

TRANSFORMATIVE CHANGE FOR AN INCLUSIVE SOCIETY: INSIGHTS FROM SOCIAL INNOVATIONS AND IMPLICATIONS FOR POLICY INNOVATION AND INNOVATION POLICY

AUTHORS: PAUL WEAVER¹, RENÉ KEMP, TIM STRASSER, JULIA BACKHAUS, BONNO PEL, FLOR AVELINO

ABSTRACT

Our societies experience challenges of inclusion and cohesion and suffer (evidently) from multiple problems associated with exclusion across economic, social, political and many other dimensions. The challenge of building more inclusive societies is recognised at highest policy levels. The Europe 2020 Strategy (EC, 2010) has smart, inclusive and sustainable growth as its overarching aim, for example. Yet, against the backdrop of a widening and intensifying set of inclusion challenges, conventional inclusion policies, until now based heavily around economic growth, skilling and full employment, struggle to make our societies more inclusive. In this context, it is insightful to look toward social innovation movements, several of which organise around agendas of inclusion and are critical of mainstream systems and policies, to see what they bring to societal discourse and action on the issues of in/exclusion. This is important especially in relation to mainstream systems that are under stress and struggle to deliver inclusivity, especially the market economy, social welfare systems, representative democracy, and workfare policies. Social innovations are being studied in the Transit Project², which aims to develop a theory of societally transformative social innovation. What insights do Transit Project empirics offer into the potential of our studied social innovations to support transformative change toward more inclusive societies? What insights do they offer for innovation policies and inclusion policies? Can we improve our developing theory of social innovation in relation to transformative societal change by examining social innovation cases using the lens and probe of in/exclusion?

[Keywords: timebanking, participatory budgeting, basic income, Transit project, ex/inclusion]

1. INTRODUCTION

The overarching objective of the EU 2020 Strategy – inclusive, sustainable, smart growth – makes explicit that “inclusion” is a policy priority at the highest-level of EU policy making. It is equally a priority of policy making at the level of Member States. National policy goals, policies, programmes

¹ paul.weaver@maastrichtuniversity.nl

² This paper is a product of the TRANSIT project, an FP7 project funded by the European Commission (Grant agreement no: 613169). The authors are grateful for the financial support provided. The authors are solely responsible for the content of the paper, which does not represent any position of the European Commission. Transit Project website: <http://www.transitsocialinnovation.eu/>

and budgets are mobilised to engage European citizens in the bedrock systems of our established societal architecture: the market economy, the system of state welfare (accessible through wage working and contribution payments), and the regime of representative democracy (which depends for legitimacy on citizens' commitment to voting). Inclusion is also a central concern for several social innovations and, for some of these, promoting inclusion and/or combatting exclusion are dominant objectives and even existential justifications. For protagonists of such social innovations the search for more inclusive societal arrangements is a major motivating and unifying force, both a transformational goal and an organising principle for activities.

Several social innovation organisations with transformative societal change ambitions thus refer to and use the inclusion/exclusion concepts in setting out their aims and defining their activities. Among the TRANSIT social innovation case-studies these include Credit Unions, which provide more inclusive access to credit and finance (see: Dumitru et al, 2015), Living Labs, which provide support for more inclusive innovative actions and citizen science (see: Ruijsink and Smith, 2016), and FabLabs and HackerSpaces, both of which make new technology more accessible and inclusive (see: Smith et al, 2015a; 2015b).

However, as such cases illustrate, social innovation proponents often frame the concepts of inclusion/exclusion differently from how they are framed and used by mainstream actors, especially in terms of which exclusion problems they perceive, how problems are constituted, how they are caused, and how they might be addressed. To varying degrees they radicalize social inclusion or pursue it in areas where establishment actors suppose it is achieved already or is not needed.³ How social innovation movements perceive the dominant societal systems and 'ways of doing' typically also differ substantially from establishment perspectives. Social innovation organizations are also often critical of dominant inclusion policies. It is therefore important to explore differences in how social inclusion/exclusion issues and policies are framed and how key societal infrastructure and systems are perceived by the different parties, as this might offer insight into what 'exactly' is the target for transformative change in relation to in/exclusion in the respective perspectives of the different actors. It might offer insight also into the transformative potentials of social innovation movements, how these potentials are constituted, and what might be needed to translate them into impact.

To make progress using 'in/exclusion' as a lens and probe, there is a need to focus on a subset of social innovations. The choice made here is to focus on three cases: timebanking, participatory budgeting, and basic income. These are chosen because together they constitute a cluster of cases that offer intersecting and to a certain extent converging and mutually reinforcing critiques of the market economy, wage-working, the financial and money systems, state welfare systems and representative democracy. In turn, these are bedrock elements of the dominant societal infrastructure and dominant modes of organization through which society delivers wellbeing, welfare and social security. Importantly, not only are these dominant systems criticised by those engaged with these social innovations, but their capacities to deliver inclusive wellbeing, welfare, and social security are being impacted by macro-scale trends and by mechanisms that interconnect these systems in ways that threaten to undermine their stability and sustainability. The relation of our case study social

³ This also serves to remind that inclusion is a semantically difficult concept and that in the Foucault-style and postmodern political-philosophical problematization of inclusion, participation and emancipation inevitably create new exclusions and downplay its continued existence.

innovations to these dominant societal systems and the interplay with them and with forces and trends affecting them makes these cases particularly interesting to study from a perspective of their societally transformative potential.

Our three chosen social innovation cases are also seen by some of their proponents as well as by external analysts to offer potential synergies in addressing different aspects of exclusion/inclusion. All three of these social innovations are addressed to creating opportunities for greater inclusion or different qualities of inclusion, but in different ways: opportunities for everyone to be productive and to be recognised for the contributions they make to welfare and wellbeing whether or not this is in the formal market economy (timebanking); opportunities for inclusive and direct participation in public decision making (participatory budgeting); and opportunities for everyone to be free from poverty, free from enforced wage working, and free to use their time in ways they find most meaningful and fulfilling (basic income). All are versatile innovations in that the proposed solutions can address many issues and challenges and can appeal to many different stakeholders and interests for many different reasons. They nevertheless can be seen as threats to some establishment institutions and to interests vested in these; e.g. to established jobs, established decision making roles, and to established systems of social control and social order.

Through the lens and probe offered by the concept of 'in/exclusion' we seek to complement other analyses of Transit social innovation cases that are using other concepts and entry points to explore the potential of social innovations.⁴ In the present paper we ask four core questions. What insights do Transit Project empirics and theory offer into the potential of social innovations to support transformative change toward more inclusive societies? What form might these contributions take? Can we improve our developing theory of social innovation in relation to transformative societal change by examining social innovation cases through a lens of in/exclusion? What insights do Transit project empirics and theory offer for innovation policy and policy innovation in respect to building more inclusive societies?

To address these questions, the paper draws on the literature and policy references concerning the meanings of inclusion and exclusion in relation to dominant societal structures, systems, and mechanisms (Sections 2-3). This provides a basis against which to explore how our different case study social innovations interpret in/exclusion, how this is reflected in their critiques of dominant systems and policies, and how it frames their theories of change, their transformative ambitions, and their strategies (Section 4-6). It also provides a basis for comparative analysis and reflection on the transformation journeys to date of our case-study social innovations and for addressing our core questions (Section 7).

2. SOCIAL INCLUSION AND EXCLUSION

In/exclusion are semantically complex concepts. It is useful to distinguish between in/exclusion as philosophical and sociological category versus as a publicly-acknowledged issue and policy concept. These two discourses are not necessarily the same and are not always connected. Rawal (2008) notes that the concepts of social in/exclusion in contemporary policy making have their origin in French policy discourse in the 1970s. Lenoir (1974) is credited with authorship of the concept. He spoke

⁴ See, for example, the paper by Kemp et al. on humanising the economy, also presented at this conference.

about groups he saw as 'excluded' from (French) society. Nevertheless the philosophical roots of the in/exclusion concept go back much further than this. Rawal (2008) argues they are traceable to the functionalist social theory of Durkheim.⁵ Writing around the turn of the 20th Century, Durkheim was concerned with social dislocations in the transition from agrarian to industrial society and with related questions of how social order and stability could be maintained in the context of such upheaval. From these origins the concepts have spread and achieved much wider policy prominence. According to Rawal (2008), this owes largely to the concepts being adopted by the European Union in the context of the crisis of the welfare state and becoming central elements of EU social policy where, Rawal argues, they have come largely to replace the concept of poverty.

