

The Institutionalization of Social Innovation: between Transformation and Capture

TRANSIT cross-cutting theme GOVERNANCE - position paper version 07/10/14

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0 Preface: About governance in TRANSIT

The TRANSIT project seeks to develop a theory of 'transformative' social innovation (TRANSIT 2014). This TSI theory is to articulate how initiatives towards social innovation can bring about (or play a part in) radical societal change. In order to arrive at a solid and grounded theory of TSI, theoretical reasoning and (comparative) empirical investigation are combined. This interplay between deductive and inductive lines of research is guided by four cross-cutting themes: Monitoring, Resources, Social learning and Governance.

Governance is a very cross-cutting theme indeed. It basically highlights that social innovation, whether transformative or not, is a collective process involving diverse social actors. The concept reminds of the public administration insight that contemporary political life is not an exclusive matter of governmental steering. In practice, and this may be contrary to our beliefs and convictions about the role of governments, it tends to be shaped by networks of public, private and civil society actors (Stoker 1998). Approaching social innovation from a governance perspective thus introduces a network perspective on it. More specifically, the governance view reminds of the circumstance that governing networks form around particular issues and projects because diverse actors have their particular stakes and interests in them, and accord different relevance to them. Crucially, these actors tend not to have all the resources (money, legitimacy, knowledge) available to realize their ambitions alone, and these interdependencies lead them to negotiate mutually beneficial outcomes. These multi-player games are stabilized and channeled by institutions, the rules of the game. An important dimension of governance processes is therefore the negotiation of these rules (Koppenjan & Klijn 2004), as far as they are considered open to change.

A basic understanding underlying this paper is therefore that if we are to gain understanding of the future prospects for transformative social innovation, we need to understand by which actors, interests and perceptions it is carried. Moreover, as we are dealing with networks of actors, we will need to understand the crucial interdependencies and alignments at play. The paper further starts with the empirical observation that social innovation is a concept (with associated practices) that somehow manages to be relevant to various societal actors; somehow it appears to

be of instrumental value to them¹. In various ways and for various reasons, key governance actors are considering how the concept and its associated practices can be institutionalized, i.e. anchored through newly established institutions or embedded in existing ones. It is even somewhat remarkable how social innovation is gaining currency even amongst the institutional constellations it is generally understood to challenge. *How, precisely, i.e. through what institutions, could the alternative 'social innovation' arrangements be embedded in current decision-making structures?* Especially from the perspective of transformative social innovation, the current signals of repositioning beg further questions. *Do these institutionalization processes consolidate novelty by establishing new rules? Or is social innovation rather a marginal add-on that is forced to fit with the same old game?*

From a governance perspective, the prospects for TSI are to be found in the space between consolidated transformation on the one hand, and 'capture' of novelty on the other. This conceptual, agenda-setting position paper is meant to kick-start joint exploration of this grey area. We seek to identify the most pertinent governance issues for TSI. Considering that these will be many-sided and involving both theoretical and practical challenges, we seek to engage a broad variety of actors to answer and specify them: The multiple theoretical lenses available within and outside of TRANSIT, and the practical insights as developed by the various governance actors involved in social innovation processes. We start² these engagements with two workshops, one for TRANSIT researchers and invited speakers (October 2014) and one for practitioners (November 2014).

1 Transformative Social Innovation and its governance challenges

Modern history is characterized by continuous quests for restructuring and improvement through innovation. Innovation has generally been undertaken in the context of industrial production, entrepreneurial profit-seeking and technological advancement. On a broader understanding however, innovation also comprises efforts towards social change and policy reforms. Indeed, those latter forms of purposive change are increasingly acknowledged as forms of innovation too, as 'social innovation'.

Social innovation (SI) is a concept that is still in development (Moulaert et al 2013). Possibly therefore, it is also notoriously under-defined (Bekkers et al. 2013). In any case, a defining trait seems to be that SI differs from industrial, economic and technological innovations, i.e. from innovation which has as primary objective to serve markets. Instead, social innovations are

¹ From a governance perspective, the recent rise of the concept has little to do with any objective needs for this, and much to do with the concrete benefits it seems to have for societal actors.

