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A social investment perspective.
(Integrated report on social economy)

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Abbreviations

ALMP	Active labour market policies
ECEC	Early childhood education and care
LMP	Labour market policies
LTC	Long-term care

Country abbreviations

DE	Germany
EL	Greece
ES	Spain
FI	Finland
FR	France
HU	Hungary
IT	Italy
NL	The Netherlands
PL	Poland
SE	Sweden
UK	The United Kingdom

1. Introduction

This report presents the results of work package D3.3 of the project “Innovative Social Investment. Strengthening communities in Europe” (innosi).. The focus of the report lies on the role of social economy in European welfare states, in the field of social investments and its importance for the realization and implementation of social innovations in four social policy areas: Child Care, Reconciliation Policies, Active Labour Market Policy, and Long Term Care.

1.1 Social Economy and Social Investments in Europe

In the context of the innosi project, the social economy is defined as a specific part of the economy that primarily pursues social aims and is characterised by participative governance systems (Moulaert/Nussbaumer 2005: 2071). The social economy is usually referred to as a ‘third’ economy alongside market (private companies) and state (public organisations). It comprises a set of organisations which are usually grouped into four major categories: co-operatives, mutual societies, associations, and foundations. There are three subsectors of the social economy (European Commission 2013): (1) The *community sector* includes organisations that are active on a local or community level. Usually they are small, modestly funded and to a large degree dependent on voluntary, rather than paid, effort. (2) The *voluntary sector* includes organisations which are usually formal (as they have a constitution); independent from government and self-governing as well as non-profit-oriented and they operate with a meaningful degree of volunteer involvement. (3) Finally, the *social enterprises sector* includes organisations which “are businesses with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners” (Murtagh 2013: 204). Examples include co-operatives, mutual building societies, development trusts, and credit unions.

In all Member States of the European Union, these organisations are engaged in the production of social goods and services. However, the social economy has not developed identically in the countries under study. Quite the contrary: The importance of social economy is path-dependent and shaped by different national traditions over the last 200 years (Spear 2010, European Economic and Social Committee 2012). Consequently, the social economy is highly contextual: From country to country it is involved differently in the various welfare policies. Furthermore, the social economy is considered differently in the governance and the implementation of welfare policies, and not least the financing

of the social economy is dependent on country specific particularities (Monzon/Chavez 2008). Nevertheless, despite these considerable differences of the European social economy sectors, research has shown that the social economy is a driving force of social innovation in almost all European countries (e.g. see chapters in Evers/Laville 2004). Many novel solutions of social problems, which are more effective, efficient and sustainable than current solutions have been developed within the sectors of the social economy. In many European countries the organisations of the social economy are key players when it comes to the implementation of social investment policies. However, the creation of these policies lies mostly in public hands and with limited access to flexible financing, social economy organisations often are disadvantaged compared to private market players. The social investment perspective recently occupied in Europe is opening new opportunities for social actors and in the same time depends on their involvement and innovative potential.

The innosi project adopted a popular and wide spread definition of social investment developed by Morel, Palier and Palme (2012: 2), who define social investments an action that rests on policies that both invest in human capital development (e.g. in early childhood education and care, education and lifelong learning) and that help to make efficient use of human capital (e.g. through policies supporting women's and lone parents' employment, through active labour market policies, but also through specific forms of labour market regulation and social protection institutions that promote flexible security), while fostering greater social inclusion (notably by facilitating access to the labour market for groups that have traditionally been excluded) (see also innosi report D3.1).

Hence, it is important to understand the role the social economy has played in the three welfare policy areas that are investigated in the innosi project and whether and to which extent the social economy is relevant for the development, implementation and financing of social investments. Conversely, the impact or the potential influence of the social investment turn in the European countries on the social economy will be assessed.

For this purpose, 33 interviews with policy experts from the ten project countries (Finland, Germany, Greece, Italy, The Netherlands, Hungary, Poland, Spain, Sweden, and the UK) and additionally France have been carried out. The experts have been asked to give an overview about the recent developments of social economy and social investments in their countries. Furthermore they have been asked to assess the coherence of the latest policies, the importance of social economy actors in this context, and tendencies in the changing process of actor constellations.

1.2 Structure of the Report

After a brief description of the chosen methods (section 2) the reports presents the results of the research in three sections: In section 3 the recent trends in welfare policies and their references to the social investment approach are analysed. The section focusses on the four major policies of the innosi project by analysing and presenting trends in childcare, reconciliation, active labour market policies and long-term care. In this context, the report presents the assessments of the interviews held with experts concerning the coherence of current policies, the changes of the welfare mix, and the current challenges the national welfare systems are facing. These findings will then be analysed concerning implications on the role of social economy.

In section 4 different concepts of social economy in the countries under study are introduced. Furthermore, the tradition of social economy in welfare production in regards to financing, regulation, and implementation in the four policy fields is explained. Finally, the section highlights the development of social economy and its importance for welfare policies after the beginning of the financial crisis in the eleven countries under study in 2008.

Section 5 is the conclusion of this report and summarizes the findings on the role of social economy in Europe as well as the results of the assessment of social investment trends and the implications for social actors. Comparing these findings, barriers and opportunities for a further involvement of social economy in a social investment perspective are shown.

2. Methods and Definitions

2.1 Approach

The primary data basis of this report is firstly a template, which has been prepared by the project’s research partners located in 10 European countries¹ and secondly expert interviews in the same countries plus France.² In the template, the participants have been asked to define the concepts of social investment, social innovation, and social economy in their national understanding, which will be used as a frame for the analysis together with secondary data and scientific literature. In addition to the dimension of the country, the dimension of the policy field plays a crucial role in the analysis. Particularly, the following policy fields and subordinated areas, as central footholds for social investments, have been focused on (Table 1).

Table 1: Policy fields under study in the innosi project

Main Category	Sub Categories
Early childhood development	<ul style="list-style-type: none"> • Early childhood education and care • Family benefits • Parenting services
Support for parents’ labour market participation	<ul style="list-style-type: none"> • Care provision for dependents • Long-term care • Maternal/paternal/parental leave schemes
Policy measures to address social and labour market exclusion	<ul style="list-style-type: none"> • Unemployment benefits • Minimum income • Active labour market policies

¹ Finland, Germany, Greece, Hungary, Netherlands, Italy, Poland, Spain, Sweden, UK

² France has been additionally integrated into the sample, because it is part of the comparative study (D.3.1) and the insights from the interview should provide the frame for the analysis.

The category early childhood development was split into three sub categories: (1) Early childhood education and care consists of all policies that intend to effect developmental changes in children prior to their entry into elementary school. In most of the countries under study, the focus of these policies in recent years was on the quantitative and qualitative extension of nursery schools and kindergartens for children younger than three years, but also on the supply of child minders and educational programmes, which serve children with special needs in the preschool years to improve later school performance (e.g. for handicapped children or for children with parents who do not speak the national language). (2) Family benefits are money transfers received by families from the government to help pay for the cost of taking care of their children. These might be tax reductions or direct payments. (3) Parenting services encompass all programmes, support services, and resources offered to parents and caregivers that are designed to support them or increase their capacity and confidence in raising mentally and physically healthy children. In the countries under study, these services are usually provided on the local level.

While policies of early childhood development intend to invest in the capacities of children, policies of the second main category aim to support the labour market participation of parents and other people who take care of their relatives. Although the intentions of the categories are different, the concrete measures in the sub-categories might be identical. This particularly holds true for (1) Care provision for dependents. It describes all benefits for employees for taking care of dependents such as new-borns or disabled persons. In many countries the extension of nursery schools and day care centres are the most important innovation of the recent years. However, the legal claim for employees to stay at home to care for sick children or relatives is another instrument in some countries that is under study. (2) Long-term care describes the range of services and supports to meet the personal care needs of people. In the context of the innosi project the focus is on services for people who are caring for their relatives at home while they are employed or who want to return into the labour market. (3) Maternal/paternal/parental leave schemes consist of all forms of employee benefits that provide paid time off work to care for a child or make arrangements for the child's welfare and the legal claim to return to the workplace. In the countries under study these legal claims are differing in their extent enormously.

In the third main category, the innosi project is focussing on policy measures to address social and labour market exclusion in three sub-categories: (1) Unemployment benefits are defined as welfare

programmes for employable people who are currently unemployed under no fault of their own and receive a public stipend while searching for a new job. (2) Minimum income policies are governmental legislations regulating the minimum amount of compensation an employee must receive for performing labour. (3) Active labour market policies are defined as all programmes aiming to help unemployed people find work. These measures encompass further education programmes and other programmes to improve vocational skills but also public employment services, aiming to help unemployed people by information services (e.g. job exchanges) and networking.

Since the report at hand concentrates on the role of social economy in these policies, several of the aforementioned sub-categories are not considered in detail, since they are mostly the responsibility of public actors and the social economy is of no or of less importance (e.g. legal claims or public transfer payments). Instead the report highlights particularly the four policy fields in which we have found social economy and its organisations most relevant: Early childhood development and child care, reconciliation policies (particularly those aiming to improve the reconciliation of parenthood and occupation), long-term care policies, and active labour market policies.

In the template, the main characteristics were requested for every policy field and area: For instance the financial framework, the regulatory framework, regional variation, the social investment character of policies and the interaction of state, private-commercial, and social level actors. The role of social actors in relation to the above mentioned characteristics of social policies was of foremost interest. Hence, the information gathered by the innosi research teams in the frame of the template should answer the questions: How are policies designed concerning funding, regulation and implementation? How do policies vary regionally? Could the design or reform of policy be interpreted as social investment? What impact has the design of policies for the social economy? How can the interaction of state, private-commercial, and social level actors in the European countries be described? How is this interaction changing and why?