As the 'in/exclusion' concept and its use have spread, interpretations and meanings have diversified such that the concept is now employed to describe a multitude of situations and processes. Indeed, despite featuring prominently in policy making, there is no universal definition or use of the concept. Part of the definitional difficulty is that inclusion is a relational concept. It is definable only in relation to other aspects of the context in which the concept is used; for example, in relation to who is included or excluded, what they are included in or excluded from, and how they are included or excluded; i.e. the basis or mechanism of the in/exclusion. At issue, is that there are many alternative ways of theorising in/exclusion and therefore also of framing how in/exclusion issues are addressed.

In seeking to make the in/exclusion concept more useful for empirical analysis, Aasland and Flotten (2001) proposed a set of living condition variables as proxies. These include: exclusion from formal citizenship rights; exclusion from the labour market; exclusion from participation in civil society; and exclusion from social arenas. This also establishes the multidimensionality of the concept and helps explain its relation to poverty and to anti-poverty policy. Francis (1997) stresses that the strength of the in/exclusion concept relative to poverty is that social in/exclusion considers deprivation in a number of spheres, whereas poverty is considered primarily in economic terms; i.e. low income, lack of a paid job, material deprivation, etc. However, poverty as a concept has also been the subject of significant re-conceptualisation. Sen (2000), for example, offers a general perspective on poverty as capability failure, i.e. significant interpersonal variations in capability. In that perspective he discusses the relation of the in/exclusion concept to poverty and concludes that social exclusion can be *constitutively a part* of capability deprivation as well as *instrumentally a cause* of diverse capability failures (Sen, 2000).

An important contribution in helping to understand how different interpretations of the in/exclusion concept influence policy making is offered by Silver (1994). Silver explored how, in the process of the concept becoming adopted in different national contexts, different meanings have become imparted to the term. She distinguishes three paradigms under which the concepts are differently understood and used, each associated with different theoretical perspectives, political ideologies and national discourse. She terms these paradigms as ones of solidarity, specialization, or monopoly. Each paradigm takes a different perspective on the constitution, cause and cure of exclusion. These are summarised also in Rawal's paper (2008).

⁵ The major relevant works of Durkheim include: (1893) *The Division of Labour in Society*. [Translated and republished in 1997 with an introduction by Coser, L. (1997) New York: Free Press]; (1895) *The Rules of Sociological Method*; and (1974) [1953, 2009], *Sociology and Philosophy*, Translated by D. F. Pocock; with an introduction by J. G. Peristiany. Toronto: The Free Press.

The solidarity paradigm derives from French discourse and (Republican) thought. Under this paradigm, social solidarity arises from shared values and rights and is taken to be the normative ideal. Exclusion is theorised as the breakdown of social solidarity. The solidarity paradigm stresses the role of socially constructed dualisms in ordering the world. These arise from cultural and moral distinctions between groups. Thus, 'exclusion' (and also deviance) both threaten social cohesion and reinforce it. In his summary, Rawal notes that in this paradigm *"the inverse of exclusion is 'integration' and the process of attaining it is 'insertion', which implies 'assimilation' into the dominant culture"* (Rawal, 2008, p167).

According to Rawal (2008) the concept of social exclusion as it emerged and developed in France and was taken up in European policy making has largely been concerned with "the effect of failure of integrative institution." In similar vein, Aasland and Flotten (2000) argue that when the concept was first employed its central concern was with *"people unable to adjust to mainstream society"*. Although there are variants of the social integrationist discourse, which accept group differences to a greater or a lesser degree, inclusion in the understanding of this paradigm is about solidarity, conformity and the societal interest transcending all other interests; individual, specific group, regional, etc. This approach stresses the need for compliance with mainstream society and its institutions.

The Anglo-Saxon world by contrast operates around the concept of social differentiation. Anglo-Saxon liberalism assumes that individuals differ and celebrates both difference and diversity as strengths. Difference becomes reflected in specialization in markets and social groups. Social order is, thus, *"the outcome of voluntary exchanges of rights and obligations and the separation of spheres in social life"* (Rawal, 2008). Under the specialization paradigm *"exclusion is a form of discrimination, which arises when individuals are denied free movement and exchange between spheres, when rules inappropriate to a given sphere are enforced, or when group boundaries impede individual freedom to engage in social exchanges"*. Exclusion in this understanding is combatted by protecting rights, anti-discriminatory measures, affirmative action and, more generally, enabling free exchange.

A third paradigm draws on the social theories of Marx⁶ and Weber⁷ who frame exclusion as a consequence of the formation of group monopolies, with resources controlled by hierarchical and exclusive networks. Following Rawal, this *"monopoly paradigm views the social order as coercive, imposed through a set of hierarchical power relations"* and *"exclusion as arising from the interplay of class, status and political power."* Exclusion is viewed as serving the interests of the included. *"Those excluded are simultaneously outsiders and dominated"*. In this perspective, exclusion can be countered through citizenship and the extension of equal membership and full participation in the community.

3. FORMAL INCLUSION POLICIES

Formal inclusion policies reflect these different paradigms and the different understanding they offer about the nature and organisation of society, the relationship of individuals and groups to mainstream societal systems, and the nature, causes and cures of exclusion. Even accepting the contextuality of policy approaches, today's hegemonic inclusion policies are based upon the solidarity

⁶ The major relevant works of Marx include: (1859) A Contribution to the Critique of Political Economy; (1867) Das Kapital [Capital: Critique of Political Economy]; and (1905) Theories of Surplus Value.

⁷ The major relevant works of Weber include: (1895) The National State and Economic Policy; (1915) Economy and Society; and (1925) Collected Essays on Sociology and Social Policy.

and specialization paradigms. While these paradigms differ in their perspectives on society as ideally homogeneous or diverse, both have in common the idea that unemployment – the lack of a paid job – is a fundamental element in economic and social exclusion. This leads to the currently hegemonic policy approach to inclusion of economic growth, full employment and people skilling. Having a paid job is seen as the key to being an active member of society, since this simultaneously enables (directly) economic and societal participation, delivers income that frees people from poverty, and triggers financial contributions in the form of taxes and social security charges, which support the social security system and professionalised state welfare system to the benefit of the individual and society.

For the European Commission, inclusive growth is a key priority of the Europe 2020 Strategy. Inclusive growth is to be achieved through *“[...] [creating] more and better jobs, especially for women, young people, and older workers; helping people of all ages [...] through investment in skills and training; modernizing labor markets and welfare systems; [and] ensuring [that] the benefits of growth reach all”* (European Commission, 2016). Social inclusion through increasing the ‘employability’ of citizens is therefore taken up as an element in innovation policy and strategy. A report was recently commissioned of this theme by the EC JRC in Seville (see: Boyle, 2014), to which we return later in this paper. This same kind of (limited and limiting) framing of social innovation is reflected also on the Innovation Policy Platform (<https://www.innovationpolicyplatform.org>) where the question: *“how can innovation contribute to socio-economic development?”* is addressed by reviewing the potential contributions of different forms of innovation, including social innovation. Here it is stated that: *“Social innovation seeks new answers to social problems by (1) identifying and delivering new services that improve the quality of life of individuals and communities and (2) identifying and implementing new labour market integration processes, new competencies, new jobs, and new forms of participation, as diverse elements that each contribute to improving the position of individuals in the workforce.”*

There is, thus, a dominant or ‘hegemonic’ understanding of inclusion (roughly stable across contexts) that is centred on paid employment as principal ‘category’ and this translates, also, into innovation policy. Categorization tends to be part and parcel of any inclusion strategy, but the category of being in ‘paid employment’ happens to prevail in hegemonic policy approaches. In turn, this has some undesirable side effects. A significant disadvantage of categorising and labelling people according to employment status is that this can inadvertently introduce additional rigidities into labour markets by heightening fear of job loss and stigmatising those not in a paid job (the inactive, benefits claimants, so-labelled NEETs⁸, etc.). By default it can also further undervalue those fully engaged in useful but unpaid work in households and families (often the female members of households), underlining how inclusion strategies can silently reinforce side-lining, dismissal and exclusion of some in society, adding to division and polarisation.