² We aim for continued exchanges on TSI governance during the next TRANSIT years. A concrete follow-up to this workshop is to formulate a panel proposal for the Interpretive Policy Analysis conference 2015 in Lille (FRA), <http://ipa2015.sciencesconf.org/resource/page/id/9>, (submission due 31/10/14)

understood to have broader purposes, serving societies. Furthermore, SI is commonly distinguished from policy reforms or public sector innovations. As Moulaert et al (2013:2) indicate in their editorial, SI refers to a great miscellany of innovations that typically emerge where neither markets nor states are considered capable of delivering on people's needs: "*SI occurs because socially innovative actions, strategies, practices and processes arise whenever problems of poverty, exclusion, segregation and deprivation or opportunities for improving living conditions cannot find satisfactory solutions in the 'institutionalized field' of public or private action.*" In other words, SI seems to occupy the institutional space around and at the interstices with states and markets, the institutional remainder category earlier referred to as the 'third way' or the 'third sector' (Hirst 1994; Defourny & Develtere 1999; Bader 2001). For lack of a clearly demarcated locus and originating source, SI can be considered inherently elusive. Moreover, the above citation indicates SI to be two-sided in its purposes – it is aimed both at addressing unmet social needs³ (substance) as well as at changing social relations (process). In fact, the authors point out that the first tends to presuppose the second, and that current social challenges require empowerment and mobilization of politically marginalized groups (Moulaert et al. 2013:3). This implies that SI is actually *three*-sided, also involving new institutional configurations.

SI refers both to new social solutions and to new processes through which to arrive at them, and reaches beyond current configurations of market and state innovations. Various authors have therefore underlined that this kind of innovation bears particular potentials towards transformative rather than incremental social change (Moore & Westley 2011a; Unger 2013; Jessop et al. 2013; Haxeltine et al. 2013). On those accounts of *transformative* SI, it is considered not for its immediate problem-solving or meeting of needs alone, but also as an essential resource for social system resilience (Moore & Westley 2011a), a challenge to hegemonic 'economism' (Jessop et al. 2013) or as a lever in system innovations and transitions towards sustainability (Avelino et al. 2014; Grin et al. 2010). Likewise, the transformative account of SI does not so much consider its problem-solving capacities within, and additional resources for, existing institutional constellations. Instead, the transformative, 'maximalist' (Unger 2013) understanding of SI considers how it could be an alternative to the currently dominant coordination mechanisms of markets and states (Unger 1987; Scott-Cato & Hillier 2010), and how it could bring about changes in the very system that gives markets and states their place (Kawano 2013).

This TRANSIT position paper is aimed to explore the governance challenges of transformative social innovation. We hold that there are indeed convincing grounds, or at least sufficiently

³ The Marxism-inspired notion of 'meeting needs' is somewhat static and reactive, neglecting how social innovation also can be undertaken to create or change needs. However important, this nuance does not detract from the point that SI has a dual process and substance orientation.

serious ‘matters of concern’ (Latour 2004), for such a maximalist understanding of SI: Arguably, current persistent challenges of social, economic and ecological sustainability are deeply rooted in our societies. Other than incremental improvements that fail to mitigate path-dependencies, these systemic problems then require shifts on the level of locked-in socio-technical ‘regimes’ (Rotmans 2006; Grin et al. 2010). Likewise, we feel that SI should be considered especially in the light of undesirable path dependencies. Notwithstanding these normative commitments however, we seek to steer clear from idealism. A practical consideration is that SI initiatives are not launched on pristine territory, but take their course within diverse societies and matured governance systems. Moreover, there is the normative consideration that it remains to be seen whether, in which respects, and under what conditions, particular SI schemes would be preferable to existing arrangements. Utopian expectations of transformative social innovation (TSI) are therefore met with critical inquiries and demands of concreteness – *what agents, capabilities and dispositions do these visions presuppose? What institutional arrangements would have to be in place, and which rules does it seek to break with?* Arguably, it is by asking and answering such questions that practicable, normatively balanced and sufficiently informed TSI advice can be formulated.

In line with this somewhat sobering emphasis on institutional concreteness, the paper starts with the observation that SI has gained currency well beyond revolutionary circles (Cf. Defourny & Develtere 1999; Poirier 2013; Jessop 2013; Dinerstein 2014). Other accounts of SI exist than the transformative ones sketched above. Even when it is often understood as relatively informal action at a distance from, or even in opposition against, formal institutions, SI is increasingly endorsed by politicians, policymakers and business leaders. Likewise, it can be seen to be moving from the local and small-scale towards regional and national levels, and even to form part of globalized aspirations. Both these moves, from the local to the global and from the informal to the formal, can be witnessed through the rise of worldwide SI networks alone. They also become most apparent through the inclusion of social innovation discourse in global NGO strategies and national policies. Moreover, the very emergence of an EU-level i.e. transnational policy discourse displays how SI is institutionalizing. The typical EU efforts to coordinate across administrative and cultural borders and to align sector policies are most illustrative for the variety of motives and ambitions at play in SI institutionalization. Alongside the rather transformative ambitions towards addressing ‘grand societal challenges’, there are also the somewhat less revolutionary-minded considerations of efficiency, demand-oriented governance and citizen empowerment (BEPA 2011). Likewise, the grassroots SI discourse of spontaneous, small-scale and do-it-yourself action can be seen to make way for an SI discourse in which institutional anchorage, policy transfer, transparency, standardization and evidence-based action are central guiding concepts. Apart from governmental actors attempting to fit in and consolidate the new way of doing things, this may also reflect how the social innovators themselves are repositioning, and becoming co-producing ‘insiders’. From the viewpoint of TSI however, these

