

The EU framework for social innovation - Between entrepreneurship and policy experimentation.

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Abstract

The aim of this paper is to identify and provide a preliminary assessment of the resources that the EU has made available to promote social innovation over the period 2006-2014, with special focus on poverty and social exclusion policies. Such a focus is relevant insofar as the establishment of a quantitative target concerning poverty and social exclusion has been one of the major novelties introduced by the Europe 2020 Strategy: social innovation has been presented as a key area for facilitating its achievement. In order to identify European Union (EU) resources relevant for social innovation, we have adopted a diachronic approach taking into account two sub-periods: 2006-2010 (the period of the revised Lisbon Strategy) and 2010-2014 (the first stage of the new Europe 2020 Strategy). This has allowed us to shed light on both the varying importance of the issue over time and the evolution of the relevant instruments and processes implemented by the EU. Our analysis also provides insights into the complex and multi-layered European policy architecture for underpinning social innovation.

Three main conclusions can be drawn from the analysis. First, considering the period 2006-2010, one could refer to it as a situation of 'social innovation between the lines'. The label social innovation was rarely ever used over that period and, though a number of EU instruments and processes actually supported it, social innovation was rarely explicitly mentioned among their objectives. Furthermore, a variety of interpretations of the notion of social innovation can be detected, some of which emphasised innovation related to the reform of welfare policies, others to social business and the social economy, and others to local level initiatives. Secondly, according to our analysis, the European Commission's Bureau of European Policy Advisers (BEPA) played an agenda setting role in raising the attention paid to social innovation at the EU level. Notably, activities carried out by the BEPA in 2009 and 2010 represented an occasion for a) bringing together the variegated policy community of people dealing with social innovation, b) proposing a broad definition of social innovation, trying to include – to a certain extent – the diversified existing interpretations of the concept, and c) bringing the issue to the attention of EU leaders at a critical juncture of EU politics, i.e. the elaboration of the Europe 2020 Strategy. As a consequence, and this is our third conclusion, social innovation was mainstreamed into the Europe 2020 Strategy. In fact, explicit references to such a topic can be found in both constituent elements of the Strategy (e.g., the Integrated Guidelines, the European Platform against Poverty and Social Exclusion and the Innovation Union flagship initiatives) as well as policy instruments implemented as part of the Europe 2020 Strategy (including the Employment and Social Innovation Programme, the Social Investment Package and the European Structural and Investment Funds).

Looking at policy instruments and processes implemented in the context of Europe 2020, one can identify a varied set of resources offered to support and promote social innovation, including financial resources, visibility and reputational resources, and cognitive and networking resources. Furthermore, some attempts have been made to strengthen coordination between the various European Commission Directorates-General (DGs) that take action on social innovation. Yet differences concerning the concrete understanding of social innovation between the various DGs (and the focus of the initiatives implemented) persist, with each DG interpreting the notion in a way closer to its mandate. Thus, while a 'social entrepreneurial' view on social innovation prevailed in the former DG Enterprise and Industry and DG Internal Market (recently merged in to a single DG GROW), the

Directorate-General Employment, Social Affairs and Inclusion (DG EMPL), there has gradually developed a different notion of social innovation as ‘social policy innovation’. This is a methodology for testing on a small scale policy reforms in line with policy orientations defined at the EU level, with the goal of upscaling the most successful experiments through the EU Funds.

When benchmarked against some of the governance challenges typically confronting social innovations identified by previous research in the IMPROVE project, current initiatives undertaken by DG EMPL entail both opportunities and risks. First, linking social innovation to the reform of national social policies and concentrating a number of resources on such a purpose may make it more likely that the EU will have an impact on domestic reforms. However, the fact that socially innovative projects funded through the call for tenders on social policy innovation must follow the approach and the priorities defined at the EU level (e.g. in the Social Investment Package and the Country-specific Recommendations) may prevent support for genuinely bottom-up ideas and out of the box innovations, leading to a situation of constrained social innovation. Secondly, the fact that, in relevant EU documents, social innovation is often associated with the need to improve the efficiency of social policies in a context characterised by budget constraints and to mobilize private resources to finance welfare provisions may lead to a narrow interpretation of the concept. In fact, social innovation could be possibly interpreted as the need to ‘do more with less’ resources or as a way to de-responsibilise public authorities by shifting responsibilities for welfare provisions to private/third sector actors.

Keywords: Social innovation, Europe 2020, poverty and social exclusion, social experimentation, European structural Funds

JEL codes: I3

1 Introduction

The aim of this paper is twofold. First, we aim to identify the resources¹ that the European Union (EU) has made available to promote and support social innovation in the period between 2006 and 2014. In order to do so, we will map and discuss a number of policy tools and processes suitable for sustaining social innovation that the EU has implemented over this period, with a focus on social innovations in the field of poverty and social exclusion. Indeed, while social innovation may concern a variety of policy fields (including, for instance, education, ageing, and healthcare), the emphasis on poverty and social exclusion appears important to the point where setting up of a quantitative target concerning that domain has been one of the major novelties introduced by the Europe 2020 Strategy. Social innovation has been presented as a key area for facilitating the achievement of such a target and, more generally, for achieving Europe 2020's ambition to promote smart, sustainable and inclusive growth (European Commission 2010c, 2010d). In analysing the emergence and the key features of the European social innovation agenda, we adopt a diachronic approach, distinguishing between two sub-periods: 2006-2010, a period in which such an agenda remained implicit, and 2010-2014, when social innovation explicitly appeared in EU policy discourses and was largely mainstreamed into EU policy processes. Besides highlighting changes in the attention given to the topic over time, such an approach allows us to situate social innovation developments within the broader policy framework of the EU's overarching strategies: the re-launched Lisbon Strategy (2006-2010) and the Europe 2020 Strategy (2010-ongoing). Secondly, we aim to provide a preliminary assessment of the current EU framework for social innovation (i.e., of resources available under the Europe 2020 Strategy). Particular attention will be devoted to the initiatives more directly linked to social innovation in the field of the fight against poverty and social exclusion.

The present paper is primarily based on a careful analysis of documents produced by EU institutions/bodies (desk research), complemented by insights from the relevant scientific literature and six expert interviews with highly informed actors. Interviewees have been selected with a view to reflecting the variety of points of view on social innovation characterising various policy circles, and include officials from various Directorates-General (DGs) of the European Commission² (3), representatives of EU level think-tanks (2) and one stakeholder (see Annex IV).

The paper is structured as follows. Section 1.1 briefly explains some definitional challenges related to the research topic. Social innovation is indeed a contested notion: a variety of definitions have been elaborated over time and the understanding of the phenomenon differs both among and within scientific, civil society and governmental circles. In this paper we mainly rely on the definition elaborated by the Bureau of European Policy Advisers (BEPA) in 2010 (section 1.2). We justify our choice and explain how the BEPA definition relates to other interpretations of social innovation. Section 2 briefly describes the relevant initiatives implemented before the 2000s. , In Section 3 we review instruments and processes supporting social innovation that the EU provided in the period between 2006 and 2010 – i.e. during the second phase of the Lisbon Strategy – relevant to the fight against poverty and social exclusion. Section 4 will look in more detail at the late 2000s, which is the

¹ In this paper we adopt a broad understanding of the term 'resources', not limited to financial resources. Indeed, as pointed out by Graziano *et al.* (2011:10), the EU typically provides domestic actors with a large range of resources, including legal, financial, cognitive and normative, political and cognitive ones.

² Notably, from DG Employment, Social Affairs and Inclusion, DG Enterprise and Industry, DG Regional and Urban Policy.

period marking the passage from the Lisbon to the Europe 2020 Strategy. We claim that it was in this period that the label social innovation emerged in EU level policy discourses and that activities carried out by the Bureau of European Policy Advisers played a key role in that respect. Section 5 reviews instruments and processes supporting social innovation implemented within the Europe 2020 Strategy. Section 6 wraps things up: first we provide an overall assessment of the current EU framework for social innovation; second, we focus on the initiatives more directly linked to the fight against poverty and social exclusion implemented under the Europe 2020 Strategy, which will be assessed in the light of the answers they may offer to a number of governance challenges with which (local) socially innovative practices are generally confronted.

1.1 Definitional challenges

In view of the protean nature of the concept of social innovation, it is necessary to explain some definitional and conceptual issues before embarking on our analysis of the EU framework. As noted by Jenson and Harrison, social innovation can be understood as a quasi-concept, which is a concept characterised by a significant degree of flexibility and some analytical and empirical weaknesses, whose utility primarily lies

... in fostering cohesion across a policy network, composed of researchers, analysts and decision-makers [and] provid[ing] an analytical focus for identifying policy challenges and diagnosing their characteristics. (Jenson and Harrison 2013: 14)

Because there is no basic agreement on the exact meaning of concept, and a variety of definitions exist (see Annex I), one can question from which perspective the EU framework has to be interpreted and assessed.

The definition used in the ImPRovE project³ stresses the highly contextual and bottom-up character of social innovation as well as its capacity to promote the participation and the empowerment of socially excluded groups thus eventually leading to the transformation of social relations. Other definitions more explicitly link social innovation either to dynamics of the redefinition of boundaries between the social and economic spheres – which eventually ‘blur’ – or to processes of reform of welfare policies (for a more detailed description, see Annex I).

Because the aim of this paper is to shed light on the resources to promote and support social innovation that the EU has made available in the course of the time we have opted, however, for the unofficial EU definition of social innovation. More in particular, we will use the work carried out by the European Commission’s Bureau of European Policy Advisers (BEPA) in 2009 and 2010 – and the definition of social innovation proposed in that context (BEPA 2010) – as the main reference for the present study. This a pragmatic choice, dictated by three reasons.

³ Social innovations as “[...] *bottom-up initiatives that respond to the commodification of life chances and/or the relations of domination embodied in existing institutions to satisfy social needs of socially excluded groups (content dimension). They bypass or transform existing welfare or other institutions and structural social relations by involving civil society, third sector or social entrepreneurs so as to increase the control of socially excluded groups over the means to satisfy their social needs (process dimension). They thereby contribute to the empowerment and socio-political mobilization of socially excluded groups*” (Kazepov *et al.* 2013:12, italic in the original).

First, BEPA's activity during the late 2000s was key for the emergence of the topic of social innovation on the EU agenda. Although a variety of EU initiatives and programmes supported socially innovative projects already from the end of the 1970s, it was not until the 2000s that the EU really started focusing on social innovation and began to use the label explicitly. As we shall see below, BEPA's activities are crucial to understand the timing and sudden intensity of the EU's concern with social innovation. Second, although it cannot be considered as the official EU definition, recent important documents produced by EU institutions explicitly refer to the BEPA definition. Third, the work undertaken by BEPA includes a retrospective analysis of instrument and processes implemented by the EU in the past and which – to a varied extent – supported and promoted social innovation⁴. Considering that, before 2010, social innovation was seldom if ever explicitly mentioned at the EU level, the study conducted by BEPA has represented a useful starting point for our analysis insofar as it allowed us to identify policy tools and processes supporting social innovation in the domain of poverty and social exclusion implemented in the period 2006-2010.

Although there are sound, pragmatic reasons for selecting the BEPA definition of social innovation, we acknowledge the limitations of this choice. Definitions are not neutral tools, simply allowing us to describe reality. Each definition selects and emphasizes certain aspects of reality while obscuring others, and may be used to push specific policy goals (see Annex I for a fine-grained analysis). All definitions, including the one by BEPA, can be seen as outcomes of a definitional struggle. Yet, as soon as they are broadly accepted, they may become an element in the political game. For this reason, our analysis will also highlight how the BEPA definition came about and can be used to legitimate specific policy goals and attenuate others.

1.2 The Bureau of European Policy Advisers' definition of social innovation

In January 2009 the Bureau of European Policy Advisers (BEPA) organized a high-level workshop on social innovation, which was followed up by a report on this topic published in May 2010. In the latter, relying on a definition proposed by a preparatory study commissioned out to the Young Foundation and the Social Innovation eXchange (SIX) (Caulier-Grice *et al.* 2010), BEPA defined social innovations as:

... innovations that are social in both their ends and their means. [They are] new ideas (products, services and models) that simultaneously meet social needs (more effectively than alternatives) and create new social relationships or collaborations. In other words they are innovations that are not only good for society but also enhance society's capacity to act. (BEPA 2010: 33, italics in the original)

Such a definition highlights two main dimensions of social innovation: the 'output dimension' and the 'process dimension'. As for the former, BEPA tries to elaborate more on the kind of challenges that social innovation is supposed to address and on the scope of change in social interactions they require

⁴ This paper hence limits itself to assessing the role of EU instruments and processes in supporting socially innovative projects. A more comprehensive analysis of the role of the EU in supporting social innovation, would require a more explicit theorization of social innovation as a multi-scalar 'societal transformation', connecting local social innovations with more general processes of social change rooting out poverty and social inclusion. Such a comprehensive, more political assessment, however, is beyond the scope of this paper.

(BEPA 2010: 42-43), thus identifying three – complementary and interdependent approaches (or perspectives) to social innovation:

- a *social demand perspective*, according to which social innovation aims at addressing:

social demands that are traditionally not addressed by the market or existing institutions and are directed towards vulnerable groups in society. (BEPA 2010: 43)

According to this approach – considered as a ‘narrow interpretation’ of social innovation – the economic and social spheres are seen as two separate but complementary dimensions, and social innovations are mainly targeted at satisfying the needs of the most vulnerable groups in society such as unemployed people, migrants, youth and elderly people, offenders. From this perspective, key players in developing social innovations may be public, private, third sector actors as well as users and local communities. In particular, social entrepreneurs are expected to play a key role (BEPA 2010: 37);

- a *societal challenge perspective*, according to which social innovation would aim at addressing:

societal challenges in which the boundary between ‘social’ and ‘economic’ blurs, and which are directed towards society as a whole. (BEPA 2010: 43)

From this perspective – also linked to discourses related to the sustainable development and the Beyond GDP agendas – social innovation could reform the very meaning of economic activities by adding an additional dimension to economic outcome (BEPA 2010: 37). In this sense, the social domain would also represent an opportunity to generate both economic, social and ecological returns (growth, jobs and the satisfaction of social needs);

- a *systemic changes perspective*, emphasising:

the need to reform society in the direction of a more participative arena where empowerment and learning are sources and outcomes of well-being. (BEPA 2010: 43)

According to BEPA, in this perspective a key role has to be played by public actors, together with private and community players. Social innovations would result in

... changes in fundamental attitudes and values, strategies and policies, organisational structures and processes, delivery systems and services, methods and ways of working, responsibilities and tasks of institutions and linkages between them and different types of actors (BEPA 2010: 38)⁵.

As for the output dimension, irrespective of the specific output they are expected to deliver, according to the BEPA, social innovations should rely on:

⁵ For each of those perspectives BEPA report refers to a number of (rather diverse) examples. Examples of social innovations related to the social demand perspective concern the field of work reinsertion, microfinance, education and training, health services, childcare or services for the elderly, urban regeneration initiatives. Examples of the societal challenge perspective include, among others, the Red Cross and the Open University, time banking, social businesses, and child trust funds. Examples related to the systemic changes perspective range from the Open Method of Coordination implemented by the EU in the social domain, to changes in the organization and management of firms, initiatives aiming at making citizens more aware of climate change, initiatives aiming at tackling gender stereotypes, participatory budgets.

... the development of new forms of organisations and interactions among actors to tackle social issues. (BEPA 2010:36)

2 Tracing the roots of social innovation in EU policies

Over time, initiatives supporting and promoting socially innovative practices have been implemented by public authorities such as the European Union. As noted by Jouen (2008:17), this was especially the case of the so called Community Initiatives promoted by the European Commission since the mid - 1990s in various policy fields.