While accepting that paid work and work insertion can be effective inclusion mechanisms for some (and, indeed, that some social innovation organisations, such as RIPPSS, support work insertion through social innovation), our case study initiatives bring forward alternative discourses and associated institutional proposals –some containing more and some significantly fewer traces of the hegemonic understanding than others.

⁸ NEETs is a label applied to those Not in Employment, Education or Training.

4. TIMEBANKING PERSPECTIVES ON 'IN/EXCLUSION'

Timebanking is a mechanism for reciprocal service exchange within (usually) a local community, which is organised around a set of values and principles (Weaver et al., 2015). In order to enable equal treatment of timebankers, all services in timebanking, however simple or sophisticated, are valued equally: the unit of exchange and account is the hours spent giving or receiving services. From roots in post-war Japan where time-banking emerged as a response to post-war breakdown of pre-war institutions, including the economy, state government, fiat money, physical infrastructure and families, and later the US (where timebanking emerged in poor communities as a response to the ending of the 'war-on-poverty' program), timebanking has spread to all continents. Within countries, individual timebanks are often organized into local, regional or national networks, sometimes under the umbrella of membership organizations. There are also transnational networking organizations. These usually develop and offer software platforms to record service exchanges.

Our Transit case study (Weaver et al., 2015) has explored the transnational timebanking organization (hOurworld), which supplies its Time&Talents software to time banks free of charge, and local manifestations of timebanking organizations in the UK (TBUK) and Spain (Health & Family).

Timebanking was brought to the UK from the USA on the initiative of individuals. In Spain, however, timebanking was introduced from Italy, in the context of an EU-funded international collaborative learning project.

The transformative ambition of the timebanking movement is reflected in a set of counter-narratives. Timebanking is advanced as a response to failures in the monetary system, the formal economy and economic globalization, which are seen to exclude and to marginalize. In Spain, timebanking has been linked to the women's movement, both from the perspective of elevating the status of women and of domestic work and of seeking a healthier work-life-home-community balance. Timebanks have been framed in all three areas we studied as a response to game changers such as economic downturn, unemployment, lack of opportunity, skills gap, austerity, migration, population ageing, and retreat of the welfare state. This reflects the versatility of the mechanism and the capacity to argue the case for time exchange systems as a response to many different 'crises' and issues and to shape and direct lines of argument in relation to emerging issues.

The versatility of timebanking owes to distinctive features that, individually or in combination, provide capacity for it to address challenges, such as inclusion, in many different ways and also for timebanking to address different kinds of inclusion challenges and different, including (in hegemonic understanding forgotten) dimensions of inclusion. Timebanking has a well-developed conceptual basis, worked out by its pioneers. The principle of inclusion is among its core values and principles. Others are: equality, mutual respect, reciprocity and abundance; i.e. that the core resources needed to secure wellbeing – especially the time and talents of people – are abundant.

Timebanking therefore stresses an asset-based approach where the time and talents of people are assets and where everyone has something to contribute. Timebanking proponents contrast their asset-based approach to people with the ways they perceive people are regarded and treated by mainstream societal systems, which *de facto* label many people as superfluous or as problems because they only have needs and only impose demands on overstretched welfare systems and professional providers. This is best summed up by timebanking proponents' reference to the way competition in the job market leads to many people being excluded from work, income and a role in

society. The competitive economy operates on scarcity value, valuing most highly skills that are scarce. Equally, in the competitive economy there is a premium on 'the best'; i.e. the highest quality economic inputs and outputs, which thereby attract premium prices. In the labour market this puts premium on highly skilled and highly qualified workers, but means that for lack of qualification and for minor differences in capabilities many people are 'disqualified' from working because they are unable to secure a paid job. From the timebanking perspective, the competitive job market is therefore part of a 'throwaway' economy that rejects people just as it rejects waste materials and pollutants.

Timebanking by contrast offers opportunities for people to engage in service exchanges (and so be able both to produce and to consume services) without necessarily having training, holding qualifications, being the 'best', or 'winning' a competition for a paid job. Timebanking organisers are able to mobilise unused labour to deliver individually and socially beneficial work, including organising care in the community and the co-production of welfare benefits. Indeed, timebanking proponents see the source of high demand on professionalised welfare services, such as demands for health care, as lying, in part, in the social and economic exclusion that they consider is intrinsic to the organization, mechanisms and operation of mainstream societal systems. By enabling people to contribute in kind to productive activities and to social security – as an alternative to paid work and money contributions – timebanking provides a mechanism for people to contribute to their own and to societal wellbeing and social security without this depending on the status of the formal economy or having a job.

Proponents and analysts of timebanking, such as Boyle (2014) therefore remark on the versatility of timebanking in delivering a continuous stream of innovative solutions. This includes solutions to challenges of social and economic inclusion. Boyle distinguishes seven different kinds of timebanks (though other typologies are possible), at least four of which are of high relevance for delivering inclusion in one or more of its dimensions. These four (which combine different values, principles, mechanisms and – sometimes – relations with institutional actors) serve different purposes and offer different kinds of inclusion benefits. They are:

- i. Co-production timebanks, which are sometimes supported by welfare delivery agencies. These operate to change the relationship between service professionals and service users to enable co-production of services, reducing the costs, increasing the efficiency, and improving the quality of welfare services and outcomes. These timebanks offer scope to include welfare service recipients as co-producers of welfare services.
- ii. Municipal timebanks, which are sometimes supported by local government. These are aimed at community building and strengthening, enhancing mutual and self-help, and improving the opportunities, status and recognition of home and domestic workers, carers, and women. These timebanks offer scope to include, recognise and integrate those who are often overlooked in society. A recent initiative in Hull, for example, is providing opportunities for asylum seekers and the local host community to address integration challenges (Skropke, 2016).
- iii. Social insurance credit timebanks, which originated in Japan and variants of which operate today in the US (such as those pioneered by Barbara Houston, which operate in association with community cooperatives). These provide mechanisms for improving the care of the elderly and for securing own elderly-care or care for relatives and can be integrated into national social security systems and systems of care for the elderly by providing opportunities

to make contributions in kind and attain time credits for these. Such initiatives provide for everyone to contribute to and benefit from elderly care irrespective of job status.

- iv. Second-level social and sharing economy initiatives, which involve using time and/or local currencies that maintain a local creation and circulation of value and build local economic resilience by establishing networks for pooling and sharing resources and exchanging services. These initiatives provide for everyone to deliver and receive services and to take part in sharing activities irrespective of qualifications, income or wealth.

It is to be noted that these different forms of timebanking are additional to the way in which timebanks appear of interest to mainstream inclusion policy efforts, such as those of the UK Department of Work and Pensions (DWP). DWP interest lies in the role timebanking can play in skilling the unemployed and benefits claimants and making them more 'job-ready' or capable of becoming 'self-employed'. Since 2015, the UK DWP has initiated a policy of signposting benefit claimants to their local timebanks and encouraging claimant engagement in time exchange. Skilling of benefit claimants by timebanks for 'social inclusion and employability' was also the topic of the earlier-mentioned report commissioned by the EC Joint Research Centre in Seville (Boyle, 2014).

Our interviews with leaders of the timebanking movement reveal their concern that values critical for the wellbeing of people and security of society, such as inclusion, are crowded out by the market economy, welfare state and other societal systems, which operate on different values and logics. Timebanking protagonists see time exchange as a mechanism for (re)embedding these values into society through relationships formed by time exchanges. The values- and asset-based approach of timebanking are seen as personally- and community-constructive in that they provide for people and communities to become individually and collectively more self-reliant. People, their abilities, their time, and human relationships (inclusion, cohesion, mutual respect, and reciprocity) are seen in timebanking as 'true' sources of wealth, wellbeing and security, not money.

