Exploring the role of Capabilities in Social Innovation

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Introduction

The notion of social innovation can be traced to the discourse on social change through the works of Marx, Weber and Durkheim amongst others. The emergence of the co-operative movement in the 19th century with Robert Owen's work specifically promoted innovation in the social field. In more recent times the application of the concept has been in a wide range of sectors from civil society, government and the corporate world. The term itself while ambiguous with blurring boundaries is considered overarching to include the debates on the social process of innovation in methods and techniques as well as the discourse on innovations in the societal norms, methods of engagement towards a social goal and configurations of communities to achieve certain social objectives. This paper focuses on the latter – the human dimensions of social innovation.

The paper uses the Capability Approach to understand the human dimensions of social innovation. It explores the drivers of social innovation through human aspiration – the aspired capabilities. The discussion examines how aspired capabilities can be transformed into achieved capabilities through the process of social innovation that entails the engagement and participation of those involved. In doing so, the paper draws attention to the complementarities between the Capability Approach and social innovation. The paper deploys four case studies in different domains to further the understanding of the social innovation using a Capability Approach lens. The first two case studies examine the rationale, dynamics and formation of Self-Help-Groups (SHG) in many different contexts to achieve aspired capabilities. The discussion will be grounded in country examples from Bangladesh and India. The third case study examines new ways of using the existing mobile technology to address socio-economic needs of communities in Kenya. The fourth case study analyses the unique Gandhian model rooted deeply in the principles of non-violence and participation within the

Capability Approach to understand social innovation. The approach was adopted by the Indian population in 1947 to achieve political independence from the British rule. While there is rich literature on the Gandhian Approach to the Indian Freedom Movement, the use of the Capability Approach to illustrate the distinct social innovation paradigm it presented has not been attempted before. The paper therefore offers a new insight into social innovation in terms of the Capability Approach that maybe relevant in a wide range of domains.

The paper is organised in five sections. Following the introduction, Section 1 provides an overview of Social Innovation (SI) that locates the historical underpinning of the concept, it prevalence in resource scarce society and its re-emergence in the developed economies. Section 2 examines the social need, social re-organisation and social wellbeing as the means and ends dimension of Social Innovation within the Capability Approach. A conceptual framework that locates Social Innovation within the Capability Approach dynamics follows the discussion. It shows how aspired capabilities in resources constraint environments are transformed to achieved valued goals through social innovation. Examples of social innovation in case studies from India, Bangladesh and Kenya are given in Section 3. Analysis of the conceptual framework with reference to the case studies examined in Section 3 is given in Section 4. The conclusions follow in Section 5.

Section 1: Social Innovation - an Overview

The notion of Social Innovation in recent years has emerged as an overarching concept that captures the dynamics of how communities organise themselves to seek solutions for addressing social needs. The term itself draws on a range of definitions with intersections between the market, the state, the civil society and the household (The Young Foundation, 2010). Definitions that focus on the human capital and social needs are found in the work of Mulgan (2007, p8) "innovative activities and services that are motivated by the goal of meeting a social need and that are predominantly developed and diffused through organisations whose primary purposes are social." Here Mulgan draws attention to the human ingenuities in the different ways of collective living and alignments to achieve a collective social goal without necessarily the accompanying need for new material resources. Further distinctness is rendered by Mulgan through conceptualising social innovation as 'new ideas that work for achieving social goals'. Thus drawing out differences between social innovation and

improvement, creativity and invention which according to Mulgan could be taken as components of the larger SI domain but not as interchangeable concepts with social innovation. Further, he provides important insights into the need for innovation through perpetual dissatisfaction with how things are and awareness of the better possibilities.