In the framework of EU cohesion policy, the URBAN I (1994-1999) and URBAN II (2000-2006) Community initiatives have often been considered suitable for promoting social innovation (cf. Oosterlynck et al. 2013: 19-20)⁶. Indeed, those initiatives – funded through the European Regional Development Fund (ERDF) – were aimed at promoting the sustainable development of deprived urban neighbourhoods by adopting integrated approaches (i.e. through integrated solutions to address economic, social and environmental challenges) based on partnership, capacity building and the active involvement of local communities and target groups (Carpenter 2006).

Similarly, as pointed out by the Commission's own evaluations (cf. BEPA 2010: 74; European Commission 2000b), the mobilisation of local actors, the development of partnerships, the promotion of integrated and bottom up approaches to rural development and capacity building activities were among the key assets of the LEADER Community initiatives implemented between 1991 and 2006⁷. The innovative character of the LEADER initiatives is well illustrated in the guidelines for the last of them, LEADER+ , that intended to represent:

... a laboratory which aims to encourage the emergence and testing of new approaches to integrated and sustainable development. (European Commission 2000b: point 8)

When it comes to the field of poverty, one can note that already the first intervention of the European Community in this field – i.e. the European Anti-Poverty programme implemented at the end of the 1970s⁸ – consisted in

... a number of locally-based pilot projects, intended to demonstrate innovatory methods of combating poverty. (Room 2010: 9)

⁶ Given its focus on the urban dimension, the meaning attributed to social innovation in the URBAN initiative seems particularly close to the understanding of the concept in the ImPRovE definition.

⁷ LEADER I (1991-1993), LEADER II (1994-1999), LEADER + (2000-2006). Since 2007, the approach followed by the initiative has been integrated into the European Agricultural Fund for Rural Development.

⁸ The first European Anti-Poverty Programme ran from 1975 to 1980. It was followed by the II and the III Anti-Poverty Programmes (respectively implemented between 1986 and 1989 and between 1990 and 1994). In the framework of the III programme, an Observatory on national policies to combat social exclusion was set-up. Activities carried out under the three programmes were fundamental in order to reframe the concept of poverty in terms of social exclusion, presented as a community-wide phenomenon requiring a community-wide response (Bauer, 2002).

According to the Commission, common features characterising those pilot projects were:

the presence of an important element of innovation, a strong participation by the population directly concerned and a potentially significant contribution to the nations of the European Community in the development of social policy. (European Commission 1977:4)

As pointed out by Room (2010), those projects – which followed an action-research perspective – aimed at boosting collaboration between the scientific community, national and local policy-makers and the disadvantaged communities. In particular, the participation of the latter in the design and implementation of the projects was considered as a key – and in many cases successful – element (ibid.: 11-12). Some of the projects funded through the subsequent Community Programmes were small scale projects testing innovative methods for social provisions, with a view to generalising the most successful ones (Room 2010: 11).

A similar emphasis on innovation as a way to test and promote policy reforms will be later developed in the framework of the EQUAL Community initiative implemented between 2000 and 2006. The EQUAL initiative, linked to the European Employment Strategy (EES) and aiming at combating discrimination and inequalities in the labour market, was indeed based on five priorities (European Commission 2000a): partnership (i.e., the involvement of all relevant actors); empowerment (including the active participation of the target groups); transnational cooperation; innovation; mainstreaming (intended as a process of analysis, benchmark and dissemination of innovative solutions both within Member States and across the European Union). As for the principle of innovation, the guidelines of the initiative read that “EQUAL will test innovative approaches to policy delivery” (European Commission 2000a: point 28) and distinguish between three types of innovation (ibid.: point 29): 1) ‘process oriented innovations’, i.e. the development of new methods, tools and approaches or the improvement of existing ones; 2) ‘goal-oriented innovations’, that is, the formulation of new objectives or approaches for labour market policies (including, for instance, the opening up of new areas for employment); 3) ‘context-oriented innovations’, which relates to political and institutional structures⁹.

The ad hoc working group on innovation and mainstreaming explicitly refers to *social innovations*, defining them as:

changes in organisational values, structures and processes, and in linkages between institutions. (EQUAL Managing Authorities 2006: 3)

In that document, social innovation was linked to the renewed Lisbon Strategy for Growth and Jobs and was deemed particularly relevant for the modernization of the economy (here, the reference is to ‘organisational innovations’) and for the implementation of policy reforms in the domain of employment and social inclusion. As for the latter, social innovation was seen as a way for developing and testing on a small scale new policy approaches and new ways of delivery, before mainstreaming them on a larger scale. In order to do so, the working group emphasised the need to implement experiments based on sound methodologies¹⁰. Summing up, while a variety of EU initiatives and

⁹ A similar understanding of the concept of innovation can be found in the so-called Innovative actions promoted through Art. 6 of the Regulation on the ESF for the 2000-2006 programming period (cf. European Commission 2001).

¹⁰ As pointed out by the members of the working group, “*managed effectively, innovative activity allows experimentation to take place at a micro level enabling new approaches to be tested on a smaller scale to find out what works, what does not and in what circumstances. That is why sound procedures monitoring, validating and assessing innovative results are so important [...]. Validation in this context means proven*

programmes de facto promoted social innovation or supported socially innovative projects already before the 2000s, with the exception of the EQUAL programme, social innovation generally did not appear among the goals of those initiatives (see also BEPA 2010: 96-97, Jouen 2008) and that label was seldom if ever explicitly mentioned in their constituent documents¹¹.

3 The Lisbon II period: social innovation between the lines

In this Section, using the BEPA (2010) report as a blueprint, we will discuss a number of policy instruments and processes relevant to the fight against poverty implemented in the framework of the renewed Lisbon Strategy in order: a) to verify if and to what extent the promotion of social innovation was among their goals; and b) to understand to what extent (and in which sense) they have supported social innovation. More particularly, we will discuss the following policy instruments: the Structural Funds (3.1), the Social Open Method of Coordination (OMC) and the PROGRESS programme (3.2.) and the Seventh Framework Programme (3.3.).

3.1 Social innovation through the Structural Funds (2007-2013)

The Structural Funds – the European Regional Development Fund (ERDF) and the European Social Fund (ESF) – and the Cohesion Fund were the main financial instruments supporting the objectives of achieving sustainable growth, competitiveness and employment set by the renewed Lisbon strategy. For the period 2007-2013, Structural and Cohesion Funds' support was to be targeted on the three objectives of 'Convergence', 'Regional Competitiveness and Cohesion' and finally 'European Regional Competitiveness'.

The Council Regulation laying down the general provisions for the Funds (Council 2006a) does not explicitly refer to social innovation. Yet, some (implicit) references to the topic can be found in the Council Decision on the Community Strategic Guidelines on Cohesion (Council 2006b) and, notably, in the guideline concerning 'More and better jobs'. The latter basically relates to the need to support the priorities of the European Employment Strategy, including actions aimed at promoting labour market integration for people at risk of social exclusion, such as migrants, early school-leavers, long-term unemployed, minorities, and people with disabilities. In this framework, the need to promote innovation by supporting the exchange of good practices and the set-up of networks between Member States and regions – considered as "the most visible aspects of European value added in the 2000-2006 period" (Council 2006b: art. 1.3) – is stressed. In particular, the Council recommended to mainstream the underlying principles of the previous EQUAL programme (cf. Section 2).

Among the Structural Funds, the European Social Fund is obviously the most relevant for the present research, insofar as it was expected to support the EU objectives in the domains of employment, social inclusion, non-discrimination, equality, education and training (European Parliament and Council 2006b). More in detail, "reinforcing the social inclusion of disadvantaged people with a view to their sustainable integration in employment" was one of the priorities of the ESF under the 'Convergence'

evidence of feasibility, suitability, transferability and acceptability of the innovative approach" (EQUAL Managing Authorities 2006:5).

¹¹ See, European Commission 1977; 1994; 2000a; 2000b; 2000c.

and 'Regional Competitiveness and employment' objectives (art.3.1.c), while, under the objective of 'Convergence', the ESF was expected to support investment in human capital and to boost the institutional capacity of public bodies, social partners and non-governmental organisations. An analysis of the Regulation on the ESF reveals some references to the need to promote innovation. First, the Regulation recalls the recommendation to integrate into the ESF the lessons learnt from the implementation of the EQUAL programme, among them

... the participation of target groups, [...] innovation and experimentation techniques, methodologies for transnational cooperation, [...] and access to and management of projects taken on by non-governmental organisations. (European Parliament and Council 2006b: point 6).

Second, it is explicitly stated that:

The ESF shall support the promotion and mainstreaming of innovative activities in the Member States (ibid.: art. 5) and that it should promote transnational and interregional actions including: a) actions aiming at sharing of information, experiences, results and good practices; b) actions aiming at developing complementary approaches and coordinated or joint actions. (ibid.: art.6)¹²

As for the European Regional Development Fund, its focus on sustainable local and regional development strategies appears highly relevant for this research. As pointed out in the ERDF regulation:

the ERDF may, where appropriate, support the development of participative, integrated and sustainable strategies to tackle the high concentration of economic, environmental and social problems affecting urban areas. (European Parliament and Council 2006a:art.8)¹³

Indeed, according to the European Commission (2013a: 22), in the period 2007-2013 the ERDF contributed to regenerating disadvantaged urban areas also through innovative solutions, including financing initiatives to support cultural and creative quarters and outreach work to engage specific disadvantaged groups¹⁴. Besides funding specific national projects, the promotion of European territorial cooperation activities was an important feature of the ERDF 2007-2013 (European

¹² According to art. 7 of the Regulation, in the framework of each operational programme, attention was to be paid to the promotion and mainstreaming of innovative activities. Managing authorities were asked to inform the monitoring committee about the themes where innovative activities had been implemented. Furthermore, *"the promotion of innovative transnational and interregional activities is an important dimension which should be integrated in the scope of the ESF. In order to foster cooperation, Member States should programme transnational and interregional actions using a horizontal approach or through a dedicated priority axis."* (European Parliament and Council 2006b : point 12)

¹³ As pointed out in the ERDF Regulation, building on the experience and strength of the URBAN Community initiative, *"[...] sustainable urban development initiatives should be reinforced by fully integrating measures in that field into the operational programmes co-financed by the ERDF, paying particular attention to local development and employment initiatives and their potential for innovation."* (European Parliament and Council 2006a: (9))

¹⁴ In this area, the ERDF was also supported by the JESSICA (Joint European Support for Sustainable Investment in City Areas) initiative, a special support initiative aimed at supporting sustainable urban development and regeneration through financial engineering mechanisms developed by the European Commission, the European Investment Bank and the Council of Europe Development Bank.

Parliament and Council 2006a: art. 6). Those activities included: a) the establishment and development of transnational cooperation through the financing of networks and of actions conducive to integrated territorial development (art.6.2) and b) the reinforcement of the effectiveness of regional policy by promoting – *inter alia* -

exchanges of experience concerning the identification, transfer and dissemination of best practice including on sustainable urban development [and] actions involving studies, data collection, and the observation and analysis of development trends in the Community. (art.6.3)

Such actions were in particular supported through the URBACT II (cooperation, networking and exchange of good practices between cities) and the INTERREG IVC (cooperation between regions) programmes.

Summing up, in the period 2007-2013 the Structural Funds had the possibility to support social innovation in three respects. First, at a more general level, Structural Fund interventions relied on the principle of partnership between the relevant actors – including public authorities, social partners and civil society organisations – thus potentially facilitating the development of more participative arenas for social policies characterized by new types of interactions among actors; that is, what the BEPA (2010) report defines as the ‘systemic challenge’ perspective on social innovation. Second, the Structural Funds financed specific socially innovative projects and, third, they supported initiatives aimed at fostering transnational cooperation, the exchange of good practices and networking. This said, since social innovation was not among the explicit goals of the Structural Funds, it is difficult to quantify how many resources were actually devoted to the funding of socially innovative projects – or to the promotion of exchanges and networking on those issues – in the period 2007-2013 and the impact that those resources had in the Member States. According to estimates from BEPA (2010:72):

more than € 1 billion of ESF budgets [was] spent on innovative activities under the ESF Operational Programmes, [including on] new ways of combating unemployment through inclusive entrepreneurship, creating youth employment, age management, or social inclusion of vulnerable groups¹⁵.

When it comes to the promotion of networking and the dissemination of socially innovative practices, the BEPA (2010:65) report refers to some specific programmes funded through the ESF and the ERDF: the Learning for change initiative and the Regions for Economic Change initiative (see Annex III, Box 1), the latter connected to the INTERREG IV C and URBACT programmes. However, some observers have raised doubts about the extent to which social innovation was actually integrated into the ‘Territorial cooperation’ objective of the Cohesion policy (funded through the ERDF). For example, according to Jouen (2008:22), initiatives linked to that objective – such as the Regions for Economic Change initiative and INTERREG IV C mentioned above – still relied on an exclusively technological interpretation of the concept of innovation, simply intended as technological progress.

¹⁵ See European Commission (2013a:22) for a number of examples of socially innovative projects and initiatives supported by the Structural Funds (2007-2013) in the areas of social inclusion, migration, urban regeneration, the social economy, microfinance, health and ageing, incubation, workplace innovation and regional strategies. Some studies point to the strategic usage of ESF resources for the purpose of modifying domestic policies (see, for instance Verschraegen *et. al.* (2011) on activation practices in Belgian regions).

3.2 The Social Open Method of Coordination and the PROGRESS programme

The Open Method of Coordination for Social Protection and Social Inclusion (Social OMC) was launched in 2006 and resulted from the streamlining of three existing open coordination processes in the domains of social inclusion, pensions, healthcare and long-term care. The Social OMC – as implemented from 2006 to 2010 – was an iterative process relying on triennial cycles. The toolkit of the Social OMC included the establishment of Common Objectives and the development of indicators for measuring progress towards the objectives, reporting activities (the drafting of National Reports on the Strategies for Social Protection and Social Inclusion and Joint Report on Social Protection and Social Inclusion), and the promotion of mutual learning activities. The latter – which are a key feature of open coordination processes – included a wide range of activities such as the organisation of different kinds of peer review exercises, activities carried out by networks of independent experts assisting the EC in policy assessments, the organisation of various kinds of Presidency events¹⁶, the launch of calls for proposals to promote debates, research and awareness raising activities on social issues funded by the European Commission (see, in particular PPMI (2011), Vanhercke and Lelie (2012)).

Most of the activities of the Social OMC in the period between 2007 and 2013 were financed through the Community Action Programme for Employment and Social Solidarity (PROGRESS) (European Parliament and Council 2006c), whose purpose was to support the implementation of the EU objectives in the fields of employment and social affairs by financing analytical activities, mutual learning, awareness and dissemination activities, as well as initiatives supporting the main actors in the social domain (European Parliament and Council 2006c: art 9 par.1 and par.2), including:

organising exchanges on policies, good practice and innovative approaches and promoting mutual learning in the context of the social protection and inclusion strategy.

As for the domains of social protection and social inclusion, the specific objective of PROGRESS was to support the implementation of the Social OMC by (*ibid.* art. 5):

- (a) improving the understanding of social exclusion and poverty issues, social protection and inclusion policies, in particular through analysis and studies and the development of statistics and common indicators, within the framework of the OMC in the field of social protection and inclusion;
- (b) monitoring and evaluating the implementation of the OMC in the field of social protection and inclusion and its impact at national and Community level as well as analysing the interaction between this OMC and other policy areas;
- (c) organising exchanges on policies, good practice and innovative approaches and promoting mutual learning in the context of the social protection and inclusion strategy;
- (d) raising awareness, disseminating information and promoting the debate about the key challenges and policy issues raised in the context of the Community coordination process in the

¹⁶ Presidency events refer to “a wide variety of conferences, seminars, discussions, round-tables, and meetings that are (co)organised by the countries holding the Presidency of the Council of the European Union together with the European Commission” (PPMI 2011:21).

field of social protection and inclusion, including among the social partners, regional and local actors, NGOs and other stakeholders;

- (e) developing the capacity of key European level networks to support and further develop Community policy goals and strategies on social protection and inclusion.