movements towards institutionalization are ambiguous feats. As has often been brought forward regarding the mainstreaming of transformation attempts (Hess 2005; Smith 2007; Kemp & Rotmans 2009; Voß et al. 2009; Jensen et al 2012; Pel 2014; Geels 2014), SI institutionalization warrants a consideration of the cooptation or ‘capture’ dynamics in play. Hence the following questions:

Do we see social innovation breaking through, with transformative novelties becoming mainstream? Or do we rather witness the domestication, capture and stifling of transformative potentials, through the inertia and cooptation powers of existing governance constellations?

Of course, this dichotomizing line of questioning begs for nuance, and for further exploration of the grey zone in between these extreme outcomes. In the following parts, it is therefore considered which social forces are shaping SI institutionalization. First we develop a dynamic conceptualization of this process. SI is positioned as a deeply political ‘boundary concept’ that co-evolves with other processes of innovation and change (**section 2**). Next, SI is considered from the viewpoints of different groups of actors or institutional logics. This ‘inventory of forces’ will substantiate why our boundary concept is so deeply political, and also bring out how SI typically operates at the institutional interstices (**section 3**). Only after having explored through which ambitions SI is carried and continues to evolve, a picture arises of the space between transformation and capture. To chart this space is to elucidate the prospects for TSI, and therewith, the scope for strategically aware TSI action. As this is an explorative paper, it concludes with the formulation of questions on TSI governance. These serve as starting points for further inquiry and specification of issues (**section 4**).

2 Between Transformation and Capture: The dialectics of TSI

As we can learn from SI practitioners, the institutionalization of SI is an ambiguous process of somewhat hesitant repositioning. Identity-defining oppositions dissolve, roles change and instruments are reconsidered. From the viewpoint of TSI, which introduces the yardstick of systemic change, it is a particularly tense affair however. Institutionalization is then the structuration process in which new rules are established or existing ones are reaffirmed – the difference between system change and system reproduction.

On the bright side, institutionalization could mean that the transformative seeds are starting to grow: One can think of energy cooperatives or alternative currencies reaching the critical mass to make them reasonable, viable options in an otherwise unfavorable selection environment, or of sharing schemes and informal service provision schemes that become embedded in and supported by regulations and policies. The feed-in tariffs for alternative energy are exemplars for such feeding-in more generally. In terms of transition theory, these bright examples of SI institutionalization could be considered cases of evolutionary ‘niches’ inducing a restructuring of

‘regime’ constellations (Grin et al. 2010; Smith & Raven 2012). On the dark side however, institutionalization could also be a forebode of transformative impulses being channeled, encapsulated, domesticated and eventually stifled by the very institutional structures they were to change. One can think of sustainable houses being stripped from their social sustainability principles (Jensen et al. 2012), sharing schemes being commoditized into crypto-businesses that merely mimic the communicative-rational sharing philosophy (van Veelen 2014), renewable energy activists transforming into defenders of sector interests (Geels 2014), or citizen empowerment acting as Trojan Horse for neoliberal ideology (Swyngedouw 2005) – ‘Yes, you can’. In transition-theoretical terms, SI institutionalization is then seen as yet another display of incumbent regimes exerting their tendencies towards system stabilization, and towards absorption of the novelties that perturb their deep structure. In fact, transitions theory suggests that the default evolutionary course for SI institutionalization is system reproduction - SI is bound to be domesticated into incremental change, unless there are intervening developments (Geels & Schot 2007).

