

# Innovative social investment:

Finding new routes to make social rights real



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## 01. About INNOSI

INNOSI presents the conclusions of a synthesis of empirical evidence from twenty in-depth, evaluative case studies in ten countries. The body of new evidence from the case studies has begun to incorporate social innovations into debate surrounding a 'social investment state', and to nudge them towards reflection on more than the national and international contexts (Ewart and Evers, 2014).

**Building human capital usually goes along with social capital//** Human capital is at the core of the Social Investment paradigm. The case study interventions in labour market activation usually involve the building of social capital alongside human capital. Some interventions explicitly aim to improve communities through strengthening social capital and there is evidence of some success in this, for example in the Hungarian Social Land Programme and the Italian Early Childhood Education and Care.

**New relationships across agencies and sectors//** There are some highly positive examples in the case studies of success at achieving collaborative advantage through various kinds of joint working to achieve common Social Investment goals. The rationale is usually that the social challenges are too big and complex for one agency, and that users' needs do not conform to professional and organisational boundaries. MAMBA, Germany for example, stands out as a success story of innovative Social Investment mainly as a result of intensive, time consuming personal assistance achieved through fruitful cooperation of very different organizations. Collaborations and partnerships are rewarding but also challenging. Cross sector and cross agency value frameworks can compete. Barriers include reporting regimes as well as divergent goals and priorities.

**Interdependency with wider policy and politics//** Social Investment goals typically align closely with national as well as EU policy priorities e.g. for labour market activation, work and family reconciliation, early years education or active ageing. There are counter examples noted in some of the InnoSI case study reports where linkages between different policy areas were lacking and there was evidence of mismatch with national policies and other programmes. The report on the Alginet Energy Co-operative found that the Spanish legal framework seems to inhibit community renewable energy and the report on Hungary's Social Land Programme argued that it was thwarted to some extent by passive elements of social benefit system and faced competition from the national start work-program.

**A strong social economy presence //** Governments involve non-state actors in welfare state reforms and, in turn, non-state actors may pilot reforms themselves, which are then adopted by governments ). In the case studies, there were many examples of the redistribution of implementation roles, often expanding the importance of social economy actors. The social economy can generate new ideas and be crucial in the beginning of small, locally based, experimental, pilot activities, projects and actions. Innovations they initiate may remain local but are sometimes replicated elsewhere, as in the case of Green Sticht in the Netherlands, or taken up by government agencies and mainstreamed. This happened with the childcare model in rural Emilia Romagna, part of the ECEC case study, Italy, which was rolled out in the region and became internationally well-known.

Social economy groups are mainly engaged in delivery in InnoSI case studies but some try to influence policy. This was so in MAMBA, Germany, where in addition to case based work, the partners contribute to awareness-raising to sensitize the public, officials and employers to the precarious situation of refugees. In the Partnerships between idea-based and public organisations, Sweden non-profit participants told evaluators that they have gained greater abilities to influence local policy though participating in a partnership with local government.

InnoSI cases involved many different kinds of social economy organisations. Faith groups were important in the German city of Münster, which has many long established Catholic and Protestant institutions and the Green Sticht had support from a Catholic foundation. Faith groups also made significant contributions in Poland and to some extent in Hungary, both former communist countries where civil society traditions are usually said to be weaker than Western Europe.

**Tension between logics of economic growth and social solidarity //** The case studies paint a very different picture at the local level. This is partly explained by the involvement of value driven social economy organisations. Social justice rather than economic efficiency is typically their motivation, as we saw for example in MAMBA, Germany; ECEC, Italy; both Dutch case studies and Partnerships between idea-based and public organisations, Sweden. In Hungary, where the social economy is weaker, it was local elected representatives responsible for implementing the Social Land Programme who questioned national policies prioritising labour market outcomes over more social ones.

**Citizens becoming an active part of the innovation process //** Personalised, user-focused services were characteristic across all the case studies. There was a strong sense from providers and users alike that this replaces a one size fits all model that has failed in the past. Some interventions went much further with involving users in the design of services.