While key documents concerning the Social OMC and the PROGRESS programme do not explicitly mention social innovation among their goals (see, for example European Commission 2005a, 2006, 2008b, 2008c; European Parliament and Council 2006c; 2010), this does not necessarily mean that it was a marginal issue in both the Social OMC and the PROGRESS programme. On the contrary, considering it:

a way to catalyse the commitment of national administrations on the transformation of national policies for employment and social exclusion (BEPA 2010: 64),

the report considers the Social OMC as a policy framework likely to promote and support social innovation. In particular, the role potentially played by mutual learning activities undertaken in such a context and of the evaluation and dissemination tools funded through PROGRESS is stressed.

Indeed, some features of the Social OMC may be considered in line with the various perspectives on social innovation set out in the BEPA report. First, it should be noted that, on a general level, the main purpose of the Social OMC was to facilitate the modernisation of Member States' social systems, in line with the objectives of the Social Agendas (European Commission 2005b; 2008a). The latter emphasised the need to reform employment and social protection systems in order to respond to societal challenges such as globalisation, technological advances and demographic developments and migration. An ambition that was arguably close to the 'societal challenge perspective' on social innovation. Second, strengthening stakeholders' (in particular, civil society organisations) capabilities and promoting their involvement in EU and domestic policy-making was a key concern of both the Social OMC and the PROGRESS programme. This approach seems consistent with the 'systemic change perspective' on social innovation described in the BEPA (2010) report and – according to some assessments – it represented one of the major strengths of the social inclusion strand of both the Social OMC and the PROGRESS programme (cf. INBAS and ENGENDER 2010; Ecorys 2011; PPMI 2011). Finally, and importantly, both the Social OMC and PROGRESS have been considered rather effective in promoting and funding pilot projects, studies and analysis, mutual learning, awareness raising and networking activities (Ecorys 2011; PPMI 2011), thus potentially providing an infrastructure for promoting, supporting and disseminating socially innovative practices. As pointed out in the mid-term evaluation of the PROGRESS programme carried out by Ecorys (2011: 144):

PROGRESS clearly is deemed effective in meeting its goals [in the social inclusion field]. This field has been very good in terms of involving stakeholders and beneficiaries in output delivery and outcomes achievement [and] agenda setting, innovation and learning effects are quite evident.

However, even if examples of innovative practices supported by PROGRESS have been reported in existing assessments (cf. INBAS and ENGENDER 2010; Ecorys 2011; PPMI 2011), information is piecemeal and it would be difficult to say how much of the activities of the Social OMC and of PROGRESS were actually devoted to socially innovative practices. According to Ecorys, the focus of

PROGRESS on social innovation and pilot projects needed to be reinforced (Ecorys 2011: 125), even if, as shown by a survey of PROGRESS grant beneficiaries:

... four out of five beneficiaries report that new working procedures innovations and new methods and approaches were adopted by the target group or their organisation thanks to the PROGRESS grant [and] transfer of best practices from one country to another occurred in almost the totality of projects. (ibid.: 57)

Examples of specific OMC and PROGRESS tools to sustain or disseminate socially innovative practices emphasised in the BEPA (2010) report are:

- the PROGRESS funded peer review meetings (see Annex III, Box 2);
- the calls for proposals on social experimentation launched since 2009 by DG EMPL with the aim of promoting social experimentation as a source of innovation in social policies (European Commission 2009c: 5)¹⁷ (see Section 5.3);
- the PROGRESS micro-finance facility, established in 2010 to increase access to and availability of credit for micro-enterprises (especially the ones operating in the social economy) and for people in vulnerable situations who want to create microenterprises (European Parliament and Council 2010: art.2). According to BEPA (2010: 170-171), on the one hand, given its features, such a micro-finance facility represents *per se* an innovative policy instrument. On the other hand, it has the potential to trigger social innovations, *inter alia* by supporting vulnerable people in launching and developing social business.

3.3 Social innovation in the Seventh Framework Programme (FP7)

The BEPA report identifies the Framework programmes for Research and Technological Developments as one of the main tools through which the EU has supported research on social innovation (BEPA 2010: 75-76). Looking at an overview of the projects directly or indirectly focussing on social innovation recently provided by the European Commission (n.d.), it emerges that the attention devoted to the topic has gradually increased in the course of the years. Indeed, while only 4 and 6 projects were funded respectively through the 5th (1999-2002) and 6th (2002-2006) Framework programmes, 16 projects were funded by FP7 (2007-2013). In reviewing the findings of 17 of those projects, Jenson and Harrison (2013) found remarkable differences concerning the focus of the various research projects. Indeed, the main themes addressed by those projects range from social innovations at the local/community level, to innovation in the public sector, social enterprises, corporate social responsibility, or social innovations referred to specific groups (such as young people or migrants). Interestingly enough, Jenson and Harrison (2013:24) report that seven of the seventeen projects they considered did not use the concept of social innovation at all, preferring to refer to concepts such as social cohesion, social capital or social inclusion. As for the 7th Framework Programme, the BEPA report identifies the establishment of social platforms as one of the most interesting instruments for

¹⁷ To be noted that the label social innovation explicitly appears in this document, which also refers to the BEPA workshop on social innovation organised in 2009.

promoting social innovation developed under the FP7 ‘Socio-economic Sciences and Humanities’ (SSH) programme (see Annex III, Box 4).

Here again, it should be noted that the label social innovation did not explicitly appear in the decision establishing the 7th framework programme (European Parliament and Council 2006d), in the Decision concerning the ‘Cooperation’ strand of the FP7 (European Parliament and Council 2007), and in the annual Work Programmes of the ‘Socio-economic Sciences and Humanities’ programme for the years 2007, 2008 and 2009. Such a label gradually emerged later, notably in the SSH Work Programme for 2010 (European Commission 2009b) where it was linked to social innovations in the public sector and social innovation in the context of the socio-ecological transition and will continue to be a topic for research in the Work programmes for 2011, 2012 and 2013 (Annex III, Table 1).

4 Towards Europe 2020: the bureau of European policy advisers as ‘agenda setter’

As shown in the previous Section, the promotion of social innovation was seldom among the stated goals of policy instruments and processes implemented by the EU in the past and such a label was rarely used in key EU documents. The situation changed in the late 2000s: since then, social innovation has been explicitly mentioned in EU discourses and documents and, as we shall see in the next Section, has become part of the Europe 2020 agenda. According to our analysis, a workshop organised by the Bureau of European policy Advisers in 2009 and the publication, in 2010, of the BEPA report on social innovation were key steps in this respect, insofar as BEPA activities were an opportunity to a) bring together the variegated policy community of people dealing with social innovation (including civil society organisations, social entrepreneurs, researchers and EC officials), b) propose a broad definition of social innovation, able to include – to a certain extent – the diversified existing interpretations of the concept and c) direct EU leaders’ attention to the issue at a critical juncture of EU politics, i.e. the elaboration of the Europe 2020 Strategy, and supply EU institutions with a new policy agenda and field of action.

The workshop on social innovation organised by the BEPA on 19th and 20th January 2009 was aimed at debating the support to social innovation given so far by the European Union and the extent to which social innovation was integrated into EU policies, as well as at elaborating some recommendations for the future (BEPA 2010: 127). About 50 participants attended the meeting. Besides a substantial number of stakeholders involved, for various reasons, in the field of social innovation¹⁸, participants included representatives of the European Commission at the highest political level (including the President of the European Commission and the Commissioners for Regional Policy and for Employment, Social Affairs and Equal opportunities) and top level officials from various DGs (DG EMPL, DG REGIO, DG SANCO, DG ENTR, DG EAC, SECGEN). Interviewees’ appreciations of the workshop differ. Some of them refer to a rather open seminar, an opportunity for the various traditions on social innovation existing in Europe to get in contact and confront each other on an equal footing¹⁹. Others

¹⁸ Stakeholders involved in the meeting included representatives from: organisations promoting social entrepreneurship and individual social innovators, EU level networks of NGOs operating in the social field, EU level social partners and institutions, think tanks, etc. (cf. European Commission 2009a).

¹⁹ As pointed out by one of the participants to the seminar: *“It was this big meeting and, suddenly, I discovered that there were people who were working on it [on social innovation]. I tried to trace them, so to understand*

appear more sceptical on this point and stress the prominent role played by representatives of a more 'entrepreneurial-oriented' view of social innovation in both the organisation and development of the BEPA workshop²⁰ and the drafting of the 2010 report. Indeed, as pointed out by virtually all our interviewees, a decisive role in lobbying for the discussion of such a topic at the EU level and in attracting EU leaders' attention (in particular, the support of the former President of the European Commission Mr. Barroso), was played by big players in the field of social entrepreneurship or by organisations expert in the application of technological solutions to social issues, such as the Young Foundation and the ICT Company CISCO, with traditional EU players dealing with social policies left somehow at the margins. To a large extent, EU leaders adopted the entrepreneurial-oriented paradigm and language on social innovation propagated by these transnational actors and agencies, and drew less on older, governmental- and community-oriented ideas about social innovation (see also Annex I).

After the meeting, BEPA was invited to draw up a report on social innovation, relying on suggestions and discussions from the workshop, the contribution of the various services of the European Commission, and a study on social innovation commissioned out to the Young Foundation and the Social Innovation eXchange (SIX)²¹. The definition of social innovation proposed in the report is rather broad, especially when it comes to the identification of the three perspectives on social innovation (cf. Section 1.2). This was probably due to the need to accommodate under a single label the various social innovation traditions existing on the ground as well as the activities promoted in the past by the various DGs of the European Commission; the latter activities were, on that occasion, 'officially' recognised as linked to the promotion of social innovation²².

The BEPA (2010) report primarily embeds social innovation into two interrelated discourses referred to: a) the reform of welfare systems; b) the interplay between the social and the economic dimension. The Renewed Social Agenda (European Commission 2008a) is identified as the main reference framework for social innovation, which is indeed considered as a new – more participative – “paradigm of social intervention” to address the societal challenges identified in the Social Agenda. In this sense, social innovation is linked to the reforms of welfare systems and to the emergence of a new form of “enabling welfare state” (BEPA 2010: 18)²³. Next to this, the report strongly highlights elements closer to what could be defined as an entrepreneurial perspective on social innovation. Social challenges should not only be seen as risks but also as sources of economic and social opportunities and, through

why they were there at that stage, why so suddenly. And, then, you had a mix of things [...] People who were working on technology, ICT, for instance people from CISCO [who] were working on the use of those technologies [...] to develop new ways for training people or to fight poverty. Then, there was another 'track' – I would say the 'British track'- [...] interested in the market and society [...] Another track was linked to people who were working on the local level and in the third-sector: for example they were involved in local development initiatives, etc. [...]" (Int.1)

²⁰ For an overview of the reservations on the concept of social innovation as emerged during the BEPA meeting expresses by EU social NGOs and trade unions, see EurActiv (2009).

²¹ Caulier-Grice *et al.* (2010). The Young Foundation has been traditionally active in this debate (see, for instance, The Young Foundation (2006), Murray *et al.* (2010)).

²² In this respect, it can be said that, in the BEPA activities, the notion of social innovation has really been used as a 'quasi-concept', useful for building cohesion across a policy community (cf. Jenson and Harrison: 2013) and pushing a policy agenda.

²³ As the BEPA report suggests, in a context characterised by the economic crisis and budgetary constraints, “[...] social innovation is an effective way of responding to social challenges, by mobilising people’s creativity to develop solutions and make better use of scarce resources” (*ibid*: 7).

the development of the social economy, “the social dimension [represents] a fundamental source of growth and jobs” (BEPA 2010:27) and social innovation is expected to play a “growth-building role” (*ibid.*: 9).

When it comes to the assessment of the EU’s support to social innovation the BEPA concluded that, although many EU initiatives had supported social innovation in the past, those initiatives were rather piecemeal and a clear policy framework for social innovation, to give visibility and political salience to such an issue, was missing. As a consequence,

[the] need to actively promote a widespread adoption of social innovations as a component of the EU tool box for effectively addressing poverty, generating sustainable wealth and well-being and promoting a learning and participative society (BEPA 2010: 117),

was stressed. Obviously, the Europe 2020 strategy – in preparation at the time of the BEPA workshop and taking its first steps when the BEPA report was published – was an opportunity for this sort of mainstreaming, to which we turn next.

5 Mainstreaming social innovation in the Europe 2020 strategy

5.1 *The fight against poverty and social exclusion in Europe 2020*

Launched in 2010, the Europe 2020 Strategy aims at:

[turning] the EU into a smart, sustainable and inclusive economy delivering high levels of employment, productivity and social cohesion [thus representing] a vision of Europe's social market economy for the 21st century. (European Commission 2010b: 5).

Europe 2020 focuses on structural reforms in key policy domains (including the fight against poverty and social exclusion) and combines EU priorities (as set out in the ten Integrated Guidelines, IGs), five EU headline targets, national targets and seven EU Flagship initiatives aimed at catalysing progress under each priority theme (Vanhercke 2013). The strategy is a constituent part of the European Semester²⁴, an annual cycle of policy coordination starting in autumn each year with the publication of the European Commission’s Annual Growth Survey (AGS). Relying on the Integrated Guidelines, the AGS identifies the key economic challenges faced by the EU and outlines priorities for action for the following year. On that basis, the Member States draft (in mid-April) their National Reform Programmes (NRPs) illustrating actions they will implement for making progress towards the IGs and the achievement of the Europe 2020 targets. Finally, in June and July, the Commission and the Council review the NRPs and, when necessary, issue Country-specific Recommendations (CSRs) to Member States.

As for the social dimension of Europe 2020 (cf. Jessoula *et al.* 2014, Vanhercke 2013, Zeitlin and Vanhercke 2014), it should be noted that the promotion of inclusive growth is among the key priorities

²⁴ Launched in 2011, the European Semester is a policy coordination cycle which relies on three pillars (Costamagna 2013, Zeitlin and Vanhercke 2014): thematic coordination under the Europe 2020 strategy, macroeconomic surveillance under the Macro-economic Imbalance Procedure (MIP) and fiscal surveillance under the reformed Stability and Growth Pact (SGP).

of the Strategy. IG n.10 (on employment policies) refers to the objective of ‘Promoting social inclusion and combating poverty’ and, while focusing in particular on social inclusion, it also mentions the domains of pensions and healthcare. Importantly, reducing the number of people at risk of poverty and social exclusion by 20 million by 2020 is among the headline targets of the Strategy. In order to facilitate the achievement of this target, a flagship initiative – the European Platform against Poverty and Social Exclusion (EPAP) – has been set up (but note that it may be discontinued in 2016).

The notion of social innovation features prominently within the framework of Europe 2020. Indeed, references to such a notion can be found in constituent documents of the Strategy such as the Commission Communication on Europe 2020 (European Commission 2010b), the Communication on the Innovation Union initiative and the Communication on the European Platform against Poverty and Social Exclusion²⁵. Furthermore, the need to promote social innovation is emphasised in a number of key initiatives taken from 2012 onwards, including the Social Business Initiative, the Social Investment Package, the Programme for Employment and Social Innovation, and the decision on the new Structural and Investment Funds for the period 2014-2020.

5.2 Innovation Union and the Social Business Initiative

Innovation Union is one of the seven Flagship initiatives of the Europe 2020 Strategy. Its goal is:

... to improve conditions and access to finance for research and innovation, to ensure that innovative ideas can be turned into products and services that create growth and jobs.
(European Commission 2010c: 6)

Alongside more traditional forms of innovation (such as business or technological innovation), the Communication also refers to social innovation, recalling the language used into the BEPA report. Indeed, the Commission Communication describes social innovations as:

an important new field [...] It is about tapping into the ingenuity of charities, associations and social entrepreneurs to find new ways of meeting social needs that are not adequately met by the market or the public sector [...] tackling societal challenges, [and] empower[ing] people and creat[ing] new social relationships and models of collaboration. (European Commission 2010c: 21)²⁶

In particular, the Communication stresses three points, which should be developed in order to promote social innovation. First, a more evidence-based approach to social innovation is needed, in order to facilitate the identification, dissemination and scaling up of successful social innovations. Furthermore, EU level infrastructures for speeding up and facilitating mutual learning (on the model of business innovations) should be set-up. Second, the public sector is identified as the sector where innovation is most needed, in order “to meet the evolving needs and expectations of public service

²⁵ Moreover, the IG n. 10 reads that “Member States should also actively promote the social economy and social innovation in support of the most vulnerable” (European Council 2010: Annex).