Whether bright or dark, a basic observation is that the rise and institutionalization of social innovation is carried by a multitude of actors and associated action programs. Somewhat postponing the assessment of whether transformative potentials are actualized or squandered, it can also be considered that ‘SI’ is just appealing to many audiences, and that it is a highly mobile concept. In other words, SI can be conceived of as a boundary object (or rather *concept*) that is sufficiently flexible⁴ to bridge different social worlds (Star & Griesemer 1989) and to travel swiftly between quite remote places of application (Czarniawska & Joerges 1996). Viewed as a boundary concept⁵, with its unstable identity that typically remains contested throughout its lifetime (Star 2010), it can be elicited how the institutionalization of SI will generally be a tense affair. Travelling ideas tend to change while underway; they tend to transform and be translated (Akrich et al. 2002a,b; Latour 2005) through various actors who deal with them out of different forms of *intéressement*⁶. Further it needs to be considered that social innovation, just like processes of system innovation and transitions, is a kind of innovation with particular high stakes and tendencies towards disruption. This underlines why we need to consider it bound to become subject to strategic interpretation and games of power (Meadowcroft 2009; Grin 2010; Avelino 2012).

To consider SI as a boundary concept helps to bring out the politics involved with its interpretation and application. This conceptualization situates SI in the middle of governance

⁴ Begging for the question whether SI is sufficiently coherent to survive as a concept, or to operate in TSI theory formation.

⁵ Here we treat SI mainly as an idea, as an intellectual concept, and therefore we speak of a boundary concept. For more detailed analysis it is important to remember how the idea is transformed into objects and actions and back again – and in particular, how the SI idea materializes into boundary *institutions*.

⁶ This can be economic interest, but is not confined to that.

networks. It is considered as a contested novelty, with various actors attempting to make it instrumental to their particular ambitions, and seeking to promote their particular understanding of it. Still, this tracing of actors' intéressement is at risk of yielding a rather incomplete and static picture of SI uptake and institutionalization. The picture will be incomplete if it remains confined to a local inventory of actor perspectives and interests, for example. This would miss out on the broader discursive dynamics within which these take place, on the broader 'resonances' that SI seems to have throughout current differentiated societies (Luhmann 1989). Moreover, the picture of SI as a boundary concept within a network of actors seems a bit static as it does not help us understand how the translations of the concept may shift. *How would the associated windows of opportunity open and close? How could changing circumstances open windows for more than reproductive and actually transformative translations of SI?* Precisely in this respect we can build on transitions theory: Geels & Schot (2007) have earlier explained how the evolutionary junction between system reproduction and system transition pathways depends on combinations of endogenous renewal, pressures from innovative outsiders and quasi-autonomous societal trends. Along the same line of thinking Avelino et al. (2014) instructively situate social innovation in a broader process in which different 'shades of change and innovation' co-evolve. Figure 1 sketches the bigger picture in which our boundary concept develops, also helping to understand the dynamics of SI institutionalization.

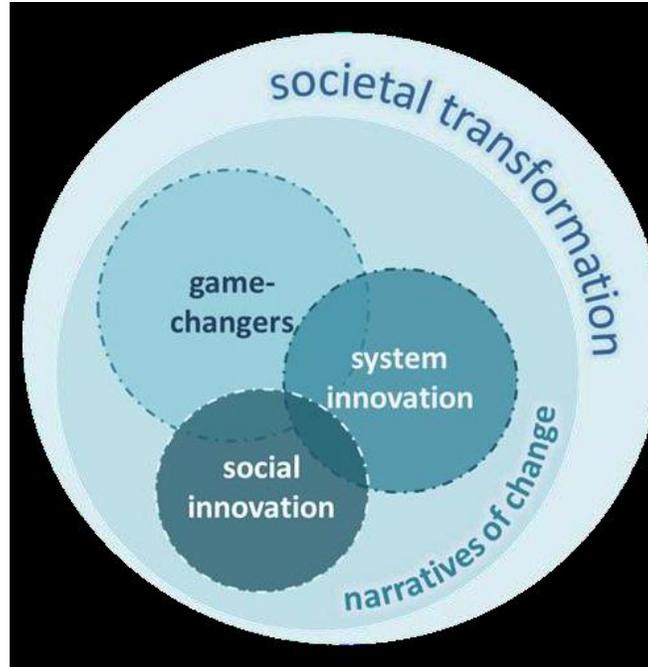


Figure 1 SI and surrounding 'shades of innovation and change'.
Adapted from Avelino et al. (2014)