**Financial Innovation //** The case studies revealed few and quite limited examples of innovation in funding Social Investment programmes. The outcomes-based models in the UK case studies represent just two of many versions of Payment by Results mechanisms that have been trialed in that country and elsewhere. The UK InnoSI cases are not full-fledged implementations of risk transfer from the public to the independent sector. Their success has been mixed, neither as detrimental to service users as feared by critics nor as conducive to innovation as advocates expect. There were a few examples of innovative ways of securing additional private financing for Social Investment programmes. This was achieved in various ways: a nursery serving the children of corporate employees as well as local residents; setting up social enterprises, and selling produce from land-based projects (as in Hungary and the Netherlands). The case of Alginet Electric Co-operative in Spain stands out as a successful initiative that has achieved Social Investment goals of long-term welfare improvement (combatting fuel poverty) and citizen activation without any form of state funding.

**Unpaid work to support Social Investment //** In some cases, non-financial inputs (mainly unpaid work on the part of citizens) are essential to make Social Investment initiatives viable. This is particularly so where social economy partners are able to access local traditions of volunteering. Involving volunteers is characteristic of many social economy organisations but not all do so. One of the non-profit partners in Partnerships between idea-based and public organisations did not have any volunteers but managed to enroll retired members of staff to meet the partnership's needs. There are many reasons for volunteering. Religious faith can be a strong factor for altruistic volunteering to help people perceived as unfortunate, for example supporting refugees in Münster, Germany. Some groups of volunteers are united around a shared interest in the tradition of self-help, as was the case with the mothers who worked together to create new childcare facilities in a small town in Emilia Romagna, Italy. Volunteering tends to be viewed very positively by all stakeholders including decision makers, service staff, beneficiaries and volunteers themselves. There are indications that this is less so when it is seen as a substitute for publicly funded professional services rather than additional to them.

**Very poor, vulnerable and stigmatised groups //** Critics have warned that the Social Investment paradigm is not pro-poor and may serve to undermine the normative basis of social policy and drive economic rationales to replace human rationales. Many InnoSI case studies set out to benefit some of the most vulnerable and stigmatised social groups, often with some elements of compensation. Nevertheless, they demonstrate success for initiatives with a socially investive and innovative character in tapping into new capacities and resources. They do this in ways that support personalised interventions to assist the poorest and most disadvantaged (non EU migrants, Roma, people with physical or mental health problems) and achieve positive outcomes for individuals and communities.

**Social Investment and migration //** The SIP working doc (European Commission, 2013a) notes that migrants from outside the EU are generally younger than the population they join, so they rejuvenate it. In this sense, programmes to support their labour market participation and social inclusion look like a good fit with Social Investment. But the Social Investment paradigm, with its emphasis on the whole life course, may not be easy to apply to mobile populations who arrive in a Member State in adulthood often with their closest family ties overseas. We saw this tension in the MAMBA project. For the lead partner, the rationale is furthering social justice irrespective of the likelihood that some long-term benefits will accrue outside Germany.

**Conceptualising Social Investment //** The difficulty of distinguishing Social Investment from social expenditure is a significant strand of criticism of Social Investment as a conceptual paradigm and as a guide to policy. InnoSI case studies include elements that are not about future returns but rather around more immediate support and safety nets. The Partnerships between idea-based and public organisations, in Sweden, for example, finds shelter for newly arrived young migrants before addressing their psychological needs, social networks and work preparation. Awareness

of the concept of social investment hardly exists at all at the local and regional levels but, nevertheless, the case studies provide compelling evidence of strong commitment to long-term improvement in prospects for future employment and social participation, plus more social cohesion and stability.

### Implications//

Social innovations supporting Social Investment reforms may be initiated at the local level in the social economy and driven forward by “social entrepreneurs”. However, case study evidence suggests that systematic change needs sponsors from the political level and continuity in the form of public funding. There are opportunities for social innovations to be mainstreamed when a crucial role is played by the different agencies of the public administration, as in the Italian Early Education and Care. As a counter example, the Spanish Energy Cooperatives demonstrate one way in which the social economy can help to shape the future of the welfare state in the absence of state funding and in the face of national policies that are not well aligned.