2.2 Expert Interviews

Expert interviews have been conducted for each of the three policy fields (see table 1) in each of the ten countries plus France. In sum, 33 interviews could be finalised. The experts in the policy fields (most academics, but also experts from social or public organisations such as trade unions or think tanks) were recommended by the research partners in the template and were interviewed by phone in English.³ Since the research partners are aware of the main definitions and objectives of the innosi project, they were able to provide a careful selection of policy field experts with knowledge in social investment, social innovation and social economy in their national context. Due to the limited sample of experts in the mentioned fields and the language barrier, only a small number of experts could be interviewed. Nevertheless, the careful selection by the research partners of key national experts assures a thorough and well informed overview.

Up to a point, the interviews cover the same characteristics of policies as in the template in order to measure different perspectives on the subject. Additionally, assessment questions conducted controversies, incoherencies and suggestions for further improvements in or between the policy fields. However, the main variables of the expert interviews are the role of social economy in regulation, financing and delivering of social services and the development of social economy organisations in the policy fields. These variables will be compared with the overall assessment of the structure and development of the welfare state concerning a social investment turn.

Both, the template and the expert interviews are based on the approach and the results of the European Social Policy Networks (ESPN) (national) reports on social investment in 2015 (see Bouget et al. 2015), which provided current data on social investment policies in all of the countries under research in the innosi project. Hence, the template and the expert interviews accomplished the task to fill gaps of the ESPN reports and add special issues of the innosi project.

The ESPN report, the template and the expert interviews provide an underpinned data basis for the role of social economy organisations in a changing welfare state. The transcribed expert interviews, the templates and the ESPN data have been structured with the computer assisted qualitative data analysis software MaxQDA and analysed thematically with the methodology of content analysis according to Mayring (2008).

³ The German experts have been interviewed in German.

3. Social investment trends in the policy fields and implications for the social economy

3.1 Enhancing the labour market participation of mothers

All countries under observation invest in the reconciliation of work and family for mothers, but to a different extent and with heterogeneous developments. Historic changes in policies towards the reconciliation of work and family occurred in Germany and Poland. In Poland maternity leave was extended and parental leave for the usage of both parents was introduced with comparatively high benefits. Employers are made more and more aware of the importance of family-friendly company policies. Germany also reformed parental leave by introducing a universal leave scheme of a maximum of 14 months. Additionally, in 2014 a flexible scheme of part-time parental leave with part-time work was introduced. For the first time, Germany follows a coherent reconciliation agenda with a comprehensive leave scheme, the right to attend a crèche from the first birthday and a rising investment in ECEC services, as the expert states. However, both countries (to a different extent) are still facing a high exclusion of mothers in the labour market and conservative tendencies in politics and society. The fact that the parental leave in Germany can be taken for up to three years is often a barrier to labour market integration. The same threat occurs to Polish mothers after the extended leave. Additionally, to follow the experts, the short-time introduction of a home care allowance in Germany, as well as voices in Poland, which claim that small children should stay at home with their mothers, show cultural barriers for recent social investment trends. However, the recent reforms show a social investment turn in ECEC in both countries, which need some calibration in the following years.

Comprehensive, coherent reconciliation policies for parents, which are already well established, exist in France, Sweden and Finland. Since these policies are defined as effective, they are less subject to reforms. Leave schemes are very long and generously paid in the Scandinavian countries whereas in France mothers stay at home an average of 4 months, because parental leave is not well paid (Janta 2014). On the other hand, family benefits in France are very high and the supply of child care facilities and subsidies for alternative care schemes are widely provided, as it has also been reported for Sweden and Finland. Furthermore, the instrument of part-time work ensures the connection to the labour market for mothers and, partly for fathers in Sweden and France - to a lesser extent in Finland. Sweden and Finland show the highest employment rate of women with the lowest gap between the employment rate of men and women of the observed countries (gender gap). France also has a low gender and mother/non-mother employment gap as well as a high percentage of mothers that work

full-time (EUROSTAT Employment - main characteristics and rates). The coherence of parental reconciliation can also be verified by the high fertility rate in the three countries (Hemerijck 2013). Reforms thus focus less on leave policies or benefits, but on the development of childcare.

The Netherlands similarly have a comparatively high employment rate of women through the long-term investment in part-time contracts. Part-time workers do not perceive discrimination compared to full time employees. However, the part-time track seems to be very persistent an a barrier for female careers. The Dutch government is investing in childcare and education facilities, but the leave policies are not on the agenda, even though leave schemes are short with low provisions for parental leave, and many people have the opinion that children less than 1 year old should stay with their parents.

Newcomers in reconciliation policies - with incoherent policies and attempts to reform family policies to a social investment perspective with low effectiveness - are Hungary, Spain, Italy, Greece, and the UK. Spain showed efforts to reform the framework for parents' labour market participation until the crisis got apparent. Greece introduced flexible work arrangements, which started with the ESF programme "reconciliation of work and family" and are barely used. Hungary is also promoting part-time work after maternity leave. Reforms in Italy mainly focus on company subsidies to hire women and financial support to found one's own business. However, these reforms do not have an impact on the employment rate of women, which is still very low in Hungary, Spain, Italy, and Greece since reconciliation policies are not comprehensive, do not follow a strategy and are subject to fiscal consolidation measures. The most important threat to a coherent reconciliation policy is the lack of a long-term perspective in the integration of different policies and funding. Thus, even though incoherencies in the countries have different characteristics as visible in Italy, Spain, and Greece the short effective leave is followed by a wide childcare gap. In Hungary, even though the long leave leads to an exclusion of mothers from the labour market, the need for action is the same. The UK provides generous family benefits, but only few effective reconciliation measures. According to the expert,, the high female employment rate in the UK has been achieved despite the absence of action. This shows, how mothers are highly discriminated in the labour market and further up the career ladder.

To conclude, social investment targets are measurable in the Netherlands, Hungary, Spain, Italy, Greece and the UK, but these are still not consistently implemented and followed, partly neglected for other policy fields and financial considerations.

3.2 Family participation of fathers

Reconciliation investments primarily focus on the labour market integration of women, less on fathers' integration in child rearing. However, a slight trend towards fathers' family participation can be stated. All countries under observation provide some sort of a parental leave open to both parents to individually decided amounts. However, most benefits are low (UK, IT, FR) or the leave is unpaid (ES, NL, EL), which leads to a low take up of fathers. Parental leave in Hungary is comparatively well paid, but still the take up is low, presumably because of culturally stigmata of a mother's responsibility to take care of the child. Newly introduced or reformed parental leave schemes in Germany and Poland, which are well paid, show that these countries recently turn to a gender equality approach. Finland and Sweden have the longest tradition of father's integration in the responsibility for childcare with a generously paid and long parental leave, which shows a high impact.

Fathers are additionally eligible for full paid fathers leave for more than 10 days in Finland, Sweden, Spain, the UK and France as well as 5 days and less, with full pay in Italy, Greece and Hungary (ILO 2014). Contrary to Finland, Sweden, France and Spain, father's enrolment in Hungary, Greece and Italy remains low. The same holds true for the non-paid fathers leave in the Netherlands and the low paid paternity leave in the UK. The only country under observation without a scheme for fathers leave is Germany. Poland recently introduced a full-paid 14 day paternal leave and Spain attempts to raise the leave to 4 weeks which would be the highest one in Europe.

An incentive that most effectively raises the integration of men in caring for children is the quota in parental leave, which can only be used if both partners contribute to the leave. This measure recently got introduced in Germany and France and has been apparent for a longer time in Sweden, Italy and the Netherlands. Positive developments can be stated for Sweden and Germany. However since the parental leave is not paid or low paid in the Netherlands, France and Italy, this incentive has no effect. A "fathers' quota" in parental leave is also desired in Finland and visible in public discussions. To aggregate, the equalization of partnership roles concerning child rearing, is presently on the political agenda in Germany, Poland, Sweden, Finland and France, even though with more or less coherent policies and effects.

The analysis above shows that the reconciliation of work and family for men and women is more and more on the political agenda in the European countries. The EU targets, the noticeable demographic change, and the objective of economic growth are some reasons for it. However, a sole focus on the economic values of women's employment doesn't lead to an effective reconciliation policy. Therefore,

a perspective of gender equality and family well-being must be enhanced. The social economy could play a role as a family friendly employer and thus as role model for companies. Furthermore, the representation of families in the regulation and implementation of social investments and services for family education, activation, and well-being are possible fields of work. There is a high potential for associations, foundations, co-operations etc. to find innovative solutions for an integrative approach in family-wellbeing and labour market participation.

3.3 Growing interest and investment in ECEC

Since the Barcelona targets were set in the European Union in 2002, a tendency towards high(-er) engagement in the field of early childhood education and care (ECEC) in all researched countries can be observed. There is a wide consensus about the positive function of ECEC for the reconciliation of work and family and the (equal) development of children. The value of this field on the political agenda, the financial and cultural efforts, however, differ between the observed countries.

A long tradition of developments and investments in ECEC is apparent in the Scandinavian countries and France. The experts describe the policies in this area as quite coherent and becoming more capacitating. Yet, they remain still important on the political agenda and are partly discussed controversially. The enrolment rate of children below compulsory school age is on a constantly high level in Sweden and France. Furthermore, Sweden recently doubled the funds for municipalities to develop their ECEC services. France on the contrary is less investing in child care facilities but in benefits for parents to hire nannies or care for their children themselves. In Finland the child care field was transferred from the Social Ministry to the Education Ministry, which the expert interprets as a sign for a strengthened social investment perspective. Another reform was the introduction of a compulsory pre-school for 6 year olds to enhance the school readiness of disadvantaged children. Even though Finland's ECEC policy is described as coherent and satisfying for parents, it doesn't meet the Barcelona targets, due to the home care allowance, which is most discussed these days (see next section). However, the steady practice of discussion and reform shows a strong social investment perspective in ECEC in France, Sweden and Finland.