More recently (Grimm et al., 2013) take the discourse forward within the European Public Policy domain. The study acknowledges that while SI is not a new concept, it is likely to be the dominant tool for social change in the 21st century, replacing technological innovation that ushered societal change in 19th and 20th centuries. The key reason for SI ascendance is increasingly complex - resource restricted, incompatible and problematic ethnoscapes. The emphasis of social innovation is on ideation and its implementation within the existing material boundaries. In deprived communities with paucity of material resources innovation often centres on the re-organisation of the existing human and physical resources. The overlap between the individual and the group needs – the collective need espouses reorganisation at the community level as evidenced in the case studies in Section 3. The desirable outcomes achieved through such configurations often relate to better access to public services and utilisation of common goods.

The first modern social innovator of fame was probably Benjamin Franklin (Mumford 2002), though historical origins of the concept are found in the rejection of the manufacturing system during the early nineteenth century by a number of sociologists and political economists. This led to the search for different methods of organising labour in Europe. It is in this search – the different ways of reorganization of society to achieve a better human life that the origins of the notion of social innovation can be traced back to. While the philosophical underpinning emerged from the common cause there was distinct points of departure in the theoretical constructs posited by the nineteenth century thinkers. Marx wished to abolish the division of labour due to its perceived dehumanising characteristics that prevent the human character from becoming complete while Durkheim considered this too idealistic and focused on a collective production endeavour. The most significant contribution though is considered that of Robert Owen through his co-operative movement in the early 19th century. In his "A New Vision of Society" (1813), Owen sets out his philosophy based around the notion that a person's character is formed externally of them hence the importance of protecting childhood. These issues are developed further on his "Observations on the Effect of the Factory System" (1815), arguing that the

Government of the time was ignoring the political and moral effects of manufacturing, especially in relation to children's health and the issues this causes them as adults. He proposed three Parliamentary Acts, focusing on limiting the working day in the mills, banning those younger than 10 from working and limiting the hours of those under 12, and no hiring of children who could not read or write, do basic maths, and in the case of girls sowing. The Co-operative movement became the new vehicle for these moral principles (Miliband, p.234). Owen's philosophy grew and matured within the context of his time; one of high unemployment where poor relief in the aftermath of the Napoleonic Wars was at the forefront of public discourse, especially in relation to the Poor Laws. The Cooperative movement, promoted by Owen and his followers ("Owenites"), drew upon older forms or organisation for the co-operation movement; namely the "friendly associations" that existed (and were fairly prevalent) in the late 18th and early 19th centuries (Garnet 1972, p.11), and of course from the New Lanark Mills in operation by Owen (Harrison, "Foundations: New Lanark", pp.151-163). This resulted in the Spa Fields Experiment based on a family union system, where costs of living were shared, but members kept their external jobs. This lasted until 1823 (Harrison, p.169) or 1824 (Garnet, p.4).

The work of the Young Foundation in UK is attributed to revitalising the discourse and its practice in the UK in recent times. The Foundation using the key concept of 'ends and means' within the Capability Approach defines Social Innovation as 'innovations that are social both in their ends and in their means' to more effectively meet the social need than the alternatives. Thus clearly articulating the social dimension of both the capacity to implement the new idea and its benefit. The innovation itself can be a product or a service. The concept can also be interpreted as a social process built on collaboration, collective strengths and empowerment of its participating members.

Section 2: Social Innovation and the Capability Approach

Based on the discussions in Section 1, the main feature of social innovation can be identified as re-organising human resources based on collaborative strengths that empower the participants to achieve a goal in communities. The goal itself is often grounded in the wish of the community to change a given situation, to attain different outcomes or to improve access to public goods and services. Again as discussed in

Section 1 it is this need for change or attaining different outcomes mostly within material resource constraint contexts that espouses social innovation.