An element of co-creation is a significant achievement in some case studies and an ideal not quite realised in others. It is important to recognise how time consuming co-creation can be especially with user groups who are very disengaged. Time needs to be factored in to make this possible. Innovative means will also be needed to engage them. One way forward may be building upon the success of the Community Reporting model used in InnoSI to complement the research evidence with service users’ own stories told with easy to use technologies ‘in the pocket’.

Reliance on activism, volunteering, and unpaid efforts (e.g. in participation and co-production) is prominent in many case studies. Usually, with a very few exceptions, stakeholders regard this as positive. It is perhaps something of a paradox that Social Investment (with its emphasis on labour markets) relies in practice on so much non marketised time and activity. It leaves unanswered questions about the sustainability of voluntary action in the long term, and how to compensate the work of those citizens who may not be a part of mainstream work but still perform valuable and impact-laden services for the community.

Overall there was a lack of monitoring outcomes and demonstration of the return that financial and other investments generated. The UK case studies were an exception in that they deployed an outcome-based funding model (Payment by Results). This is not a panacea that can be recommended whole heartedly for other contexts. There are many criticisms of the principles of PbR and indications from the UK (in InnoSI and other evidence) that it has not so far delivered on its promises. PbR is consistent with usage of the term ‘social investment’ in the English speaking world to refer to new financial instruments for funding social programmes rather than the European Social Investment paradigm. There has been little dialogue to date between these meanings of ‘social investment’. It will be useful, based on this observation, for stakeholders to examine the potential for PbR (and various kinds of financial investment that can underpin it) to support - or inhibit - the future-oriented ambitions of the Social Investment paradigm.

Short summaries of the individual case studies can be found at: <http://innosi.eu/461-2/>

## 02 Agenda: internal meeting

### INNOSI internal consortium meeting 13.00.17:00

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|-------------|--|
| 13.00-13.15 | Welcome and agenda (Chris Fox)                         |
| 13.15-14.00 | Results from the impact work package (Stephen Barnett) |
| 14.00-14.45 | Evaluation of the impact work package (Gavin Bailey)   |

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| 14.45-15.00  | <i>Refreshments</i>  |
| 15.00-16.00  | Dissemination (Michael Willoughby and Rob Grundemann)      |
| 16.00-17.00  | Legacy (Chris Fox, Sue Baines, Paula Sergeant, Mira Lehti) |
| 17.15.-18.30 | <i>Project Steering Board</i>                              |

## 02. Agenda: Open Event 13.10.2017

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| 8.30-9.00                                  | <b>Registration</b><br>Exhibition of User Voice and Foresight work   |  |
| 09.00-10.15                                | <b>Social investment vs social rights: clash of concepts?</b> <ul style="list-style-type: none"> <li>Setting the scene: <i>Prof. Chris Fox</i> and <i>Prof. Sue Baines</i>, INNOSI Project Director and Deputy Director</li> <li>Opening: <i>Marianne Thyssen</i>, European Commissioner for Employment, Social Affairs, Skills and Labour Mobility (INVITED)</li> <li>Keynote: <i>Prof. Anton Hemerijck</i>, Professor of Political Science and Sociology, European University Institute</li> </ul> Moderator: <i>Prof. Chris Fox</i> |  |
| 10.15-11.30<br><br>Four parallel workshops | <b>Innovative social investment: a vehicle to deliver social rights?</b>   |  |
|  | <b>I. Resourcing: financing</b><br>INNOSI user voice film clip<br>INNOSI facilitator and intro: University of Bologna, Italy<br>Commentator: <i>Sari Rautio</i> , Leading Expert, Impact Investing, The Finnish Innovation Fund Sitra<br>Rapporteur  | Case studies in focus: <ul style="list-style-type: none"> <li>The integrated system of early childhood education and care of the Emilia-Romagna Region. Case studies of innovative services</li> <li>Troubled Families, UK</li> </ul>  |
|  | <b>II. Social economy</b><br>INNOSI user voice film clip<br>INNOSI facilitator and intro: <i>Inga Narbutaite Aflaki</i> , Lecturer, Karlstad University, Sweden<br>Commentator:<br>Rapporteur  | Case studies in focus: <ul style="list-style-type: none"> <li>Innovative of local public-non-profit collaborations for unaccompanied asylum-seeker children reception and integration in Gothenburg, Sweden</li> <li>Assistance from A to Z – professional activation of homeless people from Wrocław Circle St. Brother Albert Aid Society</li> <li>Social investment and the causes of energy poverty: are cooperatives a solution?</li> </ul> |
|  | <b>III. Resourcing: volunteering and unpaid work</b><br>INNOSI user voice film clip<br>INNOSI facilitator and intro: University of Applied Sciences Utrecht, Netherlands<br>External speaker<br>Rapporteur   | Case studies in focus: <ul style="list-style-type: none"> <li>Urban Farming and the Green Sticht, the Netherlands</li> <li>MAMBA – labour market integration for refugees and asylum seekers, Muenster, Germany</li> </ul>   |