Countries, which also have a longer tradition of ECEC development, but show incoherent investments resulting from financial consolidation ambitions, are the Netherlands, the UK and Spain. In the Netherlands, "enormous rights" and subsidies have been set for ECEC services for parents in 2005, which was a boost for the enrolment of children as highlighted by the expert. With the financial crisis,

the subsidies have been cut and the eligibility got stricter. This led to a situation, where more and more parents decided to stay at home to take care of their children. Since this outcome became obvious, the government raised the benefits again. As one expert stated, the government was “not a stable partner”, which is a regress for the social investment approach. The large childcare services developed in Spain have also been threatened by the financial crisis. There has been a steady investment in childcare facilities with the last programme for the expansion of ECEC starting in 2008 and lasting until 2014. This programme provided a generous fund, but was cut after the financial crisis became apparent. In the UK childcare is often costly. Additionally, the provisions for childcare have largely been cut in the last years. Child policies are always in competition with other “mainstream” policy fields concerning finance, with the result that marginalised social groups are neglected. The social intention of investments is often assessed in the frame of economic targets. Consequently, the enrolment rate of children, especially in pre-school, is dropping and social inequalities get stronger.

A recent turn in childcare policies in the direction of social investment can be observed in Germany and Poland. Even though the basis of developments lies in different political regimes, both countries have a tradition of conservative parental roles in which childcare is seen as a duty of motherhood. Hence, mothers are to a large extent discriminated against in the labour market and cultural beliefs have hindered a policy of participation and gender equality for a long time. The recent political attempts in Germany and Poland can be seen not only as a first step to labour market participation of women, but as a social and cultural change. In Germany, since 2008 a well funded expansion of child care for children under 3 years old took place, resulting in the universal right for children from their 1st birthday to attend a crèche or a day care nursery in 2013. This shows that the enrolment rate is close to the EU-target at the moment. In Poland discussions about child well-being are taking place for the first time in government, science and society. The responsibility for childcare changed from the Ministry of Health to the Ministry of Labour, which the expert defined as “revolutionary”. Recent measures to respond to the low child care rate are: the establishment of new childcare forms (e.g. kids club, nanny, daily care), the reduction of compulsory pre-school age to 5 and of compulsory school age to 6, opening the welfare market for private care providers and benefits for disadvantaged families.

Growing attention to the development of ECEC services gets apparent in Hungary, Italy and Greece, however this issue is not so much important on the present political agenda. The conservative opinion that child well-being is a family issue and that the care for children less than 3 is especially the responsibility of women is still a barrier to comprehensive childcare policies. Thus, the social

investment which is more or less visible in the early childhood policies, meets societal concerns that state or municipal facilities cannot offer the quality of support mothers provide. The governments focus lies on fiscal measures and short-term projects with ESF funds. In Italy, a 3 year plan (“new extraordinary plan to increase crèches”) to increase the amount of child care facilities from age 0 to 3 has been launched in 2006. Unfortunately, the investment ended with the election of a new government. Different measures support the system of childcare, but the funds are declining and the policies are too fragmented to show an impact. Greece launched different measures to address the development of ECEC services, but with the budgetary constraints in the aftermath of the financial crisis, the support decreased and is less emphasised now. The early childhood field is characterised with plan-after-plan-policies, a lack of a strategy, neglecting of disadvantaged groups, and project finance without long-term perspectives. Hungary is focussing on a flexibility and deregulation of the childcare service market instead of investing in this field. Attempts are scattered and short funded with ESF support, and limited impact. Hungary, Italy and Greece show ambitions to social investment, but the implementation lacks behind.

3.4 ECEC policies between plurality and quality standards

ECEC policies are implemented in all countries under observation at the local level. Nevertheless, the regulation of measures and services are mostly set at central ministerial level. In Greece, Hungary, Finland and Poland the framework of childcare and education services is highly regulated and standardised at national level. Thus, the offered services and measures have a more or less similar design. Differing responsibilities depending on ministerial distinctions can be stated in Spain, Italy, France, the Netherlands and the UK, where the services in responsibility of the Education Ministry (mostly age 3-5) are centrally organised and the services mostly in responsibility of the Social Ministry for early age groups (below 3) are locally provided. The countries with traditionally high decentralization in ECEC services from 0 to compulsory school age are Germany and Sweden. In these countries a wide part of regulation and measure design takes place at municipal level (European Commission/EACEA/Eurydice/Eurostat 2014).

In the last years a trend to a decentralisation in ECEC regulation and implementation can be observed, which is displayed in the expert interviews. The Scandinavian countries strongly support the free choice of parents finding the most suitable care scheme for their children. Therewith the match between services and parents needs should be improved. Measures to enhance the consumer orientation

approach are the provision of vouchers for different public, social and private care services as well as a strengthening of the private sector and competition in the care service market. As has been stated for Finland, the parents are very satisfied with the plurality of services and with their democratic power to decide for the best service without relying on financial resources. In France, this approach has also been promoted by providing diversified possibilities of services, which are subsidised. However, this attempt has not yet led to a pluralised service infrastructure as the expert claimed. Especially in the big cities, the availability of a service at all can be difficult. Poland just started with the opening of the welfare market for privates and NGOs, but also invested in new public services. The opening of the welfare market is most developed in the UK, where the access and the client orientation are organised by the market forces. In this sense the choice for parents depends on their resources and is not as democratic as the approach intends. Decentralised services should also enhance innovative ways of service provision, which has been mentioned for France, Italy, Finland and Germany. There, the open and subsidised welfare market led to new solutions for urgent social needs, more targeted services, or more cooperation. Mostly, the decentralised ECEC infrastructure acts as instrument for the integration of parents into the labour market, just rudimentary for child's development.

On the other hand, the regional variation resulting from differences in regulation and implementation at local municipal level as well as in the cause of opening the welfare market have been criticised for all countries under observation. Hence, in some regions none or just a few ECEC services are available, while in the big cities different offers are available (IT, PL, EL, HU, DE, ES). Experts in FI, FR, SE, UK and NL criticise the different structure and quality of ECEC services, which discriminates for social background, resources, habitat or disabilities.

Especially in the latter countries except for the UK and including Germany, incoherencies, duplicate structures and the lack of standards resulting from decentralisation and marketization are recently seen as a threat to child development and thus measures are implemented to enhance quality standards in ECEC. In Finland, individual child development plans have been developed to integrate the special needs and capabilities of every child while also giving every child certain rights of quality services. Even though the quality in Finland is very high, it is still in discussion, because of financial cuts in child care for unemployed parents and the extension of the child-to-carer-ratio. The main question is, how to provide a stable quality in ECEC with also reducing expenses and hold on to the free choice approach. In Sweden an administration agreement has been signed with the local municipalities to increase quality with an additional fund. A similar attempt has been made in Germany, where federal

programmes are supporting municipalities in need. The “Law on Quality and Education” in the Netherlands sets certain standards and gives extra money to the municipalities to provide additional services for socially disadvantaged as well as a certain level of qualification for the staff and to implement co-operations of professionals and parents. Municipal playgrounds can opt for funds from the government and with that turn into governmental programmes. The experts in France are recently also discussing qualification standards for carers and teachers, a global strategy for ECEC, and the support of co-operations between local actors. The cooperation of the stakeholders at local level is also an objective of the Polish and Greek discourse. Hence, policies for the development of children aim to create coherent strategies and policies throughout the life course of a person and thus cooperation is highly discussed. Controversies circle around bringing the responsibilities of Ministries together which are mostly engaged with a certain age group of children in the Netherlands, the UK, and Hungary or change responsibilities to enhance the focus on education. The latter recently got implemented in Poland and Finland which led to an educational turn in early child care.

The described upcoming focus on quality standards and the life course perspective can be interpreted as a U-turn in the decentralisation trend at least in the countries where it is inherent (FI, FR, SE, DE, NL). In the Netherlands the recentralisation in ECEC policies becomes most obvious: The harmonisation of services is converting municipal services into governmental. Until now it is not certain what this means for the marketisation of ECEC services. In countries where the market opening has been started, a newly restriction is not happening. However, the opinion that private services are a threat to quality, which is prominent especially in the Scandinavian countries, could lead to decreasing support for social economy organisations in the free choice reward. In countries where the ECEC investment is growing in recent years, the negative insights of the decentralisation trend could contribute to constraints concerning democratic development of services, plurality of actors and social innovation potential at the local level.

Furthermore, the diametric effects of the orientation on the labour market participation of parents and the development of children become apparent. In the Netherlands, the UK, Italy, Germany and Poland the focus is set on the integration of women in the labour market with concentrating on the extension and the plurality of ECEC services to provide suitable solutions for parents. Notwithstanding, this focus leads to a neglect of the individual circumstances and needs of children in care and education which is a key objective of the social investment approach. To conclude, not only a social investment perspective is needed in the field of reconciliation policy and child development policy, but an

integrated strategy and measure. Social economy organisations recently are contributing to the plurality of tailored and innovative services in ECEC in the European countries. Their role is also the representation of children’s circumstances and needs in politics and society. Cooperative structures between actors are created through the intervention of social economy organisations. Thus, the social economy’s role in matching labour market integration of parents and the child’s well-being could be strengthened in a social investment perspective.

3.5 Turn to active ageing and reconciliation in long-term care

Long-term care (LTC) becomes more and more prominent on the political agendas in Europe. A comparatively high priority is given to this issue recently, with the implementation of profound policies in Sweden, Finland, the Netherlands and Germany. These countries have a relatively solid social security and infrastructure for dependent seniors and are presently focussing on active ageing measures. Such measures include the expansion of services of care at home, education, activation, and also the support of informal care. From a reconciliation of work and family perspective, activation measures, and external services as well as benefits for elderly people are important to support a self-defined and independent life for as long as possible on the one hand and disburden families from the care responsibility on the other hand. However, the expansion and financial support of informal care of family members and acquaintances is from the perspective of family well-being favourable, but in a reconciliation sense counterproductive. Hence, the introduction of the “participation society” in the Netherlands which transfers the responsibility for LTC to civil society has been strongly criticised by the expert, who also thinks that the burden for part time working women after child care is therewith accepted and the new policy is merely a cut.