Within the Capability Approach the dimension of need noted above is located in the conception of functionings as 'the various things a person may value doing or being' Sen (1999, p75). Achievement of the functionings is through capabilities – the opportunity or the freedom the person has that allow him/her to achieve what he/she values in life. The realised or the achieved functionings – what a person is actually able to do are those doings and beings that people enjoy at a given point in time (Sen, 1999, Robeyns, 2003). But what about the unrealised or the unachieved valued doings and beings? Within the Capability Approach 'development' or the social policy should provide the opportunities/freedoms – the capabilities to achieve the fucntionings. For the individual whose functionings are unmet but the desire to achieve these remains strong, their aspiration – hopes and ambition to achieve becomes the driver for achieving the valued functionings. The unachieved functionings thus spur the aspired capabilities – the aspiration to have the opportunities that allow the valued functionings to be achieved. The literature on aspiration is multidisciplinary drawing in discourses from philosophy, psychology, anthropology, sociology and behavioural economics (Rotter, 1954; Appadurai, 2004; Ray, 2003, 2006; Sen, 2004, Doward, 2009; Copstake and Camfield, 2010). [1] Recent poverty literature indicates voices to nourish and encourage aspiration amongst the poor as being critical to overcoming poverty (Chambers, 1995; Bernard, Taffesse and Dercon, 2008; Ghosal, Dalton and Mani, 2010). This paper examines what communities living in resource constraint contexts are able to do with their aspirations as part of the dynamics within the Capability Approach.

Another critical component within the Capability Approach and one that enables the achievement of the functionings is the agency – the ability to pursue the valued goals. Sen (1985b, page 206) defines agency as 'what a person is free to do and achieve in pursuit of whatever goals or values he or she regards as important'. Cleaver (2007, page 226) takes it further and defines it as 'the capability, or power to be the originator of acts and a distinguishing feature of being human'. In addition, she notes its relational existence – the relational agency, implying its use in and importance of a social context. It is this social context that shapes the opportunities and resources that

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can be accessed by individuals. Ibrahim and Alkire (2007) draw attention to the opportunity structure or the institutional environment that act as prerequisites for the effective deployment of agency. But a functioning agency itself is considered central to wellbeing or its absence to ill-being as pointed out by Narayan et al. (2000a and 2000b). Agency then emerges as the critical component of empowerment – to be able to make choices and translate into desired outcomes[2]. It is through meaningfully exerting of agency that the choices can be made as emphasised in much of the literature exploring the role of agency.

Thus within the Capability Approach it is the combination of fucntionings, capability and agency (individual, collective and relational) that facilitates the achievement of the desired dimension of human development. At the community level, individual functionings often translate into community functionings, for example - value given to being educated, being healthy, to be able to access public good and services, to be able to access the market opportunities, to live with dignity, to be able to live in a clean environment etc. These functionings include the realised as well as the unrealised beings and doings. While the former set contributes to the wellbeing of the community, the latter set has the potential to foster aspired capabilities of the community. These aspired capabilities drive the collective action, re-organisation of human capital, ideation and social strengths to achieve the community goal. Such communities deploy on what they have – the human and social capital to achieve what they value in life hence such a process is more visible in materially resource constraint environments. Figure 1 provides a conceptual model of locating Social Innovation within the Capability Approach.

Thus, it can be argued that the aspired capabilities of such resource constrained communities lead to Social Innovation to achieve the common good/goal. Viewed from the CA perspective, SI here can be perceived as the conversion factor (CF). Sen (1992) explains conversion factors as goods and services both from market and non-market economy whose specific features enable the achievement of functioings. Robenys (2005:99) and Crocker (2008) further develop the concept of conversion factors. Robeyns identifies three types of CF with the common characteristics of contributing to converting resources into a functioning: *Personal CF* which are person specific,

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[2] See Ibrahim and Alkire (2007) for a detailed review of the rich literature on empowerment.

Social CF derived from the society - public policies, norms and practices etc and *Environmental CF* located in the physical and natural environment where a person lives. This conceptualisation indicates the need for context specific input which can be both material or non-material resource (human or social capital), to enable the achievements of functionings. In the case of social innovation in material resource constrained communities their social capital and collective agency are the strongest resources. Therefore deploying their collective agency in a way that facilitates the achievement of their functioning is a conversion factor. This new and different way is also the social innovation in the community, hence within resource-constrained contexts, SI can also be considered as the conversion factor including both the Personal CF and the Social CF.