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|-------------|--|--|
|             | <p><b>IV. Co-Production “May I help you?”</b><br/>         INNOSI user voice film clip<br/>         INNOSI facilitator and intro: <i>Mira Lehti</i>, Project Advisor, Turku University of Applied Sciences<br/>         External speaker<br/>         Rapporteur</p>   | <p>Case studies in focus</p> <ul style="list-style-type: none"> <li>• User-Driven Development of Local Public Services in Kainuu, Finland</li> <li>• Personalised plans for people with disabilities, Sardinia, Italy</li> </ul> |
| 11.30-12.00 | Refreshments   |  |
| 12.00-12.30 | <p><b>Panel of Workshop Rapporteurs</b><br/>         Moderator: <i>Prof. Sue Baines</i>, Deputy Director INNOSI</p>  |  |
| 12.30-13.30 | <p><b>Innovative social investment: what needs to happen next?</b></p> <ul style="list-style-type: none"> <li>• DG EMPL, European Commission INVITED</li> <li>• EU Social Protection Committee</li> <li>• <i>Sari Rautio</i>, Leading Expert, Impact Investing, The Finnish Innovation Fund Sitra</li> <li>• Social Services Europe</li> <li>• European Social Network</li> <li>• ESPN research network</li> <li>• <i>Prof. Sue Baines</i>, Deputy Director INNOSI</li> </ul> <p>Facilitator: <i>Stephen J. Barnett</i>, CEO, Euclid Network</p> |  |
| 13.30-14.30 | Lunch  |  |



## 03. EU Policy Context

When the INNOSI research project was approved in early 2015, the European Commission's primary social policy initiative was the Social Investment Package (SIP) of 2013. The Commission had worked with a group of academics from 2011 onwards to develop its "social investment" concept. At that time, the Commission was advancing methods to improve the efficiency of public services (welfare, care, health, education) to help (temporarily) vulnerable or excluded people become more productive. According to the EC webpage (<http://ec.europa.eu/social/main.jsp?catId=1044>) presenting the SIP, the Package:

- guides EU countries in using their social budgets more efficiently and effectively to ensure adequate and sustainable social protection;
- seeks to strengthen people's current and future capacities, and improve their opportunities to participate in society and the labour market;
- focuses on integrated packages of benefits and services that help people throughout their lives and achieve lasting positive social outcomes;
- stresses prevention rather than cure, by reducing the need for benefits. That way, when people do need support, society can afford to help;
- calls for investing in children and young people to increase their opportunities in life.

After the spring 2014 European Parliament elections, new political leadership took over at the European Commission with Jean-Claude Juncker as President. The Commissioner who had ushered through the Social Investment Package, László Andor, came to the end of his term, and most of the key officials who had worked on Social Investment Package had left DG Employment by early 2017. The new subject of all the policy papers and conferences in and around Brussels is the EU Pillar of Social Rights. Published in April 2017 after a commendably long consultation and engagement period, it is an aspirational list of 20 so-called rights under three chapters:

- I. Equal opportunities and access to the labour market
- II. Fair working conditions
- III. Social protection and inclusion

The Commission has shifted the focus of its efforts from **how** to redesign welfare states and public services for better outcomes to **what** those outcomes (the so-called rights) should be. Policy-makers across Europe thus have access to the beginnings of a common understanding of **what** welfare states should deliver for Europeans and substantive conceptual thinking backed up by some evidence about **how** to deliver those outcomes.

