

## **Social Innovation Labs: A Neoliberal Austerity Driven Process or Democratic Intervention?**

Meghan Joy<sup>4</sup>, John Shields<sup>5</sup> and Siu Mee Cheng<sup>6</sup>

**ABSTRACT:** Social Innovation Labs (SILs) are a recent policymaking development that are spreading rapidly in many different countries. SILs are said to address difficult and complex social policy problems that have been resistant to solutions. To date, there has been limited scholarly analysis of SIL development, with many questions in need of critical policy assessment. This paper seeks to conceptualize SILs in the Canadian context by mapping the sector and exploring how these labs fit within the broader ecosystem of policy innovation. We consider why SILs have become so popular in this particular socio-political moment. We contend that the SIL trend speaks to a dual and contradictory desire on the part of governments for more participatory policymaking and cost saving. Thus, while SILs may create opportunities for the democratization of social policy, they are also motivated by efforts to do more with less in an environment shaped by austerity and neoliberalism. This suggests that SILs could equally result in the marketization and depoliticization of social policy. This paper highlights these tensions conceptually with the purpose of guiding empirical studies that explore how these contradictions may manifest in policy practice and perhaps offer openings for policy that addresses both the roots and symptoms of complex social policy problems.

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<sup>4</sup> Meghan Joy is Assistant Professor in the Department of Political Science at Concordia University.

<sup>5</sup> John Shields is Professor in the Department of Politics and Public Administration at Ryerson University.

<sup>6</sup> Siu Mee Cheng is a PhD Candidate in the Policy Studies Program at Ryerson University.

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## **Introduction**

Social Innovation Labs (SILs) represent a new policymaking process that has spread rapidly since the 2008 financial crisis (Westley, Goebey & Robinson, 2012). SILs are experimental social innovation mechanisms designed to tackle complex social policy and service design problems, such as poverty, that government is increasingly thought to be incapable of solving on its own (McGann, Blomkamp & Lewis, 2018). These labs create learning communities out of a group of “multi-disciplinary teams and diverse stakeholders” drawn from government, the social sciences, technical experts, civil society, citizens, and the business community who share an interest in solving the problem (VanAptwerp, 2014, np; Tiesinga & Berkhout, 2014). Such collaboration takes place in a physical space that separates these stakeholders from their usual environment and especially away from government bureaucracy (Westley et al., 2015). It is in this space where facilitation and design processes that provide direction on how solution-finding will be undertaken, outside the sphere of ‘government speak’, occurs (Westley et al., 2015).

A core component of this process is the requirement that all participants “let go of their preconceived ideas about the problems that exist and the best solution(s) to them” (Westley et al., 2015, 12), so they are able to embrace ‘change thinking’. Deep collaboration without the constraints of traditional institutional structures is said to be made possible in this environment (VanAptwerp, 2014) and it is in such a creative space, proponents contend, that innovation and radical solutions can be directed to “our most pressing social problems” (Hassan, 2014, 2-3). In this way, SILs are said to address “complex societal challenges that require systems change” (VanAptwerp, 2014, np). Diverse social actors are convened in the SIL process because they are thought to encompass a relevant representation of the system that needs to shift. This gathering presents an opportunity to identify the unintended consequences of policy and the associated adjustments that need to be made to initiate a radical system shift. As addressed below, SILs have emerged in different sectors (public, university, for-profit and non-profit) in response to these developments.

To date, there has been limited scholarly analysis of both the emergence and practice of SILs. Several articles propose potential drivers for SIL emergence,

but these have not been examined in depth. Gregoire (2016) posits that the retreat of government from addressing social problems arising from neoliberal policies and the ongoing practice of New Public Management (NPM) and its most recent iteration, New Public Governance (NPG), has helped to drive the emergence of SILs. The Public Policy Forum's (2013) report aligns SIL development in Canada with the rise of austerity and the "need to do more with less" in government and an emphasis on independent problem-solving autonomous from state bureaucracy (1-2). This argument is furthered by Van den Steenhoven (2016), who claims that SILs have permitted a shift in problem-solving from government to society. This is said to democratize social policymaking in both the public and non-profit sectors (BC Healthy Communities, 2016; Carstensen & Bason, 2012). New systems thinking is said to be a key element of SILs, an approach which is thought to break down the silos and rigidities of government processes and result in a more comprehensive approach to problem-solving. The inclusion of different societal stakeholders in the SIL process can be understood as an implementation of the 'nothing about us without us' idea from social justice.