The figure indicates how SI⁷ develops in an institutional environment that tends to be matured⁸ and path-dependent. SI develops alongside and through other changes: First there are the ‘game-changers’, the macro-developments that are perceived to drastically alter the rules, the fields and the players in the ‘game’ of governance interactions. Governance actors draw upon these game-changers when considering what SI should be and how it should be undertaken. The recent financial-economic crisis, for example, is a ‘game changer’ that has been explained in various ways to legitimize particular SI understandings: The crisis has inspired towards understandings of SI in which it amounts to a rediscovery of the ‘autonomous individual’, but also towards SI as radical response to persistent market failure. Likewise, it can be considered how an incident⁹ like the tearing down of flight MH17 above the Ukraine changes the selection landscape for local, cooperative modes of production. Second, there are ongoing processes of system innovation, of change at the level of societal subsystems or policy sectors. One can think of ongoing reforms in the healthcare, finance or housing systems. Social innovations take place within such broader processes of change; filling in the space by retreating government, for example, or meeting the demand for modes of production and consumption that are considered more ‘responsible’ or trustworthy. Third, there are the ‘narratives of change’, the discourses pervading society that shape governance actors’ ideas of what change is desirable, how it can be effected, and what futures can be considered ‘realistic’. Well-known examples of these (proto-)theories of change are the slogans of ‘Yes we can’ or ‘wisdom of the crowd’, but one can also think of more specific concepts such as the sharing economy, the resilient community, or societal transitions. These ‘narratives of change’ pervade the other processes of innovation; they also mediate in the social construction of game-changers, for example.

Fourth, it needs to be considered that SI may exist in the form of clusters or ecologies of innovation (Nicholls & Murdock 2012; Chilvers & Longhurst 2013). In line with the general conceptualization of SI co-evolving with other processes of change and innovation¹⁰, it also makes sense to observe the multiplicity of similar initiatives (Schot & Geels 2008). Societal conditions may prompt simultaneous and similar change attempts from states and civil society actors for example (Bartholo et al. 2014), and more and less radical initiatives may be undertaken under one and the same banner. Moreover, it can be considered how SI initiatives may mutually reinforce or rather interfere with each other, as their decision arenas intertwine

⁷ It remains difficult to speak of SI, a highly diverse set of practices, in the singular, of course. This is why TSI theory formation is informed by substantial empirical research, involving both in-depth case analyses as well as larger-N comparison.

⁸ Although Swilling (2014) reminds us that the assumptions of institutionally dense environments easily neglects how much SI develops in environments of lacking or weak institutions. TSI theorization should be aware of possible euro-centrism or other forms of unwarranted universalism.

⁹ Compare the notion of ‘wild cards’, i.e. high impact/low probability events, in futures studies.

¹⁰ The internal segmentation of SI was not included in the above diagram, but is arguably implied with the underlying line of thinking.

(Jørgensen 2012) and their developments intersect (Pel 2014a). This issue of multiplicity seems to be relevant especially for SI – as indicated by Scott-Cato & Hillier (2010), the actors involved with SI are not necessarily aiming for critical mass, transformative power, ‘upscaling’ or the development of ‘Mc SI™’. SI champions may even ideologically embrace the dispersal of innovative effort that others may deplore as fragmentation.

This is how SI institutionalization can be seen to unfold in the context of societal transformations, the overall canvas in Figure 1. These major societal shifts emerge out of the multitude of other ‘shades of change and innovation’. One can think of secularization, the rise of the welfare state, or the rise of the market economy. Borrowing the imagery from economical innovation, these can be considered the societal ‘long waves’, somehow resulting from a manifold of minor pulses and waves. Yet whatever the precise shapes of these aggregated changes, the more relevant insight conveyed by figure 1 is that the institutionalization of SI can be considered as a collective, emergent process. As is also implied with the idea of it as a boundary concept, transformative SI and its flipside of ‘captured’, system reproducing SI are two sides of a somewhat Janus-faced SI. The emergence of either of these forms can be considered to result from the interactions between different social actors’ particular understandings and deployments of it. Arguably, this process becomes all the more dynamic through the other ‘shades of change and innovation’ with which SI co-evolves. Consider for example how the concept of ‘social economy’ has been around for ages, taking various shapes: As integral parts of a feudal system, as safety valves for a political economy under high pressure, as a labour reintegration sector, as a green economy and as a black economy. As indicated by Defourny & Develtere (1999), these changing shapes reflect changing social conditions and needs, but also different social ideologies and alliances that organized collective action.

In passing, the checkered history of the social economy has reminded that transformation and capture are not the only possible outcomes in SI institutionalization. Qualitative changes and diversification are likely to come forward as well. This reminds that our conceptualization of SI institutionalization is essentially a dialectical one (compare Hargraves & van de Ven 2006). SI is considered to co-evolve with different ‘shades of innovation and change’, and this may appear as an abstract, distanced and disengaged approach of it. All of these surrounding developments tend to be imbued with ambitions, power and political direction however, and that is why SI is such a deeply political ‘boundary concept’. SI institutionalization is subject to a dialectical struggle; the main societal contenders of this struggle, and their approaches to it, will be traced in the next section.

