

**transformative  
social innovation  
theory**

TRANSIT Brief #2

# Governance

**Co-production challenges  
in Transformative Social  
Innovation.**



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This **TRANSIT** brief addresses the *governance* and *politics* of transformative social innovation. Social innovation means new social relations, involving new ways of doing, organizing, knowing and framing. Social innovation is ‘transformative’, when it moves beyond a single local innovation towards significantly challenging the social context. In our research project, we study 20 social innovation networks and 40 related local initiatives, most of which have such explicit transformative ambitions.



*What are the governance challenges of such networks and initiatives? How do existing governments relate to them?* Next to the government of public authorities, there are broader governance processes, in which business, NGOs, research and education institutions, religious institutions and various intermediaries play their parts. As we will illustrate through several examples, social innovation certainly is not a pure ‘civil society’ or ‘grassroots’ phenomenon. Scientists, governments and business are also involved, either directly or indirectly and in various capacities (funder, expert, regulator, supporter, opponent, etc.).

It is often said that social innovation is ‘co-produced’ and ‘co-created’. We agree that these ‘co-words’ are very suitable to describe how transformative social innovation is ‘made’ collectively. Yet, we also contend that co-production is not always a matter of harmonious collaboration or companionable co-existence. Transformative social innovation means that the social context, including its dominant institutions and power structures, is significantly challenged. This means that the ‘co-production’ of transformative social innovation is of a deeply political nature. Even if social innovation is an activity that can appease and combine various logics (markets and states, laypeople and experts, profit and non-profit), there are still real differences in vested interests and political opinions on what constitutes a sustainable, fair, or otherwise desirable society.

This brief addresses the co-production of transformative social innovation in terms of how it generates solutions, but also the problems, setbacks, constraints and negative side-effects involved with this co-production. We address four themes:

*(1) the development of ‘transformative impulse’, (2) the institutionalization of social innovation initiatives, (3) the hybrid nature of transformative social innovation, and (4) the relevance of different cultural and geographic contexts.*

Through these themes, the reader can share in the lessons on **TSI** governance challenges as we learn them through the 20 social networks that we study in various countries.

# Transnational Networks



**Ashoka:** *Network for financial support to social entrepreneurs (HU, DE)*

**Basic Income Earth Network:** *Connects people committed to basic income and fosters informed discussion (DE, NL)*

**Credit Unions:** *Network of different types of credit cooperatives (ES, UK)*

**DESIS-network:** *Network for design for social innovation and sustainability (ITA, BRA)*

**European Network of Living Labs:** *Co-creative, human-centric and user-driven research, development and innovation (NL, UK)*

**FABLABS:** *Digital fabrication workshops open to local communities (UK, ARG)*

**Global Ecovillage Network:** *Network of eco-villages and other intentional communities (DE, POR)*

**Hackerspace:** *User driven digital fabrication workshops (UK, ARG)*

**INFORSE:** *International network of sustainable energy NGOs (DK, BE)*

**International Co-operative Association:** *Co-operating organizations for sustainable inclusive housing and habitat (ARG, DE)*

**Participatory budgeting:** *Network of communities and municipalities reinventing how public money is spent and prioritized (BRA, NL)*

**Living Knowledge Network:** *Network of science shops and community-based research entities (DK, RO)*

**RIPESS:** *Network for the promotion of social solidarity economy (BE, RO)*

**Seed Freedom Movement:** *Protects biodiversity by defending seed freedom for integrity, self-organisation and diversity (HU, UK)*

**Shareable - Sharing Cities:** *Connecting and empowering urban sharing initiatives aiming for a sharing transformation (ES, NL)*

# under study in TRANSIT



**Slow Food:** *Linking food to a commitment to sustainable local and global development (ES, DE)*

**The Impact Hub:** *Global network of local hubs for social entrepreneurs (NL, BRA)*

**Time Banks:** *Networks facilitating reciprocal service exchange (UK, ES)*

**Transition Towns:** *Grassroot communities working on 'local resilience' (UK, HU)*

**Via Campesina:** *Aiming for family farming to promote social justice and dignity (ARG, HU)*

# Developing transformative impulse

Through our case studies we have come across many inspired, critical and ambitious individuals who want to make a difference. To achieve this, they join existing initiatives or start one with like-minded people. We have also learned that it has often been not so easy to form such an initiative, to coordinate action and to bring about a transformative impulse over the longer term, since this depends upon maintaining unity, sense of purpose and integrity as the movement establishes and grows. Strong ethical, ideological commitments can lead to both cleavages as well as alignments. In the case of **Time Banks**, for example, disagreement over local initiatives having to pay membership and software fees to TBUSA, which some in the movement considered as inconsistent with the movement's core values, contributed to disaffected members establishing hOurworld as an alternative membership organization and providing software to local **Time Banks** on a 'free-to-use' basis.