This paper seeks to conceptualize SILs in the Canadian context by mapping the sector and exploring how these labs fit within the broader ecosystem of policy innovation. There is a need for in-depth theoretical and empirical exploration as to why SILs have emerged so quickly and extensively in this socio-political moment. While the two core drivers of neoliberalism and the democratization of policy-making appear present in the push for SILs, their analysis is piecemeal and cursory, undertheorized, and lacks empirical assessment. We posit that these drivers are unlikely to be weighed equally and are in fundamental conflict. For instance, meaningful participatory processes can be costly and time consuming and can result in demands for substantial public investment in social welfare and private sector regulation to address the roots of policy problems such as poverty, homelessness, and precarious employment. This paper offers a preliminary conceptual exploration of the SIL drivers of neoliberalism and democratization, highlighting how these are in tension in theory and offering critical questions for future empirical investigation. We begin by mapping the development of SILs in Canada to establish key trends, identify different conceptual approaches to understand their emergence, and highlight potential contradictions that merit further empirical analysis.

### **Mapping the Canadian SIL Landscape**

A systematic search was undertaken on-line using the Google search engine for Canadian-based, English-language websites with the search terms “social innovation lab”. This produced 141,000 results. For the purposes of the SIL inventory, the following types of labs were included: 1) labs that appear to have a social problem focus and/or benefit for the public; 2) labs run by government, universities, non-profit organizations and the private sector; and 3) labs that provide their social problem-solving services for a profit. The components of diverse engagement, physical space, design processes, and retiring pre-conceived notions identified in the literature were used to further assess inclusion in the inventory. The search results and analysis yielded 59 SILs in Canada as of December 2017.

Our survey shows that there has been a proliferation of SILs across Canada, with labs operating in the public, university, private and non-profit sectors. Overall, the maturity of these SILs vary as the majority do not meet all SIL characteristics as defined in the literature. We find that SILs may be internally operated by a larger public, private, or non-profit organization or may be a stand-alone entity that offers its services to these organizations at no cost, or for a fee.

Four SILs were identified in the for-profit sector, two in Ontario and two in Quebec. These SILs can be grouped in two categories: 1) labs that have been established by large private-sector companies that provide social impact funding, wherein funds are provided to implement policy solutions developed by participants; and 2) labs that provide services for a fee to clients in the community, government and private sectors. The common set of priorities amongst these SILs include urban innovation, information and technology, and healthcare.

Canadian governments at all three levels have shown significant interest in SILs. Internal SILs are operating in the provinces of Alberta, Quebec and New Brunswick. CoLAB in Alberta is located within the Ministry of Environment and acts as an internal consulting firm, offering its expertise in systems-based approaches to policy design across ministries. In New Brunswick, the Economic Immigration Lab addresses issues associated with attracting newcomers in the province and intends to provide funding to solve social problems experienced by immigrants. In Quebec, Innovative Territories in Social and Solidarity Economy (TIESS) brings together players in the social and solidarity economy in different geographic areas, including research centers and academic institutes, to develop new projects and facilitate policy transfer and diffusion. One of the eight SILs is run by the federal government – the Impact and Innovation Unit – and acts as a

consulting firm that works with “departments in applying innovative financing approaches, new partnership models, impact measurement methodologies and behavioural insights in priority areas for the Government of Canada” (Government of Canada, 2018). Three SILs are operating in the municipal governments of Toronto, Vancouver and Calgary. The Vancouver City Studio is the most developed and has interests in active transportation, pollution abatement, developing the green economy and local food systems, and social inclusion. Both the Calgary and Toronto labs have yet to identify priorities but have city service knowledge sharing and innovation as their mandate.

