

Social innovation and public services in an era of austerity

Call for papers for a special issue of International Journal of Public Sector Management to be published in 2014 and guest edited by Dr. Simon Teasdale, Dr. Pascal Dey, Prof. Alex Murdock and Dr. Alex Nicholls.

The financial crisis has been followed by dramatic cuts to public services expenditure in many western states. This has put extreme pressure on resources as policy makers at all levels of government attempt to address the wicked issues facing them (Liddle, 2012). But for some political actors such as the OECD, this time of crisis offers a unique opportunity to push a social innovation agenda which sees *outcome orientated* social innovations (such as intermediate labour market organisations) satisfying needs not (or no longer) provided for by state or market (Nicholls & Murdock, 2012).

In some countries (notably the UK) cuts to public spending have been accompanied by a policy discourse which portrays state action as crowding out civil voluntary activity and social innovation. This market liberal discourse is of course not new, but it does provide an apparently non-normative justification for the withdrawal of state services. From this perspective large scale government service provision is not only unaffordable; it also becomes undesirable. The proposed solution is for the state to govern indirectly and withdraw from direct welfare service provision (Clarke, 2004). This, it is claimed, creates a space for civil (or even big) society to flourish, and develop innovative solutions to the wicked problems which have proved beyond government (see Teasdale et al. 2012).

But in most industrialized countries there is a welfare mix of service provision, whereby services are provided by a combination of private, voluntary and state agencies. This varies by welfare regime type, and over time. So although the modern welfare state may have crowded out some voluntary agencies, for example Voluntary Hospitals in England, other voluntary organisations co-existed interdependently with the welfare state (Alcock, 2010; Harris, 2010). A theoretical argument was that voluntary organisations were best placed to identify social problems, and in some cases to develop responses to these problems. However the uneven nature of voluntary provision meant that governments were best placed to develop these solutions on a national scale (Salamon, 1989). Thus it would appear that responsibility for scaling up or diffusion of social innovation has historically been the role of government.

The New Public Management reforms of the 1980s saw a rebalancing of this welfare mix with the rediscovery of voluntary (and private) organisations as welfare service providers on a large scale. Salamon (1989) argued that nongovernmental third parties effectively ran the United States welfare state. In the UK under New Labour the partnership between state and third sector was formalised through a Compact and contractual arrangements began to replace grant support. A justificatory argument was around the innovative capacity of third sector organisations compared to large scale and top down government service delivery which more generally “has been criticized as bureaucratic, ineffective, wasteful, too political and antithetical to innovation” (Dees, 2007: 25). However some commentators warned that as third sector organisations increasingly became captured by the state (Carmel & Harlock, 2008) their innovative potential was lost (Osborne et al. 2008). Essentially third sector organisations are portrayed as moving from social innovators to state agents.

The rebalancing of the welfare mix would appear to be gathering pace following the economic crisis. In some countries nation states have been compelled by the European Union or the IMF to sell off state assets and contract out public services. In other countries (such as the UK) governments have promised to reduce public spending dramatically. The justifying policy discourse is frequently that state provision crowds out voluntary action and social innovation. But there is little historical evidence to tell us what will happen when the public sector withdraws as **both** provider and funder of public services. Certainly recent experience in the UK would suggest that the third

sector is shrinking at a time of public spending cuts, when measured in terms of numbers of employees (Moro & McKay, 2011).

However the past has also shown that the failure of the state to deliver services to all citizens has led to some remarkable *process orientated* social innovations which aim to alter dominant (read capitalist) forms of social relations, for example, the co-operative and mutual societies of the early industrial revolution. While the current administration in the UK has sought to co-opt co-ops, mutuals and social enterprises to their Big Society agenda, it should not be forgotten that these new organisational forms initially arose as a direct challenge to state authority. This special issue then seeks to unpick the relationship between government spending, public services and social innovation at a theoretical level, but also at a more empirical level. The following questions serve as a guide but are, of course, not exclusive.

1. How are the politics of social innovation linked to market liberal discourses pertaining to a need to shrink the state?
2. Which theories help explain the relationship between the state, social innovation and the third sector?
3. Is social innovation exclusively the property of non-state actors?
4. How might governments foster (different forms of) social innovation?
5. How far can strategies of resistance and opposition generate social innovation?
6. What particular forms of social innovation are emerging as a response to the financial crisis and the associated cuts in public services expenditures and what challenges might they pose for governments?

It is expected that many of the papers will be drawn from those presented at the 4th International Social Innovation Research Conference (ISIRC) at Birmingham on 12-14 September 2012 (<http://www.tsrc.ac.uk/NewsandEvents/ISIRCConference/tabid/875/Default.aspx>). While conference presentation is not a prerequisite for publication, the guest editors of this special issue will offer constructive criticism towards papers presented.

The deadline for paper submission is November 2nd, 2012. Papers should be submitted through <http://mc.manuscriptcentral.com/ijpsm> and should adhere to the guidelines for authors which can be accessed through the journal homepage: www.emeraldinsight.com/ijpsm.htm. For further information please contact Simon Teasdale (s.teasdale@bham.ac.uk).

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