2014 INNOVATION & SOCIAL ENTREPRENEURSHIP RESEARCH COLLOQUIUM

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EXTENDED ABSTRACT

Enabling social innovation through intentionally fostering diverse transactions within public sector procurement

Introduction

This paper draws on research that is part of a doctorate study exploring how public sector policies and programs can enable social innovation, and how social innovation contributes to generating more sustainable forms of local and regional development. Within this, my specific focus is on the alternative market and nonmarket processes that form part of the diverse economy, and the central role these play in improving social relations and the capacity of citizens to act.

My thesis is due for completion in the first half of 2015. It is anticipated that it may assist public sector actors to position their social innovation enabling work more effectively within a policy and programs context, and thereby strengthen and legitimate these efforts. This paper focuses on one aspect of the thesis.

Research Overview

Social innovation is a complex concept that combines all the vagaries of innovation processes with the messy nature of social issues and outcomes. Increasingly however, definitional debates accept that social innovation works at two levels: addressing issues in social relations - also called process changes; and addressing social needs - also called outcomes changes. In this, both the ‘ends’ and the ‘means’ are implicated - social innovations being ‘good for society’, whilst also improving the capacity of citizens to act (see Nicholls & Murdock 2012, and Mulgan 2012). In practice, social

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1 The thesis draws on my personal experience supporting social innovation, social enterprise and social entrepreneurship activity over the past fourteen years (mostly in Australia), and this experience also underpins my interest in public sector enabling roles. The study builds on three papers on previous but related topics (McNeill 2009, 2011, 2012), a book project (Kernot & McNeill 2011) and on two previous papers on the doctoral research discussed here (McNeill 2013a, 2013b). A key motivation in undertaking the doctorate was to bring together practical and academic experience, and provide some opportunity for each to inform and ground the other.
innovation refers to a kind of innovation driven by social and environmental needs and built on an underlying ethic of collaboration (‘co’ or with, rather than to and for) – distinguishing it from the longer tradition of research into innovation driven by market and/or technological interests.

The key strand of research that links social innovation activity to the local and regional development context focuses on social exclusion, voice in governance and decision-making, and social organising (for example, see Moulaert et al 2013; Moulaert et al 2005; MacCallum et al 2009) and is therefore characterised as part of the ‘social relations’ conceptual strand of social innovation theory (Nicholls & Murdock 2012:17).

Local and regional development policy and programs work at the ‘coal face’ of complex issues and can be deeply connected to the people and places impacted. Local actors and assemblages have the capacity to drive adaptation to globally disruptive change (Pike et al 2011:1) and to shape resilient and diverse communities. However, historical approaches to local and regional development reflect a predominance of ‘market-economic’ strategies (MacCallum et al 2009:1) at the expense of broader wellbeing objectives. These approaches narrowly interpret ‘development’ through traditional economic growth parameters and promote competitive advantage as the primary concern of economic development (Bristow 2005:285).

Enabling social innovation is proposed as a key strategy for developing more sustainable approaches to local and regional development policies and practice. In the context of the research, more sustainable is defined as people-centred, environmentally responsible and economically diverse. Ways that the public sector can and is enabling activity of this type are explored through the case examples that form part of the study.

Gibson-Graham’s work on diverse economies and community economies (Gibson-Graham 2006; Gibson-Graham, Cameron & Healy 2013) provides the entry point for exploring these roles. Through discussion of four key economic processes – property, finance, transactions and enterprise – the importance of fostering alternative market and nonmarket activity as a core goal for public sector enabling of social innovation is highlighted. Through the thesis I argue that it is these activities that generate the ‘thickness’ of involvement central to genuinely improving social relations, and through this the long term capacity of citizens to act.

Research design and process
The study design reflects an intentionally generative focus and the final thesis will seek to support enabling work through including a series of implications for public sector policy and practice. The study is qualitative, inductive, exploratory and descriptive in nature and the research question formulated to guide it is:

_How do public policy and programs enable social innovation activity that contributes to more sustainable forms of local and regional development?_

To explore this question a two-stage field research process was developed. For the first stage, over 70 organisations involved with social innovation activity around the world were contacted in a snowballing exercise that assisted with identifying the case examples. The first stage of field research was conducted between February and November 2013. The majority of the 44 interviews (with 53 participants) were completed in May and the final three in November. The majority were face-to-face and a small number were by Skype. Interviews were semi-structured and multiple perspectives were sought for each to triangulate perspectives, and this was achieved in 17 of the 23 cases.

Stage two of the field research sought to inform dialogue about and learn from Australian experiences and was completed in October 2013. The workshops and interviews conducted were intentionally generative in focus, aiming to explore the feedback and input of the two ‘user’ groups on the study concepts and the case examples, whilst also building capacity to engage with social innovation concepts more generally.

Twenty-three rich case examples are being generated as a result of the first stage. The focus in each case is on the social innovation activity itself, and on the range of assemblages it both generates and relies upon. The case examples are being used to illustrate and explore key social innovation concepts, and particularly to highlight the (often invisible) diverse economic agents, processes and outcomes involved. The input generated through the second stage is informing the analysis of the

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2 In particular, I was looking for social innovation activity: that was being enabled, in various ways, by the public sector; was making a contribution to more sustainable forms of local and regional development; and was based in a political context that was not too dissimilar to the Australian environment. The study approach is based on an interest in ‘learning rather than judging’, in ‘experimenting’ rather than confirming what is already known (Gibson-Graham 2008; Gibson-Graham & Roelvink 2009). The focus therefore is not on assessing ‘good’ or ‘bad’ examples of public policy and programs, but rather on generating energy and insight around attempts to enable social innovation to establish, survive and thrive.
case examples and how this is presented, and is being drawn on in the implications section of the
thesis.

Focus of this paper

This paper focuses on one aspect of the research - how public sector procurement can contribute to
enabling social innovation activity. Three of the case examples included in the overall study are used
to unpack and explore the nonmarket and alternative market transactions involved in enabling the
activity. Fusion21 is a social enterprise operating in the north of England which has secured the long
term viability of employment and training programs through creating an alternative market for
property maintenance; the Public & Collaborative: Designing Services for Housing project used a
nonmarket approach to improve affordable housing information services in New York City; and
Citymart is combining alternative market and nonmarket transactions to create a new model for
municipal procurement.

I argue that by intentionally engaging with diverse transactions the perceived and actual risks
associated with public sector procurement can be mitigated whilst also generating forms of social
value specific to particular localities and/or groups. It is through fostering the complex webs of
relationships these processes rely on that social relations are improved and the long term ‘capacity
to act’ increased. Explicit attention to engaging with the alternative market and nonmarket aspects
of the diverse economy is crucial for generating more sustainable forms of local and regional
development, forms that return value to communities rather than extracting value from them.

References

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