There is an even greater interest within the Canadian university landscape toward the SIL trend, with 19 labs identified. These labs have either been financially supported by private sector donors, and/or the public sector and/or internally by the universities. These labs generally lack clear mandates, scopes of operations, sets of priorities, and target audiences and overall, are loose and underdeveloped operations. Within the academic environment, several reasons for SIL development, distilled from their websites, are identified: to nurture and invest in student-led social entrepreneurial endeavors; to find solutions to social problems; and, to drive collaborations across faculty, the student body, and with external stakeholders in the public, private and non-profit sectors. They are also seen as initiatives that market universities as societally relevant organizations that offer their services to these external stakeholders.

By far, the greatest number of SILs have been established in Canada’s non-profit sector. However, the majority of these 28 labs do not exist as stand-alone entities and are supported by another non-profit organization, funding agency, university and/or government. This illustrates the hybrid nature of the lab concept. Unlike the labs headquartered in other sectors, non-profit SILs place emphasis on supporting their communities to address the social problems they identify. A common theme that has emerged among these labs is a focus on environmental/sustainability issues and healthy physical environments with respect to creating spaces that encourage healthier lifestyles, active transportation and social inclusion. Such civic actors have often been useful in identifying issues and pointing out possible grounded solutions to government policymakers and the wider public.

Many of these non-profit-based SILs are more grassroots and democratic in character and often, aside from their interaction at the local level, are distanced from the actual centers of government decision-making. A striking exception is the MaRS Solutions Lab based in Toronto. This SIL has been well-financed and

connected to government, the business sector and communities of experts. For example, MaRS has been closely involved with so-called impact investing, noting that it “works to unlock the power of private capital to tackle persistent social challenges. It works with investors, governments, ventures and service providers to create funding solutions for projects that generate social and financial returns” (Kim & Farthing-Nichol, 2017, 2). MaRS is currently engaged in work with the Federal department of Immigration, Refugees, Citizenship Canada (IRCC) in a pay-for-performance project involving the settlement and employment of Syrian refugees (Kim & Farthing-Nichol, 2017). While MaRS is well linked into policy networks, it lacks organic grassroots grounding. The pattern seems to be that the more grassroots the SIL, the less connected to senior level policy circles (Henfrey et al., 2017).

Only five of the SILs offer social impact funding to implement and evaluate solutions, three of which are university-based while the other two are non-profit and private. 42 of the SILs identified clear priorities that they were advancing, with respect to social problems that they wished to address. The SILs that possess the clearest mandates and sets of priorities are those situated in the non-profit sector, while those in other sectors are generally not as fully evolved. The lab trend is thus growing but still in its infancy in Canada and there is a clear need to theorize and conduct empirical research on SILs more broadly as well as within particular sectors. The following presents a first effort to theorize/conceptualize SILs through a critical policy frame based on the two core drivers identified in the literature: neoliberalism and democratizing policymaking.

### **SILs as a Neoliberal Policy Process**

SILs can be understood through a lens of neoliberalism as an innovation to NPM and NPG in a context of austerity due to the 2008 financial crisis. It is important to note that the issue of public sector innovation is not new. Earlier public-sector reforms date back to at least the 1980s as part of the ‘reinventing government’ movement popularized by Osborne and Gaebler (1992) and NPM reforms which were about institutionalizing a more ‘entrepreneurial state’, breaking down bureaucracy, and bringing in market-like business practices to the public sector, including ‘doing more with less’ (Shields & Evans, 1998). Neoliberalism is the hegemonic policy paradigm that displaced Keynesian based public policy embracing market-centered ideas, approaches and solutions to societal problems. Harvey (2005) defines neoliberalism as “a theory of political

and economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong property rights, free markets, and free trade” (2). The state, under neoliberalism, is given a mandate to extend markets into realms in which they have been absent. NPM has served as the key mechanism transmitting neoliberal based managerialism and ‘market think’ throughout the public and non-profit sectors (Evans & Shields, 2018).