There are issues also over the role of founders and leaders if and as their positions consolidate over time. Founders and leaders of movements often help maintain movement identity, direction, and drive, but any long-term dominance by personalities seen as unchallengeable within the movement can also be unhealthy both for the movement and any transformative potential. This is why **BIEN** only asserts the unconditional aspect of basic income as an essential trait of the social innovation, whilst otherwise leaving affiliates free in the ways in which they want to advocate (variations of) the transformative concept.

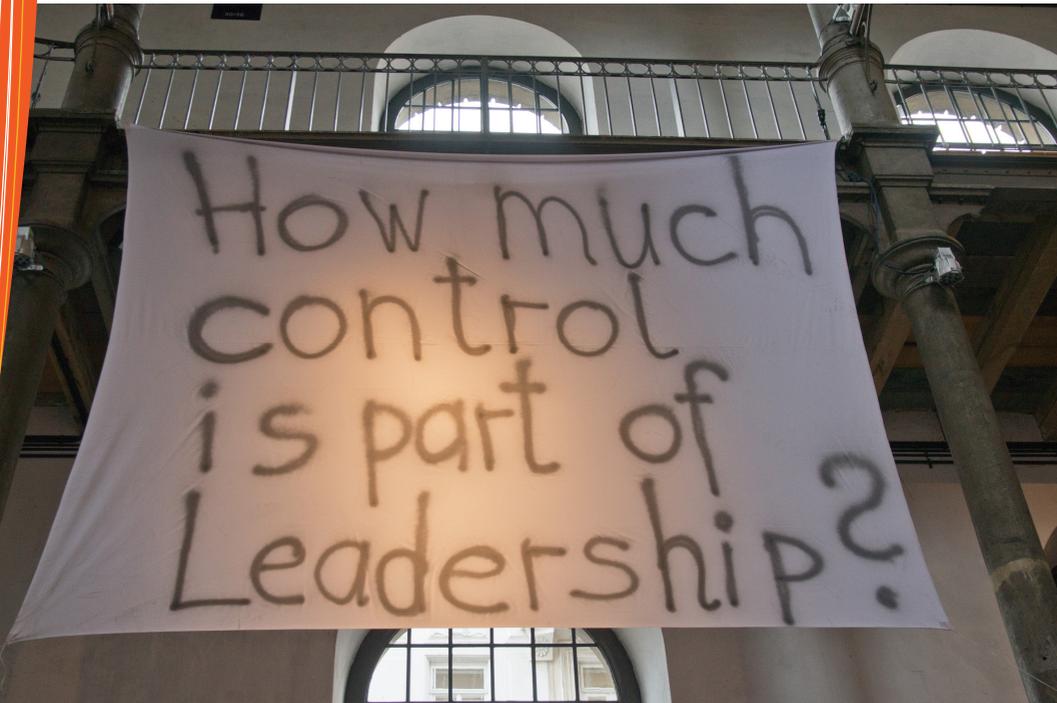
As soon as people seek a vision for change, the process of how to organize effectively as an initiative, organization or network becomes unavoidable. It is particularly crucial that the values underlying this vision are agreed and served. Effective internal governance, the ability to make decisions, communicate and act in a way that supports the realization of the mission/purpose, is therefore **an essential condition for transformative social innovation**.

In seeking to bring about transformative change in society, many social innovation initiatives also organize their internal decision-making in ways that are considered **more empowering, empathic, effective, and true to certain values (authentic)**. Their organizational forms tend to be more participatory and decentralized, or as the **Credit Unions** exemplify, committed to transparency as a key value in the transformation of banking. They are often guided by a shared sense of purpose, value and destination. This contrasts with the more control-oriented, hierarchical, bureaucratic and/or efficiency-driven ways of more mainstream social organizations. A **Time Banks** representative articulated how they break with prevailing modes of organization:

*“The structure of the organization is like an inverted pyramid where the Board is at the bottom of the association”.*

The Director of **Ashoka Germany** indicates how this also involves profound personal experiences with radically different ways of leading and managing:

*“On a personal leadership level I’ve learned a lot over the past five years. I came in very much as the boss. Now in Ashoka Germany we are discussing how we can do away with all titles and how we can become a true partnership of equals, able to attract more people in different roles and do away with the whole idea of a pyramid organization. It’s an incredible journey to be on and that I can drive it and shape it together with colleagues is very exciting.”*



In terms of their internal organisation, groups of social innovators often apply innovative forms of **self-organization**. **That gives more freedom and responsibility** to individuals and teams, who are trusted to make their own decisions in accordance with their sense of what is most appropriate and desirable: *“You rarely face resistance within Ashoka for starting new things. It’s the nature of the place [the organization]. We don’t have a ‘command-and-control’ or an ‘ask-for-permission’ culture. I don’t ask my boss whether I can talk to this or that ministry – ‘if you think that’s necessary, great, go for it. I might think differently, but go convince me’ – that would be the kind of conversation”*. An emphasis on self-determination, co-ownership and trust-based cooperation can be found at **The Impact Hub Amsterdam**, where they seek to achieve such outcomes through ‘Holacracy’ principles. Holacracy emphasizes “organisational purpose” as the driving factor for operations and decision-making: *“We work with Holacracy, so in that sense, within my role, I can decide how I think the organization should run. We all have some purpose within our circle, and our purpose is to make impact, (...) and help enable [our members] to thrive.”*

An important concern for transformation-minded individuals and organizations is how to embody and live up to the values they stand for and the changes that they wish to promote. If such a principled approach is lacking, many social innovators are aware how they may end up merely reproducing the very status quo i.e. the received ways of decision-making that they are critical of. Several of the studied networks prove reflect deeply about the ways in which they apply the new societal rules and relationships they champion. For instance, **RIPESS** strives for balanced male and female representation, regular circulation of board positions to ensure continuous ideological refreshment, and jointly developed declarations.

**RIPESS** also underlines how genuinely social entrepreneurship also means the very relations between entrepreneurs and workers are questioned. **Hackerspaces** and **Fablabs** are similarly sensitive to the subtle ways in which control and hierarchy may slip in.

**Ecovillages** show how governance transformations can start with socializing young individuals into alternative ways of living together, including specific approaches to decision-making such as non-violent communication, consensus and joint values seeking.



Such examples of social innovation in self-governance also seem highly relevant for more traditional organizations as models of purposeful, collaborative and authentic ways of working. Organizational models used by social innovators serve as inspiration, not just because they fit with personal values of employees, but also because authenticity, empowerment, purpose and collective intelligence are seen as sources of human productivity and organizational well-being. The attention to social values may make those companies more socially sensitive and liberating, making them part of a bigger social transformation. Equally, social innovation initiatives can be seen to adopt features from traditional businesses to become more effective. In their quest for professionalisation and unity as an organisation, **Credit Unions** came to be viewed as a legitimate business. Few initiatives are prepared to make such a step because of concerns for maintaining purity and coherence in staying true to the character of the original innovation. As a participant from **Fab Lab** argued: *“... the “structures” we set up (foundations, associations, industry partnerships, meetings, conferences, newsletters, fora, platforms...) are all so fundamentally rooted in old-style working that they are (or are bound to become) a hindrance rather than a support on the development of the social of Fab... Whatever we do, we need to take that social experiment seriously”* .

# The institutionalization of TSI

Even if many of our studied networks have succeeded in finding ways to organize in line with their values, they face the inevitable challenge of continuation. Resources – financial but also staff, time, and equipment – are notoriously lacking. Most attempts at challenging, altering or replacing dominant institutions are an enduring uphill, struggle. There are some initiatives that seem to do it on their own or together with social innovation initiatives akin to them, such as the local initiatives of the **Hackerspaces**, **Fablabs** and the **Ecovillages**, **Impact Hub**, and **DESIS** and **FabLabs**. Most of the studied initiatives have developed extensive contacts with other transformative organizations and institutions, as **INFORSE**, **Credit Unions** and **Participatory Budgeting** exemplify.