Fig 1: Social Innovation in Capability Approach
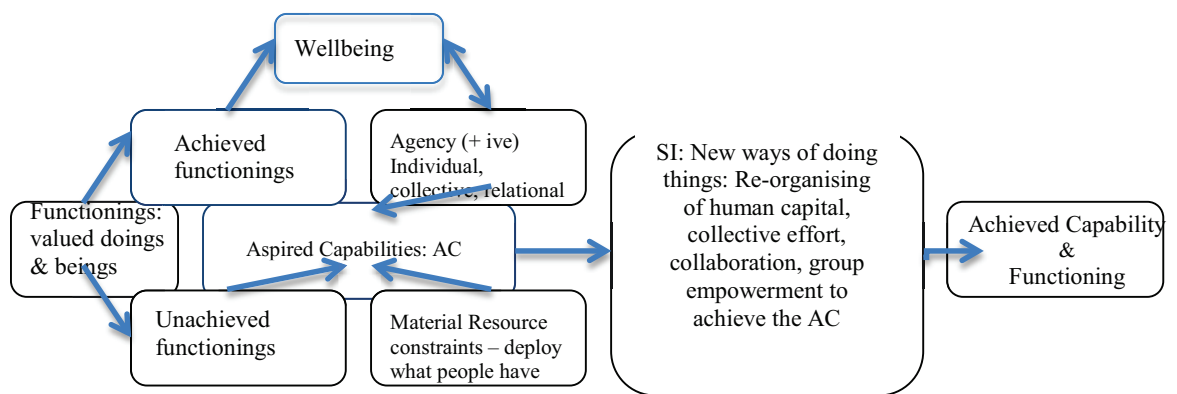
Source: Author's Research

Section 3: Social Innovation in Practice

This section examines the social innovations deployed by communities in different contexts to achieve a specific collective need or a goal of that particular community. All four examples demonstrate deployment of collective mechanisms and re-organising the existing human capital along with other owned resources instead of the acquisition of additional material resources in the first instance. All selected case studies are grounded in contexts of material resource constraints.

Self Help Groups (SHGs)

In recent history the evolution of SHGs can be traced to Alcoholics Anonymous founded 1935 in Ohio, in the US to help recover severe cases of alcoholism that were beyond medical help. However, it was not until after World War –II that the strengths of the SHGs in helping people with other problems were recongnised (Oka and Borkman, 2000). The research through an overview and history of the SHGs locates further advancement of collective power through the Civil Rights Movement in the US during the 1960s. This along with other power-to-people in the European contexts in the same period espoused the growth and shaping of the self-help groups as noted by Vattano (1972). Further literature on exploring the purpose of SHGs emerged in the US through the work of Caplan and Killilea, (1976) and Katz and Bender (1976). Such inquiries have continued through the following two decades though emphasis remained within the domains of health. This literature defined SHGs as 'self-governing groups whose members share a common health concern and give each other emotional support and material aid, charge either no fee or only a small fee for membership, and place high value on experiential knowledge..' The important features to note here are: the focus on 'common concern', the desire to reach a situation that improves on the current situation (*functioning*); awareness that this desire - the functioning is not being achieved (*unachieved functioning*); low/no new input of material resources and aspiration to seek opportunities to improve (*aspired capabilities*) through collective effort - a new and different way of addressing a common concern (*social innovation*).

Given the rationale for their formation, it is highly probable though that such human structures existed well before this period in several parts of the world. The SHGs are voluntary non-professional organisations whose members are driven to seek solutions for a common problem. This overarching rationale encompasses groups with a wide range of shared situations from social injustice, illness, victimisation as well as activism for a social cause amongst others. The two key drivers for the SHGs are therefore: a common cause and faith in the effectiveness of collective wisdom and effort over that of the individual. The deployment of collective mechanisms over material resources to address a specific group concern is the re-organisational ingenuity offered by the SHGs. The case studies discussed below demonstrate how the SHG mechanism has been deployed to address financial exclusion and livelihood deficits amongst the poorest communities in Bangladesh and rural India.