Yanow (2007) explains that the NPM project also called for a ““scientific” basis for administrative practices, as well as of extensions of so-called evidence-based medicine into the fields of management, social welfare, and so on” (117), to justify government spending. We see a similar drive working through the SIL labs that we mapped. Over the last three decades, NPM has shrunk the role of the state in collective service provision, limiting its policy capacity and marketizing service delivery by public, private, and non-profit actors (Evans & Shields, 2018). It is also a process that works to blur the lines of distinction between public, private and non-profit sectors as all are encouraged to adopt market-based and entrepreneurial values and approaches to their operations. Further, there is the embrace of the idea that citizens are really customers, clients, consumers and individual agents of human capital. Market values are usurping collectively oriented public values (Clarke et al., 2014). These trends have been extended more deeply into the social sector with the latest round of austerity (McBride & Evans, 2017), and SILs may be a feature of this.

NPG is a reform of NPM that gives emphasis to ‘new’ pluralistic relationships between the state and other societal actors. The idea of networked government is prominent where other organizations are brought into the policymaking process creating more horizontal and ‘democratic’ decision-making (Osborne, 2006; Craft & Howlett, 2012). SILs are cast as a prime example of the move to NPG, as are seeming shifts that highlight the adjustment from such things as: “structural adjustment to good governance”, “greed-is-good to markets-with-morals”; “privatization to public-private partnership”; and, “conviction politics to best practice” (Peck, nd, np). There are questions as to how deep and transformative the move from NPM to NPG actually is and whether it has actually occurred at all (Evans & Shields, 2018). Phillips (2007) argues that the policy process is not “as open and as participatory as the model of ‘governance’ suggests” (497), a conclusion we also propose regarding SILs in this paper.

The shift to an NPG discourse in government has overlapped with the neoliberal political management of the financial crisis of 2008. Neoliberal ideology

has proven itself particularly adaptive at taking advantage of crisis, flexibly adjusting its policies and persona while retaining pro-market and fiscally 'responsible' approaches to governance (Peck et al., 2012; Peck, nd). In so doing, neoliberalism has demonstrated its hegemonic control over the policy agenda even under crisis conditions (Crouch, 2011). Neoliberalism's use of SILs may very well be another reflection of its adaptive capacities.

The drive to SILs serves to expand the 'knowledge market for policy' outside of government, which has resulted in a greater role for consultants like KPMG who compete with University and non-profit SIL actors to find the solution to complex problems. The value of so-called entrepreneurial approaches to problem solving that include stakeholders from the private sector is prevalent in SIL framing (BC Healthy Communities, 2016). Shrinking the state also meant shrinking the policy capacity of and in government itself (Baskoy et al., 2011), which is blamed on inherent government rigidities necessitating internal consulting agencies to find a fix as the Alberta CoLAB and the Federal Impact and Innovation Unit demonstrate. Cuts to social services and offloading policy responsibility onto municipal governments combined with the expectation that they engage in policy innovation is also likely a driver for local labs operating in Canada's biggest cities and this merits further research. The associated decline in government authority, political polarization, and growing levels of plutocracy with the advance of income inequality is challenging pre-existing approaches to policymaking (Drezner, 2017). A major factor here is the belief that the state is no longer able to afford expensive social programs due to limited revenue capture (Bellefontaine, 2012). Furthermore, there is the anti-statist notion that government is inherently risk intolerant and thus incapable of addressing major policy problems through innovation (Bellefontaine, 2012). These factors are said to have placed complex social issues beyond the sole capacities of the state to solve and has made room for the creation of a social service market and with SILs, a social policymaking market.