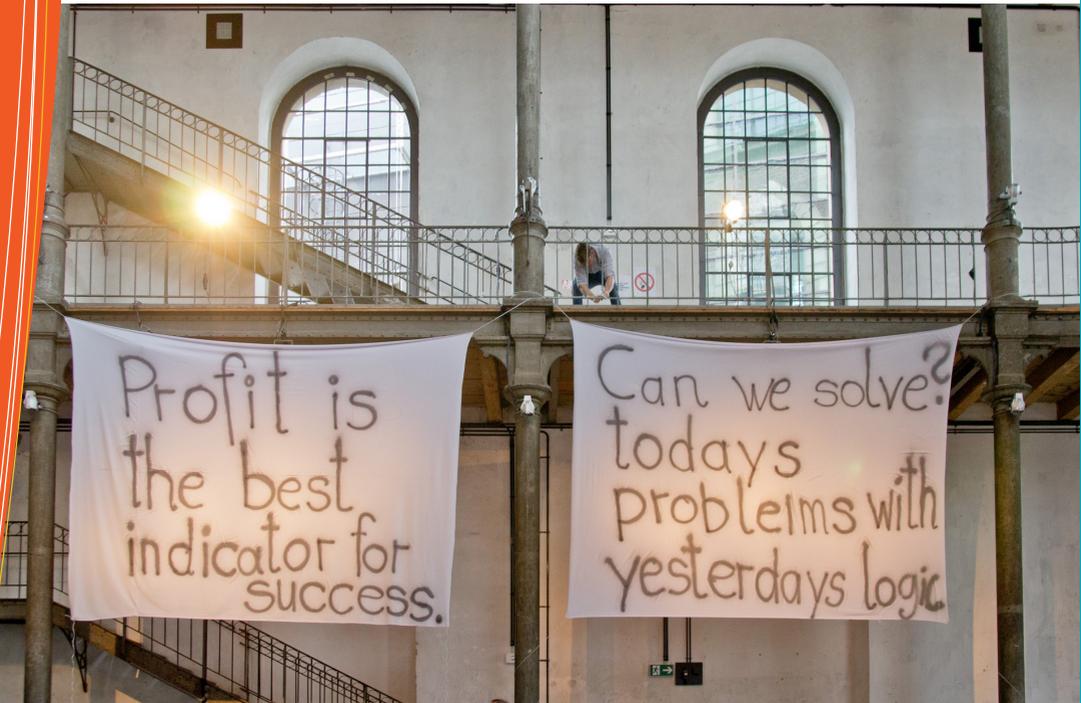
Transformation-minded social innovation initiatives must be palatable enough to target partner institutions in order to obtain resources that they lack themselves. Moreover, they often want that nice thing that institutions do – they last, and are needed to implement large scale welfare system transformation such as promoted by **BIEN**, the introduction of an unconditional basic income. Meanwhile, we can also see how some initiatives are gaining acknowledgement for the value that they produce.

SI initiatives are usually looking for partners, and they wish to become attractive partners themselves. Together this promises to make SI more solid. As they become institutionalized, SI practices become more the rule and less the exception. But co-production is tense also in this respect. Social novelties may be appreciated in market, governmental, and scientific quarters. This happens rarely for precisely the same reasons and original intentions, however. For example, the alternative bank **FIARE (Credit Unions)** met with the typical market logic involving attempts at merging or take-over: *“We received several proposals to develop our initiative within their structures, from different financial institutions, willing to make heavy capital investment and preserving our status as a completely autonomous bank in Spain, with the input of a very interested investor. We had several and diverse options. FIARE, in 2008, received an informal proposal from a bank interested in acquiring our brand for 1 million Euros”* (interviewee FIARE). Existing institutions seek to cultivate, support and scale-up SI initiatives, but also seek to integrate them with their own modus operandi. They do not so much adopt the new practices and ideas, but rather *translate* them into something similar but different. Famous examples are the commercialized sharing schemes of Uber and Airbnb, in which the earlier motives of rather idealistic sharing changed character and became profit seeking and formalized.

Our case-studies display various other, sometimes quite subtle, translation processes. For example the **Credit Unions** pose alternatives to traditional banking, yet in doing so they also need to conform to some regulations. **INFORSE** delivered such persuasive and thorough critique that they’ve gradually become trusted advisors and consultants.

**The Basic Income** concept (proposed by the **BIEN network**) typically exists in two translations – as a radical activist utopia, and as a much-debated economical-philosophical concept. Meanwhile, the many translations of **Slow Food** sketch different variations of food futures.

Something can easily be lost in translation when trying to make the value-driven social innovation ideas fit in with the more efficiency-driven, control-oriented operations of established government, market or science organizations. That ‘something’ has to do with authenticity, with informal rules and norms, and with the trust that is so difficult to systematize. Two of our cases are insightful exemplars for the difficulty to build systems for the socially innovative inclusion of marginalized people.