Timebanks manifest social innovation by the creation of a timebank as an activity space and by developing new communities of members who adopt and practice timebanking values, such as inclusion. Exchange is open to anyone willing to practice these values and is based on members offering time – rather than offering money, exclusive skills or qualifications – in processes that coproduce services and create relationships among time bank members. Lack of money, skills or qualification is not, therefore, an impediment to participation. Neither is any aspect that sets one individual apart from another, such as ethnicity, faith, gender, sexuality, disability or personal history. By virtue of its foundational principles, timebanking seeks to be inclusive and non-discriminatory. In timebanking, everyone is considered equal, everyone has something to offer, and all timebank members are valued equally because their time is valued equally.

In bringing timebanking to the UK from the US, Simon and Boyle (2008) state they were "*searching for something capable of reviving the core economy*", by which, following from Goodwin (2003), they mean those aspects of family and community life not provided for by the formal (money) economy. On their website⁹, the leaders of hOurworld state their position and ambition: "*We are social architects who believe that people are the true wealth of the world.*"

⁹ www.hourworld.org

In terms of systems innovation timebanking has a strong potential to contribute to creating parallel collaborative and sharing economies and is positioned well to respond to the failings and retreat of the welfare state both by contributing to a 'preventative infrastructure' in areas such as mental and physical health, education, social solidarity and cohesiveness and by organizing otherwise un/underemployed labor and directing it toward delivering personally-empowering and socially-useful services, such as providing care in the community. Through our observations and interviews we found evidence that timebank membership extends across a wide diversity of individuals, that membership and activities cover a broad spectrum of social groups, and that they provide services to people across a wide range of ages. In the UK there are also thematic timebanks organized around activities that involve ex-offenders, former substance abusers, and those with mental health issues. Timebanks therefore display a potential for social inclusion of otherwise excluded groups that may be priority 'target' groups also of policy.

Timebanking therefore does appear to offer scope to engage all members of society in co-producing their own welfare and in helping provide for the welfare of others, transforming them from service users to service co-producers by enabling them to contribute in kind (through their time) toward service delivery and not just through money contributions that are only possible if the concerned individual has a paid job. This offers scope to offer more inclusive access to work and services and, also, to provide potentially better welfare services at lower cost as well as to reduce demands on welfare services at source by offering a preventative infrastructure that avoids problems or stops them from developing.

Interviews and observations conducted in the Transit case-study confirmed that timebanks are experienced as empowering by many individual members and by community representatives. They help individuals in their self-development, self-confidence and self-esteem by providing opportunities to learn and practice skills and by expanding social networks. Service exchanges of relevance here include language learning and cultural familiarisation by asylum seekers and migrants in return for services, such as gardening. The claims that timebanking empowers individuals and communities by reducing dependence on money, markets, or state welfare arrangements and that time exchange can strengthen community cohesion is also supported by such exchanges. An enlightening illustration is provided also by the case of an elderly and housebound woman living in social housing but isolated and lonely because of being unable to leave her apartment. The timebanking solution was to see the positive side of her inability to leave her apartment and to advertise her service offer to receive parcel deliveries on behalf of neighbours, which ensured also that she was soon much better known to her neighbours and was receiving regular visits from them. This is the positive inclusion impact of an asset-based approach.

Nevertheless, the scale of timebanking activities is limited. Both Spain and the UK have around 300 timebanks with up to 250-300 members per bank and despite some year on year variations the broad numbers of timebanks and members have remained stable. In the UK it is evident that the timebanking movement is not really growing. Rather, the overall population of timebanks is held constant because 'births' of new timebanks are offset by 'deaths' of existing timebanks. It is therefore important to consider possible reasons for this.

The main factor appears to be that there is a limit to the overall funding that is available to support timebanks. The situation is also related to scaling considerations. The main approaches taken so far to

growing timebanking involve replication within countries (establishing more timebanks within the same country), growing the membership of individual timebanks, and supporting the extension of timebanking to other countries. The last of these has proven a successful strategy, but the other two approaches have met with limited success. This appears to be related in part to the need for an active broker or coordinator to establish the timebank, recruit members and support exchanges and to the need this creates for some financial support as such brokerage involves high levels of commitment and responsibility and requires organizing skills that would enable a broker to work equally in the mainstream economy. It has been found from experience that the level of activity of a timebank and its sustainability over time are linked to having a highly committed coordinator. The functions of a coordinator also include raising funds and undertaking monitoring and reporting of impact. If overall funding to support time banks is limited, this limits the possible number of paid brokers.

By implication starting up new timebanks is close to a zero-sum game, since it likely entails withdrawal of funding for a broker elsewhere. Given there is enthusiasm to set up new timebanks to provide communities not having a timebank with new opportunities, funding is more easily won for new timebanks. This has a knock-on negative impact on existing timebanks. Growing existing timebanks is also not an easy route. Here the brokerage challenge faces a different constraint. As the membership of a timebank grows, the possibility for exchanges expands as a power function of the membership level and this can overload the brokerage capacity. The ratio of brokers to members is therefore not necessarily a constant relation; larger time banks with proportionately more exchanges per member may require a higher broker-to-member ratio, which makes these more costly per member than smaller time banks.

A potential solution to this scaling problem lies in the use of technology to relieve brokers of responsibilities that could be fully automated, leaving the broker to concentrate on issues that require human intervention or oversight. Some safeguarding functions are in this category. However, this requires some reflection on the governance of timebanking software. The main international timebanking networking organizations have developed timebanking software systems and platforms. Some software providers charge fees for using their software (e.g. TB USA). Others provide the software to users on a free-to-use basis (e.g. hOurworld). However, proprietary rights over software are retained by the networking organizations even over software that is made freely available for use and even if its users become co-developers. This acts as a brake on software development and on improving software functionality.

Seen through the lens of inclusion there is a need for an open-source timebanking software into which everyone could invest and which could be developed with confidence and surety of permanent and free access. A related possibility is that blockchain technology might be used to provide a programmable cryptocurrency which, used alongside apps giving access to service offers and demands, might provide a substitute to more sophisticated timebanking software or a complement to simpler timebanking software. Developing such technical solutions is therefore a priority if timebanking is to upscale, which is important, in turn, for extending and consolidating the social inclusion impacts that timebanking can bring.

Another way that timebanking social inclusion benefits might be captured and consolidated more widely is to integrate the key values, principles and mechanisms of timebanking – its culture – into existing arrangements, such as into some business practices, welfare delivery agency practices and

local government practices. The potential of timebanking for building a secondary economy that could be far more inclusive than the mainstream economy and could act as a complement to the formal economy, for example, lies in its rejection of the wage relation and its support of values and behaviours based on equality, sharing, cooperation and mutuality. These values and the mechanisms they make possible could be integrated into some areas of existing arrangements, overcoming some aspects of social exclusion of mainstream systems and practices.

5. PARTICIPATORY BUDGETING PERSPECTIVES ON 'IN/EXCLUSION'

As with timebanking in Spain, participatory democracy and participatory budgeting in South America was helped to emerge with the support of an EU-funded project (Cipolla et al, 2015; Wittmayer and Rach, 2016). An initial network for participatory budgeting was created within the framework of an EU URB-AL programme. The programme began in 1995 with the aim of supporting exchange of good practices between local government and communities in Europe and Latin America in the knowledge that cities on both continents were facing pressures from citizens over governance.

The political macro context in Brazil was one of transition from a military dictatorship to a democracy with members of a long repressed, highly motivated and mobilised society whose voices and interests had long been overlooked during the years of dictatorship demanding social and political change and seeking ways to sustain changes; i.e. to lock-in gains made and avoid any tendency for reversion back to dictatorship. For this reason, it was important to develop coherent (city-wide) responses and to institutionalise these.

In Brazil, Porto Alegre became the centre for experimentation and learning around the concept of participative budgeting. Inclusion was a foundational principle, since the concern was to secure more inclusive processes in public decision making; i.e. to enable a more creative decision making process enabling a wider set of interests and perspectives to be tabled and to set priorities from a wider range of solutions, projects and interests, rather than from those of only narrow elites. Experimentation in Porto Alegre put a spotlight on the city, making it a prominent actor in the movement and in disseminating the concept to other cities and countries.