Interestingly, and perhaps revealingly, SIL popularity coincides with a trend that we have been tracking: Social Impact Bonds (SIBs) (Joy & Shields, 2013; 2017; 2018a). SIBs are a tool that allows private investors to fund non-profit social service interventions with the promise of receiving a return from a government partner should the service achieve pre-defined measures of social value. This social value is defined as a cost saving to government, and presumably the taxpaying citizen, that results from the change in behaviour of the client group in question, be they mothers with inadequate support or citizens experiencing

unemployment or homelessness, reducing their service requirements over time and shrinking government social spending. For instance, in a program targeting individuals experiencing homelessness, the investors might receive a return should these individuals reduce their demands for intensive service supports over a pre-defined time period (Sinclair et al., 2014).

The turn to SIBs illustrates the desire among governments to shift from funding public services to funding policy outcomes. This requires finding out, to use a Blairist turn of phrase, 'what works'; to push for new ways of thinking about social problems, to use the market in creative ways to fund and find solutions, and to approach social policy solutions in a pragmatic apolitical fashion. This suggests that the market is a neutral force that can be used in progressive ways. This notion is captured in a recent documentary directed and produced by Nadine Pequezeza on SIBs entitled 'The Invisible Heart' (2018), a play on Adam Smith's famous 'invisible hand' analogy, suggesting that hidden forms of altruism lay within the free market. Pequezeza's documentary raises critical questions here, highlighting the power dynamics between investors like Goldman Sachs and RBC and the subjects of these policy experiments who are pressured to adopt behavioural changes that will trigger a profit for these financial actors. Profiting off social policy interventions can result in social good – the magic of the market at work – we are told by supporters of SIBs who frame themselves as 'progressives'. In this market, social problems become commodified and governments contract with marketized players who can produce social value for money. In other words, these new market actors must prove that they can solve complex social problems. It is in this way that SILs can come to represent the policy design processes on which SIBs, and other market-based policy approaches, are based. SILs are an important mechanism by which these solutions are sought and, in this way, could represent a continuance of the state and policy reforms which have been tightly linked to neoliberal governance. SILs may encourage a further marketization and depoliticization of social policy and this is a crucial area of analysis for further empirical study.

The social innovation drive was born in the period of neoliberal government cutbacks and restructuring, where state financial support for non-profit organizations providing services to the community has been shrunk and the general social expectations on government greatly reduced (Struthers, 2018). Competitive funding, heavy reporting requirements, dependence on government funds with limits on policy advocacy, and employee turnover challenge the ability of actors in this sector to engage in problem solving more fundamentally (Evans

& Shields, 2018). It is significant that the advocacy role of non-profit providers has been systematically muted through NPM mechanisms (Evans & Shields, 2014) at the very time that SILs are being promoted. This raises serious questions regarding which voices in policymaking are being encouraged and heard.

Increasingly, non-profits are contracted to deliver targeted support to those who have fallen through the cracks of a crumbling social welfare system; yet, are increasingly monitored in their ability to produce evidence of results so that these individuals become less costly (Joy & Shields, 2018a). As promoted by third sector journals like *The Stanford Social Innovation Review*, the turn to the employment of innovation and social finance as an alternative to the lack of government support to pursue social good in a period of austerity has come to be seen as the only way forward. In this way, the use of enterprise and markets for social ends are legitimated by some 'progressives', as has been the case with 'third way' advocates. This 'realist' perspective is challenged by the more 'critical' approach that we advance. We have critically argued, in contrast, that SIBs are a case of private agents 'profiting from pain', an immoral market-base process that commodifies citizens and 'their problems' and works to strip vulnerable populations of social rights and supports (Joy & Shields 2018b; 2016). This clash of perspectives by progressive voices remains a matter of ongoing contestation. It is crucial to study how such processes might be at work through non-profit SIL projects, but which may also provide an opportunity for those experiencing complex policy problems to have a right to define the problems they face (Bacchi, 2009) and the appropriate policy solutions.