As the practices of **Time Banks** in the UK and the social economy in Belgium (**RIPESS**) show, some social innovations can strike the balance between market logic and broader social considerations. Through the trading of services via an hour-based system (**Time Banks**) and through social, subsidized labour and training programs (**RIPESS**) they address connected themes of structural unemployment, the social gap between the hyper-productive and the sidelined individuals, and the fulfillment of non-marketable yet valuable tasks. They also show that these social innovations cannot simply be integrated with existing welfare policies. The relationship with existing systems of welfare, education and tax rules is precarious. Unemployed people may only be involved in social innovation initiatives part time. If government money is involved, there will be pressures of accountability, quality assurance, taxation and welfare arrangements and concerns about unfair competition with regular companies. **Time Banks**, social workspaces and sheltered workspaces activate people, as a first step towards gainful employment and meaningful experience in terms of social interaction and work satisfaction. Yet they also constitute fundamentally different ways of looking at employment and income, so can rub up against officialdom in various ways.

So if government, market actors and universities are to consolidate or institutionalize social innovative practices or ideas, there are many further questions to consider:

*How are these innovative practices and principles compatible with their own modus operandi and rule systems? And which values of social innovation initiatives are antagonistic to, or still reasonably in line with, prevailing institutional logics?*

# *RIPSS - VOSEC Belgium*

**RIPSS** promotes the Social and Solidarity-based economy (SSE). This can roughly be described as an economy that puts People central, rather than Capital, and comprises various kinds of alternative economies. A particularly prominent activity in the European and Belgian contexts is that of 'insertion' - the employment of people hardly employable under prevalent market conditions, or within the so-called Normal Economical Circuit. In Belgium around the millennium turn there was a bottom-up movement of various social economy actors who sought recognition and strengthening of their informal, alternative employment initiatives with social aims. Under conditions of high structural unemployment, their transformative ambitions found crucial support in the administrative-political shift towards the 'active welfare state'. This generated employment subsidies. Together with various other subsidy arrangements for activities of social added value, the alternative employment with its various social surpluses became a regular economical activity.



Collaboration

Participation

The transformative social innovation thus became institutionalized. Still, its anchorage into the newly emerged SE sector also meant that it became subject to changes in political hegemony, evolving societal discourses, ongoing administrative reforms, and the developments towards a level European economic playing field. The miscellany of local insertion initiatives thus became merged and streamlined into a limited, manageable set of arrangements. Likewise, co-financing schemes were devised to avoid open-ended subsidy channels, and the guidance of the subsidized employees towards regular jobs gradually turned from non-committal empowerment to more closely monitored employment policy.

As subsidies declined and pressures on economic performance, order acquisition and enhanced employability of employees increased, insertion enterprises took to measures towards more efficient production, resigned into smaller profit margins, and reconsidered their employment policies against standards of business administration and worker productivity. In this process of ‘becoming a bit more like a regular business’, a recycling enterprise director indicates how they also came to change their stance towards their target group, the somehow ‘challenged’ people whom they sought to empower:

*“Along the way, regarding that equivalence [to regular companies], we’ve really changed perspective. It used to be like, “oh, these poor buggers of that social workplace”. And well, a benevolent, charitable disposition, there’s nothing wrong with that, but now the attitude is more to position ourselves as really equivalent, and ensure that customers approach us for certain services, realizing that that’s where they’re served well, where people are friendly, the price is good, and there’s no tricks...and to ensure that customers are satisfied with what we do, and only realize afterwards that we’re doing this with employees who aren’t always the evident ones to employ”*

# Time Banks - UK

Social innovations are more likely to gain interest and support if they are seen to hold (a potential for) instrumental value. Illustratively, the UK government recently commissioned an independent review to help define the sharing economy and to establish the government's strategic goals and vision for it. **Timebanking** and time exchange were among the innovations the review highlights. In its response, the government set out both its ambition for "*Britain to lead the way on the sharing economy*" and its first steps to "*making the UK the sharing economy's natural home.*" [Matthew Hancock, UK Minister of State for Business, Enterprise and Energy].



These first steps include that the Department of Work and Pensions (DWP) gives Jobcentre staff “clear guidance on how to promote both **time banking** and task-sharing platforms” and that “*Jobcentre Plus work coaches will sign-post benefits claimants to time banking opportunities where appropriate.*” In relation to **Timebanking**, the government response states that: “*DWP already has generous rules in place*” and that it recognises there are “*many positive benefits from being engaged in such activities*”.