In the Netherlands – and specifically in Amsterdam – participatory budgeting emerged rather later and from community foundations. It is organised around initiatives operating at neighbourhood level and not across the whole city. The participative budgeting concept was introduced to Indische Buurt, a district of Amsterdam, in the context of the 2007 economic crisis and of ensuing government budget cuts, which stimulated an accompanying discourse that brought the relationship between government and citizens into question. This discourse of discontent, disillusionment and dissatisfaction over the relationship provoked interest around ideas of more active citizenship, participatory society, 'big' society, and participatory democracy. Participatory budgeting, within this grouping, is one (of several) approaches to participatory democracy, but in Indische Buurt it has emblematic significance (Wittmayer and Rach, 2016). Interestingly, this discourse relates not so much to in/exclusion as a binary condition and more to the quality of inclusion; i.e. to the wish to be more or differently included.

In Indische Buurt, participatory budgeting has become a main tool through which citizens seek to address and newly define the relation with their representatives and through which citizens can gain

influence on local policy making. Important themes here, which link to inclusion, include the desire for a greater direct involvement of citizens in decision over budgets and investment priorities, for a wider diversity of perspectives, interests and ideas to enter into public decisions relevant to the lives of those living in a local neighbourhood, and for greater transparency and accountability (openness) in public decision making. Inclusion of citizens in decision processes directly supports autonomy and is linked to distrust of elected representatives and of decision processes widely perceived to be in the interests of an elite few, self-serving, or corrupt. In effect, participatory budgeting in Indische Buurt was a response to a combination of crises – an economic crisis that led to austerity measures and an associated crisis of representative democracy – that forms part of a wider movement with transformative ambition to revitalise democracy by advancing initiatives for greater and different forms of democratic inclusion.

The transformative ambition of the participatory budgeting movement and its development over time are traceable through the minutes (so-called letters) issued at the end of network conferences. These refer to growing disenchantment with politics and a need, not for less democracy, but for more direct rather than representative-based democracy. The solution proposed is to radicalise democracy, to issue calls to action for greater citizen engagement (using ICT for this) and to create arenas for practising participative budgeting in cities. Strategies for capturing the transformative potential of the innovation have focused on cooperation among local initiatives, learning from experience in each context, and sharing experiences through network conferences and using ICT. At the start, there was an ambition to create observatories to oversee and monitor experiences, but gradually this has been found to be expensive and unnecessary. Experiences and examples of successful practice are, in any case, brought to wider international attention through competitions to self-report novel and successful practices that are held in parallel with international conferences of the transnational network. Social learning therefore takes place now without the need for formalised and costly observation processes. The only remaining observatory now is that at Porto Alegre.

Seeing that there are many citizens and communities of citizens around the world who are (in the words of our interviewees) “outraged” and frustrated with political systems in their countries and contexts but which are also fragmented, provides the basis for the strategy of “gathering” these together using ICT to organise protagonists in *“a fragmented action, multifaceted, with hundreds of causes that mobilise a crowd, which is the expression of thousands of individuals”*. In this sense, diversity is seen by the movement as a potential source of strength and a movement can be created and empowered by gathering together and including many different disaffected groups within a horizontal networked structure to create a fragmented action but with a shared interest and agenda among protagonists to secure processes and systems of direct participatory decision making.

6. BASIC INCOME PERSPECTIVES ON ‘IN/EXCLUSION’

The concept of ‘basic income’ concerns people’s rights. Its proponents argue that basic income should be paid as a right to citizens, as individuals, unconditionally and universally. Although this is not always specified in definitions, many proponents also promote a basic income high enough to cover basic needs and allow social participation, while acknowledging the amount needed for this would vary between countries. In the perspective of basic income proponents, covering basic needs enables inclusion in the sense of this allowing everyone to develop and deploy their skills and talents and

contribute to society in a self-determined way. This is a concept of inclusion freed from the prevalent understanding in which paid labour is the central principle. The concept is therefore distinguished from most existing schemes and instruments of financial support currently operating, which are conditional (e.g. on employment or income status) or which support families not individuals (e.g. family allowances). The mode of financing basic income is not specified. This distinguishes it from either citizen's dividend or entitlements to proceeds from permanent funds, both of which are financed through the sale or transfer of rights to exploit commons; e.g. common ecosystem services or common property.

Although the idea of a universal basic income seems radical, it is far from new. Thomas More proposed the idea in his 16th Century work, *Utopia*.¹⁰ However, an international network to bring contemporary proponents together was not established until 1986. The Basic Income Earth Network (BIEN) establishes a virtual space for proponents, otherwise scattered around the world, to metaphorically 'come together' to explore and advance the concept. BIEN provides a space for largely philosophical or academic discourse: a 'discursive space' rather than a space for organising or undertaking direct action. More than for action-oriented social innovation organisations, BIEN is therefore definable in terms of a concept and a discursive arena and it targets 'top down' reform of state systems rather than 'bottom-up' local action.

Albeit BIEN has 'national' affiliates, its focus on discourse and the fact this is carried out largely using ICT makes the national demarcation of affiliates less meaningful. Some of BIEN's national affiliates who were founded and became attached to the network in the new millennium only, come from a less academic but more activist tradition. These groups joined the discourse comparatively late yet with a "just do it" mentality and are pushing for national or local experiments, national or international (EU) petitions or national referenda (Pel & Backhaus, 2016). Experiments necessarily involve some loss of integrity of the (radically-inclusive) core concept that everyone should receive a basic income, since if experiments are geographically-bounded they cannot 'include' everyone and they risk generating impacts, such as incentivising migration, that might not arise or be as significant if basic income was implemented universally.

As experiments can never be a true test of the concept, experimentation is not advocated by basic income purists. This has led to an observable split among basic income proponents with 'purists' remaining in the realm of conceptual discourse, while some 'activists' willing to adopt a more flexible stance on inclusion and universality are arguing for limited, and thus necessarily imperfect experiments that would enable the concept to be tested. Questions of the meaning and operationalisation of the principle of 'universality' [who is included, who is excluded, and on the basis of which criteria] are therefore not easily avoided if basic income is to move from abstract concept to an operational policy instrument.

Globalization of the economy and technological change are macro-trends that frame the basic income discourse. These trends are seen by basic income proponents to reduce and change demand for labour, the kinds of work available in the market economy, and wage rates for work of different type. Also relevant is that that welfare and social security systems in place are increasingly stressed and, in the perspective of basic income proponents, they are counter-productive to the policy goals they are

¹⁰ More's book, written in Latin and entitled *De optimo rei publicae deque nova insula Utopia*, was published in 1516.

claimed to serve. In their perspective, established welfare and social security systems and policies that seek full employment are misguided. Narratives of change circulating through the network are framed by high and persisting structural unemployment, a growing wealth and income 'gap' between rich and poor, social exclusion created by the ideological division between those who earn their income (respectable citizens) and those receiving unemployment benefits (stigmatised as second-rate, idle and problematic citizens), a perceived poverty trap, and concerns for justice, equity, and freedom, especially for greater freedom for people to choose how they use time.

Basic income proponents see current arrangements and policies as unfair, oppressive, and coercive. They challenge the widely supported goal of full employment on grounds that this is neither necessary nor achievable. It is also not necessarily always desirable. Work in the formal (money) economy is not always what people want. Wage work can be unfulfilling and some poorly-paid jobs do not cover even basic subsistence costs. Meanwhile, potentially more fulfilling, societally-useful work in the family or community is not appropriately valued. From this perspective on an inclusive society, full employment is a false, flawed or, at best, partial goal.

Basic income proponents argue that full employment policies are driven by political needs to reduce welfare costs and to put pressure on those receiving benefits so that unemployment is not an attractive option. On these grounds, BIEN challenges state welfare and redistribution policies arguing that social security arrangements are less a 'safety net' and more a 'trap' for the weakest and least fortunate whose options reduce even further as a result of receiving benefits under often restrictive and demeaning conditions. Social welfare recipients are tellingly labelled as 'inactive', seen as 'parasitical' on mainstream society, and stigmatised for being poor and lacking in capacity and perseverance. Their inclusion through compulsory trainings and work insertion programs is considered to be ineffective in light of structural unemployment, inefficient for the excessive administrative efforts involved, and undesirable as their inclusion is shaped by conditions set by others rather than by their own choices.