²⁶ Among the examples of social innovations mentioned in the Communication (*ibid.*), “coronary heart disease prevention schemes targeted to the whole community, social networks of helpful neighbours for old people living on their own, urban Eco-maps which provide local communities with information on their progress towards meeting emissions reduction targets, ethical banks which provide financial products which seek to maximise social and environmental returns on investment”.

users against a backdrop of budget austerity” (*ibid.*). Third, workplace innovation (and, in particular skills upgrade) is considered as key. Consequently, the Commission committed itself (*ibid.*: 22):

- a) to launch a European Social Innovation pilot, intended to represent a networked virtual hub for social entrepreneurs, the public and the third sectors and to enhance the role of the ESF in supporting social innovation²⁷;
- b) to support a research programme on public sector and social innovation (with an emphasis on measurement and evaluation, financing and other barriers to social innovation) and to launch a European Public Sector innovation Scoreboard.
- c) to consult the social partners in order to examine how the knowledge economy can be spread to all occupational levels and all sectors.

As for the first action proposed, a pilot initiative – Social Innovation Europe (SIE) – was launched in 2011. Funded by DG Enterprise and Industry and run by an external consortium, the goal of this initiative is to become a meeting place for social innovators (policy makers, entrepreneurs, academics, third sector workers, and other social innovators) in Europe:

*[...] a hub [...] where innovative thinkers from all 27 member states can come together to create a streamlined, vigorous social innovation field in Europe, to raise a shared voice, and to propel Europe to lead the practice of social innovation globally*²⁸.

The most visible tool of the initiative is a website (including a web magazine) aimed at facilitating networking among social innovators and spreading information about practices, activities, events, and studies concerning social innovation. Furthermore, an annual European Social Innovation Competition was launched in 2013, with the aim of showcasing and mentoring successful social innovations implemented in the Member States. Proposals – which can come from individuals and organisations (including for-profit, non-for-profit, or private companies) from all sectors – are assessed according to three criteria²⁹:

- 1) Innovation: i.e., the degree of innovativeness of the practices, which should obviously be “new approaches or ideas combined or implemented in new ways”, at least, in a specific context.
- 2) Potential for systemic change: that is, the potential impact of the practices and the possibility to replicate or transfer them in new contexts.
- 3) Potential for sustainability.

Both the 2013 and 2014 editions of the competition were dedicated to the themes of unemployment and under-employment (cf. Annex III, Table 2).

²⁷ “This will be complemented by support to innovative social experiments to be developed in the framework of the European Platform against Poverty” (*ibid.*: 22).

²⁸ Quoted from the Social Innovation Europe website (<https://webgate.ec.europa.eu/socialinnovationeurope/en/about>). According to our interviewees, the initiative currently brings together 5000 members (Int.4).

²⁹ Source: http://ec.europa.eu/enterprise/policies/innovation/policy/social-innovation/past-editions/prize_en.htm , accessed 25 May 2015.

Documents and initiatives undertaken by DG Enterprise and Industry (e.g. the Commission Communication on the Social Innovation Union or the European Social Innovation Competition³⁰) generally recall the broad definition of social innovation provided by the BEPA in 2010 and recognise that the possible sources of social innovation are varied, including social entrepreneurs, civil society organisations, and public authorities. However, also for obvious reasons linked to the specific mandate of such a DG, particular attention is devoted to the private sector, the social economy and, especially, social enterprises³¹. As explained by one interviewee:

We really take it as bold as possible, so meaning that we are not prescriptive about the fact that the solution may come from social economy organisations or social enterprises or public authorities or any type of company. We really actually don't pay attention to the origin. We look at what it brings [...] But it's different from other colleagues from employment, for instance, who look at social innovation thinking of social policy innovation: we really rather take the private sector angle. (Int.4)

What is emphasised from this perspective is the fact that social innovations, besides bringing innovative solutions to existing social needs, create new markets and may represent a source of growth and jobs. As stated by the former Commissioner for Industry and Entrepreneurship Antonio Tajani:

Social innovation is both a business and societal opportunity, because the most important sectors for growth in the next decades are linked to the development of human and social capital. (SIE 2012: 11)

As explained by one of our interviewees, interpreted in this sense, social innovation may lead to a transformation of the economy in line with what the BEPA (2010) named the societal challenge perspective:

This kind of attitude could and should eventually influence the whole economy. Consumption patterns are changing, (think, for instance to the sharing economy) and there are a lot of trends which challenge the way we conceive growth [...] or competition [...]. That's interesting, and so it's just that I would like, one day, that you talk about enterprises and non-social enterprises [...] There's a demand for it as well. As a consumer, now I'm asking more questions. For instance, if I have some savings, I don't want it to be used for speculation. So people are getting also this type of message from their clients, and this is influencing the thing. (Int. 4)

Actions undertaken at the EU level in order to support social enterprises and creating the right environment for them include: a) providing opportunities for networking, exchanging information and showcasing socially innovative experiences and b) ensuring access to appropriate finance and funding for social innovators (cf. SIE 2012). With regard to the former aspect, particular attention is paid to the set-up of innovation labs and incubators helping the development of social innovations. As for the latter aspect, the need to “[...] establish [...] a comprehensive ecology of finance” (*ibid.*: 14) supporting

³⁰ Cf. http://ec.europa.eu/enterprise/policies/innovation/policy/social-innovation/past-editions/definition_en.htm , accessed 25 May 2015.

³¹ In the jargon of the European Commission, the term ‘social enterprise’ covers business “[...]for which the social or societal objective of the common good is the reason for the commercial activity, often in the form of a high level of social innovation, [...] where profits are mainly reinvested with a view to achieving this social objective, [...] and where the method of organisation or ownership system reflects their mission using democratic or participatory principles or focusing on social justice” (European Commission 2011a: 2-3).

social innovative experiences in the various stages of their development is stressed: besides public funding, private capital and resources from Foundations should be mobilised and a greater attention to innovative enterprises should characterise public procurement (cf. SIE 2012).

Besides DG Enterprise and Industry (ENTR), issues related to ‘social enterprises’ obviously fall under the competences of DG Internal Market. The latter, together with other DGs and as “[...] part of the promotion and development of social innovation initiated by President Barroso in 2009” (European Commission 2011a:4) launched in 2011 a Social Business Initiative, aimed at supporting the development of social enterprises. In the Communication, social enterprises are considered as key for attaining the objectives of the Europe 2020 Strategy insofar as they can contribute to smart growth (by “responding with social innovation to needs that have not yet been met”), to sustainable growth (in that they generally take into account the environmental impact and have a long-term vision) and to inclusive growth (“due to their emphasis on people and social cohesion”) (*ibid.*:3). The aim of the Communication is to address the problems social enterprises generally face (difficult access to funding; lack of recognition for social entrepreneurship; and the lack of an adequate regulatory framework) by putting in place a series of actions for (*ibid.*):

- a) Improving access to funding (by facilitating access to private funding and mobilising EU funds);
- b) Increasing the visibility of social entrepreneurship by developing tools to gain a better understanding of the sector and actions aimed at reinforcing managerial capacities, professionalism and networking;
- c) Improving the legal environment by developing appropriate European legal forms for European social enterprises, by adapting public procurement and state aid rules to the specificities of social enterprises.

In order to monitor the implementation of the initiatives foreseen by the SBI and to develop further initiatives related to the social economy and social entrepreneurship, a multi-stakeholder group on social business was set up in 2012³².

5.3 Social Innovation in the Europe 2020 anti-poverty toolkit

The European Platform against Poverty and Social Exclusion and the Social Investment Package

The European Platform against Poverty and Social Exclusion (EPAP) is the Flagship initiative most directly related to the anti-poverty dimension of the Europe 2020 Strategy. Its ambition is to set a dynamic framework for action which should facilitate the achievement of the Europe 2020 headline target on poverty (European Commission 2010d: 3), involving a broad range of stakeholders and giving visibility to the fight against poverty through the organisation of annual Conventions. More practically, the EPAP is made up of 64 key initiatives (with specific deadlines) grouped into six areas for action³³.

Social innovation is a prominent topic of the Platform³⁴: ‘Developing an evidence-based approach to social innovation and reforms’ and ‘Promoting a partnership approach and the social economy’ are

³² The GECES (Groupe d’Experts de la Commission sur l’Entrepreneuriat Social), which also include a sub-group on social impact measurement.

³³ For an assessment of the implementation of the Platform, see Sabato and Vanhercke (2014).

³⁴ As noted by Daly (2012b:276), “*The rhetoric around the Platform emphasizes especially innovation and experimentation in social policy – ‘innovative social protection intervention’ [...]*”.

among the six areas for action of the EPAP (cf. Annex III, Table 3 and Table 4). In particular, the Commission Communication on the EPAP presents ‘evidence-based’ social innovation (notably, in the form of social experimentation) as

... a powerful tool to guide the structural reforms that will be needed to implement the Europe 2020 vision for smart, sustainable and inclusive growth. (European Commission 2010d: 14)

Most of the initiatives foreseen by the EPAP were taken up in the Social Investment Package (SIP). Launched in February 2013, the SIP now represents the principal tool of the European Commission for coordinating actions in the poverty (and social) domain (Sabato and Vanhercke 2014). Through the SIP (European Commission 2013e), the EC aims at providing guidance for and support to national social policy reforms by identifying policy areas particularly suitable for pursuing a social investment strategy. In the view of the European Commission, the social investment approach should ensure the effectiveness, adequacy and sustainability of social protection systems and, at the same time, it should be considered as a prerequisite for Europe’s future growth and competitiveness³⁵. The Social Investment Package recalls and elaborates on some of the EPAP’s areas for action and initiatives: social innovation is among them (Annex III, Table 5).

All in all, social innovation is a key theme in both the EPAP and the SIP. This said, a number of considerations concerning the framing of such a notion in those contexts can be made. First, in defining social innovation, the European Commission relies on the broad definition provided by the BEPA (2010) report. However, in both the EPAP and the SIP, the emphasis is often put on a specific form of social innovation: evidence based social innovation or social experimentation, a notion that, from 2009 onwards, has risen to the top of the European social innovation agenda (for a more comprehensive discussion, see Annex II). As we will explain below, this may have consequences for funding of social innovative projects. Second, social innovation is increasingly associated to the need to reform domestic social protection systems in order to assure their adequacy, efficiency and sustainability in a context characterised by (permanent) budget constraints. As the European Commission puts it:

Faced with structural long-term challenges, Member States need to adapt to ensure the adequacy and sustainability of their social systems and their contribution to stabilising the economy [...] Social innovation must be an integral part of necessary adjustments by testing new policy approaches and selecting the most effective ones. (European Commission 2013e: 8)³⁶

Third, and linked to the constraints on public budgets deriving from fiscal consolidation measures, the Social Investment Package emphasises the need to develop “more innovative approaches to financing

³⁵ “[The SIP] provides a policy framework for redirecting Member States’ policies, where needed, towards social investment throughout life, with a view to ensuring the adequacy and sustainability of budgets for social policies and for the government and private sector as a whole [...]” (European Commission 2013e).

³⁶ As pointed out in another European Commission document, “[...], growing social problems more often have to be solved with less funding: and social innovation is a tool which can provide us with new, more efficient answers, able to deliver with fewer resources.” (European Commission 2013a: 48)

[social policy]” (*ibid.*: 6): public efforts should be complemented by the mobilization of third-sector and private resources³⁷. In this regard, Member States are urged to:

develop concrete strategies for social innovation, such as public-private-third sector partnerships, ensure adequate and predictable financial support [and] explore and develop innovative ways of securing additional private financing for social investment, for instance through public private partnerships. (ibid.: 12)

Particular attention should be paid to the social economy and to the promotion of social entrepreneurship. Finally, and importantly, through the Social Investment Package, an attempt to link social innovation to other social policy tools and processes (as well as to the broader procedures of the European Semester) is apparent. In this regard, the European Commission proposes that social innovation should be linked to the priorities identified by the SIP and socially innovative initiatives should be developed in order to address the challenges identified in the Country-specific Recommendations issued in the framework of the European Semester (European Commission 2013e: 12-13). Furthermore, Member States are asked to report on those initiatives through the National Reform Programmes. As for funding, EU financial resources – including the new Structural and Cohesion funds, the proposed PSCI³⁸ programme and Horizon 2020 – should be mobilised in order to support socially innovative projects and upscale (especially through the ESF) the most successful ones (European Commission 2013e; 2013g).

The Social Open Method of Coordination and the EaSI programme

One of the initiatives foreseen by the European Platform against Poverty and Social Exclusion was to revise the procedures of the Social OMC in order to best adapt its working methods to the new governance of Europe 2020. This was done in 2011 when the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO) Council formation and the Social Protection Committee (Council 2011) officially ‘reinvigorated’ the Social OMC. New overarching and specific objectives referring to three strands of the process were agreed and changes in the reporting procedures were introduced. Member States are now requested to draft on a voluntary basis biennial National Social Reports, while the SPC produces annual Social reports (which replace the previous Joint Reports). As for indicators, in 2012 a Social Protection Performance Monitor (SPPM) was introduced in order to reinforce the monitoring of the social situation and strengthen multilateral surveillance by the SPC. As for mutual learning activities, between 2010 and 2013, they continued to be funded through PROGRESS while, since 2014, they have been funded through the new Programme for Employment and Social Innovation (EaSI programme), launched in December 2013 (European Parliament and Council 2013a). The aim of the EaSI programme is to contribute to the achievement of the Europe 2020 employment and anti-poverty targets by supporting the implementation of the ‘social’ Flagship initiatives. Endowed with a financial envelop of EUR 919,469,000 over the period 2014-2020, the EaSI programme is structured around three axes:

³⁷ E.g. by exploring the possibilities offered by Social Impact bonds, “[...] which incentivise private investors to finance social programmes by offering returns from the public sector if the programmes achieve positive social outcomes [...]”(*ibid.*: 19).

³⁸ Programme for Social Change and Innovation (PSCI) was the name originally proposed by the European Commission for what will be finally named EaSI programme.

- PROGRESS (61% of available resources), which will support the development and coordination of EU policies in the areas of employment, social inclusion, social protection, working conditions, anti-discrimination and gender equality and “[will] promote evidence-based policy-making, *social innovation* and social progress, in partnership with the social partners, civil society organisations and public and private bodies” (European Parliament and Council 2013a: art. 3.1. a, emphasis added).
- EURES (18% of available resources), the network between the European Commission and the national Public Employment Services.
- Microfinance and Social Entrepreneurship (21% of available resources), aiming at facilitating the access to microcredit for individuals intending to set up or develop a small business and at supporting the social economy.