Grameen Bank, Bangladesh: A formally independent bank from 1983, the Grameen Bank group has its foundations in Nobel Laureate Muhammed Yunus' research projects in poverty and microfinance since 1976 (Yunus 2007a, pp.46-48). Initially aiming to provide small loans to the poorest (especially rural) households near to the University of Chittagong that relied on predatory money-lenders, it provided finance to over 8.3 million members across 2,565 branches and covering over 81,000 villages in June 2011 (Grameen Bank 2011a).

The bank started with Yunus lending to people from his own pocket in 1976 in the village of Jobra, near Chittagong in Bangladesh where he was an academic at the Chittagong University. Leading to this period, Bangladesh was gripped in civil war that got the country its independence in 1972 but a terrible famine followed in 1974-75. Moved by the plight of the rural poor with crushing hunger levels and a collapsed agricultural sector, Yunus attempted to reinvigorate the agricultural outputs surround the villages in Chittagong. His micro experiments included setting up a farmers' association in Jobra that operated a tubewell with a water distribution system, new seeds, fertilizers and insecticides. While these collective efforts tremendously improved productivity Yunus soon realised that the poorest who owned no land were completely left out of these positive changes. The biggest impediment to the landless poor or subsistence farmers was their inability to access finance that would support any effort in improving their circumstances. Relying on the local money-lender to acquire inputs and raw materials towards their livelihood activities, the unfair arrangement of selling all their produce to the money-lender at his asking price along with the high interest rates implied lifelong debt and subsistence levels of living. His attempts to free the poorest households from the clutches of the moneylenders and enable them to break the viscous poverty trap accompanied by the rigid collateral requirements and reluctance of the banking sector to lend money to the poorest with low-credit worthiness led to the foundation of the Grameen Bank. Unlike the traditional banking sector where the bank relates with an individual, the Grameen Bank relates via units of five borrowing members - the SHG. While each individual is responsible for their loan, the SHG unit functions as a social network offering mutual support in a range of domains. Clusters of such units meet weekly in the village when the loan repayment, agreement and disbursement takes place. The Grameen Bank has shown to have a repayment rate of over 90 percent Yunus, (2007). Rooted in Yunus' philosophy as set out in his book "Creating a World Without Poverty", the bank's goal continues to be to provide credit

and financial services to those at the bottom rung of society, aligned with Yunus' distaste for treating the poor as targets for profit (at least until they become middle class), (Bloomberg 2007; Yunus 2007a, pp.68-70)

JeeVika[3], Bihar, India: JeeVika is a 'savings-led' self-help group with a specific focus on empowering rural women belonging to the poorest and most socially excluded cohorts to improve their livelihoods. Launched in September 2007, JeeVika is a state led World Bank funded project based in the state of Bihar in India. The region is rich in fertile land, yet the past three decades have seen it suffer the worst HDI rating out of all India's 15major states. With 90 percent of its population in the rural sector and poverty incidence at 41 percent, health and education outcomes are worst in the country for the rural women - maternal mortality at 707 (national average is 404) and literacy at just 34 percent (World Bank, 2006). Rigid 'semi-feudal and complex social-exclusion politics continue to deepen divides between caste and gender. However, since 2005 there has been much progress in the development agenda in the state that ushered the establishment of this project.

The conceptual model for JeeVika is rooted in participatory and capability approaches to development. The focal point of the process is the individual rural woman belonging to the poorest and the most socially excluded cohort in the village. The JeeVika SHGs deploy local norms and customs to strengthen participation and mitigate notions of hierarchy. All members address each other as 'didi' - a term used in northern India to address an elder sister, embodying attributes of respect and reverence given to an elder sibling within the Indian context. Given the mixed age configuration of the SHGs, the purpose is to instil respect and equality in participation for younger and older women. The use of the term further helps in breaking up social barriers and creates new bonds of collegiality and social networking. In addition, the name JeeVika is translation of livelihood in Hindi enabling the women to understand and associate to as a means to improve their livelihoods and wellbeing.