The transformative ambition of BIEN is therefore root-and-branch reform of the state welfare, means-tested benefits systems and policies that currently aim at full employment. Unusually for a social innovation, BIEN targets 'top-down' change and its modus operandi is to raise awareness of the basic income concept and win support for it in the policy discourse. The remedy BIEN proposes is to establish 'a firm and unconditional floor' in the form of a basic income on which 'all can securely stand' and which would provide all citizens with more choice to use their time in ways they find meaningful and fulfilling.

Effectively, BIEN posits that social and economic inclusion is universally achievable and that this does not depend on full employment or a state welfare system. It posits that the currently strong links between these, which are presented also in the full employment policies supported by both employers as well as unions, are artificial and increasingly unrealistic in the face of the rapidly continuing mechanization of labour. Wage working and freedom are presented by BIEN and its affiliates as alternatives rather than as complements. In this perspective, full employment as promoted through official inclusion policies equates more to universal bondage than to economic and social security or to individual freedom. Proponents of basic income therefore bring new elements, such as freedom and security, to the discourse of in/exclusion, which open opportunity to revisit hegemonic policy goals and strategies.

This aspect of 'freedom' is summed up in the name of one group of German basic income proponents, 'Freiheit statt Vollbeschäftigung', which translates to 'Freedom not Full Employment'. The societal goal, in this perspective, should be more freedom (i.e. liberation from existing social institutions that are seen to lock people into dependence, unfulfilling lives, and stigma), so people can use their time in ways they find meaningful and fulfilling. Compared with establishment actors, proponents of basic income downplay the significance of full employment policy for the realization of economic and social inclusion.

Basic income therefore holds many implications for dominant systems and arrangements, such as for how entitlement to a share of GDP is arranged, wage rates and labour market dynamics, whether there is any need for bureaucratic welfare benefit and social security systems, and the effectiveness and desirability of mainstream 'inclusion' policies that focus on full employment and economic growth. It urges a revision of received understandings and patterns of work, time, income, justice, equality, community, citizenship, and inclusion. It holds implications for demographics, including potential impacts on birth rates and migration. It also raises wider questions, including about the role of work and struggle in social order. Is formal, hierarchically-organised work necessary for social order, to avoid chaos and to maintain skill levels in society, or could self-organised work and activity do this equally well? Would people still be motivated to work in the market economy if a basic income was assured already? Would wage rates and income differentials in society increase rather than reduce as a result of basic income? Would levels of work-readiness in society (and emergency-readiness) fall if citizens were not obliged to work? Would greater freedom lead to more disruptive or anti-social behaviour among people with 'too much spare time on their hands' or reduce levels of stress and insecurity and provide for more creative, constructive and caring behaviours to come through?

Owing to its reach and scope for impact on fundamental aspects of social arrangements, the concept has a very high societally transformative potential. But its potential impacts are also highly uncertain and the uncertainties are not easy to address. This is a major stumbling block for the concept in moving from discourse to implementation. Most discussion of basic income implementation concerns implementation at the national or subnational levels. However, if payments are spatially differentiated to reflect that costs of living differ spatially, implementation cannot be 'unconditional', The requirement for qualification criteria to define 'inclusion' is therefore not easily done away with since questions of citizenship and territory are necessarily raised to determine entitlement. Equally, any partial experimentation with the concept, such as its introduction only in limited areas of a country, would not (in the view of BIEN purists) be a true test of the concept, since space-bounded experiments are at odds with principles of universal and unconditional entitlement and create discontinuities that would be likely to generate additional impacts.

On this basis any national implementation, which would be true to underlying principles, would necessarily involve taking a leap in the dark with unknown micro- and macro-effects sounded out only partially through localised experimentation. Perhaps counterintuitively, the high transformative potential and outreach of the concept is partly its undoing, since this creates high stakes and high risks when combined with uncertainty. Given that the transformative potential of such a 'systemic' concept is great and the impacts on established systems and arrangements are so uncertain, there is

little appetite for such risk. Against this backdrop, the actual impact of the concept so far has been limited.¹¹

The uncertainty over impacts also holds implications for defining key actors and stakeholders for BIEN and its affiliates to work with and for relations with establishment actors. Uncertainty over impacts offers both advantages and disadvantages. With impacts uncertain the concept attracts both support and critique from actors across the political spectrum. On the left, universal basic income is thought by some to be a fair and just system, although some on the left still prefer the idea of full employment and a minimum wage. On the right, universal basic income is seen by some as a policy that would make the bureaucratic system of means-tested welfare payments obsolete, which appeals to ideas of ridding society of bureaucratic and inefficient government systems that do not add to economic output, although some on the right still argue that a basic income would remove the incentive for people to study, learn a job, and work. Increasingly, the concept has been positioned as politically neutral (Pel & Backhaus, 2016).

7. DISCUSSION: THE POTENTIAL OF SOCIAL INNOVATIONS TO CONTRIBUTE TO TRANSFORMATIVE SOCIETAL CHANGE

The earlier-posed core questions ask what insights our empirics offer into the potential to support transformative change toward more inclusive societies and what form these contributions might take. In the following discussion we consider the contributions of the case-study social innovations to reframing inclusion issues and to reformulating inclusion strategies at levels ranging from discourse and goal setting through to demonstration. We consider the extent of contribution and influence so far and how this varies across the cases to provide insight into the scaling and mainstreaming potential of the different cases. We reflect also on insights for innovation policy and for policy innovation.

Our three case study social innovation movements have in common that each, in its own way, sees fundamental flaws in one or more of the major bedrock sub-systems of our present-day societal infrastructure – the mainstream economy, the social welfare system, and representative democracy – and in the mechanisms within and between each of these systems. Whereas mainstream policies of inclusion (especially those relating to economic and democratic inclusion) have been dominated by approaches that seek to integrate the excluded (the unemployed, disaffected voters, etc.) into these bedrock systems, our case study social innovations approach in/exclusion through different perspectives. They reframe the issues, seeing the mainstream systems as ‘the problem’ and relating exclusion to inbuilt mechanisms that are intrinsically excluding, discriminatory, polarising, stigmatising, coercive and self-serving or to external trends that have come to limit the possibilities for these systems to be inclusive. They formulate critiques of and institutional alternatives for

¹¹ The argument has been made that advancement can perhaps only be achieved in a piecemeal fashion and that changes in the Dutch national taxation system can be considered the initial step of an implementation ‘by stealth’ (Groot & van der Veen, 2000). Furthermore, the Brazilian Bolza Família programme, largely composed by Senator Suplicy, is said to have contributed to President Lula’s election in 2006 and was designed explicitly as a first step toward a universal basic income. In addition, several experiments with varying focus and methodology are currently planned on local, provincial and national level in the Netherlands, Canada and Finland, respectively.

particular inclusion mechanisms – especially pointing out particular limitations of social security systems (timebanking and basic income) and to representative democracy (participatory budgeting). They also question the relevance and effectiveness of hegemonic inclusion goals and strategies, especially those focused around workplace insertion, which can also add to exclusion and divert attention from actually experienced, though often overlooked, forms of exclusion. Their response is to offer alternative ways of organising society that match better to their and their members' values, principles, perceptions and experiences.

Inclusion is one of the principles espoused by all three of our case study innovations. As a core principle, inclusion is therefore automatically a design criterion for the solutions they propose. Whereas mainstream inclusion policy seeks to retrofit inclusiveness into systems that are not designed to be inclusive and which often have inbuilt exclusion mechanisms, such as qualification criteria, (making mainstream policies, at best, zero sum endeavours and, at worst, self-defeating), our case study social innovations propose solutions that are (in their understanding of in/exclusion) more inclusive by design and they put their ideas into practice to varying degrees.