The new focus on active ageing, home care services, but also informal care, is apparent in France, the UK, Hungary, Greece, Italy, and Poland, too. In these countries, reforms in LTC are not high on the political agenda. Especially in the UK, Greece and Poland measures of fiscal consolidation are still more important than social investments in this field. In terms of the financial crisis, LTC has become a field with a potential of cuts. In Italy and Spain reforms have been implemented, but through financial cuts these have not become comprehensive systems or reforms couldn’t be adopted. Hungary still focuses on compensation measures and inpatient services. In conclusion, ES, UK, EL, HU, IT, and PL do not have a comprehensive and active LTC policy and many seniors fall through the safety net. The family is the basic unit for finance, care, and activation – traditionally.

The perspective of family and work reconciliation has not become popular in LTC policies in the most European countries. However, some reforms in the direction of social investment can be seen. Poland and Germany recently introduced a paid leave for the care of relatives for 2 weeks and Germany additionally provides an unpaid leave of 6 months, which shows that the reconciliation perspective is on the way to be integrated in LTC policies. Leave schemes for elderly care are also available in the other countries. These are paid from 3 days in Italy to 3 weeks in France and mostly an additional longer unpaid time (NL, DE, FR, SE, IT) or just the latter one is available (HU). In Finland the leave conditions depend on individual agreements.⁴ Accordingly, leave schemes to enhance the reconciliation of care and work get more and more important, but still are very limited and unpaid leave is rarely used.

A new trend emerges in the Scandinavian countries and is to a slight extent apparent in other European countries as well: Informal care and the focus on home care is discussed as a threat to reconciliation with work arrangements and thus new solutions are created in so called “sheltered homes” or “secure housing”. Thus, innovative structures of self-contained dwellings with services of care, education, activation and home help are developing partly in cooperation with other social fields. Elderly people therewith can live as self-defined as possible, without being cared for by a relative or acquaintance and with activating measures to prolong their independence. This system, as the most profound solution for the integration of active ageing and reconciliation of work and family, highly demands a variety of services matched to the individual needs and circumstances of seniors, without too much being conditioned through financial resources. Some countries made the welfare market more flexible for private providers (UK, FI, PL, DE).

Social economy providers in mixed welfare systems, offer tailored and innovative services and products for social groups which are not profitable for commercial actors or overseen by governmental actors. They serve as intermediaries between social objectives and market orientation, who under flexible regulations and financial support from the public build innovative collaborations and networks. Especially in the elderly care work, intergenerational and interdisciplinary networks and the management of voluntary work are integral to guarantee the inclusion of retired or disabled people in society. The same holds true for charity offers to prevent or treat poverty. One of many examples of

⁴ Bettio, F. and Verashchagina, A. (2012). Long Term Care for the Elderly. Provisions and Providers in 33 European Countries. Luxembourg: Publications Office of the European Union, available on: http://ec.europa.eu/justice/gender-equality/document/index_en.htm.

innovative social economy commitment is the German initiative “Liebenau Foundation”, which builds living spaces for young and old where elderly people, disabled, and youngsters are supported with individual and group offers in the way that old people are activated and demanded e.g. in child care and also share their experience with the young people. Additionally, job placement and training services are integrated for disabled persons. This example of a small-scale community concept shows high impact and has been adopted in different municipalities and other countries.⁵

3.6 Increasing active labour market policies

In all countries of observation, a focus on social investment can be stated either more traditionally or recently with concentrating on active labour market policies and the attempt to find comprehensive ways of implementing labour market integration policies. Country governments try to find solutions for the most urgent social problems, i.e. youth unemployment, social exclusion of long-term-unemployed, elderly, disabled, or migrants as well as poverty in more capacitating measures of labour market integration. A long tradition of investment in capacitating measures of labour market integration with a proper basis of income protection can be highlighted in the Netherlands, France, Finland, and Sweden. The countries modernised labour market policies, providing a comprehensive minimum wage, wide coverage of social security, and effective activation measures. The experts assess the active and passive measures⁶ as well coordinated, the labour market policies as coherent, and job placement as comparatively effective.

In the Netherlands this is due to the introduction of one-stop shops⁷ as cooperation structure of the labour market service providers to enhance a participant orientation. Similarly, Finland adopted the act on multi-sectoral service cooperation 2014 to create one-stop-shops as co-operations of the social

⁵ See <http://www.stiftung-liebenau.de/stiftung-liebenau/english/index.html>.

⁶ The concept of active labour market measures evolved in the 1950 as a new kind of labour market intervention. Since that time it has been adjusted and until now, different definitions exist in parallel. Basically, those measures intent to support unemployed to find their way back to the labour market with investing in their capabilities, knowledge or motivation. The concept of activation is differentiated from passive measures as unemployment benefits or minimum income, which offer benefits without demanding an activity from the unemployed (Martin 2014).

⁷ One-stop-shops are cooperation structures between different governmental levels or different service providers as a hotspot for participants to increase service-orientation and coordination (cf. Askim, J.; Fimreite, A. L.; Mosely, A.; Pedersen, L. H. (2011): one-stop shops for social welfare: the adaptation of an organizational form in three countries. In: Public Administration Vol. 89, No. 4, pp. 1451–1468).

insurance institution, employment offices, and municipalities, in order to develop individual employment plans for each job-seeker. Already, job-seekers in Finland have a comparatively homogenous access to a variety of ALMP services and income supplement schemes. The high priority to find better ways of coordinating labour market measures towards a comprehensive and coherent long-term policy on the political agenda can also be seen in the critique of the Swedish expert, who highlights the lack of coordination of municipal and state level in labour market policies.

New developments in France are targeting the reform of the training system, the introduction of universal rights to labour market services and the integration of a participant orientation. Thus, a system of “rechargeable rights” for every job done, the “Service Public Régional de l’Orientation” to promote competition between service providers and a personal training account growing with every hour in work have been established in 2015. The expert describes these attempts as promising for the enhancement of a social investment perspective.

The longest tradition of active labour market policies can be stated for the United Kingdom. Similar to the other policy fields and due to the liberal regime, the self-responsibility of citizens and the free market regulation is enhanced. Recently, work programmes for young, long-term unemployed, and disabled people are promoted. Furthermore, co-operations of municipalities with employers and other external actors get more and more popular, thus enhancing the fact that training services are targeted to economic needs. However, in contrast to the before mentioned countries, the LMP measures in the UK are criticised by the expert for their limited comprehensiveness, consistency, and effectiveness.

The role model of a British “work society” has been put into action in Germany and Hungary recently to differing extent and arrangement. In Germany the Agenda 2010 was the starting point for the implementation of the principle of demand and support and thus a turn to active labour market policies, that has been promoted coherently since. Thereafter, unemployed were separated into Type I (comprehensive allowances through social insurance) and Type II (benefits through taxes way beyond poverty threshold). The integration of short term unemployed is effective, but ALMP measures for unemployed Type II suffer from the capriciousness of their case manager and the resources of the municipality. In Hungary huge cuts in unemployment and minimum income benefits as well as in social services have been carried out. This is particularly a threat to the most vulnerable, especially Roma in the country. Instead, public work schemes get highly supported and a protection plan provides tax incentives for employers. Nevertheless, the lack of effectiveness of the public work programme gets

criticised by experts, but a controversy about this issue is non-existent. In Germany as well as in Hungary, ALMP measures are not on the political agenda presently.

Newcomer in reforming labour market policies with capacitating measures are Poland, Italy, Greece and Spain. In these countries, except for Spain, ALMP measures are assessed as important presently on the political agenda by the experts. Poland offers a variety of effective ALMP measures - shortcomings should be negotiated through a reform of the employment offices and measures in 2014. The strategy of enhancing capacitation and activation measures and the importance of ALMP on the political agenda has been quite stable for some years. Greece also sets an increasing focus on ALMPs, mostly heavily co-funded by the EU in the areas of subsidies of community jobs, entry vouchers into the labour market, and a wide range of training programmes. The effect and the coherence of ALMP measures are questioned by the expert. Italy has also implemented different initiatives towards ALMP recently, such as the stability law the youth guarantee programme and the job active act. The latter being the most important initiative is controversial discussed. On the two sides are companies that are supporting it and trade unions that are striking against it. Investment in labour market policies in Spain is low, with some positive developments in ALMP measures. The steps towards activating measures (e.g. through company subsidies and training programmes), however, ended with fiscal consolidations in the frame of the crisis.

Similar to the Scandinavian countries and the Netherlands issues of coordination have been stated by the experts of ES, EL, HU, PL and DE as well. Different levels of governance, i.e. different ministries or regional levels are concerned with distinct tasks. Thus, the quality of labour market services depends on the responsible institution or region. The experts identify this issue as a field for improvements and hence show a perspective of coherency which seem to be evident at least in science.

A threat to a comprehensive social investment strategy in labour market politics are efforts of fiscal consolidation. Hence, the experts criticise cuts in income protection supplements and ALMP measures (ES, EL, PL, UK, NL, DE) as well as deteriorating benefits (SE). Altogether, the countries are concerned with extending active labour market and social services, guaranteeing benefits to prevent poverty, and in the same time restrict new debt. Problematic is the often short time perspective on the efficiency of measures which leads to short-sighted cuts in long-term effective measures like training (SE, DE). Furthermore, investments depend on ESF funds and are drawn out as projects, which is a barrier to long-term effects (IT, ES, EL). The Swedish expert criticised the one year planning of municipalities

which makes sustainable investing impossible. Also the change of political parties leads to a frequent adjustment in labour market policies which is contrary to a coherent strategy (DE, ES).