One point of exploration is the extent to which complex policy problems are represented as behavioural in nature, with solutions focused on behavioural change that individualizes and thus simplifies social problems (Joy & Shields, 2018a; Clarke, 2017). In this respect, social value is achieved by changing behaviours that reduce demands for costly policy programs. Westley et al (2015) have stated that the roots of SILs began in the 1950s, starting with the focus on group dynamics, group therapy and psychology that became the basis for organizational design and development. At the same time, this work was integrated with thought leadership on how groups can address systems change. In the 1950s and 1960s, E. Trist, a social scientist, furthered these concepts by stating that "mega messes" existed, and to address these broad problems, systems-oriented solutions were required (Westley et al., 2015, 10).

We contend that complex social problems are rooted in an intersection of systems such as global capitalism, patriarchy, racism, ableism, ageism, etc. that

manifest in public institutions, the intermingled symptoms of which exist in local places. While it is crucial to recognize and address these symptoms at the scale of the local, the understanding of problems must be multi-scalar and intersectional in nature to tackle the public policies (or absence thereof) that have produced these problems in the first place (Gkiouleka et al., 2018). For instance, any program that aims to tackle homelessness must address real estate marketization, the privatization of public housing, and the inadequate public system of mental health supports. Yet, neoliberal approaches to social problems reject more holistic understandings of issues like poverty, homelessness and unemployment. Instead, these approaches isolate and individualize the sources of these problems and seek marketized solutions (Harvey, 2005). Requoting David Ingram, Sossin (1993) notes that “under capitalism, controversial questions regarding distributive justice must be removed from the democratic process and dealt with as technical problems requiring resolution by managerial elites” (379). Yet, with SILs, processes for addressing these questions are in theory opened-up for broader discussion. Again, where citizens fit into this discussion and how social justice and equity are considered in SIL problem solving are important areas for future analysis.

We posit that the trend to SIBs and SILs may create dilemmatic spaces (Newman & Clarke, 2009) or openings where alternative democratic interventions to austerity may exist. We are thus interested in examining how tools like SIBs and SILs can open-up more democratic approaches to policymaking that may result in more socially progressive policy. In the abstract, there are two potentially progressive elements to these social innovation trends: 1) SIBs and SILs are said to be about tackling the systemic roots of policy problems that are complex in nature; and 2) they also promise to involve/engage citizens and non-profit actors in policy design and delivery, democratizing the process, with an emphasis on achieving positive social outcomes that improve the lives of individuals (Struthers, 2018). The question is whether the use of entrepreneurship and markets in practice can in fact be value neutral or if they are imbedded within logics that compromise social justice goals and democratic processes (Roy & Hackett, 2016). Our own examination of SIBs points to how the profit motive works to pervert the potential progressive elements of such market-centered tools (Joy & Shields, 2018a). We establish the contours of these contradictory dynamics in the following section.

### **SILs as a Democratic Policymaking Intervention?**

SILs represent a reorientation of rationalist policymaking, which is in its essence about finding objective, technical and scientific solutions to policy problems that can be generalized across contexts (Torgerson, 1986). The intention of the rationalist project in policymaking was to bypass ideological and partisan conflicts that produced inefficiency by linking the problem not to politics but to the need for better problem-solving administration and technique (Fischer, 1989). Torgerson (1986) explains that this was in fact a political strategy to separate problems from their socio-political context, subverting a deeper analysis and questioning of problems as linked to dominant ideological and material structures, and thus protecting prevailing structures and interests. While the SIL policy orientation is toward the dominant role of ideas in driving forth policy change, the notion of solving complex problems illustrates that there may be a limited understanding that if people simply adopt the right ideas – or truth – then problems can be fixed. Here, SILs may also pull on the notion that policy issues are primarily technical problems that can be solved by groupings of experts with applied knowledge and experience with the policy problem. As a policymaking technique, SILs “lay claim to universal or near universal application” (McGann et al., 2018, np) across policy domains, awarding them a magical fix kind of quality. Yet, social innovation is a concept that lacks firm definition, making “it highly adaptable to the shifting contours of policy directions and challenges” (McGann et al., 2018, np). The ambiguity and impression of the concept (Miller & Langhorst, 2017) also makes it at the same time about everything and nothing and thus not particularly helpful for dealing with complex policy problems.

