental Innovation and Societal Transitions*). With other TRANSIT researchers he wrote the paper *The Humanisation of the Economy through Social innovation*.
- **Marlon van Dijk:** Managing Director of Sinzer, a social impact measurement consultancy.

## 5.8 Workshop papers – specifically written for the workshop

- Michael Marks, Linda Hogan and Paul M. Weaver (2017) "**Success Case Examples of Sustainable Social Innovation Resourcing Strategies in the United States**", paper for Resource and Monitoring workshop, Febr 16-17 Maastricht.
- Michael Marks and Paul M. Weaver, (2017) "**Are Social Impact Bonds a Viable Resource for Social Innovations? A Brief Discussion Paper**", paper for Resource and Monitoring workshop, Febr 16-17 Maastricht.
- Paul M. Weaver, and Michael Marks (2017) "**Social innovation resourcing strategies and transformation pathways: a first-cut typology**", paper for Resource and Monitoring workshop, Febr 16-17 Maastricht.
- Paul M. Weaver and René Kemp. (2017) **How to make monitoring into a useful activity for social innovation initiatives?** Report for TRANSIT workshop on resourcing and monitoring, Maastricht 16-17 Febr 2017.