The most urgent problem of ALMP measures in nearly all countries under observation is the lack of impact in activating people and the (re-)integration into the labour market. Adjustments should therefore focus on the targeting of services and finding solutions for new social needs. In this area, the social economy plays an important role. Associations, co-operatives foundations etc. provide affordable training, counselling, coaching, job placement as well as free time activities that are tailored to local characteristics and the specific demand of citizens. These actors are in interaction with the municipality's inhabitants to measure changes or trends and to create networks with all stakeholders. An important responsibility of social economy organisations is also to integrate disabled, long-term unemployed or low qualified persons with employing them with innovative concepts of refinancing. Such a second labour market is a new opportunity for some unemployed to find their way back into the first labour market and for some the only chance to be part of the employment system. The management of voluntary work and self-help groups is essential in the field of active labour market policies as well. In all of the countries employers' associations and trade or labour unions not only represent the interests of employers and employees but are central actors in the negotiations of wage agreements and labour market policies.

3.7 Passive measures in favour

Supposedly contrary to a capacitating labour market policy, in nearly all countries under observation reforms of minimum income or unemployment benefits are implemented or attempted, leading to a higher level of transfers, a wider coverage of benefits, or more comprehensive policies. On the one side this could be interpreted as a setback in a social investment perspective. On the other side, social investment should be based on a comprehensive "buffer" which is not or only rudimentary existent in Greece, Italy, Spain, Hungary, and Poland (Hemerijck 2014). Greece and Italy are the only countries in the EU that do not offer a minimum income scheme, yet. However, lately policies have been introduced on a pilot basis. For instance, Italy has introduced different social shopping cards for basic human needs as well as a social security benefit. However, the expert is sceptical about the effectiveness of this measure. A more positive assessment was given by the Greek expert for the pilot project of a minimum income scheme in Greece, which could lead to a comprehensive income supplement, if it was spread over the country. All together passive measures are enhanced in Greece,

Italy, and also Spain, neglecting active measures. In Poland there has been a controversy about the low level of benefits, which are still too high in the eyes of politics and too low for the citizens. Also for Hungary the expert criticises the deterioration of income supplements and the low interest of the government in reforming labour market policies. Political attempts and controversies to strengthen the income support in the before mentioned countries can be interpreted as developments to build a buffer against poverty which could serve as a basis for social investments.

For the countries with a more traditional active labour market (FR, NL, FI, SE) and Germany, the reforms in strengthening minimum income and unemployment benefits can be seen as an effort to reverse the harsh cuts in social benefits and security, now recognising that this leads to a rising poverty rate for unemployed - intensified by the crisis. In the Netherlands, a participation act got adopted in 2015, which serves as the last safety net and offers subsidies for employers hiring disabled as well as employment services. In France, the employment allowance and income supplement are replaced by an activity allowance starting in 2016 and a reform of social service claiming universal rights to social assistance is planned. The most far-reaching reform has been implemented on experimental basis in Finland with the introduction of a basic income scheme in some municipalities. This attempt is controversially discussed in politics and society whether it provides an incentive to further personal development or employment inactivity. However, the impact has not yet been assessed. The German government recently tried to simplify the basic income scheme and introduced a statutory minimum wage. The UK is also focussing on unemployment benefits and minimum income schemes since a fairly comprehensive social assistance is provided, but with a very low level of benefits. It is criticised that employers are cutting back on pensions and other social security benefits and that there is the pressure to find a job quickly, instead of qualifying for it. The UK and Germany have among the highest poverty rates of unemployed. Hence the recent focus is on minimum income and unemployment benefits instead of implementing comprehensive ALMP measures.

In conclusion, the focus on the implementation of a comprehensive income protection or the reversion of cuts in social benefits are supported in favour of a “buffer” for social investments. On the other hand, the development of ALMP measures, the active-passive balance and the creation of a coherent active labour market policy is neglected in the frame of the crisis. However, with the stabilisation of economy in Europe, ALMP measures could become more prominent again.

4. Social Economy and its role in welfare production

The social economy is a specific part of the economy that is primarily pursuing social aims and which is usually referred to as a ‘third’ economy alongside market (private companies) and state (public organisation) that comprises a set of organisations which are usually grouped into four major categories: co-operatives, mutual societies, associations, and foundations. If we base on this definition of course in all member countries of the European Union social economies can be observed. All eleven countries under study know co-operatives, mutual societies, associations and foundations and in all countries these organisation are actors in the welfare mix. However, the composition of social economies, its development in recent years, its involvement in the welfare state, its importance for the specific welfare policies and its role for social investments is varying considerably among the countries. Furthermore, the concept of social economy is noticed very differently in the countries under study. While in some member states like Spain, Italy or Poland the term has entered the political agenda and is wildly used in other member states like Germany, the Netherlands or Finland social economy is more or less an academic term which has not received much public attention so far and is not clearly spelt out. Here, the concept is in competition with other terms like for instance the concept of social enterprises or the concept of voluntary organisation. Consequently, some countries developed concrete political programs in recent years aiming to strengthen the social economy and its organisations while welfare reforms in other states impact the social economy but do not mention it directly.

For the report at hand we requested the academic partners and the interviewees to assess, whether the concept of social economy is generally recognised in their country, particularly in the context of the social investment debate. Furthermore, we were interested in the state and development of associations, foundations, mutual societies and co-operations in the different countries and asked what the role of social economy actors is and whether these actors expand. We also conducted the assessment of relevance of social economy organisations in the specific areas a) regulation, b) financing and c) implementation of welfare policies in the different policy fields.

Regulation describes the grade of involvement of social economy organisations in political decision-making. There are different variations in Europe: In countries with a tradition of neo-corporatist, decision-making (like The Netherlands and Germany) governments usually privilege large organisations of social economy and include them in the process of (legal) regulation. In other countries organisations of social economy play an important role as lobbyists and try to influence the

process of decision making for their members or for their clients. In this perspective, social economy is aggregating and articulating interests and contributes to the transposition of interests in political programmes and measures. Hence, we have asked which role the social economy plays in this process.

In a second step, we analysed the role of social economy for the financing of welfare policies. Doubtlessly, in all European countries the state is the dominating financer of welfare services. This is guaranteed either by taxes and other transfer payments or by obligatory social insurances, which are organised in pay-as-you-go systems, the funding principle or combined systems. However, in many countries organisations of social economy are complementing the state. Examples are membership fees in voluntary organisations or produced revenues from the market. The distributions of foundations are another source of financing welfare services although the importance of foundations is varying significantly among the countries under study and in no country under study foundations are of great importance for the overall financing scheme. Nevertheless, in many cases foundations are important entrepreneurs of social innovations since they are opening experimental grounds for welfare policies. Hence, they deserve special attention.

Finally, implementation describes the role of social economy organisations in the provision of services. In many countries under study, organisations of social economy have a long tradition of service provision particularly in so-called person based services (childcare, health services, social services etc.). In these countries we usually find a form of task sharing in which the state is providing financial resources while the organisations of social economy carry out the concrete services (often on the local level). As a result, we find a form of symbiosis between state and social economy, which can be described as a specific form of public private partnership. In other countries like in Scandinavia, the state provides financing *and* implementation and social economy is playing a minor part in those policy fields for which the state has not developed comprehensive programmes.

In the following overview, we present the results of our interview analysis in two steps. Firstly, we ask whether social economy had an increasing importance after the beginning of the financial crisis in 2008 in the countries under study in the policy fields child care, reconciliation policies, active labour market policies as well as long-term care and whether there have been government initiatives aiming to strengthen social economy. In a second step, we portray the role of social economy in these policies by differentiating between the role of social economy in regulating, financing and implementation of social services.

4.1 Increasing importance of social economy in Europe?

A number of EU publications create the impression that the role of social economy in the European Union's member states has increased constantly in recent years (European Commission 2013; European and Social Committee 2012). However, the results of our interview analysis show a different picture: Although in all countries under study the organisations of social economy are involved in welfare production we do not notice a general increasing importance of these players in the welfare mix. Quite the contrary: In Finland, Italy, Hungary, The Netherlands and the United Kingdom the interview partners even stated a decreasing importance of social economy in welfare production. Table 2 summarizes the results of the interviews and illustrates in which countries social economy became more important in the policy fields under study. There are different reasons for this development: While countries like the Netherlands and the United Kingdom embarked upon a rigorous budgetary policy which affected the financing of social economy activities, other countries like Finland and Italy rather expanded state activities instead of developing the cooperation between state and social economy.

In those countries the interview partners confirm an increasing importance of social economy (Germany, Sweden, France, Spain, and Poland), the development in the four policy fields differs a lot. Not surprisingly the greatest growth of importance of social economy organisations can be observed in most of the countries under study in the context of **child care policies**. In almost all member countries of the European Union the expanding of the child care sector has been the most important concern of welfare policies in recent years. And in contrast to reconciliation policies which are typically based on transfer payments (like parental allowances) from the public budget to the beneficiaries, child care is a generic person based service that requires facilities and human resources. Furthermore, child care has to get usually organised on the local level. Hence, there are three options to organise child care: (1) Organising it as a municipal facility, (2) outsourcing the service to social economy/private-commercial organisations and/or (3) leave it to the private and informal market. Most of the countries under study decided for the second option, since not only the expansion of child care places, but the increase of service plurality is a target high on the countries' agendas as has been shown the third section. In Spain and Germany child care services are primarily offered by social economy organisations with rising tendency and with more and more competition with private commercial actors, thus replacing public responsibilities. Hungary, Poland, France, Greece and the UK also show rising involvement of social economy actors, but the state or municipality is by far the main

actor in charge, even though this is deteriorating in favour of private-commercial involvement. The liberal welfare system in the UK led to a predominant private-commercial service provision in child care. In the mentioned countries which outsource child care to private providers, it can be stated that commercial actors are arising, mostly to a higher extent than other actors, mostly meeting market advantages. This is also the reason for a mere moderate development of associations, foundations, co-operations, mutual societies etc. while market explosion in child care. In Sweden, Finland, Italy and the Netherlands the importance of social economy in child care remained stable since the child care sector is except for Italy already well established here and is traditionally organised by the municipalities who are also in responsibility for the maintenance of the facilities. There are presently discussions about opening the child care market to implement the free choice approach, but opinions against profit making in this field and concerns about deteriorating quality are still strong. Nevertheless, in the summary of the results the rising social investment in child care is the driving force for the increasing importance of social economy organisations in the welfare systems of the European Union even though the framework should be adjusted to support a vividly growth.