This recent policy endorsement can be compared with the Belgian institutionalization of ‘insertion’. In both cases we see a certain dependence of the social innovation initiatives/network on government through their need for resources. In holding regulatory authority and a certain scope for unilateral action, the policy making ‘style’ in respect to social innovations is particularly important. There is a certain risk that the command-and-control, efficiency-oriented and formalizing ways of policy-making translate and adapt the Timebanking somewhat similarly to what happened in Belgium. As it becomes instrumental to policy objectives (such as unemployment reduction), the social innovation may lose some of the independence and authenticity that seems needed for the involved individuals’ creativity and innovativeness (Cf. Section 1). So sensitivity is needed in unfolding formalization and institutionalization processes if innovativeness and grassroots support are to be preserved.

# The hybrid nature of transformative social innovation

Social innovation initiatives generally cannot realize their transformative goals alone. There is a need for interacting with societal structures and formal institutions, which often requires that initiatives themselves go through a process of institutionalization and formalization. Such institutionalization is not without challenges. It is not surprising that social innovation initiatives and the more established organisations that surround them often meet and interact in relatively informal settings. We see initiatives entering all kinds of 'triple-helix' and 'quadruple helix' networking arrangements: labs, platforms, alliances, innovation spaces or Hubs as places for developing their activities further. The typical expressions of 'incubators', 'ecosystems' and 'pépinières' (French for nursery/horticulture) reveals how these networks are often meant to serve the *cultivation* and *growth* of social innovation.



We found, not surprisingly, that social innovation is usually associated with the ‘non-profit sector’, and much less with ‘the state’ or ‘the market’. Formally, many of the social innovation networks that we study are indeed part of the ‘non-profit sector’, in the sense that most of them are legally formalized as non-profit associations and foundations. However, when we consider how these networks operate in local practices, we observe a rich tapestry of hybrid organizational forms, including both formal and informal, public and private, for-profit and non-profit elements. We observe that many social innovation initiatives lack an ‘institutional home’ that ‘fits’ perfectly. They creatively combine and adopt different organizational forms, bridging between different institutional logics and legal formalities. **We conclude that transformative social innovation inherently belongs to a ‘hybrid sphere’, which refuses to fit and conform to existing institutional boundaries.**

This hybrid sphere allows for experimentation with different organizational forms and various options of legal formalization. From its inception onwards, **Time Banking** in the UK has been negotiating the fiscal status of its rather informal time exchanges with public authorities. Currently, governments treat these time exchanges as being different from both employment as well as from volunteering. Acknowledged as a *different class* of activity, time banking activities are not subject to taxation. Likewise, beneficiaries of unemployment allowances and some other categories of welfare payments can participate in these quasi-economic exchanges for up to 20 hours each week without losing benefits (Weaver et al. 2015). **The Impact Hub**, working with notions of social entrepreneurship and the social impact economy, explicitly challenges the distinction between economic and social activity. They aim to combine entrepreneurship with the promotion of non-profit societal goals (e.g. sustainability, poverty reduction, environmental protection).

Many newcomers to **The Impact Hub** found it empowering to learn that it is possible to combine these two logics:

*“A lot of people think that you have to make a choice, it’s either choosing for something that is good and (...) not being able to sustain yourself, or choosing for something which is destroying the world a little bit more but you can make a living with that. And I see people coming in here and slowly waking up and lightening up and seeing (...) that you can actually combine the two. And it’s possible, it’s not some kind of a fairy tale.”*