3.0 SI dialectics; actors & institutional logics

The institutionalization of social innovation can be considered as a dialectical struggle. It involves a multitude of actors, all with their particular interest in this polyvalent concept, and all

with particular ideas about suitable institutions for SI. Some of this int eressement can be considered ‘transformative’ (and this is the particular deployment TRANSIT seeks to support), other engagements with it not particularly so. Actors will come in shades of grey, however, and they may deploy SI in ways that do not easily fit in with the transformation/capture dichotomy. So even when it seems reasonable to classify and merge actor perspectives along the lines of institutional logics or systems of meaning, these distinctions should be taken as tentative classifications only - to get our analysis going. After all, it is about charting the diversity of perspectives and programs involved in a dialectical, *dynamic* struggle. Shifts and mutations in the contending visions and actions are therefore to be expected; they can be considered part and parcel of SI (Nicholls & Murdock 2012). And then there are of course practical reasons for not reifying the ‘institutional logic’ categories: We are at the start of TRANSIT explorations, it is yet to be explored how concrete SI processes develop, what the crucial challenges are, and what bodies of knowledge can be tapped from to further our understanding. The leading questions for this section are the following: *So what are the motives of the actors involved with SI institutionalization? What (possibly transformative) goals do they pursue? And now that social innovation is traveling from the local and informal to the transnational and formal modes of governance and is being ‘transferred’, what are the notable changes, translations or possible perversions that SI seems to undergo?*

In the following, it is considered how SI is relevant to and deployed by various groups of governance actors. The ‘first batch’ of TRANSIT case studies¹¹ gives an idea of the different groups of actors involved:

- The Impact-Hub, Global network of social entrepreneurs
- Ashoka, Network for financial support to social entrepreneurs
- Time Banks, Network facilitating reciprocal service exchange
- Credit Unions, Different types of credit cooperatives
- RIPPES, Network for the promotion of social solidarity economy
- FABLABS, Digital fabrication workshops open to local communities
- Hackerspace, User driven digital fabrication workshops
- Living Knowledge Network, Network of science shops and community-based research entities
- DESIS-network, Network for design for social innovation and sustainability
- Global Ecovillage Network, Network of villages that promote ecologically friendly development
- Transition Towns, Grassroots communities working on ‘local resilience’
- INFORSE, International network of sustainable energy NGOs

¹¹ These case studies are underway at the moment of writing. Case insights should be inserted into a 2.0 version; not only to fill in, but also to reconsider the very categories of actors used in this section.

This set of initiatives already sketches the broad group of actors that translate and carry ‘SI’ – especially when considering the groups of actors that would be involved in the institutionalization of these initiatives. Subdividing involved actors along ‘institutional logics’, we will briefly consider how the struggles around SI institutionalization can be appreciated from the perspectives of its main contenders. This rough overview serves to highlight, first, how each of these logics brings forward its more and less transformative SI deployments, and second, to substantiate how SI can be seen to be pursued in different normative directions and societal sectors. Beyond this scan of political forces, this section is meant to identify the relevant questions as they arise from different societal quarters, and to consider the sources of knowledge that can be tapped from to answer them. In the following we consider actor perspectives from government (3.1), markets and business (3.2), civil society (3.3), and science (3.4). Taken together, these perspectives help us select the most challenging issues for TSI governance.

3.1 SI for government

SI is often considered as a beyond-the-state activity (Swyngedouw 2005), or as a manifestation of new social movements that operate in the shadow of or against the state. On the other hand, seen from the side of politicians, public servants and administrators, SI is also a possible source of energies to tap from. It is then considered as a potential policy instrument, that as such merits institutionalization and embedding in policy. SI then becomes blended with policy reform, public innovation (Bekkers et al. 2013) or innovation-in-governance (Voß 2007), or is even formalized into a ‘sector’ (Gordon et al. 2014; Bartholo et al. 2014). Still, there are various broader programs and motives under which SI could be formalized and made instrumental. It can play a part in strategies towards efficient and versatile government, for example, and merge with New Public Management (Cf. Lévesque 2013). It can also play a part in the austerity policies following the financial-economic crisis. Besides these deployments in terms of instruments, SI can also be a part of somewhat more principled and ideological visions. It can be invoked to reinvent government (such as ‘Big Society’, ‘energetic society’, or ‘participation society’) or to refocus governments to confront the ‘grand challenges’ of our time in partnership with other societal actors. Notwithstanding these opportunities to liaise with SI, governmental logic will always consider the desirability, accountability and lawfulness of any innovation however. It is not that evident to consider SI an instrument or an opportunity for co-production. Illicit, uncoordinated, unaccountable SI entails problems of regulation. Moreover, disruptive innovation poses grounds for exerting governmental control almost by definition.