On the contrary, the interview partners do not see a greater role of social economy in **reconciliation policies**, because transfer payments (e.g. child-raising allowances) and legal claims (e.g. parental leave programmes) are central elements of the policy mix. Concerning the reconciliation of work and family, social economy organisations are involved in child care services as already described and marginally in family or women's representations, which contribute to a lobbying and think tank function as will be explained in detail in section 4.3.

Organisations of social economy are involved in **long-term care policies** in all countries of observation to a highly differing extent. Where social associations, foundations or co-operations have a traditional role in the long-term care market of Germany, Hungary, Poland or the UK and are strongly present in France, Italy, Spain and the Netherlands, those organisations are rarely involved in the policy field in Finland, Sweden and Greece. Although social economy organisations have a tradition or are governmentally or municipally favoured for their social approach and profit limit in most of the countries, the prospects of the third sector in LTC are not promising. Hence, the role of social economy is stagnating (e.g. FI, SE, NL) or even decreasing (e.g. DE, UK). In the southern and eastern countries, the focus in LTC is traditionally on the informal sector, which still is highly supported and demanded. Services in these countries are mostly provided by the state. However, social economy organisations are increasingly involved in the establishment of long-term care services. A threat to this development

is that public funds are often too limited to provide a sufficient coverage especially for socially disadvantaged groups. Additionally, requirements to privately supply a service or institution are often high concerning hygiene or financial configuration. Since the public spending on LTC in south and eastern countries is comparatively low, most of the institutions and services are provided by the private commercial sector – not subsidised by the state. Thus, the middle and higher class profits from high quality services. The private commercial sector increases in the northern and central European countries as well, thus replacing the social economy and the state sector. This is due to the newly arising free choice approach and the support of an open welfare market. Contrary to the southern and eastern states, the private-commercial actors are subsidised by the municipalities or the states. However, businesses can act more flexible on the welfare market und hence are advantaged compared to social economy service providers.

Interestingly, the interviewed experts in many countries do not see an increasing importance of social economy in the field of **active labour market policies** (FI, FR, GR, HU, IT, PL). In some of the countries the importance of social economy has not increased in recent years or the policy field remains mainly in the responsibility of the public employment bureaus although we recognise a trend of communalisation in some countries. In many countries under study governments gave up comprehensive national programmes (particularly in the field of employment services, education, and training) und further strengthened the competences of municipalities and regions which are better suited to address regional problems of employment with own, tailored programmes. In this context, in the Netherlands, Germany, Spain, Sweden and the UK social economy gained importance, since in these countries employment services, trainings, further education programmes, consulting and coaching of groups with specific needs are often transferred to the voluntary and social enterprise sector. Hence, in these countries social economy has become an important partner of public employment offices in regards of development and implementation of active labour market policies.

Table 2: The role of social economy in welfare policies of 11 European countries

	ES	FI	FR	GE	GR	HU	IT	NL	PL	SE	UK
Child Care	+	-	+	+	+	+	-	-	+	-	+
Reconciliation	-	-	-	-	-	-	-	-	-	-	-
Long-Term Care	+	-	-	-	+	-	+	-	+	-	-
Active Labour Market	+	-	-	+	-	-	-	+	-	+	+

+ = Increase of importance,

- = no increase of importance of social economy

4.2 Government Initiatives aiming to strengthen social economy

As already outlined above, the term social economy has not entered the political discourse in all countries under study. This means, that politicians do not necessarily address social economy and its organisations explicitly when they develop welfare policies. Nevertheless, even if the concept of social economy is not on the political agenda, social economy is part of the welfare mix in all countries, and many policy reforms implicitly address social economy and its framework conditions. Typical examples for those policies are: (1) changes in the political framework that favour organisations of social economy in the context of welfare production (2) changes in the legal framework which facilitate the development of social economy (e.g. simplified regulations for the legal recognition of social enterprises) (3) changes in the financing structures of welfare services or (4) opening fields of activity for social economy (e.g. the operation of child care facilities which formally have been operated exclusively by public authorities).

Hence, we analysed the information from the template concerning the question whether government initiatives aiming to strengthen social economy can be observed since the beginning of the financial crisis in 2008 in the countries. Furthermore, the statements of the experts in the description of the national social economy in the respective policy field has been taken into account. Both informations have partly been matched with results from other research projects. Again the analysis shows a very different picture of the eleven countries (see Table 3). While Spain, France, Germany, The Netherlands, Poland, and Sweden implemented a number of reforms in the recent years which influenced the legal and financial framework of social economy, the research partners did not identify noteworthy initiatives in Finland, Greece, Hungary, Italy, and the United Kingdom.

In **Spain** the national government played an important role in promoting social economy by creating key institutions (for instance a General Directorate for the Promotion of Social Economy and the European Social Fund and by having agreements on 17 autonomous communities on social economy) and initiated several programmes to support social entrepreneurship or social economy oriented organisations. Today, Spain has the 3rd largest social economy in the European Union with about 200,000 social economy organisations (Nițulescu/Rimac 2014). They operate in a large diversity of sectors, with a special emphasis on lowering unemployment and social exclusion.

France has an established social economy with a well-developed policy context and institutional framework and is possibly the leading figure in the social economy in terms of its political and intellectual shaping of the concept and the sector. In 2012 a minister for social economy was appointed for using the social economy to promote social cohesion while boosting employment and growth. In recent years the French government has supported the development of start-ups and funding for social enterprises and created two forms of social co-operatives (Spear 2012).

The concept of social economy developed is not broadly recognised in **Germany**. The German government uses the term social economy for all non-profit institutions and organisations, essentially the six big welfare associations. However, the role of social economy is enormous in the field of welfare production. Traditionally, the welfare organisations are playing an important role in the production of person based welfare services. In recent years, their importance even increased in the field of child care and active labour market policies by initiatives of the federal government and the 16 states. In addition, in the field of long term care the importance of small social enterprises increased.

The concept of social economy is not used in national and governmental policy in the **Netherlands**. However, social entrepreneurship, social business are entering the political debate. In 2015 the Dutch Social and Economic council published a report and suggested to increase the knowledge on social businesses, to improve the climate for financing and to create possibilities for social businesses with regard to procurement of services by (local and national) government.

In **Poland**, a collaborative effort between NGOs and the Polish government, with the support of international institutions including the European Union, has laid the groundwork for the Polish social economy sector. New legislation has been introduced, the social economy has been included in strategic documents, and the idea of the sector is being widely promoted in the so called social economy leaflet. 2014 saw the adoption of the National Programme for the Development of Social

Economy, which specifies crucial directions for public intervention, with the goal of creating conditions conducive to the growth of social economy and social enterprises in Poland.

In **Sweden**, the concept of social economy is not very widely used although the country has a long tradition of social engagement and third sector involvement in social services and educatory activities. In recent years, there is a political struggle between political actors who are supporting a monopoly of public provision and their opponents who want to privatize social services as much as possible. Recent initiatives aimed to strengthen so called work integration social enterprises (WISE) which have received increasing government attention for investing in marginalised people.

In 2011, there were 4,946 social economy organisations operating in **Finland**. The largest groups were non-profit organisations delivering mainly social services (TSOs), accounting for 64% of the total. Currently, social enterprises do not have any special funding instruments. They are entitled to use the same instruments than all other business companies.

In **Greece** attention is mainly paid to the improvement of the legal framework of social economy which is in European comparison rather small. The Steering Committee (Greek + EU-Experts and Social Ministry) produced a document called “Outline Strategy and Priorities for Action to develop the Social Economy and Social Entrepreneurship” in January 2013 which designs a comprehensive action plan. However, the development of social economy is highly dependent on EU-support and the experts state that the initiative hasn’t fully been implemented.

In **Hungary**, the definition of social economy’s legal boundaries is heterogeneous. However, the Hungarian social economy as in principle is consisting of two types of organisations: non-profits providing social and other services (education, social care, sports, environmental protection etc.) and non-profits, cooperatives or enterprises providing employment to socially or otherwise disadvantaged groups. In recent years, a strong position of municipalities developed which are organising social employment in various forms, including non-profit enterprises and public work programmes.

In **Italy**, the concept of “social economy” is not fully recognised. Nevertheless among the leaders and the top management of the third sector organisations, in the policy debate, and among the social and economic actors the concept of Social Economy is known and understood properly. Italy has a long tradition of legislative recognition of the role of social economy organisations in welfare service provision (in an integrated public-private system). However, no initiatives have been implemented since 2008.

In the **United Kingdom** the social economy is broadly acknowledged by the conservative government for its potential to transform public sector services in services carried out by (cheaper) organisations from social economy, particularly on the local level. Since the free market is enhanced in the welfare mix, social economy organisations don't get especially supported.

Table 3: Government initiatives to strengthen social economy since 2008

	ES	FI	FR	GE	GR	HU	IT	NL	PL	SE	UK
Government Initiatives	+	-	+	+	-	-	-	+	+	+	-

+ = government initiatives,

- = no government initiative aiming to strengthen social economy

4.3 The role of social economy in...

... child care policies

From all observed policy fields ECEC is probably the area where most interaction of actors takes place or is developing at different levels (see Table 4). In most countries social economy organisations are invited to advice local or national policy makers in policy or service creation. Thus, NGO's, social enterprises, commercials – mostly representative groups meet regularly or episodic to discuss new ideas or negotiate the implementation of measures. Furthermore, position papers, statements or open letters are being written, hence not only contributing to governmental decisions but the public opinion. Some experts mentioned local initiatives that try to implement innovative ways of cooperation between actors like in Finland, where municipalities can concede experiments with loose regulation and leadership of social actors. There are moreover local initiatives in Italy, which try to change the welfare system with an active citizenship approach. Whereas the communication between actors in the Netherlands has been assessed as experienced and productive, it is low developed in Sweden, Greece, Hungary and Poland.