By the 1970s, the rationalist project was increasingly seen as unable to solve complex or ‘wicked’ policy problems, a term coined by Rittel and Webber in 1973, in siloed government departments. The author’s state that “because there is no definitive single casual factor or factors for many wicked problems...the challenge resides both in determining all possible causes and in establishing causation to the social phenomenon” (Rittel & Webber, 1973, 162). While Rittel and Webber (1973) considered the search for all possible causes impossible because of value conflicts in defining wicked policy problems, noting that “social problems are never solved. At best they are only re-solved - over and over again” (169), the SIL emphasis on findings solutions through system change seems to refute this claim. This may be done by bypassing value conflict in problem representation and linking the impasse to government’s inability to learn from citizens as well as other sectoral actors from the private and non-profit sectors, its

siloed nature where departments fail to communicate, its risk aversion, and its limited data collection and processing capability. Yet, Yanow (2007) explains that

“technical-rational tools, such as cost-benefit analyses, and the combination of mass (or large 'n') surveys and high-speed computers held out to policy-makers the promise of solutions to knotty social problems. Forty years' experience with these promises have shown that they are useful for some situations, but complex problems require analytic tools that do not oversimplify social realities in order to force-fit them into restricted, and restrictive, models” (118).

It is further crucial to examine whether there is a tendency to oversimplify causes. Stone (1989) offers this warning about problems linked to complex causes:

“They postulate a kind of innocence, in that no identifiable actor can exert control over the whole system or web of interactions. Complex causal explanations are not very useful in politics, precisely because they do not offer a single locus of control, a plausible candidate to take responsibility for a problem, or a point of leverage to fix a problem. Hence, one of the biggest tensions between political science and real-world politics. The former tends to see complex causes of social problems, while the latter searches for immediate and simple causes” (289).

With SILs, complex problems appear to be increasingly useful today and it is important to decipher why this is the case, particularly when one works from the understanding that causes are selected because they empower certain actors to ‘solve’ the problem (Stone, 1989).

SILs thus offer up the dual and enticing possibility of engaging in both more pluralist and rationalist approaches to social problem-solving. The rationalist project has also been critiqued for being undemocratic because public bureaucrats, understood as neutral technocrats, were the only actors to possess the scientific skills to find solutions to policy problems (Fischer, 1989). Sossin (1993) explains that “instrumental reason aspires to objective truth, but it makes intersubjectivity impossible by causing citizens to be treated as objects to be

administered” (375). He advises that it is this rationalist project that is the problem, and not bureaucrats per se, as many of these rules are in place to control the bureaucracy and eliminate their discretion. It is crucial to study whether SILs are about improving the bureaucracy by supporting discretion that enables communicative relationships with citizens (Sossin, 1993) or whether it is based on an essentialist understanding of the bureaucracy meant to sidestep government. There appears to be debate as to the role of government in SIL projects, as some writers emphasize reducing the government role in problem-solving (Van den Steenhoven, 2016) and others seek improvement to internal government policymaking (Carstensen & Bason, 2012). Whether the latter is more about producing evidence to prove value for money in service provision than democratic policymaking informed by citizen and non-profit voices requires further exploration in the SILs case.

Crucial to SILs is an emphasis on the importance of the non-profit sector and locally centered initiatives for the future of social welfare (Bellefontaine, 2012). The significant amount of SIL activity within the non-profit sector in Canada may be a reflection of how communities are seeking to problem-solve in a more democratic way, opening space for citizens to define the problem on their own terms (Bacchi, 2009). Some of these are grassroots initiatives led by citizens seeking to solve highly localized problems in their communities (Henfrey et al., 2017). However, there may be a disconnect here between the localization and fragmentation of SIL projects and the emphasis on addressing the complex roots of problems and engaging in more comprehensive or systems-oriented policymaking. Approaches that emphasize fast testing to prove outcomes quickly (Peck & Theodore, 2015) continue to embody rationalist perspectives that may challenge engaging in conflictual discussions and critical thinking on wicked policy problems. This may be more likely the case if non-profits are contracted by governments to deliver social value for money, as here governments have often already defined the problem, which may be understood as more behavioural than structural in nature.