Some questions:

- *How to turn SI into a policy instrument, or to develop instruments to support SI? How to create administrative capacities and competences in line with SI development ?*

- *How to regulate, coordinate or ‘tame’ SI, considering the phenomena of undesirable, illegitimate, unaccountable or otherwise undesirable SI?)*
- *How to mobilize SI for the grand challenges? And how to mobilize it for efficiency and continuity?*
- *Is SI a ‘necessary evil’ in times of austerity or a deliberate move towards Big Society? How lasting/temporary is governmental enthusiasm?*

3.2 SI for the market

Similar to its common juxtaposition with state-centered modes of governance, SI is often considered as a thrust against market logic. It is often seen to pursue the provision for needs not met through current organizations of markets, and to create alternative economies that are fundamentally more inclusive, fair, or sustainable. Indeed, there are many SI initiatives that seek to unsettle consolidated property rights, or capital accumulation through interests. Quite typical is also the strategy of establishing shadow systems, based on access to goods, shared services, and re-valuation of efforts. On the other hand, different from the apparent attempts to break with the laws of Capital, SI can also be considered as an extension of market logic. It is then a way of reinventing entrepreneurship, or a way of introducing new but not fundamentally divergent business models (such as corporate social responsibility). SI is then a kind of ecological modernization, re-embedding and integrating market logic with social and environmental considerations. The invisible hand is considered indispensable for sustainable development; the invisible elbow is considered controllable. Finally, next to these transformative and reformist accounts of SI, there are also deployments that can rather be considered system-reproducing¹². There is an unmistakable liberal spirit in SI, of course, and it has a long history (Defourny & Develtere 1999). SI tends to confirm individual choice and free association as cornerstones of society, and this can take both communitarian and libertarian shapes. In this regard Swyngedouw (2005) already pointed out how SI could become the Trojan horse that hollows out the state, and hauls in neoliberal ideology. Similarly, one could consider the libertarian mobility service provider Uber, or the silently-for-profit business models developing under the header of ‘sharing economy’. Especially these libertarian, system-confirming branches of SI can be distinguished from the ‘transformative’ and ‘reformist’ ones.

Some questions:

- *How to integrate the ‘shadow systems’ into the main economy? What institutional measures would be needed to guide it?*

¹² In key dimensions but not all dimensions – they’re innovative practices, after all.

- *How to mobilize SI for a just/green/solidarity-based economy, and prevent it from becoming a Trojan Horse for neoliberal modes of economical organization ?*
- *Are we seeing a SI 'bubble' in business, or lasting and sustained shifts in various economical sectors? How lasting/temporary is entrepreneurial enthusiasm?*

3.3 SI for civil society

As sketched in the introduction, SI is often located in the institutional space around markets and states. It is then primarily considered a matter of civil society, of 'grassroots innovation', and its transformative contents can then be described as asserting communicative rationality against the dominant instrumentalist logics of markets and states. Indeed, civil society actors can be seen to undertake SI in various sectors of society, providing for services not delivered, taking care of the marginalized, or leading the way in sustainable development. In many ways, civil society actors are engaged in transformative social innovation of some sort. Still it needs to be considered that civil society actors can hardly be grouped together under a particular institutional logic. This group infuses SI with a broad variety of values, such as mutual trust, social inclusion, the well-being of groups rather than individuals, authenticity, cultural reproduction, spiritual growth, free artistic expression, and religious service, to name but a few. So when civil society SI actors share the will to associate and pursue joint objectives, it is not necessarily transformative. It can be the bottom-up mode towards major system transformations and transitions, and action that is global in its aspirations. It can also be quite modest however, aiming for local solutions, relief for particular communities, or even amount to a retreat in the personal sphere. Next to these different values and directions for change however, there are the issues of motivations, collective will formation, capacities, and the societal role accorded to civil society more broadly.

Some questions:

- How to align civil society actors' SI strivings with the logics of markets and states? How can civil society actors deal with the commoditization (market) and instrumentalization (state) of SI initiatives?
- How to deal with the possibility of SI winding up into particularistic conspiracies (Bader 2001) or unaccountable networks (Swyngedouw 2005)?
- What are the prospects for interactive, socially-innovative citizenship (van Oenen 2006 2010) and for collective will formation (Defourny & Develtere 1999)?