The newly created bond is reinforced at the weekly group meetings held in rotation at the social space outside the dwellings of each member in circular formation. The meeting begins with a secular song in the local dialect calling for individual and collective strength, knowledge, faith and courage to follow the right path, unity in the group and community to bring happiness and wellbeing. The circular seating

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[3] This section is based on Tiwari 2010, 2012, 2014

arrangement helps in dispelling of any hierarchical notions that may arise out of social status or being office bearers – president, treasurer or secretary of the group. At these meetings, savings and repayments are passed down the circle to each 'didi' who is encouraged to count, add their input and say it aloud, to finally reach the treasurer. The practice aims to instil a sense of ownership and entitlement amongst the SHG members by visually and physically handling their savings and repayments. A Rs 10 note growing to Rs 150 at the end of the round certainly appeared to provide a sense of material security – the group has Rs 600 at the end of each month and the assurance of accessing this money with dignity. The implications – personal, social and economic, of the borrowing costs at 2 percent compared with at least 10 percent from the local moneylender are clear to the group.

The collective strengths of the groups also enable redress of social problems, self-respect from being able to sign one's name instead of the thumb imprint as an illiterate person and poor access to public services such as the public distribution of good at subsidised prices, improved in the mid day meals for primary school children and teacher absenteeism.

Unlike microfinance, which maintains a type of hierarchy between the borrower and the lender, the group as a whole decides whether a member's application (made to the group) is deserving enough to lend money and its repayment terms. Further, in clear contrast to a commercial lending process, the group appeared to relegate the 'ability to pay back' to a much lower priority where the need was either for life-threatening treatment or a daughter's marriage. 'Softer' repayment terms – extended over a longer period were offered to such applicants. However, concerns of accountability from the treasurer, of any defaulting repayment and savings as well as inadequate information being given indicated a strong sense of ownership of the process.

 In its eight years of existence, JeeVika has found some success in the domains of women's empowerment, debt relief, health improvements and children's education (Tiwari, 2014, Dutta, 2015).

M-Pesa: Set up in 2003, M-Pesa is an M-Finance (mobile finance) business run by Safaricom (part of the Vodafone group) with the initial goal of allowing the "unbanked" to pay off microloans with their mobile phones (Hughes and Lonie 2009, p.81). Starting with a pilot of 500 clients in October 2005, Safaricom reported over 14 million customers in April 2011 (Safaricom 2011), with new ventures in Tanzania and

Afghanistan and a host of new services, including the use of ATMs and payment of bills.

The project started with £1 million grant from both Vodafone and DFID as part of the latter's Financial Deepening Challenge Fund). Initially a partnership with Vodafone (providing the network coverage), Faulu Kenya (a micro-finance institute MFI), and a commercial bank (CBA – Commercial Bank of Africa) (*Ibid.,* p.82), it was found that the m-finance aspect of M-Pesa was undermining the group activities of Faulu Kenya (*Ibid.,* p.91) and infrastructure problems on the MFI's end caused problems throughout the project (*Ibid.*, pp. 87, 91*)*, leading to friction between Faulu Kenya and Safaricom. However, the initial problems centred on the novelty of the task (reassurance of handing over money from the till on the basis of a text message) and general unfamiliarity with mobile phones of the clients (who were using Kaulu Kenya's micro-finance funds). These difficulties were resolved as the project progressed (*Ibid.*, p.88).

The pilot revealed numerous positive externalities of innovative uses of the technology by the users unforeseen by the company. These included the repayment of loans in return for services, trading between businesses, 'safe box' for businesses when banks closed earlier than M-Pesa agent shops, safe transfer for long journeys, and informal remittances (*Ibid.*, p.90). The pilot was successful, and led to Vodafone launching the service as a low-cost international remittance service (*Ibid.,* pp.91-92).