The PROGRESS axis of the EaSI programme is structured around three thematic sections: 1) employment and, in particular, the fight against youth unemployment (20% of PROGRESS resources); 2) social protection, social inclusion and the reduction and prevention of poverty (50% of the resources); 3) working conditions (10% of the resources). Art. 15 of the EaSI Regulation sets out the specific objectives of PROGRESS which include:

provid[ing] financial support to test social and labour market policy innovations, and, where necessary, to build up the main actors' capacity to design and implement social policy experimentation, and to make the relevant knowledge and expertise accessible. (art. 15 point c)³⁹

As apparent from the very name of the programme, social innovation features very prominently in the EaSI programme and, in particular, in its PROGRESS axis. The Regulation establishing the programme relies on the definition of social innovation provided by the Bureau of European Policy Advisers and refers to the three approaches to social innovation which emerge from the BEPA (2010) report. Indeed, social innovation is conceived as a way to address unmet social needs and emerging societal challenges and to create new social relationships and collaborations (European Parliament and Council 2013a: point 4 and art.2 point 5). Particular attention is paid to the need to support social policy experimentation, defined as:

policy interventions that offer an innovative response to social needs, implemented on a small scale and in conditions that enable their impact to be measured, prior to being repeated on a larger scale, if the results prove convincing. (ibid.: art.2 point 6)

From a quantitative point of view, 15% to 20% of PROGRESS resources should be allocated to the promotion of social experimentation over the three thematic sections (art. 14.2), which means € 10-14 million per year over the programming period, an amount significantly higher than the € 2-4 million of the period 2007-2014 (data reported by European Commission 2013h). Activities foreseen under the funding priority ‘Social Policy Experimentation’ include: funding for studies aiming at further

³⁹ The other objectives of the PROGRESS strand of the EaSI programme are: -developing and disseminating high-quality comparative analytical knowledge; - facilitating effective and inclusive information-sharing, mutual learning and dialogue on Union policies in the domains of the programme; -providing Union and national organisations with financial support to increase their capacity to develop, promote and support the implementation of Union instruments and policies in the domains of the programme.

developing the social policy experimentation methodology; grants to public authorities and organisations to test innovative social and active labour market policy reforms; dissemination and awareness raising activities, with a particular emphasis on the transfer and mainstreaming of successful examples through other European instruments such as the ESF (European Commission 2013:7). € 12 million is devoted to this heading for 2014 (*ibid.*)⁴⁰.

The PROGRESS and EaSI calls for tenders on ‘social (policy) experimentation’ and ‘social policy innovation’

As mentioned above, in DG EMPL’s discourses and documents, social innovation has been primarily framed in terms of ‘social policy experimentation’, a policy-making tool which entered the EU policy agenda in 2008, following the activism of the French government (for a more detailed description, see Annex II). Indeed, since 2009 DG EMPL has been funding social policy experiments through annual calls for proposals funded by PROGRESS (2009-2013) and the EaSI programme (2014). Interesting insights concerning the evolution of such a policy-making tool emerge from the analysis of those calls (Annex III, Table 6). First, in the course of time, methodological requirements have become stricter. Second, the level of financial resources has gradually increased (from a budget of 3,500,000 euro in 2009 to 9,200,000 euro in 2014) and, in parallel, those resources have been concentrated on fewer, bigger and longer projects. A broader diffusion of the results of these projects should be assured through the organisation of international peer reviews. Third, as for beneficiaries, the establishment of broad partnerships including public authorities at different levels, private and third sector actors, academia and research institutes is a common feature of all the calls for proposals launched since 2009.

However, the role that the various partners are expected to play has changed in the course of time: while in 2009 and 2010 all kinds of organizations had the possibility to apply on an equal basis, since 2011 the lead applicant must be a public authority or a state/semi-state agency at central, regional or local level. The rationale behind this choice is to boost public policy-makers’ ownership and commitment, thus possibly increasing the chances that successful experiments are streamlined into public policy. Finally, over the years, the calls for proposals have set increasingly detailed priorities for social policy experiments to be funded, and the attempt to integrate and create synergies with other Europe 2020 tools has been made more explicit: since 2012, proposals for social policy experiments are expected to address the Country-specific Recommendations issued to the Member States while, since 2013, they should be in line with the priorities set out in the Social Investment Package.

As explained by our interviewees, such an evolution has been the consequence of an assessment undertaken by DG EMPL in 2012 of the effectiveness of social experiments funded through the previous calls for proposals:

For several years, we had financed [innovative] projects] through the PROGRESS programme but two years ago - more or less in the process of preparing and adopting the Social Investment Package - we reviewed our whole approach to that. [...] One of the difficulties was that many of those experiments were not really connected to the policy making process at local, regional, or national level [:] organisations were interested, researchers were interested but they didn’t have a connection with what was going on in the field, [with] the agenda of public authorities. So we changed. We said [:] we need to go ‘more systemic’, we need to focus on supporting

⁴⁰ See Annex III, Table 7 for a list of actions planned for 2014.

innovations in the process connected to public authorities [...] And we started to do this two years ago: linking innovation to the structural reforms in the context of the European Semester or in the context of programme activities of the ESF or to the reform of services in major cities or regions. (Int. 2)

Such an evolution in DG EMPL's approach to social experimentation has been underlined by changes in the terminology used in the calls for proposals launched over the years. While the calls launched between 2009 and 2011 referred to 'social experimentations', 'social policy experimentations' was the label used in 2012-2013 and 'social policy innovation' in 2014⁴¹. The last call, which fully takes on board the new approach, was accompanied by the publication of a guide on social policy innovation addressed to policy-makers commissioned at the London School of Economics. According to this study, the concept of social policy innovation

... refers to social investment approaches that provide social and economic returns and it is linked to the process of reforming social protection systems and social service delivery through innovative systemic reforms. (European Commission 2014b:6)⁴²

5.4 The European Structural and Investment Funds (ESIF)

After two years of negotiations, in December 2013 the European Parliament and the Council agreed on the reform of EU cohesion policy and adopted the new regulations concerning the European Structural and Investment Funds⁴³ (ESIF) for the period 2014-2020. (European Parliament and Council 2013b, see also European Commission 2014c). The Funds should pursue two main goals – 'Investment for growth and jobs' and 'European territorial cooperation' – and should be aligned to the Europe 2020 Strategy. Indeed, they should support the achievement of the Europe 2020 overarching objectives of smart, sustainable and inclusive growth, taking into account the Integrated Guidelines and the relevant Country-specific Recommendations. In order to perform this task in an effective way and maximise the impact of the EU contribution, eleven thematic objectives⁴⁴ to be supported by the ESIF have been

⁴¹ As explained by one of our European Commission interviewees: "That's why we are now focusing on 'social policy innovation' and we do not refer –or not so often- to 'social policy experimentation': because the latter is somehow connected to the old-style experiments. [With the call for 2012] we started moving along [the new approach], and the call for 2013 represented a transition: one can already see the influence of the new approach, though not completely. Then, the 2014 call is the one that brings all the new approach, [with] innovations more connected to public authorities" (Int.2).

⁴² Case studies discussed in the guide concern: the evaluation of reforms of incapacity-for-work benefits; the evaluation of reforms of guaranteed minimum income; the evaluation of reforms in the long-term care sector.

⁴³ The European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund, the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF).

⁴⁴ 1) Strengthening research, technological development and innovation; 2) Enhancing access to, and use and quality of, ICT; 3) Enhancing the competitiveness of SMEs, of the agricultural sector (for the EAFRD) and of the fishery and aquaculture sector (for the EMFF); 4) Supporting the shift towards a low-carbon economy in all sectors; 5) Promoting climate change adaptation, risk prevention and management; 6) Preserving and protecting the environment and promoting resource efficiency; 7) Promoting sustainable transport and removing bottlenecks in key network infrastructures; 8) Promoting sustainable and quality employment and supporting labour mobility; 9) Promoting social inclusion, combating poverty and any discrimination; 10) Investing in education, training and vocational training for skills and lifelong learning; 11) Enhancing institutional capacity of public authorities and stakeholders and efficient public administration.

identified, among them ‘Promoting social inclusion, combating poverty and any discrimination’ (European Parliament and Council 2013b: art.9). Fund-specific regulations lay down how much funding should be allocated to each objective and identify specific investment priorities for each thematic objective. The Funds should be concentrated on those priorities. Member States are requested to draft Partnership Agreements for the period 2014-2020, setting out their investment priorities, the ways in which they relate to the achievement of the Europe 2020 objectives and address the Country-specific Recommendations, and the arrangements for managing the funds effectively (European Commission 2014c: 236). Partnership Agreements must be submitted to the European Commission which can either approve them or ask for revision.

On the basis of the Partnership Agreements, Member States should draft the Operational programmes detailing how they intend to implement the Funds. These programmes should describe the expected contribution of the Funds to the achievement of the Europe 2020 objectives, the arrangements set up to ensure the correct implementation, priorities identified, the specific objectives, financial aspects, targets and indicators to measure achievements (European Parliament and Council 2013b: art.27). The new regulation has introduced strong elements of ‘conditionality’. On the one hand, ‘ex-ante conditionality’, meaning that funding is conditional on the fulfilment of specific requirements linked to each investment priority (as well as to more general requirements concerning, for example, anti-discrimination, gender equality, etc.). On the other hand, macroeconomic conditionality has been introduced. This refers to the possibility that the contribution of the ESI Funds is suspended when a Member State reaches a significant level of non-compliance under the various EU economic governance procedures such as the excessive deficit procedure and the macroeconomic imbalances procedure (see European Commission 2014c: 248).

As mentioned in Section 5.3, both the EPAP and the Social Investment Package had the ambition to duly integrate social innovation into the framework of cohesion policy. Important steps in this direction do emerge from both the Common Provisions on the ESI Funds and the Regulations on the ERDF and the ESF. As for the Common Provisions (European Parliament and Council 2013b), it should first be noted that social innovation may be the theme of a specific priority axis of Member States’ Operational Programmes and, in this case, it may have a sort of special status. Indeed, as a general rule, a priority axis should correspond to a single thematic objective and should comprise one or more of the investment priorities of that thematic objective) (art. 96.1). However, in the case of the ESF, in order to promote thematically coherent integrated approaches, priority axes intended to implement social innovation (as well as territorial cooperation) can combine investment priorities from different thematic objectives.

Second, priority axes dedicated to social innovation may be endowed with additional resources. In fact, as pointed out in art. 120.3, the maximum co-financing rate of the ESI Funds shall be increased for each priority axis dedicated to social innovation or to transnational cooperation (or a combination of both). Third, when appropriate, Member States should provide information about progress in the implementation of actions in the field of social innovation in the annual implementation reports to be submitted in 2017 and 2019 (art. 111.1). Finally, as pointed out in the Common Strategic Framework providing guidance for the implementation of the ESI Funds, complementarity with the EaSI programme should be ensured and “Member States shall seek to scale-up the most successful measures developed under the Progress axis of the EaSI, notably on social innovation and social policy

experimentation with the support of the ESF” (European Parliament and the Council 2013b: Annex 1 point 4.7.2)⁴⁵.

Among the Structural and Investment Funds, the European Social Fund clearly has the leading role in supporting social innovation. In the first part of the Regulation on the ESF, (European Parliament and Council 2013c: (20)), it is made clear that:

*support for social innovation contributes to making policies more responsive to social change [and] in particular, testing and evaluating innovative solutions before scaling them up is instrumental in improving the efficiency of policies and thus justifies specific support from the ESF*⁴⁶.

The ESF should primarily support the following thematic objective of the ESI Funds: promoting sustainable and quality employment and supporting labour mobility; promoting social inclusion, combating poverty and any discrimination⁴⁷; investing in education, training and vocational training for skills and lifelong learning; enhancing institutional capacity of public authorities and stakeholders and efficient public administration. Being mentioned among the general provisions listed in Chapter II of the ESF Regulation⁴⁸, the promotion of social innovation potentially concerns all the thematic objectives and investment priorities within the scope of the ESF (European Commission 2013a: 51-52). In practice, Member States may either devote to social innovation specific priority axes of their operational programmes (⁴⁹) or include social innovation programmes in priority axes dedicated to other ESF investment priorities.

Member States are requested to identify (either in the operational programmes or at the implementation stage) ‘fields for social innovation’ that correspond to their specific needs (art.9.2) and to specify, in their operational programmes, how planned ESF-supported actions contribute to social innovation (art. 11.3(b)). According to the European Commission (2013a:52),

⁴⁵ According to the European Commission (2013a: 50-51), besides those explicitly devoted to social innovation, other provisions may also enable or facilitate social innovation. Notably, enhanced partnership and simplification should facilitate access to funds for stakeholders (especially for smaller ESF projects where public support does not exceed euro 50,000). Furthermore, the possibility of setting up multi-fund operational programmes and of financing operations by more than one fund may allow the integration of ERDF and ESF resources for socially innovative projects (*ibid.*: 51). Finally, the Community-Led Local Development instrument (CLLD) may be used to support social innovation at territorial level (*ibid.*).

⁴⁶ Furthermore, “*The ESF should encourage and support innovative social enterprises and entrepreneurs as well as innovative projects taken on by non-governmental organisations and other actors within the social economy.*” (*ibid.*)

⁴⁷ At least 20% of the ESF should be earmarked for the social inclusion thematic objective in each Member State.

⁴⁸ Art. 9.1 reads: “*The ESF shall promote social innovation within all areas falling under its scope, as defined in Article 3 of this Regulation, in particular with the aim of testing, evaluating and scaling up innovative solutions, including at the local or regional level, in order to address social needs in partnership with the relevant partners and, in particular, social partners*”.

⁴⁹ In this case, Member States can combine investment priorities from different thematic objectives and benefit from an increase of the maximum co-financing rate of the Structural and Investment Funds, as foreseen by art. 11.2 of the ESF Regulation (“*[...]the maximum co-financing rate for a priority axis shall be increased by ten percentage points, but shall not exceed 100 % where the whole of a priority axis is dedicated to social innovation or to transnational cooperation, or a combination of both*”).

[Due to] the possibility of mainstreaming [it] in all areas of the operational programmes [...], coupled with the principle of thematic concentration [...], including the alignment with the NRP and CSR, the 20% earmarking to social inclusion and the concentration on 4 investment priorities, social innovation will be closely linked to the policies contributing to Europe 2020 and supported by ESF.

As for the European Commission, it is asked to:

... facilitate capacity building for social innovation, in particular through supporting mutual learning, establishing networks, and disseminating and promoting good practices and methodologies. (art. 9.3)

The European Regional Development Fund should support all the eleven thematic objectives set out in the Common Provisions. However, when it comes to the investment priorities, social innovation is explicitly mentioned only under the thematic objective ‘strengthening research, technological development and innovation’⁵⁰, while support to social enterprises is mentioned under the thematic objective ‘Promoting social inclusion, combating poverty and any discrimination’ (European Parliament and Council 2013d: art.5). According to the European Commission (2013a: 54-55), this does not imply that the ERDF cannot contribute to socially innovative projects under other thematic objectives, including that linked to social inclusion. On the contrary, ERDF resources could be used (also together with ESF ones) to support socially innovative projects by investing in health and social infrastructure or supporting the physical and economic regeneration of deprived urban and rural communities. In Section 3.1, we claimed that the support of the ERDF to sustainable local and regional development strategies and to European territorial cooperation during the period 2007-2013 was particularly relevant for the promotion of socially innovative initiatives. In particular, the ERDF contributed to the development of networks between the actors involved and to the exchange of information and mutual learning. Such activities will continue also during the 2014-2020 period. In fact, on the one hand, the ERDF will:

... support, within operational programmes, sustainable urban development through strategies that set out integrated actions to tackle the economic, environmental, climate, demographic and social challenges affecting urban areas. (European Parliament and Council 2013d: art. 7)

On the other hand, at the initiative of the Commission, the ERDF may support innovative actions in the area of sustainable urban development, including:

⁵⁰ The ERDF should contribute to strengthening research, technological development and innovation by, *inter alia*, “promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies” (European Parliament and Council 2013c: art 5 (1) (b), emphasis added). As noted by the European Commission (2013a:53), this provision is important insofar as it somehow put social innovation on the same footing as technology-based social innovation, thus contributing to the development of a wider concept of innovation.

studies and pilot projects to identify or test new solutions which address issues that are related to sustainable urban development and are of relevance at Union level. (ibid.: art. 8)

6 Assessing the EU framework for social innovation

The analysis of the instruments and processes for promoting and supporting social innovation made available by the EU over the period 2006-2014 has allowed us to identify three sub-periods. First, the period 2006-2010 was characterized as a situation of ‘social innovation between the lines’: the label social innovation was seldom used and, though a number of EU instruments and processes actually supported it, social innovation was rarely explicitly mentioned among their objectives. According to our analysis, the years 2009 and 2010 represented a critical juncture leading to a more concrete inclusion of the theme of social innovation in the EU agenda. In particular, the European Commission’s Bureau of European Policy Advisers played an agenda setting role and contributed to raising the attention paid to social innovation at the EU level. As a consequence, social innovation was mainstreamed into the Europe 2020 Strategy launched in 2010: explicit references to such a topic can be found in both constituent elements of the Strategy and policy instruments implemented in its framework.