3.4 SI for science

Even when SI is usually understood as a phenomenon of shifts in the state-market-civil society triangle, it's not confined to these institutional logics. It is not accidental that TRANSIT features a case on the Living Knowledge Network (see §3.0). Science has a distinct and important role in

the ‘differentiated responsibility architecture’ (WBGU 2014:113) developed through SI. There is SI, or in any case change, going on in science in the sense that researchers, research institutes, funding institutions and various intermediary organizations are considering that science practice should somehow be reinvented. A prominent consideration is that this is needed to better meet current and future societal needs. Also in these quarters of society there is a great variation in SI understandings and deployments, however. Indeed there are the claims for ‘transformative’ science “*that not only observes transformation processes in society, but itself initiates, catalyses and accompanies them*” (WBGU 2014:88). Of course there have been earlier arguments for trans-disciplinary ‘mode-2 science’ and co-produced science that similarly reconsidered the proper place of science in society, but this explicitly transformative (catalyzing, experimenting) role seems new. ‘Transformative’ science being generally promoted in the context of grand societal challenges, there are also the calls for co-production that stress the importance of valorization. Today’s many triple-helix and quadruple-helix consortia testify how this ‘re-embedding of science’ has caught on. On the other hand, there are also tendencies that rather argue towards somewhat less embedded and especially less instrumental science: Science should be measured and objectified in order to avoid sloppy science, or it should rather be ‘slow’ to diminish the perverse incentives of quantified outputs. With regard to innovation theory and SI, Jessop et al. (2013:120) warn that academic practice has largely surrendered to the ‘de-ethicization’ accompanying SI mainstreaming. They argue that SI research should be fundamentally more reflexive than the rather functionalist ‘innovation systems approaches’ developed under the EU Framework programs.

Some questions:

- *How to understand TRANSIT in terms of SI? What surrounding changes and selection pressures is it a product of, and from what position does it speak?*
- *What roles of science are implied in/asked for by TSI?*
- *How to deal with the ‘de-ethicization accompanying SI mainstreaming’ (Jessop et al. 2013)? How to account for ethics in TSI theorization?*
- *Where is science heading? What seem to be the lasting SI processes in science?*

4 Between transformation and capture: TSI lines of inquiry

However broad-brushed, the previous section substantiated how the institutionalization of social innovation is carried by a broad set of actors. We have considered SI as a deeply political ‘boundary concept’ that co-evolves with different shades of innovation and change. This leads to

a dialectical view on SI institutionalization, in which SI is pulled in both transformative and rather system-reproducing directions. Highlighting this dialectical struggle from four different institutional logics, it only becomes more clear that we're dealing with a grey zone. SI institutionalization takes place in what tend to be differentiated and multi-level actor networks. Such context of distributed power and diverse motivations defies dichotomous, zero-sum understandings of transformation and capture (Pradel Miquel et al. 2013). A dialectical perspective means that we need to investigate the grey zone and not the extremes, and that especially the diverse and hybrid outcomes of SI institutionalization matter (Hargraves & van de Ven 2006). We have taken a first step in exploring the grey zone by charting the forces that shape SI. Underway we have learnt about the main governance challenges of TSI, in the form of the following issues and questions:

Who are the key actors striving for TSI? Who are the key actors striving for capture of SI? What are the crucial interpretations of game-changers, system innovation processes and narratives of change that inhibit/support TSI? What are the emergent alliances, the Trojan Horses and the goal intertwinements that can be found around SI? What are the institutions of SI? How do the institutions of SI relate to the discourses on SI? Is TSI a good bet for societal transformation, or does it rather distract from structural inequalities and system lock-ins? What lines of convergence can be found between state/market/civil society/science innovation? What mechanisms of cooptation can be observed, and what strategies are developed to deal with it? And how can the gained insights on TSI governance be translated in practical advice?

A note on the last question is in place. TRANSIT upholds a transformative understanding of SI, and is committed to a kind of 'transformative science', as briefly mentioned in §3.4. To a certain extent, TRANSIT strives for knowledge that can be of instrumental value. So next to the question of further developing and deploying our conceptualization of 'boundary concept SI', there is the parallel activity of translating governance knowledge into management knowledge. Our first step in that respect has been to make the case for what we earlier called 'strategically aware' advice. We have sought to sensitize TSI-minded actors to the power-invested environment they are operating in, beyond the 'tool kits' that easily introduce illusions of solipsism and controllable social systems. Such systems mapping, especially if it helps to consider strategic options in the concrete case, can empower. We have also highlighted the particular diversity of values at stake in SI. Arguably, that helps deal with the dilemmas and tradeoffs that transformation tends to entail.

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