The project's success can be linked to its use of simple, already prevalent technology (SIM card toolkits common to every mobile phone) and exploitation of existing infrastructure (both network and the existing organisations of Safaricom and Kaulu Kenya). It is considered a social innovation carried out first by Vodafone to address a gap in the abilities of the 'unbanked' who are likely to be the poor with limited resources and poor access to formal banking through new ways of using the existing technology. Secondly, by the users themselves who deployed the given use of the technology to them by Vodafone and used it in further new ways to address their needs in different domains including remittances which was not foreseen by Vodafone.

The Indian Freedom Movement: The Indian Independence Movement under Gandhi's leadership showed several key social innovations relating to non-violent protest and resistance to oppression. These innovations dealt with more abstract concepts than dealt with in the previous case studies – instead focusing on resistance in a situation of limited capital (weapons the most prominent) and exploiting a new age

of rapid communication to project a nationalistic sentiment beyond religion and caste. This approach took decades to cultivate, having started in Gandhi's education in London and developed through his experiences in South Africa and on his return to India in 1915. He realised the immense potential and strengths of non-cooperation, civil disobedience and non-violent resistance during this period (Montvani 1930, p.578).

Upon his return and becoming a key figure in the 'Free India Movement' Gandhi didn't "fail to realize the impotence of a disarmed, poverty-stricken, famished nation to wage a war with a heavily armed nation that had come out victorious from the war" (Montvani 1930, p.575). This was the most significant material resource constraint experienced by the people of India under the British rule. The social and human capital of the masses though could be harnessed for their collective strengths to resist the British umpire using the techniques of 'satyagraha' (truthful force) Gandhi had deployed with some success in Transvall in 1913.

Back in India he learnt about the country and his countrymen by travelling the breadth and length of the country and became aware that within the Indian society norms, customs and values were highly instrumental in guiding and influencing the motivations and drives of the people. But India was ethnically diverse and religiously divided, with an advanced imperial administration. How could he bring unity of the masses to launch civil disobedience and non-violent resistance? There is rich literature that offers comprehensive accounts, analyses and critiques of the numerous methods Gandhi used to successfully lead and achieve independence through a novel non-violent method. Two such examples are discussed here for their ingenuity in strengthening collective strengths and achieving the common goal.

The first was the one of his most famous protests in 1930 in the Salt Satyagraha, a march along a section of Gujarat's coast in protest against British salt taxes. Salt has special place within the Indian culture with connotations of loyalty and access to salt is considered a right. The increase in taxes was met with opposition from all castes and incomes groups. He used salt as a symbol to galvanise the masses by marching in thousands to manufacture their own salt by the sea and not pay the taxes imposed by the rulers. With this success in mobilising the collective strengths through non-violent and non-retaliation to violence to disobey the British Rule, he asked people to boycott foreign manufactured cloth and replace it with homespun cotton. This hit the industrial base of the British Empire by the dwindling demand of the cloth from the Lancashire

Mills. He again demonstrated to the rulers that the collective strength of the Indian people could have huge negative and disruptive impacts on the Empire.

The social ingenuity of his plans lay in identifying the resources, the weaknesses and the conversion factors - as noted above the Social CF played a critical role in the 'Free India Movement' to achieve the common goal of a free and independent nation.

Section 4: Are Capabilities the starting point of Social Innovation?

This section examines the key features of the 'unachieved functioning - aspired capabilities – social innovation – achieved capability' dynamics developed in Figure 1 through the examples of the case studies given in Section 3. Table 1 shows this dynamics for each of the four case studies. For the Grameen Bank the poor had no access to regulated financial credit and borrowed money in times of need from the local money-lenders at highly exploitative rates - 'the predatory money lenders' as termed by Yunus. Their functioning to be not exploited by the money-lender in seeking credit remained unrealised. This unachieved functioning could be realised by having access to financial credit that does not have exploitative terms ie interest rates that bind the borrower for prolonged or lifelong periods to the money-lender. Hence the aspired capability of this group is the opportunity to have access to credit that does not bind them to lifelong of debt. The inability to provide collateral to access formal credit, collateral free group lending through microfinance - a different way of addressing credit worthiness and repayment guarantees is the Social Innovation of the Grameen Bank. This has helped the poorest communities to access credit without being exploited - their achieved capability.