Even though child care services are often provided by social economy or commercial actors, operational and service costs are mostly funded through the national state, the municipalities or other public actors through taxes or social security benefits. Additional sources are donations and parents contributions. In some countries companies build up and operate kindergartens for their employees

which is partly self-paid and partly subsidised with tax reductions by state authorities (GE, IT, FR). The Greek experts highlight the role of EU funds for the development of a plural service provision. The role of foundations is stressed in Italy, Finland and Germany, with a rudimentary but increasing involvement in financing special services. In Poland international companies are investing in programmes for healthy nutrition in kindergartens. The most flexible system of funding exists in the UK, where Investments Funds, foundation grants, state money and private contributions are mixed.

Social economy organisations service provision in the observed countries predominantly concentrates on day care, such as kindergartens, crèches and play grounds; education, i.e. pre-schools, after school services, seldom primary schools; day care nurseries and family centres. Innovative initiatives of non-profit organisations emerge from the local level, e.g. in Spain a network of social economy schools developed, which could lead to a culture of cooperation between different actors. A special innovation came up in the territory of the French Alps, where families live spread over wide distances: a child care service was grounded inside a bus picking children up and in the same time provide care inside the vehicle. Further social innovations with social economy involvement in ECEC are programmes to integrate Roma into the school system (GR) or flexible opening hours of day care facilities in Germany. It can be observed, that social economy organisations are a driving force in creating innovative services in ECEC at local level, but the integration of their ideas into policy making or the coordination of these local activities is still underdeveloped.

Table 4: The role of social economy in ECEC

Overall	Greatest growth of importance of social economy organisations
Regulation	High interaction of actors
Financing	Marginal: Mostly public investments
Implementation	High (with important role for innovations)

... reconciliation policies

As described in chapter 3, recent reconciliation policies in the countries under study encompass particularly four different measures: (1) Child raising allowances which allow parents or legal guardians to break from their working life for a period of time to take care for their children (2) legal claims for employees for maternal/paternal/parental leave (3) compensation payments and legal claims for employees for long-term care for employees' relatives and (4) and the expansion or set-up of childcare facilities (to which we dedicate an own chapter in this report).

The tools of the first three measures are law and transfer payments. Hence, the state in all countries under study is the most important actor. The organisations of social economy are mainly reduced to a lobbyist and think tank function and in some countries to a very little degree to the function of co-financers (See Table 5).

Particularly, the western and northern European countries (Finland, Sweden, The Netherlands, Germany, France, UK) have a broad landscape of federations and umbrella organisations aggregating and articulating the interests of their members for the political process. The interviews show that these organisations had strong influence on policy making within the recent years, particularly in those countries in which federations from different societal backgrounds started to speak with one voice. In Germany for instance an interviewed policy expert illustrated that the reconciliation policies were boosted in the beginning of the century when employer's associations and trade unions accepted the demands of the family and welfare associations and requested the government to improve its reconciliation policy. In the Netherlands, Sweden, and the UK federations and umbrella organisations played a similar role. In southern and eastern European countries (Italy, Spain, Greece, Hungary, Poland) the influence of family associations is of lesser importance (Hungary, Poland) or the associational landscape is not speaking with one voice (Italy, Spain) since different ideas of the role of women in the work society and the way of raising children are competing. Hence, in these countries the pressure to act for the governments is lower in comparison with countries with largely concurring political demands.

Nevertheless, in all countries under study political think tanks (mostly foundations but also associations) have contributed to the political discourse in recent years. Think Tanks like the Institute for Public Policy Research (UK), the Bertelsmann Foundation (Germany), or the Netherlands Bureau for Economic Policy Analysis are examples for very influential actors from social economy who contributed to the political discourse on reconciliation policies in their respective countries.

Finally, with regard to the co-financing of reconciliation policies the interview partners described some locally limited projects of foundations and other organisations of social economy (Germany, UK, and Finland). However, these projects do not have any national influence and are not significant.

Table 5: The role of social economy in reconciliation policies

Overall	Marginal: field with lowest social economy involvement
Regulation	Marginal: Mostly lobbyist and think tank function
Financing	Marginal: limited projects without broad significance
Implementation	Marginal: policies are typically based on public transfer payments

... long-term-care

The interaction of different actors in the creation and regulation of policy instruments in LTC in the European countries is all together limited (See Table 6). Mostly the state or municipality has the main responsibility to provide the infrastructure and thus solely decides how to implement it. Social economy organisations in this constellation are merely the executers of set initiatives, standards and laws. However, experts in Finland, Sweden, Germany, Italy and Poland stressed consultation processes of politicians with social and private actors, which is mostly happening at local level. Hence, it depends on the local support structures for plural actors and their openness to interaction. In Poland religious organisations developed umbrella organisations, movements and Forums to support hospice care at policy level. Think tanks like the “Bertelsmann Stiftung” in Germany have an impact on policy making in LTC, too. On the other hand the consulting process is asymmetrical since there is no force taking the ideas and concerns of the different corporations and organisations into account. This is even more concerning since many experts highlighted the unique role of social economy actors for innovative initiatives in LTC (FI, FR, GE, GR, HU, IT, PL).

Regarding the financing of social investment in LTC, the role of social economy organisations is marginal as well, since institutions and services are mostly subsidised by the state or municipality. A widespread form of contribution from side of social economy organisations is the co-funding of buildings and services through donations or private contributions. Most active – especially in the south, eastern and central European countries under observation is the involvement of the church, which

traditionally cares about the old and ill people and offers free meals, free shelters, consultations, care and the more. The Swedish expert stressed the role of foundations of rich people which can act flexibly on the LTC market. In Italy, bank foundations and corporate welfare play a role in financing initiatives for elderly and disabled.

Social economy organisations in all countries are involved in LTC provision. Fields of activity cover family care work, day-care centres, home-based care and institutional care. In some countries charities offer meals for elderly people (e.g. UK, GE, HU). Services of activation, education and prevention are offered by the social economy in Greece, Germany, Sweden, Finland and the Netherlands as has been stated by the experts. In the UK, social economy organisations are undertaking innovative home adaptations for elderly or disabled people. Dwellings combined with care in Germany called “assisted living” and in Sweden “secure housing” can also be seen as innovative approaches driven by social economy engagement in the direction of making self-responsible living with professional care possible and in the same time take the burden from relatives or acquaintances. In Poland the development of a hospice movement is seen as innovation as well as hobby clubs for intergenerational integration where old and young can meet. The experts highlight a potential role of social economy actors in developing driving innovative changes in the policy field, if there would be a atmosphere of cooperation, financial support, flexible opportunities of involvement and financing. Until now, social economy organisations are merely executors of present policies or complement public services with initiatives out of donations and voluntary engagement with limited opportunities of innovative development.

Table 6: The role of social economy in long-term care

Overall	Important, but tendency of replacement by private commercial sector
Regulation	Consultation practice in FI, SE, GE, IT, PL, but not constitutive
Financing	Marginal: traditional church engagement in South/East/Central countries
Implementation	High (with important role for innovations)

... labour market policies

In the course of the financial crisis active labour market policy has become a major challenge of welfare politics in most countries under observation. However, not all countries have been affected equally by the crisis and the employment rates developed differently. Hence, the challenges of active labour market policy are varying in Europe. Italy, Greece and Spain are facing high rates of youth unemployment, while Germany, the Netherlands and the Scandinavian countries perform better in this regard. Instead, long-term unemployment, unemployment of disadvantaged groups (e.g. people with migration background or persons with disabilities) is in the focus of active labour market policy here. Poland and Hungary are still in a process of structural change with a labour market that is varying strongly between the regions.

Typically, active labour market policy includes at least five key measures: (1) education, qualification and re-training of unemployed persons or persons who run the risk of getting unemployed (2) further education programmes for employed persons, (3) individual consulting and coaching of unemployed, (4) rehabilitation programmes, and (5) employment creation programmes and wage subsidies.

In the eleven countries under observation there are very different traditions of social economy inclusion in active labour market policy (See

Table 7). While countries like Sweden, the Netherlands, the United Kingdom, and Germany have a long tradition of public private partnerships between public authorities and social economy organisations in other countries like Spain, Italy, Greece, Finland and the eastern European countries, active labour market policy was for a long time mostly in the responsibility of public (often municipal) authorities and just recently these countries opened the production of services in this policy field to social economy.

Since active labour market policy is often located at the regional level in contrast to the other policy fields under observation, interest representation and lobbyism are of minor importance although trade unions, trade and employer's associations are important players in most countries under study which are also active in this context. The same holds true for think tanks and foundations which contributed to the evaluation and development of programmes and often act as entrepreneurs of new services like job placement services for young persons or persons with specific needs.

Table 7: The role of social economy in active labour market policies

Overall	Hesitant involvement
Regulation	Lobbying, interest representation (esp. trade unions and employer associations), evaluation and development of programmes
Financing	Marginal
Implementation	High (with important role for innovations)

5. Conclusion

5.1 Barriers for social economy involvement

As has been shown in the previous sections, the social economy is involved in social service creation and implementation in all of the observed policy fields under observation, except for reconciliation policies in all of the eleven European countries to different extent. This not only depends on the historical development of welfare in the particular country, the progress of social economy or changes in present policies, but the country specific definition of social economy or similar concepts. Firstly, there are concepts reaching from voluntary sector to social enterprise which are recognised in the countries. For instance, in Germany the traditional welfare associations are defined and measured as a main part of the social economy. Voluntary associations are also an important part of the observed policy fields in Finland, but are not seen as belonging to the social economy sector, because the concept of social enterprises is publically supported. Secondly, most countries do not follow a central concept in politics, academia and society or even within the different spheres. Hence, if there is no definition of social economy, neither a political recognition, a targeted financial support, an upcoming representation of social economy, nor an adequate measurement and thus description of social economy can take place. An attempt has been commissioned by the European Economic and Social Committee and carried out by the International Centre of Research and Information on the Public, Social and Cooperative Economy (CIRIEC) in 2008 to establish a European definition and a satellite system as statistical tool to measure cooperatives and mutual societies in a comparative way (Monzón/Chaves 2008). However, until now this system has not been built up and no comparative statistics are available.