## 04. INNOSI evidence guide

This is where to summarise our evidence in general and under 4 headings of Financing, Social Economy, Co-Production and Use of Evidence.

A map of the findings and where to read the reports.

TO FOLLOW

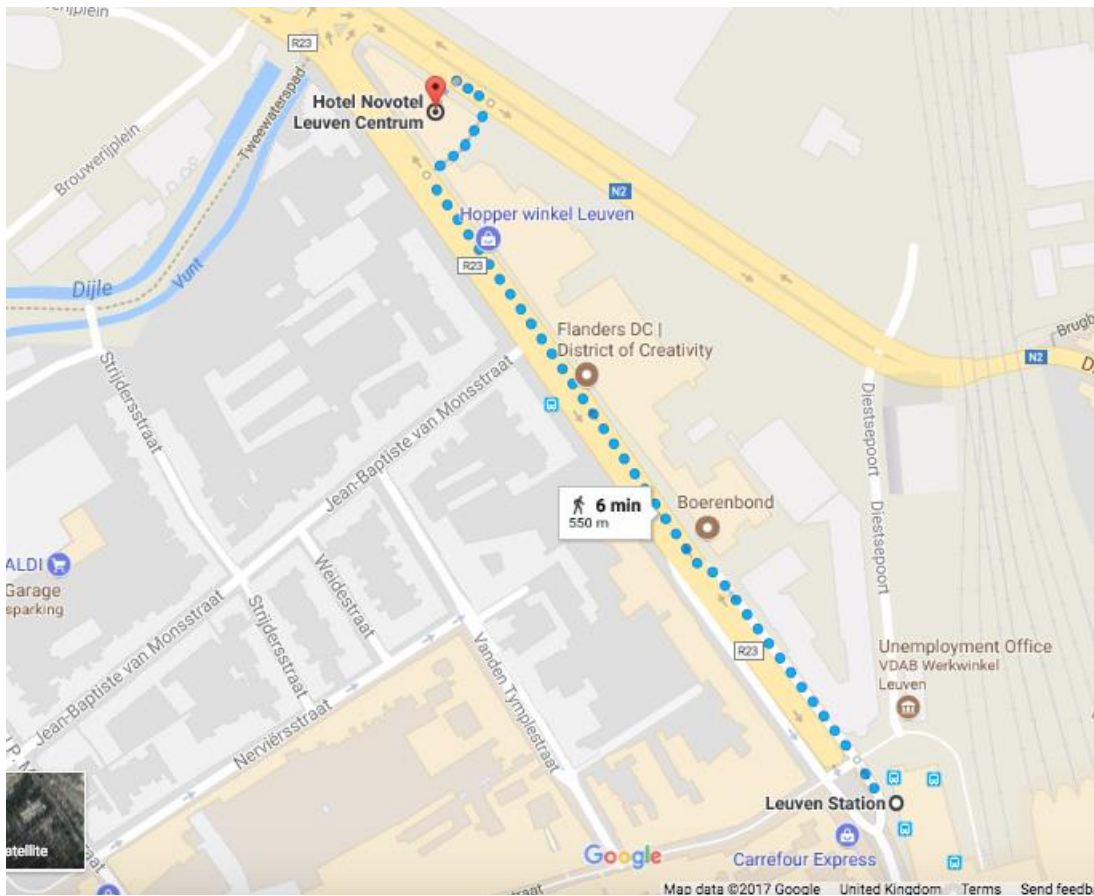
## 05. Practical information

**Venue:** Novotel Leuven Centrum (6 mins walk from Leuven station)




**Location:** Leuven, near Brussels

**Address:** 4, Vuurkruisenlaan, 3000 Leuven BELGIUM

**Transport:** Leuven station is 20 mins by train from Brussels Airport (Zaventem) and 25 mins from Brussels Central Station



INNOSI Key contacts:

-  Prof. Chris Fox
-  Prof Sue Baines
-  Stephen J. Barnett

[www.innosi.eu](http://www.innosi.eu)