This begs some questions: how far have our cases study social innovations come in their experiments in inclusion, to which extent is there evidence that their activities include individuals and groups that suffer most from exclusion, and what challenges do the social innovations face in extending their impact from the few to the many?¹²

Interestingly, the transformative ambitions of our three cases differ in how they envision the relation of the solutions they propose to mainstream societal systems and modes of organisation. Basic income is the most radical of the propositions, since it offers an alternative to using the wage relation and qualification-based benefits arrangements as a basis for distributing entitlement to GNP. Effectively, universal basic income could entirely replace the need for qualification-based systems of entitlement. Depending on the level of basic income and how this is financed, a basic income would reduce the necessity to work in the formal economy, which implies some redistribution of power and control in society from capital to citizenry.

Participative budgeting (as part of participatory democracy) is not, by contrast, seeking to replace an existing system, but rather to improve an existing system by innovations that could revitalise interest and enthusiasm for democracy and democratic processes. It seeks to make the democratic system more inclusive and more open to direct participation. This would, nevertheless, change the balance of power in public decision making processes, reducing the power of elected representatives relative to motivated, competent and organised individuals and groups¹³.

Like participatory budgeting, timebanking proposes solutions that could help support and even salvage existing systems under stress; for example, welfare systems such as health care and adult

¹² This last issue of scaling of social innovations is explicitly raised by basic income proponents who argue that inclusiveness implies some universal roll-out, at the same time noting that this is typically difficult to achieve for social innovation initiatives unless governments are involved, which in part explains their focus on seeking to influence policy debate.

¹³ Empirical work reveals that individuals and groups who are sufficiently motivated, organised and capable of becoming involved and effective in direct democratic processes may not themselves be fully representative of society and that, while representing some progress toward greater inclusion of citizens in making decisions, tendencies remain for inclusion efforts to exclude some members of society. See, for example, Swyngedouw (2005) on the Janus face of such governance beyond the state.

social services. But timebanking also proposes to help build entirely new elements of social infrastructure, such as parallel 'sharing' economies and complementary social insurance arrangements based on in-kind contributions rather than money-based contributions.

Both the Timebanking movement and the movement for participative budgeting demonstrate some achievements. Timebanking, for example, offers quite impressive early-stage social welfare and nascent sharing economy schemes in towns and cities in several different countries with participation open to any citizens and organizations willing to adopt and practice timebanking values. Likewise, the participatory budgeting movement successfully arranges planning and budgeting processes in a growing number of cities and countries and delivers high and broad levels of public engagement, active interest, and participation in local decision making by a diversity of individuals. Both of these offer some evidence of proof of concept, at least at their scales of operation. They demonstrate that alternative or additional inclusion mechanisms can work and can perform on widely-accepted parameters. Nevertheless, both are limited in their overall inclusion impact by the fact that their scales of operation are limited.

By contrast, the social movement around Basic Income has still to deliver significant demonstration projects, notwithstanding some limited experiments in both developed and developing country contexts (see, for example, Forget, 2012 and Standing, 2013). The reasons for this are arguable. One factor, clearly, is that, unlike with timebanking and participatory budgeting, implementing basic income is not something for which direct action is at the full discretion of its proponents; it requires also political support. There is another factor, nevertheless. It seems that the concerns of basic income proponents for the integrity of their vision for the concept (in this case, the aspect of universality specifically) have kept it from achieving any of its transformative potential. Political progress on achieving demonstration projects has only recently begun to be made and has been achieved (largely) through the efforts of new actors and supporters operating independently from the BIEN network.

Accepting that the wholesale basic income vision of universal inclusion is near-impossible to implement, these new actors have prioritised pragmatism over purity. Importantly they have also been able to combine their pragmatism with significant communication and political skills. An example is the carefully and effectively orchestrated media-hype surrounding recently launched crowd-funded basic income initiatives in Germany, the Netherlands, and the US, with initiatives in several other countries being planned (Backhaus & Pel, forthcoming). Another outcome after many years without political progress is that a referendum on basic income was held in Switzerland during the first half of 2016. While the vote was against its introduction in Switzerland at this time, the referendum raised the public profile of the issues involved and made these the focus of a broad societal debate.

Another insight is that, in the light of growing societal needs for effective new approaches to overcoming social exclusion and building more inclusive and cohesive societies, proponents of basic income, which have tended so far to frame it in terms of a comprehensive alternative social-security/economy blueprint, might usefully re-frame the concept in social inclusion terms, since it offers a set of potentially persuasive alternative understandings of social inclusion and these still remain to be communicated effectively.

Overall, the scope for institutionalization of social innovations is likely to be greater when there is some clear correspondence between what the social innovation demonstrates can work in practice and shifts in policy thinking already emerging because mainstream systems are stressed, hegemonic policies are proving inadequate (as events on the ground and the critiques of our three social innovation cases show), and a search is already underway for new solutions. This constellation offers scope for a dialectic relation to emerge between social innovators and establishment actors through which the two 'ends' might work toward some new 'middle' ground. There is a strong and broad consensus that social exclusion is a problem that is now absolutely urgent, that various inclusion mechanisms have been losing their 'inclusiveness' over time, and that policy goals and strategies as well as deployed inclusion mechanisms all need updating.

Institutionalisation of social innovations is a key challenge both for social innovation organisations and for innovation policy. The key concern for both is to ensure that the potentials for innovation and for delivering effective solutions are maintained through upscaling and institutionalisation processes. Journeys toward institutionalisation are high risk. Experience demonstrates that loss of (some) integrity of the social innovation process and practice is often (part) of the price of upscaling. What this highlights from the perspective of innovation policy is the need to better understand the processes and mechanisms of negotiation that play out within social innovation movements and between them and external actors in the course of making such journeys. Policy attempts to co-opt and use social innovations instrumentally in relation to delivering on existing inclusion goals and strategies run the risk both of undermining social innovations and failing to understand the real potential of social innovation as a stimulus to policy renewal.

This is not to say, however, that social innovations will not evolve as they upscale. Indeed, evolution is likely to be necessary because upscaling presents new design challenges. This is interesting also from an inclusion perspective, since as the nature of a social innovation changes, its appeal to supporters also changes. The capacity to appeal to different potential supporters is an element of the versatility of the social innovation, once again highlighting the relation between social innovation versatility and potential contribution to social inclusion. The journey toward institutionalisation, winning new and more supporters, and achieving wider societal impact may also entail losing early supporters on the way while picking up new and different supporters. A versatile and flexible social innovation is likely to be more able to maintain a critical mass of support even as there are changes in its constituencies of support. Interviews with some grassroots time bankers, for example, revealed that some prefer the autonomy that comes from being free from sponsorship and they valued this over sponsorship and being tied in to a sponsor's agenda. Others would like to see sponsorship in order to make time banks more sustainable. These different perspectives may not be reconcilable. If they are not, up-scaling might necessarily imply some loss of inclusiveness among the membership of a movement as it up-scales and alienated early-supporters leave.

This leads to interesting questions for innovation policy over whether any inclusiveness mechanism can sustain its inclusiveness over time or whether there is a constant need for new contributions from social innovators to critique dominant inclusiveness mechanisms, reframe societal understanding of in/exclusion, and renew the set of inclusiveness mechanisms to compensate for emerging exclusion tendencies. Clearly a strong advantage over other forms of innovation is that social innovation processes engage those members of society who are closest to problems and challenges in the processes of developing and practising solutions, in this case those actually experiencing ex/inclusion

failures. Since these are the closest to the problems and since societal problems and challenges are constantly changing, social innovation processes are likely to be among the most sensitive indicators of challenges and of the effectiveness (or otherwise) of mainstream solutions as well as sources of solutions. As our case studies illustrate, social innovators offer a much wider range of insights into the semantics and dimensionality of ex/inclusion and bring a diversity of perceptions and creative insights into developing solutions on a continuous basis.

In conclusion, the lens of inclusion provides insights for understanding the transformative potential of social innovations and how this potential is constituted. It offers insights into how the challenges of societal in/exclusion are differently perceived and addressed by mainstream actors and different social innovation movements. It also offers useful contributions to a developing theory and empirics of transformative social innovation that can help to identify opportunities and modalities for policy makers and social innovation practitioners to work toward more inclusive societies. It calls for policy innovation, especially for diversifying the goals, strategies and mechanisms deployed in social inclusion policy. In respect to innovation policy, it points toward a higher estimation of social innovation as an important source of innovative potential and creativity in addressing social challenges, which are increasingly important and, as the lens of social inclusion reveals, can be more complex and multidimensional than policymaking often appears to assume. Finally, it points to ways for cooperation to emerge between policymakers and practitioners on social inclusion, but also points to areas of tension that must be managed in efforts to facilitate transformative change. Finding ways to make creative use of such tensions provides an important agenda for the concerned parties and for innovation policy in the period ahead.