The poorest and the most socially excluded rural women who became members of the JeeVika SHGs experienced livelihood insecurities, feeble access to public services, low self-esteem on account of being illiterate and poor opportunities for their children. Hence their unachieved functionings were livelihood securities, to educate children and to live with dignity and respect. To achieve these functionings the women require access to financial support towards starting or expanding their livelihood activities, opportunities to access the public service provision, opportunities for their children to be educated, opportunities that will help them gain dignity and respect. These then become their set of aspired capabilities. Field research into the JeeVika SHGs between 2009-2013 (Tiwari, 2010; 2012; 2014) showed the women to have weak or no conversion factors to achieve their capabilities before their association with

JeeVika. The SHGs offered a new way of harnessing the collective agency of the women to address common goals that were included in the aspired capabilities of the women. The Social Innovation here is the organisation of the collective agency and strengths of the most impoverished groups to become empowered and access the opportunities they once languished.

Table 1: Social Innovation in the Capability dynamics

Case Study	Unrealised functioning	Aspired Capability	Social Innovation	Achieved Capability
Grameen Bank	To be not exploited by the money lenders	Opportunity to have access to credit	Microfinance group lending	Credit access without exploitation
JeeVika	Livelihood security, to be able to send children to school, to be able to sign, dignity in life	Opportunity to have livelihood, schools, opportunity to learn signing, respect	Self-help groups with collective & relational agency	Livelihood, village schools, access to public services & credit
M-Pesa	To be able to access small credit, repayment easily & quickly	Opportunity to bank access without the tedious process	Innovation in use of mobile phones – text message to replace approval & money transfer	Banking services with much less time and effort by those participating
Indian Freedom Movement	To be an independent nation	Opportunity to be a free country	Non-violent civil disobedience	Free nation

Source: Author's research

The mobile finance model M-Pesa straddles across the domains of technological and social innovations. The model deploys the existing technology for uses not conceived in the original application mapping in the mobile phones. Hence this new way of using the existing technology is certainly an innovation. This new way of using the technology though is applied to addressing a need amongst the resource constrained - the 'unbanked' individuals seeking small loans, making small repayments and small international remittances - their unrealised functionings. The new application thus provided opportunities to address a gap for financial service provision and access by less well off communities. Such opportunities formed the aspired capabilities of this group. These communities adopted new and different ways of using their mobile phones to facilitate financial inclusion making M-Pesa a Social Innovation. The achieved capabilities for the users and participants of the M-Pesa are access to banking services, access to loans and repayment without opening banks accounts and lost cost remittances.

The Indian freedom movement was founded on the unachieved fucntioning of the Indian nation to be free from the British rule. The aspired capability if the people was the opportunity to be free through compelling the rulers to leave the country. The asymmetries in the command over resources between the British Empire and the

impoverished masses with a minority-educated population would have always suppressed any armed uprising. The Social Innovation was therefore in organising the collective strengths of the people through non-violent means to cause maximum disruption through civil disobedience, non-cooperation, non-retaliation to violence. The achieved capability was independent nation after two hundred years of British Rule.

Section 5: Conclusions

In recent times within the ongoing financial uncertainties and rapidly dwindling resource reserves at the global level, the Social Innovation approach has much to offer in the discourse on human development. The paper demonstrates how aspired capabilities can be transformed into achieved capabilities through the process of social innovation. The paper deploys four different contexts of resource constraint environments where the communities deployed their existing social strengths, group mechanisms and collective and relational agency to implement new ideas for achieving their aspired capabilities. While there is potential for much research in this domain, the complementarities of Social Innovation as a conversion factor for achieving aspired capabilities makes it an appealing tool. Given its new ideation focus based on existing resources mechanisms, SI is a strong tool for enabling unachieved aspirations of people. It offers vast possibilities for life style changes in both resource depleted and resource abundant societies for addressing increasing issues of equity and sustainability.

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