

# AUSTERITY and its **ALTERNATIVES**



## Social Innovation Labs

Neoliberal Process or Democratic Intervention?

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# From SIBs to SILs

- Social Innovation Labs (SILs) = policymaking process popular since financial crisis
- Coincides with spread of Social Impact Bonds (SIBs)
  - Private investors fund social services, receive return if social value produced
  - From outputs to outcomes
  - Find out 'what works', hence SILs
- What could be potentially progressive about SIBs?
  - Focus on social policy problems, involve non-profits and citizens, achieve positive social outcomes
  - Profit motive perverts
  - Do SILs offer potential if profit motive not present?



# What are SILs

- Purpose to find innovative solutions to complex social problems
- Done through 'systems change'
- 4 core elements:
  1. Diverse stakeholders (public, private, non-profit, citizens)
  2. Physical space
  3. Systems design
  4. Idea change
- Internally operated by larger organization or stand-alone entity offering service for free or for a fee





# Why do SILs Merit Critical Analysis?

- Limited scholarly analysis of SILs
- Contradiction between austerity and inclusive policymaking drivers
- Austerity inspired neoliberal policy process OR democratic policymaking intervention?
- Map SIL development in Canada to establish trends, identify conceptual approaches, highlight contradictions





# Findings

- Trend to SILs across Canada
  - 4 private sector labs
  - 8 government labs (provincial, federal, and municipal)
  - 19 university labs
  - 28 labs in the non-profit sector
- Exist across policy areas and 'social' defined broadly
- 5 labs offer impact investment
- Dual trend to entrepreneurialism and community development





# Analysis: SILs as Neoliberal Process?

- Innovation to NPM in a context of austerity
- Idea that state can't afford social programs, government's risk averse
- New social service markets and entrepreneurial problem solving
  - Social problems commodified
  - Governments contract with players who can prove to solve problems
  - SILs the mechanisms by which solutions sought
- Risks depoliticizing social problems



# Analysis: SILs as Democratic Intervention?

- Evolution in rational policymaking that addresses critiques relating to democracy and wicked policy problem solving
- Impasse not the policy problem itself but government processes
- Emphasis on non-profit service delivery in local places but really getting at wicked roots?
- Fast testing to provide outcomes may challenge complex systems thinking
- What about power?
  - Who defines problems?
  - What causal stories presented?
  - What counts as proof?



# Moving Forward

- Reoriented welfare state where problems commodified as market opportunities
- Quick and easy testable solutions > systems thinking
- Potential openings for democratic policymaking and systemic problem solving
- Assemblage of contradictory rationales and interests of players with power differentials
- Empirical research needed





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