In the following Sections, we will provide a preliminary assessment of the instruments and resources for promoting social innovation currently provided by the EU (Section 6.1), with particular attention to instruments and resources more directly linked to poverty and social exclusion (Section 6.2). As for the latter point, we will try to assess whether and to what extent those instruments and resources can help in attenuating/overcoming some governance challenges typically confronting local forms of social innovation.

6.1 Overall assessment

After 2010 the theme of social innovation has gained visibility at the EU level and it has been mainstreamed in key policy instruments and processes implemented under the Europe 2020 Strategy. Looking at those policy tools and processes, one can identify a variety of resources made available by the EU in order to promote and support social innovation (intended in the broad understanding proposed by BEPA in 2010), including:

- *financial resources*: for instance, funds for implementing or up-scaling socially innovative practices (e.g., through the European Structural and Investment Funds), funds devoted to organisations operating in the social economy (e.g. ESIF; EaSI microfinance facility), funds dedicated to the regeneration of deprived urban or rural areas (e.g. ERDF), or funds for experimenting pilot projects (e.g. through the EaSI calls for social policy experimentation);

- *visibility and reputational resources*: for instance, through the organization of social innovation competitions or through the promotion of social innovations and social innovators in EU level conferences, and through initiatives aiming at promoting a more social enterprise-friendly legislative and financial environment (e.g., the Social Business Initiative);

- *networking and cognitive resources*: e.g. through the set-up of EU level Platforms for exchanging experiences such as the Social Innovation Europe Platform; through the funding of capacity building

and training initiatives, the publication of manuals and toolkits, training, or the organisation of conferences and seminars on social innovation (e.g. through the EaSI programme); by funding research on the topic, including the setting up of social innovation incubators and labs (FP7 and Horizon 2020)

Importantly, under the new policy framework, social innovation has been, to some extent, put on the same footing as more traditional forms of innovation, namely technological and economic innovation. This is particularly evident in the Innovation Europe Flagship initiative, and European Structural and Investment Funds, the (post-2009) FP7 Programme and Horizon 2020⁵¹. Furthermore, some attempts to strengthen the coordination among the various EC DGs have been made. In fact, according to our interviewees (Int.2), social innovation is among the themes discussed by the Group of Innovation Commissioners (chaired by the Commissioner for Research, Innovation and Science), while an inter-service group on social innovation, bringing together officials from various EC Directorate and services, has been set up⁵². As explained by an EC official:

The inter-service group is the place where people working on social innovation interact. [...] So, in this sense, there is a certain network internally. Of course, each one has their own perspective and 'moves' that perspective with initiatives, etc. What we do [in the inter-service group] is: when someone is moving one thing in their own field, we try to draw on the others. We're trying to build synergies, to find where we can collaborate. And we try to understand what are the perspectives of the others, which are different. (Int.2)

The excerpt above nicely highlights the fact that the emergence in 2010 of the label social innovation has made it possible to group actions taken by the European Commission under a common heading, and to strengthen their coordination, despite persisting differences concerning the concrete understanding of such a notion between the various EC DGs (and the focus of the initiatives implemented). In other words, and rather obviously, each DG has linked social innovation to its own agenda, adopting a perspective on it closer to its policy tradition and mandate. So, in both DG ENTR and DG MARKT, social innovation is mostly considered as an opportunity to develop new markets and as a way to 'transform' the economy (hence, as a possible source of growth and jobs with social returns): the emphasis is on the social economy and, particularly, on social enterprises. Such a 'social entrepreneurial' perspective on social innovation seems to be transversal to various DGs⁵³, evidenced by a growing emphasis on social enterprises apparent in some of the initiatives implemented by DG EMPL. This said, another perspective seems to be prevalent in DG EMPL discourses and initiatives: in fact, in that context, social innovation has been mostly related to the reform of social policies. Initially linked to the debate on 'social experimentation' – which was going on at the time of the 2010 BEPA

⁵¹ Horizon 2020 is the current European Research programme covering the period 2014-2020. According to the BEPA (2014:81, bold in the original), "[...]Horizon 2020 marks a clear break with the past by coupling research to all forms of innovation, including social innovation, and covering the entire value creation chain in one single programme".

⁵² The work of these groups is facilitated by the Bureau of Policy Advisers – recently renamed European Political Strategy Centre - whose attention to social innovation is still high. Recently, that body has produced a new report on social innovation updating the 2010 study (BEPA 2014).

⁵³ In the interpretation of one interviewee, this may depend on the role played by people close to such a perspective in the organisation of the BEPA workshop in 2010 and on the fact that, afterwards, the social innovation agenda was warmly endorsed by the then Commissioner for Enterprise and Industry. When compared with the 2010 report, the follow-up study on social innovation published by BEPA in 2014 emphasises even more the role of social enterprises.

workshop – such a framing has been strengthened over time and, currently, it has been conceptualised more explicitly through the notion of ‘social policy innovation’. Conversely, relatively less attention seems to be paid to perspectives on social innovation which stress more explicitly the participatory character of socially innovative projects and their role in empowering socially excluded groups and transforming social relations.

6.2 Social innovation and the Europe 2020 anti-poverty toolkit: a preliminary assessment

In this Section we will consider the instruments for promoting social innovation more directly related to the Europe 2020 anti-poverty toolkit (Section 5.3). We will try to do so by assessing whether and how the current European toolkit addresses some main governance challenges with regard to poverty-related socially innovative action⁵⁴. Most of these challenges basically concern the relationship between social innovations and the welfare state, and two issues emerge with particular strength: a) the problem of mainstreaming social innovations into the broader welfare system, and b) the implications of social innovation with regard to the configuration of the welfare mix. As for the former, the upscaling of social innovations is often considered a remarkable challenge, and welfare state institutions are supposed to play a key role in supporting local forms of social innovation. As for the latter issue, social innovations are supposed to rely on new forms of interaction between the state, market actors and civil society and on the adoption of a participatory governance style. However, it is a considerable challenge to achieve such a result avoiding, on the one hand, an excessive fragmentation between actions undertaken by such a diverse set of actors (and by different levels of government), and, on the other hand, the risk that a greater involvement of civil society/private actors masks strategies through which public authorities simply try to avoid responsibilities in times of budget constraints.

How are these challenges addressed by the current European toolkit for underpinning socially innovative actions? As we have argued in this study, in the field of the fight against poverty and social exclusion, social innovation has been increasingly framed in terms of ‘experimentations’ aimed at reforming social policies. Such a tendency has been accentuated with the launch of the Europe 2020 Strategy and the growing attention devoted to ‘evidence-based social innovation’ (variously referred to as social experimentation, social policy experimentation, or social policy innovation), a methodology promoted through a series of calls for proposals launched since 2009 by DG EMPL. Looking at the development of such a technique over time, one can note an attempt to set up arrangements aiming at facilitating the sustainability and upscaling of the projects funded, including the attribution of a major role to public authorities, so as to ensure their commitment; an increased linkage of the projects funded with EU priorities (notably, the priorities set by the Social Investment Package and the Country-specific Recommendations), so as to boost their political salience; a gradual reinforcement of the methodology, including the setting up of experimental protocols clearly explaining upscaling strategies; and the provision of funds for upscaling successful projects (notably, through the ESF).

All in all, it can be said that such provisions are likely to increase the chances that socially innovative projects are up-scaled into the broader welfare policies. However, it should be kept in mind that these

⁵⁴ These governance challenges concern (ImPRovE Social Innovation team, n.d.): mainstreaming social innovation; avoiding fragmentation; developing a participatory governance style; equality and diversity; uneven access; avoiding responsibility; managing intra-organizational tensions; enabling legal framework.

resources are not targeted to local and bottom-up socially innovative projects,⁵⁵ but rather to experiments aimed at testing on a small scale social policy reforms in line with the priorities and the approach defined at the EU level. While such a choice is a rational strategy for maximising the impact on MS' policies, this may lead to a sort of 'constrained social innovation' pattern, where the approaches to be followed have been already decided in advance and the space for bottom up ideas and 'out of the box' thinking appears limited. Framed in this sense, social innovation represents a strategy to reform welfare states in the direction of the social investment approach. This utilitarian, policy-oriented approach sits uneasily with a long standing discourse about social innovation as community-based process of societal transformation (see annex I). How such different understandings of social innovation are to be reconciled remains an open question.

When it comes to the relation between social innovation and the configuration of the welfare mix, some scholars have stressed the risk that, instead of being a new and more effective response to social needs and societal challenges, social innovation

... might simply become a convenient buzzword to forward neoliberal ideology in a time of austerity and the marketization of social services (Grisolia and Ferragina 2015: 169),

or a way for public authorities to avoid responsibilities in times of budget constraints (Improve Social Innovation Team). As we have shown in Section 5.3, in key policy documents related to the Europe 2020 Strategy, social innovation has indeed been increasingly associated with the need to reform domestic social protection systems in order to ensure their adequacy, efficiency and sustainability in a context characterised by budget constraints. In order to do so, the Member States are invited to develop more innovative approaches to financing social policy through the mobilization of third-sector and private resources and to develop public-private-third sector partnerships in delivering social services. Such a choice is generally justified by the need to increase the efficiency of social spending and to boost the effectiveness of social services (for instance, by allowing for more tailor-made services) and it does not imply *a priori* a move towards privatization and marketization⁵⁶. However, some risks cannot be denied. In a context characterised by significant cuts in social spending and an increased pressure on the welfare states, narrow interpretations of social innovation may emerge, possibly reinforcing ongoing dynamics of welfare state retrenchment. Indeed, social innovation may be merely interpreted as a call to 'do more with less resources' or to search for alternative sources of funding for welfare provisions or as a way to shift responsibilities from public to private/third-sector actors in times of permanent austerity.

Summing up, in the course of time, EU financial resources – in particular, the ESF – have been used to support domestic welfare states. This support, however, has been mainly targeted to the 'preventive' function of welfare systems, which has been recently labelled as the 'investment' function⁵⁷.

⁵⁵ According to one of our interviewees, other resources provided by the European Commission fit more with the idea of promoting bottom-up forms of social innovation and social innovations promoted by small organisations. For instance, resources for civil society organisations, the social economy and social enterprises provided by the EaSI programme, funding for urban and rural development strategies provided through the Structural and Investment Funds. In other words, here the reference is not to "[...] *place based social innovative policies and actions [which] emerged in the institutional margins of welfare states*" (Cantillon 2014:316).

⁵⁶ Our interviewees (in particular, Int.2 and Int. 5) have strongly denied the existence of a 'privatisation agenda' behind initiatives on social innovation undertaken by DG EMPL.

⁵⁷ Recently, in a context characterised by the fiscal consolidation priorities and declining national budgets devoted to social policies, the importance of EU funds in supporting social investment oriented policies

Conversely, EU financial resources have played a more limited role when it comes at supporting other, more traditional functions of domestic welfare systems, notably protection and redistribution. In this fields, EU support has mostly been indirect, that is, limited to encouraging cooperation between the Member States, providing cognitive resources to be used in domestic reforms and recommending reforms to be implemented. This obviously depends on a variety of factors, including the lack of EU legal competences, provisions contained in the regulation of the ESF and Member States' resistance towards further EU intervention in core areas of domestic welfare states (Baeten and Vanhercke, 2016).

Recent debates on the possibility of a stronger EU role in the domains of minimum income and unemployment protection represent a good illustration of these limitations. In the former case, proposals to elaborate an EU framework directive concerning minimum income guarantee (see, more recently, EAPN 2010, Peña-Casas *et al.* 2013, EESC 2013), possibly supported by a European fund for social solidarity ensuring the adequacy of national minimum income schemes (Peña-Casas *et al.* 2013, EESC 2013), were rejected due to an alleged lack of EU competences in this domain and an insufficient political willingness⁵⁸.

Similarly, discussions about the set-up of common macroeconomic stabilisers for the euro-area such as a European unemployment insurance (cf. Dullien 2012, 2013), somehow envisaged by the European Commission (2012) itself, seems to have reached deadlock. In a context characterised by the persistence of remarkable differences in the performances of national welfare systems (Vandenbroucke with Vanhercke 2014), pressure on social policy budgets and a decrease of the capacity to guarantee adequate income protection in a number of Member States (Bouget *et al.* 2015), the adequacy of the EU support in the social domain is seriously put into question and the need of a serious debate about the role of the EU in the domain of social policy and the distribution of tasks between the EU and the Member States arises (Vandenbroucke with Vanhercke 2014).

(e.g. Active labour market policies or policies targeted to children) has considerably grown in many Member States (cf. Bouget *et al.* 2015).

⁵⁸ For a discussion on the feasibility and the constraints of a EU instrument for minimum income guarantee, see Peña-Casas *et al.* 2013, Vandenbroucke *et al.* 2013, Verschueren 2012).

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Annex I. Social innovation: a multi-faced concept

At the conceptual level, social innovation is a controversial notion: a variety of definitions have been elaborated over time and the understanding of the phenomenon differs both among and within scientific, civil society and governmental circles (cf. BEPA 2010, Ilie and During 2012, Jenson and Harrison 2013, Moulaert *et al.* 2013, The Young Foundation 2012).

According to Caulier-Grice and colleagues (The Young Foundation 2012), the lack of a shared definition is hardly surprising, given the variety of contexts and disciplines where the notion has been used and the fact that social innovation is mainly a practice-led and context-specific field, addressed by actors operating in the various sectors of the economy and, often, at their crossroads. Indeed, existing definitions focus on different aspects of the phenomenon such as the content, the process and the impact of social innovation, the motivations of the actors involved, the sectors and the territorial levels where it takes place⁵⁹. In their review of the literature, the authors identify five usages of the concept of social innovation, which has been variously employed to refer to (The Young Foundation 2012: 6-7):

- a) “societal transformation”, i.e. a process of social change leading to the transformation of society as a whole, where actors from civil society, the social economy, social entrepreneurship, and business play a key role;
- b) a “model of organisational management”, i.e. as business strategies aimed at increasing organisational efficiency and boosting competitiveness by promoting changes in human, institutional and social capital;
- c) “social entrepreneurship”, with an emphasis on social enterprises and the role of social and civic entrepreneurs;
- d) the “development of new products, services and programmes aimed at meeting social needs”, here including both public sector innovation and the role of social enterprises and civil society in providing public services;
- e) a “model of governance, empowerment and capacity building”, thus emphasising the process dimension of the phenomenon.

Ilie and During (2012) distinguish between various ‘discourses’ on social innovation and try to identify the specific features characterising the understanding of the concept in governmental, entrepreneurial and academic circles. According to the authors, discourses on social innovation taking place in those circles differ on relevant dimensions such as the role attributed to communities, the definition of (and the importance attributed to) the outputs and the outcomes of the process, the emphasis on aspects such as the up-scaling and the diffusion of social innovations. In particular, discourses promoted by governmental bodies and independent agencies tend to focus on two aspects: the improvement of the efficiency of policies and the need to make policies more engaging for the communities. On the former

⁵⁹ Drawing on this literature review, the authors identify certain core elements and common features useful for building a common definition of social innovation, conceived as “*new solutions (products, services, models, markets, processes etc.) that simultaneously meet a social need (more effectively than existing solutions) and lead to new or improved capabilities and relationships and better use of assets and resources. In other words, social innovations are both good for society and enhance society’s capacity to act*” (The Young Foundation 2012: 18).

aspect, the authors note that in governmental discourses “[...] social innovation is interpreted as an equivalent of improved implementation and outcome assessment” (Ilie and During 2012: 16): in order to be accepted by governmental bodies, it is expected to produce measurable outputs (*ibid.*: 22). Public authorities are the main actors of the process while, beyond the rhetoric of participation which emerges from official documents, communities are often relegated to a relatively passive role (*ibid.*: 16-17)⁶⁰. A higher degree of involvement of the communities, on the contrary, characterises some ‘entrepreneurial discourses’ on social innovation.