While SILs theoretically open up interesting possibilities regarding participatory policymaking and the involvement of grassroots civil society, the question is whether SILs address issues of values and power that lie at the root of wicked social policy problems (Rittel & Webber, 1973). A crucial question is who is and is not dominant in SIL problem framing and what sorts of causal stories are presented as this informs the policy solution chosen (Stone, 1989). Are these primarily neoliberal and individually oriented storylines or ones that are centered

within the broader context within which social problems originate? There is a risk that SILs ignore power with respect to who is defining the ‘right’ ideas about problem framing and potential ideas that may get silenced as well as who is considered an expert. In these ways, SILs can depoliticize the policymaking process (McGann et al., 2018). Furthermore, what counts as proof that the policy problem has been solved? The issue of what is being measured is critical and this is a value judgment linked to the defined cause of the problem. Quantitative analysis focused on measuring behavioural change to prove social value for money may be quite limiting if not combined with qualitative and community action-oriented research on improved quality of life.

Policy problems are often wicked because they are understood and represented differently by societal actors (Bacchi, 2009; Stone, 1989). For instance, indigenous poverty may be seen by some as an individual behavioural problem and by others as a more structural problem of colonial and neocolonial policy and racism. It is unclear how SILs as a process is going to address this. Again, this speaks to who has the power to define the problem and whether/how SILs embrace difficult conversations/argumentation about conflict. Here, Rittel and Webber (1973) suggest that “approaches of the "second generation" should be based on a model of planning as an argumentative process in the course of which an image of the problem and of the solution emerges gradually among the participants, as a product of incessant judgment, subjected to critical argument” (162). Here, the political context is fundamentally recognized by all involved in the policymaking process and not pushed under the table (Fischer, 1989). Exploring whether tangible mechanisms exist to support true socio-political and administrative change and whether this is being conducted in practice are important areas for future empirical research on SILs.

## **Conclusion**

Our mapping research reveals that there is a clear social innovation agenda in place within Canada. This agenda exists at all levels of government and all sectors through the commitment and attention to SILs. We contend that it is no mere coincidence that the rise of SILs in Canada, especially in the non-profit sector, corresponds with the financial crisis and the continued hollowing out of the welfare state. SILs may illustrate a reoriented welfare state where problems are commodified as new market opportunities. This, in turn, may be driving problem-solving away from addressing systemic conditions and towards quick and easy testable solutions that remain small in scale and fragmented; a warning

presented by Rittel and Webber against rational policymaking almost fifty years ago. Further empirical research should explore trends and contradictions related to this strategy and how this affects particular policy outcomes chosen and the wider goal of social justice these labs claim to espouse. It should also explore how this might differ between government, private, university and non-profit labs.

At the same time, SILs may create opportunities for democratic public policymaking that incorporates non-profit and citizen voices, who may push governments to address more systemic issues. Such democratic opportunities will remain at the level of possibility with marketized and austerity driven forces in the SIL driver seat. SILs represent an assemblage of contradictory rationales and interests of different players who have different levels of social, economic and political power to define so-called wicked problems. With the continued commitment and investment in SILs in Canada, further empirical research is needed to decipher how these conflicts play out in practice. The following research questions are crucial: Can the good intentions of the lab methodology be subverted and how exactly does this happen? Are the 'right' people gathered in the room and what are the conflicts that exist between them? What practices can social justice-oriented practitioners bring to specific lab processes that can guard against intentional or inadvertent exclusion? This analysis must look at power with respect to prevalent discourses about policy problems and solutions and the institutional positions of actors that support them. We suggest that any such examination must place these power dynamics within a policy environment where neoliberalism is a dominant political project, but one that is deeply contested and can be subverted.

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