REFERENCES

Aasland, A and T. Fløtten (2001). "Ethnicity and Social Exclusion in Estonia and Latvia" in *Europe-Asia Studies*, Vol. 53, No. 7. (Nov., 2001), Pp. 1023-1049

Backhaus, J. and Pel, B. (2016) [Transformative social innovation : BIEN and Basic Income : a summary of the case study report on BIEN and Basic Income](#). TRANSIT: EU SSH.2013.3.2-1

Boyle, D. (2014) The potential of time banks to support social inclusion and employability, Joint Research Centre of the European Commission, Seville.

Cipolla, C.; Afonso, R.; Serpa, B.; Wittmayer, J. and Rach, S. (2015) **OIDP Network - International Observatory of Participatory Democracy**

Dorland, J and Søgaaard Jørgensen, M. (2015) [Transformative social innovation narrative : Living Knowledge Network](#). TRANSIT: EU SSH.2013.3.2-1

Dumitru, A.; Lema-Blanco, I.; García-Mira, R.; Haxeltine, A. and Frances. A. (2015) [Transformative social innovation narrative of Credit Unions](#). TRANSIT: EU SSH.2013.3.2-1

EC (2010) Europe 2020: A strategy for smart, sustainable and inclusive growth, Communication from the Commission, Brussels, 3.3.2010 COM(2010) 2020 final.

Forget, E.L. (2012). Canada: The Case for Basic Income. In: M.C. Murray and C. Pateman (eds.) *Basic Income Worldwide: Horizons of Reform*, Palgrave Macmillan, UK, pp. 81-101

Francis, P. (1997). "Social Capital, Civil Society and Social Exclusion" in Kothari, Uma and Martin Minouge (eds) "Development Theory and Practice: Critical Perspectives" Hampshire: Palgrave

Goodwin, N. (2003) Chapter 15, pp. 350-359, In: Goodwin N, Nelson J, Ackerman F and Weisskopf T *Microeconomics in context*, New York: Houghton Mifflin

Groot, L. and Van der Veen, R. (2000). Clues and Leads in the Debate on Basic Income in the Netherlands. In: R. van der Veen and L. Groot (eds.), *Basic income on the agenda. Policy objectives and political chances*, Amsterdam University Press, Amsterdam, pp. 197-223

H.M. Government Department of Business, Innovation and Skills (2015) Independent review of the sharing economy: Government Response. Available at: www.gov.uk/bis

Lenoir, R. (1974). *Les exclus: Un Français sur dix* [The excluded: One Frenchman out of ten]. Paris, France: Le Seuil.

Pel, B. and Backhaus, J. (2016). *Just do it! Shifting dimensions of social innovation in Basic Income experiments*. Paper presented at the Interpretive Policy Analysis conference, 5-7 July 2016, Hull, UK

Rawal, N. (2008) Social Inclusion and Exclusion: A Review, *Dhaulagiri Journal of Sociology and Anthropology* Vol.2, pp.161-180.

Ruijsink, S. and Smith, A. (2016) [Transformative Social Innovation: European Network of Living Labs : summary report](#). TRANSIT: EU SSH.2013.3.2-1

Sen, A. (2000). "Social Exclusion: Concept, Application and Scrutiny" in Social Development Paper No. 1, Asian Development Bank

Silver, H. (1994). "Social Exclusion and Social Solidarity: Three Paradigms" in *International Labour Review*, 133 (5-6) Pp. 531– 578

Simon, M. and Boyle, D. (2008) Foreword. In: Ryan-Collins, J., Stephens. L. and Coote A. *The New Wealth of Time*, New Economics Foundation, London.

Skropke, C. (2016) Timebanking to meet integration challenges of migrants in the context of urban poverty in the UK: a case study. Masters thesis undertaken at the International Centre for Integrated Assessment and Sustainable Development (ICIS), Maastricht University, Netherlands, August 2016.

Smith, A.; Hielscher, S. and Fressoli, M. (2015a) [Transformative social innovation narrative : Fablabs](#). TRANSIT: EU SHH.2013.3.2-1

Smith, A., Hielscher, S. and Fressoli, M. (2015b) [Transformative social innovation narrative : Hackerspaces](#). TRANSIT: EU SSH.2013.3.2-1

Standing, G. (2013). India's Experiment in Basic Income Grants, *Global Dialogue: Newsletter for the Sociological Association*, 3(5), available at: <http://isa-global-dialogue.net/indias-great-experiment-the-transformative-potential-of-basic-income-grants/>

Weaver, P.; Dumitru, A.; Lema-Blanco, A. and García-Mira, R. (2015) [Transformative social innovation narrative : Timebanking](#). TRANSIT: EU SSH.2013.3.2-1

Wittmayer, J. M. and Rach, S. (2016) [Participatory budgeting in the Indische Buurt \(chapter 5 of TRANSIT case study report participatory budgeting\)](#). TRANSIT: EU SHH.2013.3.2-1

Woskowiak, D. (2014) Unlocking the sharing economy: an independent review, November 2014, UK Department of Business, Innovation and Skills. Available at: www.gov.uk/bis

Authors:

Paul Weaver is Professorial Fellow at ICIS, University of Maastricht, the Netherlands and Professor at LUCSUS, University of Lund, Sweden. He is an economic geographer whose interests focus on the political economy. He has interests in the dynamics of capitalism and the role of innovation and transition processes within capitalism from sustainability perspectives. He is especially interested in non-market (non-money) economies and their interplay with mainstream actors and systems.

René Kemp is professor of innovation and sustainable development at ICIS, Maastricht University (NL). He is interested in the link between micro change and macro change. He is well-known for his work on strategic niche management, sociotechnical regime shifts and transition management. René Kemp has a background in (environmental) economics and innovation studies, and is a self-taught expert on the sociology of knowledge, public policy and political economy. As a multidisciplinary researcher, he has published in innovation journals, ecological economics journals, policy journals, transport and energy journals, and sustainable development journals. He is advisory editor of *Research Policy*, editor of *Sustainability Science* and editor of *Environmental Innovation and Societal Transitions*.

Tim Strasser is a junior researcher working on the EU-funded TRANSIT project. He has a background in sociology, cultural studies, sustainable development as well as Science and Technology Studies (STS). Next to his part-time research work, he is practically involved in social innovation as trainer, facilitator and social entrepreneur for rootAbility, supporting change makers around Europe to embed sustainability within universities via the Green Office model and movement. In this way, he integrates theory and praxis of transformative social innovation in his daily work.

Julia Backhaus is a PhD researcher at the International Centre for Integrated Assessment and Sustainable Development (ICIS) at Maastricht University. Her work focuses on the role of assumptions in transition processes, including group initiatives or personal efforts aimed at contributing to transitions towards more sustainable, equitable or just societies. One of her cases studies considers the Basic Income as (an idea of) a transformative social innovation.

Bonno Pel is a postdoctoral researcher at the Centre d'Etudes du Développement Durable of Université Libre de Bruxelles. He has a background in environmental planning, political philosophy and public administration, and specializes in the governance and politics of sustainability transitions. Currently he participates in the TRANSIT project on Transformative Social Innovation Theory, working mostly on methodological aspects, governance-related themes and theory development.

Flor Avelino has a background in political science and works as a transition researcher and lecturer at DRIFT, Erasmus University Rotterdam (The Netherlands). Her research is focused on the role of power and empowerment in sustainability transitions. As scientific coordinator of the Transformative Social Innovation (TranSI) research project, she currently investigates how grassroots initiatives and transnational social movements challenge, alter or replace existing institutions. As the academic director of the Transition Academy, Flor strives to co-create new learning environments to challenge people to think and act for radical change.