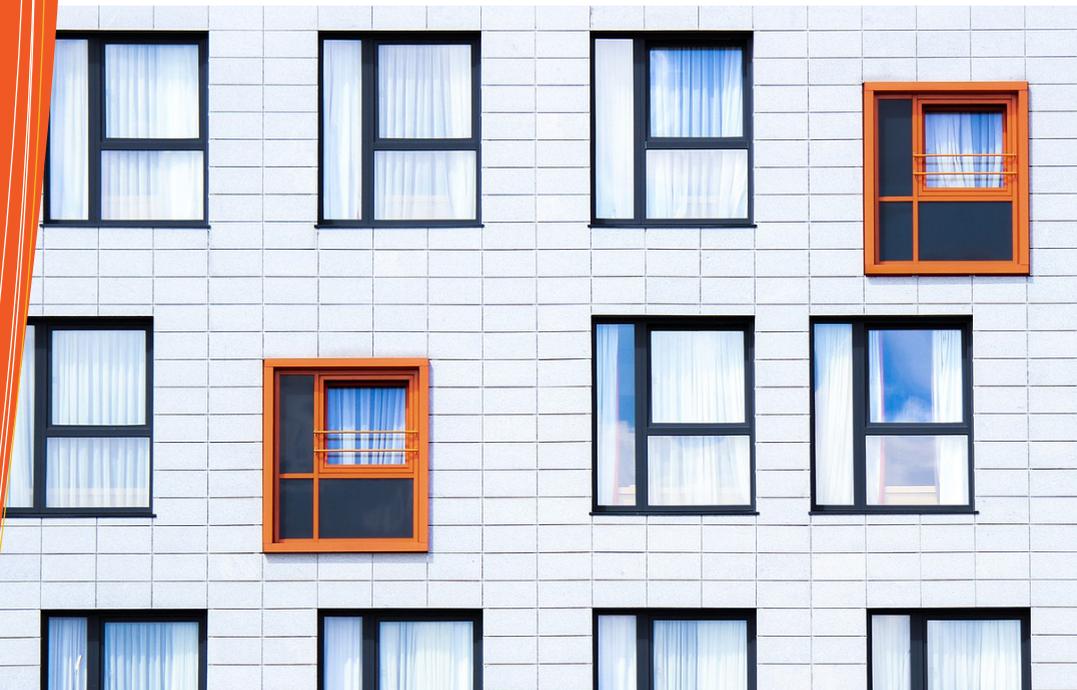
The increasingly relevant middle category of not-for-profit expresses how a truly hybrid sphere is developing. This hybrid sphere is not only combining market and state logic. It is also being influenced by what could be considered ‘civil society logic’, namely the considerations of authenticity, informality and trusting social relations on which many social innovation initiatives can be seen to base their internal governance.



One other thing that these hybrid sphere activities of our studied networks make very clear, is the importance to them of academic actors (besides non-academic experts). Next to state, market and civil society, they bring authority and knowledge resources to the table. This is relevant to the governance of transformative social innovation as this involves not only new ways of doing and organizing, but also new ways of *framing and knowing*. Indeed, many of the social innovation networks that we study promote new understandings of the world. In these processes we see academic actors and organizations participate in various roles: First, as provider of (counter-) expertise and arbiter of truth claims (**INFORSE, BIEN, Seed movement**). Second, as critic and analyst of societal problems (**RIPESS, Credit Unions, Transition Towns**), emphasizing how received ideas of what's 'normal', 'feasible' and 'realistic' exercise enormous power in current societies. Third, as a partner in collaborative knowledge co-production, such as in **Via Campesina**, doing action research and actively working together with non-academic partners to develop practically useful knowledge. **The Living Knowledge International Science Shop Network** is a clear example of socially innovative researchers who seek to open up knowledge production process to non-academics. **DESIS, Fablabs** and **Hackerspaces** can also be seen as attempts to democratize the production of new ideas and practices.

So the 'hybrid sphere' is promising for transformative social innovation as a space in which neither market nor state logics – and the associated evaluation schemes – dominate. **In the absence of such dominance, both market and state logics can be combined more easily with civil society considerations.** Moreover, "truth-seeking" scientists can serve as relatively neutral mediators or catalysts between these market, state and civil society logics. Still, also here we see that co-production is not simply another word for collaborating.

The hybrid sphere may help to bring different actors and institutional logics together, but it does not dissolve differences of interests, evaluation schemes and institutional logics. As already shown under 'institutionalization', there are regular occurrences of social innovations being translated or even 'captured' by these logics. Not-for-profit social innovation can slowly be turned into 'green-washed' for-profit entrepreneurship. **Slow Food** and **Ecovillages** can be turned into trendy rather than transformative commodities and lifestyles.



Likewise, state logic easily reasserts itself through attempts at ‘sector development’, professionalization (**RIPESS**), standardization and benchmarking (**Credit Unions**), and methods to measure social impact. The **participatory budgeting (IODP)** case exemplifies how civil society logic typically needed to be anchored in the Brazilian state apparatus. Consequently, there are indeed *various* ways in which researchers can co-produce ‘more socially relevant’ knowledge – as we’ve seen, that relevance can lean towards different (combinations of) state, market and civil society logics .