These discourses are obviously characterised by an emphasis on concepts such as ‘social enterprises’ and ‘social entrepreneurship’ which finally tend to overlap with the notion of social innovation. According to Ilie and During (2012: 27), entrepreneurial discourses have two extremes, “[...] one more experimental, oriented towards society and learning from experience, the second anchored in the traditional theories of economic and technological innovations”. In the former interpretation, considerable importance is attached to social values which – in the logic of action of social enterprises – would prevail over financial benefit (even more than in the governmental discourses). Furthermore, in this context the degree of involvement of communities tends to be higher, at least at the implementation stage. In the latter interpretation, the focus seems to be limited to changes in the business model, with a more limited role for community participation: in this case, “outputs are [...] more important than outcomes and financial gains define to a large degree the level of success or failure that social innovation has” (Ilie and During 2012: 33). In the understanding of the authors, the need to identify criteria and tools to define and measure success and the search for models and patterns for up-scaling and diffusing social innovations are common features of both entrepreneurial and governmental discourse (*ibid.*: 33). This preoccupation is less evident in discourses developed by part of the academic community which, on the contrary, tends to emphasise the link between social innovation and culture and the context-specificity of social innovation (Ilie and During 2012: 35). According to the authors, however, even within this strand of academic discourses, the role attributed to communities in the process of social innovation generally remains rather passive or not properly specified, an exception being the studies conducted by Frank Moulaert and colleagues⁶¹ (*ibid.*: 67-69).

Moulaerts’ work is part of a research tradition on social innovation on which the ImPROvE project draws. Indeed, referring to the domain of poverty and social exclusion, Kazepov *et al.* (2013:12, emphasis in the original), define socially innovative actions as:

... bottom-up initiatives that respond to the commodification of life chances and/or the relations of domination embodied in existing institutions to satisfy social needs of socially excluded groups (content dimension). They bypass or transform existing welfare or other institutions and structural social relations by involving civil society, third sector or social entrepreneurs so as to increase the control of socially excluded groups over the means to satisfy

⁶⁰ In the words of the authors, “The structures functioning according to the principles of the governmental discourse re-define their organisational patterns and use their own resources (material, capital, knowledge) to produce new methods and tools through which they can perform their activities. The systematic repetition of this feature of novelty is an expression of innovations in form and not necessarily in content. What we mean by this is that agencies working under the governmental discourse perform their traditional practices (policy development, planning, provision of services and employment) in a different format – one with a twist towards more inclusive processes (engaging vulnerable populations, improving existing participatory methods, re-shaping behavioural patterns).” (Ilie and During 2012: 19).

⁶¹ See Moulaert *et al.* (2005).

their social needs (process dimension). They thereby contribute to the empowerment and socio-political mobilization of socially excluded groups.

Such a definition relies on a specific conceptualisation of poverty- intended as a multi-dimensional and relational phenomenon resulting from historically produced unequal social structures- and highlights three key dimensions of social innovation: a content dimension, a process dimension, and an ‘empowerment’ dimension (Kazepov *et al.* 2013; Oosterlynck *et al.* 2013). From a substantive point of view, social innovations aim at satisfying social needs that are not adequately addressed by existing institutions and structures (notably, macro-level welfare policies and the market). Since social needs- as well as the capacity of welfare states and the market to address them- vary in space and time, socially innovative practices are “highly contextual” and often arise, in a bottom up fashion, at the local level⁶² (Oosterlynck *et al.* 2013: 2).

As for the process dimension, besides pursuing social goals, socially innovative practices must rely on “social means”, that is, they should have the ambition to transform the structures and the institutions which prevent people from satisfying their social needs. In other words, social innovations should develop new social relations or transform existing (and unsatisfactory) ones (Oosterlynck *et al.* 2013: 3). To this purpose, the active involvement of both civil society actors and – importantly- socially excluded groups is considered as a distinguishing feature of social innovation: socially innovative practices are supposed to empower socially excluded individuals and groups. In this sense, social innovation implies processes of “[...] social learning, individual and collective awareness raising, and socio-political mobilisation” (*ibid.*: 6).

This said, as mentioned above, a high degree of variation characterises academic research on social innovation. Jenson and Harrison (2013) have reviewed the findings of 17 comparative European projects related to social innovation funded through the ‘Socioeconomic Sciences and Humanities Programme’ of the fifth, sixth and seventh framework programmes. According to the authors, there are differences among the various research projects conducted, in terms of theoretical choices, levels of analysis and specific focus of the projects (Jenson and Harrison 2013: chapter. 3):

- First, social innovation research draws on numerous disciplines and theoretical traditions, which makes it difficult to build upon (and to develop) a shared paradigm. What is more, often theory development is not among the main objectives of those types of research, which are generally more problem (and policy)-oriented⁶³.
- Second, research projects differ when it comes to the levels of analysis considered, with most studies generally focusing on the meso (i.e. at the role of institutions) or individual (i.e. marginalised individuals or groups) levels and more rarely on the macro (societal) level.

⁶² According to the authors, social innovation is inevitably a “*local and institutionally embedded process*” (Oosterlynck *et al.* 2013: 3). However, this does not imply that it is necessarily a locally isolated phenomenon, since “[...] *most successful social innovations rely on co-operation with and support from supra-local actors [:] through co-operation with supra-local actors, networks and institutions, localized social innovations can be upscaled and transferred to other local contexts and thus structurally transform society*” (*ibid.*).

⁶³ As noted by the authors (Jenson and Harrison 2013: 26-27), since the policy review concerns research projects funded by the European Commission through the ‘Socioeconomic Sciences and humanities Programme’, both their inter-disciplinary approach and their policy-oriented nature may depend on the specific features of the call for proposals issued under that programme.

- Third, the research focus of those projects differs in terms of the actors which are considered (from citizens to social entrepreneurs to bureaucrats), sectors (public, private or third-sector), and scale (urban, regional, national or supranational) (Jenson and Harrison 2013: 30-31).
- Finally, the causal value attributed to social innovation also differs: in some cases, social innovation is considered as an independent variable producing change, in other cases it is studied as a dependent variable, i.e. as the outcome of institutions and actors' initiatives.

Against this backdrop, the lack of a shared definition is not so surprising and – while stressing the need to work on a consensual definition or, at least, on a set of nested definitions for levels of analysis- Jenson and Harrison (2013:14) invite us to think of social innovation as a 'quasi-concept', that is a concept

... whose utility lies less in fabricating certainty than in fostering cohesion across a policy network, composed of researchers, analysts and decision-makers [and] provid[ing] an analytical focus for identifying policy challenges and diagnosing their characteristics.

Annex II. Social policy experimentation

The importance of the topic of social policy experimentation has started to grow on the EU agenda since 2008, also as a consequence of the activism of some Presidencies of the EU. In particular, the concept has a French origin and, since 2008, was pushed at the EU level by the French Minister Martin Hirsch. In the Communication ‘A renewed commitment to social Europe: Reinforcing the Open Method of Coordination for Social Protection and Social Inclusion’, the European Commission (2008b:8) explicitly referred to the possibility of using the PROGRESS programme in order to develop social experimentations, that is, “as a way to test innovative ideas before engaging in large-scale social programmes” in key domains of the Social OMC such as minimum income, child benefits, or long-term care. In the same year, in view of the Presidency of the Council of the EU (second half of 2008), the French government asked the European Economic and Social Committee (EESC) to deliver an exploratory opinion on ‘How can social experimentation be used in Europe to develop public active inclusion policies’. In the view of the EESC, social experimentation potentially represented a useful policy-making tool, though the concept “remains in many respects [...] vast and vague [and] evaluations of its results are often overly vague (if not non-existent) or controversial as they are ambiguous and debatable” (EESC 2008: point 2.1.2). So, further work was needed in order to agree on a precise definition and to elaborate a sound and shared methodology. A series of conferences organised by subsequent Presidencies have offered an occasion to further develop and disseminate knowledge about social policy experimentation and, in collaboration with the academic community, to make progress in the elaboration of the methodology. Among them, it is worth mentioning the Forum on Social Experimentation in Europe’ organised by the French Presidency in Grenoble in November 2008, the Ministerial conference on ‘Innovative responses to the social impact of the crisis’ organised by the Polish Presidency in Warsaw in 2011, and the Conference on ‘Social policy innovation and social experimentation’ organised in November 2012 in Brussels⁶⁴.

As mentioned in Section 5.3, in the Communication of the European Commission concerning the European Platform against Poverty and Social Exclusion, social experimentations have been defined as “[...] small scale projects designed to test policy innovations (or reforms) before adopting them more widely” (European Commission 2010d: 14) . According to Jouen (2008:1), “in the social field, [social experimentation] is clearly situated in the area of innovation produced by local actors (NGOs, local and regional authorities, local governmental bodies, trade-unions, private companies, ...), as a tool for renewing social policy” and “it represents the latest stage of a long tradition of supporting and promoting innovation in the area of cohesion policy in general and the ESF in particular” (*ibid.*: 2). This said, two main elements distinguish social policy experimentation from more traditional forms of local social innovations (cf. Jouen 2008; J-Pal Europe 2011):

- 1) it is strongly ‘*evidence-based*’ and relies on a rigorous *methodology* which includes a detailed experimental protocol, specific sampling procedures and a strict evaluation process. Importantly, the experimental protocol should describe in detail all the stages of the experimentation (from the social need it is supposed to address to evaluation procedures and

⁶⁴ Discussions during those events were generally based on background notes aimed at better defining the concept of social experimentation and its methodology: see Jouen (2008) for the conference in Grenoble and J-Pal Europe (2011) for the conference in Warsaw. At the request of the European Commission, a new guide on social policy innovation has been delivered by the London School of Economics in 2014 (European Commission 2014b).

strategies to streamline it, if successful). Furthermore, as for sampling, both a treatment group and a control group should be set up: random sampling is strongly suggested, however, also quasi experimental methods – such as regression discontinuity, difference in differences, statistical matching, before and after, comparing participants and non-participants – can be considered (see J-Pal Europe 2011 for a detailed discussion on this point).

- 2) *Streamlining* successful experiments into policy making and *up-scaling them into policy reforms* should represent a constitutive feature of social policy experimentations (which should be already foreseen in the experimental protocol). As Jouen (2008: 31) points out “a successful experiment should not go without follow-up. This is [...], intrinsically, what makes the originality of experimentation in comparison to a policy of support for social innovations. It is also what justifies the somewhat restricting framework in which experimentation is carried out”⁶⁵. In order to facilitate the achievement of such an outcome, social experimentations should rely on broad partnerships involving all the actors concerned. However, the leadership of public authorities and their commitment to take into account the results of the experimentation are considered as fundamental.

⁶⁵ In other words, “*experimentation appears as a means of streamlining the conduct of innovation and as a tool which allows social reforms to be based on concrete data*” (*ibid*: 13).

Annex III. Examples of EU instruments for social innovation and projects actually supported

Box 1. Examples of initiatives aiming at fostering cooperation, knowledge exchange and networking on social innovation

Regions for economic change initiative (2010-2013 / ERDF). Regions for economic change (RfEC) was a learning platform for EU regions which supported the creation of networks aimed at testing and sharing good practices in urban and regional development (with a particular focus on innovation) and at speeding up their transfer. It included the annual 'Regions for Economic Change Conference' and 'RegioStars Awards', a Policy Learning Database and the creation of Interregional Fast Track Networks. The latter were networks established around key themes and used to test innovative ideas and facilitate their transfer into regional policies and programmes. 375 million euros were allocated to the RfEC in the period 2010-2013.

Learning for change initiative (2007-2013 / ESF). The Learning for Change initiative aimed at "promoting a learning culture and developing an infrastructure for social innovation and mutual learning" through a series of actions including (BEPA 2010: 72): the creation of Learning Networks of ESF Managing Authorities and implementing bodies with strategic stakeholders; supporting ESF managers dealing with the implementation of transnational actions under regional and national programmes; collecting good practices and success stories, thus creating a European base of evidence and experience allowing Member States to quickly share and apply successful practices; promoting the shared use of common tools and capacity building in ESF bodies to increase the skills and competences of ESF managers. Learning networks set-up in 2009 addressed a variety of issues such as entrepreneurship and results-based management, migrants and ethnic minorities, the integration of ex-prisoners, partnership, transnational cooperation, empowerment and inclusion, administrative capacity building, the employment of young people, age management, gender mainstreaming and the social economy (BEPA 2010:82).

Source: BEPA (2010) and websites of the Regions for economic change initiative ⁶⁶

⁶⁶ http://ec.europa.eu/regional_policy/archive/cooperate/regions_for_economic_change/index_en.cfm#1 (accessed 25 May 2015).

Box 2. The peer reviews meetings in the Social OMC

PROGRESS funded peer reviews are seminars lasting 1 ½-2 days hosted by a single country (*host country*) and attended by a limited number of other countries (*peer countries*) as well as by actors such as European Commission officials, stakeholders' representatives and experts. The main goal of the meetings is to promote mutual learning dynamics among participating states through the identification and dissemination of good practices on the basis of a systematic exchange of experiences and evaluation of policies, actions, programmes or institutional arrangements. These meetings, held since 2004, concerned topics related to one or more of the key themes of the Social OMC (with a prevalence of topics linked to the social inclusion strand): 1) Integration of ethnic minorities and immigrants; 2) Quality and accessibility of social services; 3) Homelessness and housing exclusion; 4) Children and families; 5) Promoting active inclusion; 6) Over-indebtedness and financial exclusion; 7) Ageing and providing adequate and sustainable pensions; 8) Health and long-term care; 9) Interaction of social, economic and employment policies; 10) Governance.

While it is difficult to assess how many meetings were actually devoted to the analysis of socially innovative practices, research on the peer review exercise (OSE and PPMI 2012a, 2012b; Jessoula *et al.* 2014.) shows that specific programmes with some degree of innovation (if compared with domestic traditions in the respective policy domains) were sometimes the topic of those meetings. Examples include:

- the Czech programme Field Social Work Programmes in Neighbourhoods Threatened by Social Exclusion (discussed during a peer review in 2005), which was innovative for the Czech context because of its rationale (awareness of the specificity of socially excluded communities; aimed not only at providing services, but also at awareness raising) and its practical approach (allowing flexible and individualised social work with the client; professionalization of the field work personnel) (cf. Careja 2012);

- the UK government's Sure Start programme (reviewed in 2006) which relied on 'Anglo-American' models, thus representing an important innovation compared to existing policies in England and the European Union (cf. Daly 2012a);

- the Spanish Multi-Regional Programme to Combat Discrimination (reviewed in 2007) which presented important innovations concerning the involvement of Spanish NGOs in Operational Programmes financed by Structural Funds (cf. Ghailani 2012);

- the British City Strategy (reviewed in 2009) which contained some innovative elements related to the emphasis on the localisation of welfare provisions and to the partnership approach promoted (sharing of responsibilities for tackling unemployment and poverty between the State and communities) (cf. Clegg and Bennett 2014).

Source: OSE and PPMI (2012a, 2012b); Jessoula *et al.* (2014)

Box 3. Housing First Europe

One of the projects funded through the second PROGRESS call for social experimentation (European Commission 2010a) was Housing First Europe (HFE) (European Commission 2012a). In a nutshell, the ‘Housing first’ approach – which derives from pioneer initiatives developed in the United States – relies on the idea that homeless people (including people with complex and multiple needs) should be provided with long-term housing (coupled with multidisciplinary social support) as soon as possible (Busch-Geertsema, 2013). In the European context, such an approach was considered an innovative practice insofar as it reversed the usual ‘staircase approaches’ based on the idea that –before having access to a tenancy- homeless people with complex needs had to demonstrate they were ready to sustain long-term accommodation (*ibid.*). At the time of the 2010 PROGRESS call for proposals, Housing First was a topic debated at the EU level (see, for instance, European Consensus Conference on Homeless, 2010) and several Housing first-like projects were being implemented or experimented in EU countries/cities. However, both the understanding and important features of specific Housing First projects as implemented in Europe and in the world varied to some extent (cf. Busch-Geertsema, 2013, Pleace and Bretherton, 2013).