With the template filled out by the research partners of the innosi project, which are familiar with the European definition of social economy and could relate this to country specific definitions, we tried to get a picture of the development of social economy especially after the crisis. One result was that mostly there are no national statistics measuring the amount of social services provided by social economy organisations or the percentage of social economy organisations in the particular policy field. Thus, the research depended on the assessment of experts in the countries and policy fields, which gave us a good overview of qualitative tendencies. Nevertheless, a quantitative data basis would be necessary to describe the role of social economy in more detail and in a comparative way.

What can be stated is, that after the increasing support of social economy before the crisis, a stagnation or even decreasing tendency becomes visible in the observed policy fields and countries. A

main reason for this tendency are targets of fiscal consolidation, which led to cut backs in social services, subsidies, benefits, and grants. Even before the crisis, the development of less political and financial support for social economy actors became obvious. The interaction of public and social actors has been adjusted to a market-like arrangement, where the former partnership model has been replaced by a contracting model. Thus, social economy organisations are confronted with a more and more liberal welfare market with a strengthening of competition, since new public management tools, free choice approaches and concepts of a plural social service provider market have been established. These developments are an opportunity for social economy in using the flexibility of the private market, but at the same time inherit a threat, because the intermediary position of these actors between social and economic objectives means disadvantages on the free market compared to private-commercial actors, if not balanced by public support. Hence, social economy actors are forced to become more alike, to build bigger co-operations and to produce as cheap as possible. Even though the social mission of the social economy gets officially enhanced, in competition for public or private funds, it is still not valued, since an objective and quantitative measurement of social impact or outcome is not widely implemented and accepted (Spear 2010).

A threat to long-term and increasing involvement of social economy actors in the policy fields under observation is also the limited, unstable and inflexible financial basis. In nearly all countries the social economy gets mainly funded by public authorities or the social insurance, which are therefore stating the rules, the time, and the kind of spending. Thus, social economy organisations are very dependent on the welfare state. The most flexible organisations are foundations, which own private capital. But even those actors are limited by law in their investment capacity. Practices of social investments through social economy actors are nearly non-existent at present. Additionally and reinforced through the crisis, policies and public funds are often not coherent. Especially in the Eastern and Southern European countries social investments are based on ESF funds and are project framed. After the operation time, these projects are often not extended and other social groups are supported instead. Furthermore, spending changes with legislation period or political change.

As has been criticized by different experts, the social economy is often not recognised legally or politically. Social actors are considered as consultants especially in child care policies and can write statements, public letters or give their opinion on an issue, but this involvement is not constitutive. Thus, policies are mostly drawn out by the national or regional government and social economy is treated as executor of top-down ideas. Since economic targets play an increasing role at the free

market as well as in politics, the social economy enhances values of child and family well-being and self-determination. The values represented by social economy organisations are assessed very differently through the countries and policy fields. In labour market policy social economy should act flexible and market oriented. In child policy on the contrary, social values are more prominent. In the same time in the Scandinavian countries, where Keynesian welfare policies play an important role, social economy is seen as a threat to social values because of its private and economic characteristics. There, the state is regarded as the proper provider for social services. In the UK on the contrary the state's responsibility in social services is seen as ineffective and inefficient in social and economic regards and thus a higher private involvement is favoured. To conclude, neither the explicit social role nor the social innovation potential of social economy visible all over Europe, is not yet focussed and supported on the social policy agenda in the constitution, the implementation or the financing of social services and products.

As has been framed in section three, trends towards a social investment oriented perspective can be stated for most countries and policy fields. However, the extent of coherency and consistency varies remarkably, which is a barrier for the social economy. Often, the social investment is publically promoted, but not broadly implemented. Additionally as has been mentioned before, the social investment approach in the countries concentrates on public investment and not on the (co-) investment through social and private actors which could be a huge opportunity.

The social economy in Europe is rarely crosslinked. Neither in one country or region nor at European level a far reaching representation and lobbying body is in force, which could sustainably strengthen the role of third sector organisations. Different experts named this as a weakness of the sector which is connected with the missing national and European definition and recognition. Partly different main social economy representatives have contrary values and objectives and thus don't find a common basis (e.g. different religious organisations or religious and worker associations).

Some experts see the problem of coordination between different service providers as a threat to a more important role of social economy, since the pluralisation of the welfare market often leads to duplicate structures and decreasing control. Thus, as is most prominent for the child care sector, the deterioration of quality gets more and more criticised in academia, society and politics. Hence, reforms are visible, which try to reverse the plurality trend towards central standards and control with increasing public responsibility. This could lead to a further weakening of the social economy. Presently it is too early to assess this trend.

In the following table, the described barriers for increasing social economy involvement are summarized:

Table 8: Barriers for social economy involvement

Barriers for social economy involvement
▪ Differing definitions
▪ No central concept and strategy
▪ No comparable measurement of social economy
▪ Financial consolidation, cut backs in social investment
▪ Disadvantages in competition with commercial actors
▪ Public funds and policies are often not coherent
▪ Lack of legal/ political recognition
▪ Social economy is seen as executor of top-down ideas
▪ Hesitant social investment with focus on public investment
▪ Marginal networking and interest representation of social economy actors
▪ Focus on quality standards leads to rising central responsibility

5.2 Potentials of social economy in the frame of social investments

The social investment approach as promoted by the European Commission enhances the development of human capital in favour of the employability of citizens and resilience of countries concerning social threats. Furthermore, social coherence and economic growth are main targets of European intervention. The approach is based at the level of social policy and concentrating on social services. Concretely, the life course of individuals is focused with supporting early stage preventions to break cycles of disadvantage. Therefore, social policies need to be coherent, consistent, and long-term tied. Measures must furthermore be sensitive to new emerging or changing social problems, inefficiencies, and ineffectiveness to show a sustainable impact at individual level. In return, individual effort and participation is requested as the approach enhances a civil society perspective with strengthening democratic decisions, social and economic inclusion as well as the activation of persons. A centralistic, state driven concept of social investment is falling short in this sense to integrate the mentioned points.

Since the social investment approach is focussed at the individual level, local initiatives and organisations play an integral role. Especially, social economy organisations as representatives of social groups provide an involvement of participant voices in policy creation. At the same time these actors build up measures and initiatives which are highly targeted to present social needs. Various experts highlighted the role of social economy organisations in establishing innovative ideas and solutions in bottom-up direction. The innovative potential arises out of the regional, often traditional roots and the connection with different actors on public, private, and voluntary level as well as in different disciplines. These regional network structures lead to more consumer-friendly and tailored social services as well as the emerging of new solutions for urgent social needs. Particularly, associations, foundations, co-operatives, or mutual societies stand up for social groups, which are not profitable in an economic sense. Thus, an important role of the social economy is to intermediate between social and economic values, but with focus on social objectives. With the social orientation, these organisations build an important counterbalance to increasing economic values – not only at the free market, but also in politics. As could be displayed in section three, the coherence of policies concerning values of labour market integration and child, family or individual well-being are one pathway to impact. In many countries the social economy is the only institution strengthening the well-being dimension, which is central to an effective social investment approach.

Furthermore, the social economy has shown especially in times of crisis, that it remains stable in terms of economy, finance and employment. Additionally, it has a countercyclical role with providing capital

that is independent from private market. Services of social economy actors are even more demanded in times of recession, thus acting as stable employer as well as stable partner with urgent needs. With the management of voluntary work, financial and substantial donations, exceptional demands as e.g. in the refugee crisis can be caught. Hence, the social economy is contributing to a long-term perspective as well as inclusive and sustainable growth (European Commission 2013).

One of the most important responsibilities of social economy actors is the rebalancing of the labour market in supporting the reintegration of social groups which are distant from the labour market or with providing a second labour market for (occupational) disabled, retired, or mentally ill people. Therewith, social inequalities or inequalities in access and opportunities get balanced. The employment function of social economy actors leads to more social cohesion and in the same time produces economic effects with additional demands and value (Monzón/Chaves 2008).

The increasing social investment and the reforms in early childhood education and care, in reconciliation, long-term care, and partly active labour market policies could be a chance for the social economy to establish or strengthening their role in lobbying, policy creation, and implementation. The freedom of choice approach emerging in child care policies is very promising in that concern as well as tendencies to active ageing connected to shelter housing and intergenerational projects and the strengthening of family values. However, a turn to social investment doesn't seem to automatically support the social economy, but the private-commercial sector. Therefore, a legal and political recognition, a standardised statistical measurement at EU level and flexible, long-term funding options are necessary. As Jorma Sipilä highlighted in 2008 "the social investment state is real and not only a discourse. On the other hand, for most of the governments the idea still seems to be rather a ceremonious declaration than a genuine political aim". So, the dimensions of coherency, consistency and long-term sustainability in social policy have to be enhanced, too. In this sense, the development of social investment and social economy have to go hand in hand.

In the table below, potential roles for the social economy in the frame of social investment as well as mechanisms, which could support this development are shown:

Table 9: Potentials for the social economy in a social investment perspective

Potentials for the social economy	
	▪ Enhancing consumer orientation with targeted, tailored services
	▪ Creation of innovative solutions for new/urgent social needs
	▪ Balancing social and economic objectives
	▪ Counter cyclical economic and employment function
	▪ Contribute to labour market balance and social cohesion
	▪ Co-Financing of policies through social capital and voluntary work
Through:	➤ Increasing investment in Early childhood education and care, in reconciliation, Long-term care and Active Labour market policies
	➤ Increasing government initiatives to support social economy
	➤ legal and political recognition
	➤ standardised statistical measurement at EU level
	➤ flexible, long-term funding options

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