Practically, this means that the hybrid sphere offers a relatively favourable breeding ground for transformative social innovation. Yet it would be naïve to try to simply delegate the politics of transformative social innovation to this ‘hybrid sphere’ for their resolution. The different institutional logics can be creatively confronted and combined, and middle grounds can be found. Yet the differences do not cease to exist. **It makes sense for any social innovation initiative to consider where it currently is, and where it wants to be in the hybrid sphere.**

*How much does the initiative lean towards market, state or scientific logics, and how does that fit its transformative aims? Does one wish to throw the social innovation into the middle of those hybrid multi-actor networks, or rather stay more firmly rooted in one’s own particular logic and set of principles?*

# Social-political contexts of transformative social innovation

As we described, the governance of **TSI** relies very much on the extent to which social innovation initiatives manage to organize themselves (in accordance with their values), institutionalize, and find their appropriate 'institutional home'. In comparing 20 social innovation networks, a fourth dimension of **TSI** governance immediately becomes apparent, namely the social-political context. We see a wide range of cultural roots underlying SI initiatives: rural and urban, counter-culture and communitarian motives, religious-spiritual motivations and science-based rationalism, individualist and community-oriented, marginalized and elite. This diversity of socio-political contexts warns against expectations of generic and easily transferable solutions.



It is striking how various cultural backgrounds provide some of the – often informal – rules and norms that hold these initiatives together. Examples are the (catholic, protestant, socialist, liberal) social pillars in northern Europe, the role of churches' charity activities throughout the world, or the regionalism underlying some alternative economies. The context also makes a significant difference for institutionalization: In Belgium, the **VOSEC/RIPESS** initiatives towards an alternative 'social' economy needed to be squeezed into the corporate bargaining model, but finding fertile ground for **RIPESS** action in ex-communist country Romania was decidedly more difficult, however. After the fall of the Iron Curtain and the Ceausescu regime, society rejected all characteristics of the communist model, also including any cooperative forms of associations. **CRIES**, a Romanian initiative on social solidarity economy, emerged in a situation where spontaneous initiatives of that kind were almost non-existent. Our cases also bring out that the 'hybrid spheres' are not everywhere the same. In some countries there is a strong separation between market and state actors, in others there is more a tradition of a 'concerted' market democracy. In others (especially in Latin America) there is more a tradition of grassroots movements, organized to tackle the absence (or failure to meet certain needs) of state and market actors. Likewise, there are contexts with very dense or rather sparse networks of intermediate organisations and platforms.

Some of current well-developed 'welfare states' can themselves be considered results of earlier social innovation – and some of current social innovations grow out of a lack of effective and accountable welfare arrangements. In Argentina for example, **TSI** emerges in a socio-economic context organized under neoliberal state. After a long period of development and consolidation of the welfare state (1940-1975) with high rates of employment, high wages and a strong relation between unions and state, in the 70s a new accumulation model was deployed. This model was oriented to the promotion of the financial sector, concentrated industries and large-scale primary-goods firms. It crucially dismantled the productive structures and deeply modified the techno-productive relations however, where workers and peasants were the most affected sectors. In this context, **TSI** emerged mainly since the middle 80s.

# Conclusion: Co-production challenges of TSI

*So, what are the governance challenges of networks and initiatives involved with transformative social innovation?*

We have shown that these challenges all have to do with the fact that transformative social innovation is seldom or never a matter of 'do it yourself' or go-alone strategies.



The self-organization of an social innovation initiative already asks for important decisions on organisational form and ways of working together (1). Beyond that, processes of institutionalization (2) and processes of collaboration in the hybrid sphere (3) show even more clearly how the governance challenges are a matter of seizing the possibilities and dealing with the dangers of co-production. In this regard we have pointed out several good practices of **TSI** co-production (with further work focussing on critical turning points in their development). Still, we have also seen how all these co-production processes are strongly shaped by the historical paths towards current different social-political systems and welfare states (4). These histories may also provide some foothold for **TSI** governance: Over the last 2-3 decades, the Central and Eastern European (CEE) countries have been undergoing comparable social-economic transition processes, for example. Likewise, typical co-production challenges can be identified for social innovation in the mature but pressured northern-European welfare states, or for the Argentinian and Brazilian contexts in which civil society is asserting itself between market and state.



International Centre for  
Integrated assessment and  
Sustainable development



Universität für Bodenkultur Wien

TRANSIT is a research project which aims to improve understanding of how social innovation can bring about empowerment and societal transformation. The research team is carrying out in-depth case studies with around 20 transnational networks and the use of engagement with social innovators, social entrepreneurs, policymakers and scientists in workshops, to gain new insights into the field. The outcomes will include training tools as well as policy and practitioner briefings like this one, to share this knowledge and help support social innovators for sustainability.

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\*The photographs in this practice brief are from Tim Strasser, 2015 and public sources

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