Against such a backdrop, the aim of the Housing First Europe project was precisely to test and evaluate Housing First projects in 5 European cities in order to assess the potential and the limits of such an approach and identify its essential elements (European Commission 2012a). The project – implemented between 2011 and 2013 – was led by the Danish Board of Social Services and the partnership was composed of 10 partners (mainly local public authorities) from Hungary, Belgium, Denmark, the Netherlands, Austria, Portugal, Finland, Sweden, the United Kingdom, and Ireland. Besides the five ‘test sites’ to be evaluated (Amsterdam, Budapest, Copenhagen, Glasgow, Lisbon), other five ‘peer sites’ where Housing First projects were also implemented (Dublin, Ghent, Gothenburg, Helsinki, Vienna) were involved in order to bring their experiences into the debate on the evaluation of the test sites. Activities carried out in the project were organised around two strands: a) Research and Evaluation (under the responsibility of a team of evaluators made up of researchers from various countries); b) Mutual Learning activities aimed at promoting the discussion of the results of the evaluation among various stakeholders and facilitating exchanges on existing Housing First projects implemented in Europe and beyond. The final deliverables of the project were the draft of a final report and of a number of local reports and the organisation of a final conference (held in Amsterdam in June 2013).

Box 4. The Social Platforms

The Social Platforms were funded through specific calls for proposals issued under the FP7 Programme between 2007 and 2013. Inspired by the already existing Technology Platforms, the idea of the Social Platforms was to bring together members of the scientific community, policy-makers and civil society organisations in order to elaborate and develop a common research agenda, thus suggesting new research topics for EU research (European Commission 2013b: 9).

Up to now, 4 Social Platforms have been created (*ibid.*):

- ‘Social Policies’ (2007-2010) concerning social cohesion in European cities.
- ‘Family Platform’ (2009-2011), on the topic of families and family policies.
- ‘SPREAD’ (2011-2012), addressing the issue of sustainable lifestyles.
- ‘INNOSERV’ (2012-2014), concerning innovation in social services.

According to existing assessments (European Commission 2013b), the identification of key social issues to be included in the future research agenda through a constructive and participatory (although not always smooth) dialogue between researchers, policy-maker and civil society representatives is the key innovation introduced by the social platforms.

Source: European Commission (2013b)

Table 1. Social Innovation in the FP7 ‘Socio-economic Sciences and Humanities’ (SSH) programme 2011-2013

| Work Programme | Activity | Topic(s) |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| 2011 | Activity 8.1: Growth, employment and competitiveness in a knowledge society – the European case | - SSH.2011.1.3-1 New Innovation Processes including Social Innovation |
| 2012 | Activity 8.2: Combining economic, social and environmental objectives in a European perspective: Paths towards sustainable development | - SSH.2012.2.1-1 Social innovation against inequalities - SSH.2012.2.1-2 Social innovation for vulnerable populations |
| | Activity 8.3: Major trends in society and their implications | - SSH.2012.3.2-3 Social innovation in the public sector |
| 2013 | Activity 8.1: Growth, employment and competitiveness in a knowledge society | - SSH.2013.1.1-1 Economic underpinnings of social innovations |
| | Activity 8.3: Major trends in society and their implications | - SSH.2013.3.2-1 Social Innovation – empowering people, changing societies? |

Source: authors’ elaboration from European Commission 2010e, 2011b, 2012b.

Table 2. Winners of the Europe Social Innovation Competition 2013-2014

| Title | Short description |
|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2013 | |
| Community Catalysts (United Kingdom) | Community Catalysts propose connecting talents in business and communities to create jobs for social benefit by helping people to use their creativity to set up sustainable, small-scale social care and health services that people can afford. These micro-enterprises could be offered by a wide range of people, including disabled, older and family carers. Community Catalysts want to extend their current reach and impact through a managed network of professional business and professional mentors supporting community entrepreneurs throughout the UK via an on-line platform |
| Economy App (Germany) | Economy App collects information from users on what they could offer in a local economy and what their economic needs are. The software keeps a record of the value of products and services provided and accepted for every person in this economic network and so no money ever needs to change hands. |
| MITWIN.NET (Spain) | MITWIN.NET proposes an intergenerational professional network conceived to facilitate contact between people in order to share a job and knowledge, with the main goal of reducing the high rate of youth unemployment. MITWIN.NET proposes that older workers share a job with younger people, allowing those approaching retirement to share knowledge with those being incorporated into the job market, easing both entry and exit from the job market and addressing youth unemployment. |

| 2014 | |
|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| From waste to wow! QUID project (Italy) | The fashion business demands perfection, and slightly damaged textiles cannot be used for top brands. The project intends to recycle this first quality waste into limited collections and thereby provide jobs to disadvantaged women. This is about creating highly marketable products and social value through recycling. |
| Urban Farm Lease (Belgium) | Urban agriculture could provide 6,000 direct jobs in Brussels, and an additional 1,500 jobs in terms considering indirect employment (distribution, waste management, training or events). The project aims at providing training, connection and consultancy so that unemployed people take advantage of the large surface available for agriculture in the city (e.g. 908 hectares of land or 394 hectares of suitable flat roofs) |
| Voidstarter (Ireland) | All major cities in Europe have 'voids', units of social housing which are empty because city councils have insufficient budgets to make them into viable homes. At the same time these cities also experience pressure with social housing provision and homelessness. Voidstarter will provide unemployed people with learning opportunities alongside skilled tradespersons in the refurbishing of the voids. |

Sources: European Commission (2014a) and European Social Innovation Competition website (http://ec.europa.eu/enterprise/policies/innovation/policy/social-innovation/past-editions/prize_en.htm, accessed 25 May 2015).

Note: the short descriptions of the projects are quoted from the sources above.

Table 3. EPAP initiatives under the area for action 'Developing an evidence-based approach to social innovation and reforms'

| Initiative | Timeframe | State of implementation (July 2013) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-------------------------------------------------------------------|
| Launch a major initiative to promote social innovation. The initiative would: establish a 'high-level steering committee' to provide advice and guidance on developing EU actions in this field; create a European research excellence network; launch a European research project in the area of social innovation; define common principles about designing, implementing and evaluating small scale projects designed to test policy innovations (or reforms) before adopting them more widely (social experiments); ensure communication and awareness raising about relevant ongoing social innovation; make use of existing financial instruments, including PROGRESS, to support evidence-based social innovation and experimentation. | 2011-2012 | ONGOING |
| Exploring the best ways and formulate proposals for social innovation in the new financial framework, including through the ESF and possibly new financing facilities. | 2011-2012 | ONGOING |
| Develop cross-sectoral approaches that articulate actions in several related policy fields such as employment, education, health, youth, housing, migration and social protection that have the potential to lead to social innovation. | 2011-2012 | COMPLETED - (SISPE included in the ESF 2014-2020 and in the PSCI) |

Source: authors' elaboration from European Commission (2010f, 2013c, 2013d).

Table 4. (Selected) EPAP initiatives under the area for action ‘Promoting a partnership approach and the social economy’

| Initiative | Timeframe | State of implementation (July 2013) |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Propose measures to improve the quality of the legal structures relating to foundations, mutual societies and cooperatives in order to optimise their functioning and facilitate their development within the single market* | 2011-2012 | COMPLETED - Proposal adopted by the Commission 8/2/2012 + ONGOING |
| Develop awareness-raising actions on the benefits of the social economy targeting key public and private actors and enhance access of social economy actors to relevant EU financial programmes, among others by supporting the development of partnerships on active inclusion measures | 2011-2013 | ONGOING - Pilot Project supported by the EP with 10 projects |
| Propose a <i>Social Business Initiative</i> in order to support and accompany the development of socially innovative corporate projects within the single market by means of, in particular, social ratings, ethical and environmental labelling, revised rules on public procurement, the introduction of a new investment fund regime and the use of dormant savings* | 2011 | COMPLETED |
| Promote actions to increase understanding and use of social inclusion considerations in public procurement | 2011-2013 | ONGOING - Proposal for A Directive on Public Procurement. + Guide produced 2010: ‘Buying Social: A Guide to Taking Account of Social Considerations in Public Procurement’ |
| Develop a new policy initiative on CSR in 2011, concentrating on CSR reporting/disclosure, business and human rights, the international aspects of CSR, and especially the employment and enterprise aspects of Europe 2020 | 2011 | COMPLETED |

Source: authors’ elaboration from European Commission (2010e, 2013c, 2013d).

Note (*): Those initiatives are part of the Single Market Act.

Table 5. Social innovation in the Social Investment Package’s Roadmap.

| 1. Strengthening the social investment approach through the European Semester | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| Deliverable | Implementation status/ Milestone | Timeframe |
| A policy makers' manual for applying innovative approaches to long-term care provision | In cooperation with the Institute for Prospective Technological Studies of the Joint Research Centre and the Social Protection Committee Working Group 'AGE' | Publication May 2014 |
| Closing the Gap: SPC report on the contribution of innovative approaches to long-term care | Report scheduled for adoption by SPC in the first quarter of 2014, to help MS adjust to ageing trends while ensuring social protection against the risk of long-term care needs in old age. | Publication May 2014 |
| Conference on social entrepreneurship, 'Social entrepreneurs: have your say' | As well as the main programme, this conference includes a workshop specifically on 'Social Policy Investment and Social Entrepreneurship', social innovation informs many of the event's activities | 16-17 January 2014 |
| 2. Making the best use of EU funds to support social investment | | |
| Deliverable | Implementation status/ Milestone | Timeframe |
| Identifying social innovation and social investment priorities for Horizon 2020, the EU's 2014-2020 €70 billion programme for research and innovation | The Horizon 2020 Work Programme for 2014-15 is expected to include a specific call focussing on SIP, in particular on innovative social investment approaches for the modernisation of social policies and services | Call for proposals early 2014 |
| Study on effective policies to reduce homelessness and housing exclusion | <ul style="list-style-type: none"> - The right to housing - homelessness prevention in the context of evictions - Follow-up study on the right to housing - Housing First Europe - social innovation and social policy experimentation project - Work in Stations project supporting integration of homeless people around train stations by creating partnerships between local authorities, railway companies, and NGOs - Study on the relation between mobility and migration and destitution in the EU | <p>Publication and launch seminar end-2015</p> <p>Publication 2016</p> |
| Support to stakeholders through calls for proposals in line with the social investment approach. | The Commission will fund social policy experimentation aimed at measuring the impact of social policy intervention in line with the Social Investment Package | Call for proposals launched September 2013 Projects selected will run till 2016-2017. |
| Providing support services for actors engaged in social policy experimentation, including innovative social enterprises | Concrete support actions to MS authorities and other stakeholders (training, preparing a guide and advice function). | 2014 |
| 3. Streamlining governance and reporting | | |
| Deliverable | Implementation status/ Milestone | Timeframe |
| Supporting social enterprises' access to finance: European Social Entrepreneurship Funds | Regulation on European social entrepreneurship funds | Adopted 17 April 2013 Fully in force since 22 July 2013 |

Source: authors' elaboration from European Commission (2013f)

Table 6. Calls for proposals on social (policy) experimentation 2009-2014

| Title (programme/year) | Priorities | Beneficiaries | Budget | Duration |
|----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-----------------------|
| Call for proposals for transnational actions on social experimentation (PROGRESS/2009) | Social policies falling within the scope of the Social OMC | a) public authorities; b) organisations mandated by a public authority (including non-profit bodies or organisations of general interest) | approximately EUR 3.5 million (around 10 projects) | From 12 to 24 months |
| Call for proposals for social experimentations (PROGRESS/2010) | Social policies falling within the Social OMC (with particular attention to the social inclusion of young people, and to the transition from institutional to community-based care) | public bodies, regional and local authorities, NGOs, service providers, etc. | approximately EUR 2.5 million (around 10 projects) | From 12 to 24 months |
| Call for proposals for social experimentations (PROGRESS/2011) | social inclusion of vulnerable groups; quality of childcare services; active and healthy ageing; transition from education to work for young people | Lead applicants must be public authorities, state/semi-state agencies at central, regional or local level (in partnership with at least one civil society organisation) | EUR 3.5 million (3-5 projects) | From 18 to 24 months |
| Call for proposals for social policy experimentations (PROGRESS/2012) | - Promotion of youth activation measures; Provision of quality childcare services; Promotion of active and healthy ageing. - Link with the CSRs 2012-2013 | The applicant must be a public authority, at central, regional or local level, or a body governed by public law | EUR 4,200,000 (grants between 700,000 € and 1,000,000 €) | From 24 to 36 months |
| Call for proposals for social policy experimentations supporting social investments (PROGRESS 2013) | - Proposals designing social policy interventions in line with the policy reforms strands of the SIP(- Activating and enabling benefits and services to support people's inclusion in society and the labour market; - Social protection systems to respond to people's needs throughout their lives; - More effective and efficient spending to ensure adequate and sustainable social protection. Priority for projects focusing on youth opportunities measures). | Lead applicant must be a public authority at central, regional or local level, or bodies governed by public law (+ at least one co-applicant public authorities at central, regional or local level, or bodies governed by public law, and/or civil society organisations, and/or private sector organisations) | EUR 3,500,000 (grants between 700,000 € 1,000,000 € maximum) | From 24 to 36 months |
| Call for proposals for social policy innovations supporting reforms in social services (EaSI- PROGRESS axis / 2014) | - Reforms of social services (with a focus on: one-stop-shop approach, personalised approaches and innovative partnerships). - The proposals should also consider the specific context of the country(ies) concerned, including the Country-Specific Recommendations addressed to the Member State | = | EUR 9,200,000 (projects 750,000 € minimum and 2,000,000 € maximum) | From 24 to 36 months. |

Source: authors' elaboration on the calls for proposals 2009-2014

Table 7. EaSI-PROGRESS axis (Social Protection and Social Inclusion). Activities under the objective ‘Social policy experimentation’ (2014)⁶⁷

| Title of the activity | Description | Foreseen output | Target audience | Planned duration |
|-------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|--------------------------------------------------------|------------------|
| Methodology for financial and societal return on investment on social investment policies | Developing a methodology to determine the financial and societal return on investment on social investment policies (e.g. investing in children, especially early childhood) | Study report | Social and economic partners, Social services | 2014 |
| Building analytical knowledge on inclusive personal credit ('social credit') | Mapping the existing practices in the EU MS, assessing whether they are regulated or not, their weaknesses and deficiencies, strengths and opportunities, identifying good practice examples of suitable and transferable schemes and measures, and recommendations for further analytical development related to social credits and also for possible actions that would provide EU added value. | Study report | Associations, NGOs and similar | 2014 |
| OECD study on integrated housing and social services | Stock taking background study on integrated housing and social service delivery to be presented at an OECD conference at the end. | Study report | EU and MS Policy makers, Experts | 2014 |
| Social Innovation and Social Policy Experimentation (SISPE) | Grants shall be awarded to support the testing of innovative social policy reforms in EaSI participating countries in line with Europe 2020 and the Social Investment Package (SIP). The call shall have 2 strands, the first one aiming at using social innovations to create efficiency gains aimed in particular at public authorities to follow up on Europe 2020 Country Specific Recommendations and the second one to strengthen partnerships between public, private and 3rd sector to involve awareness raising activities to create better understanding about the use and benefits of social policy innovation | Support to organisations (SP, NGO, enterprises, national, regional, local authorities) | National authorities (minist., dept. and similar) | 2014-2016 |
| Social Policy Innovation at a national level | Series of seminars to be organised at national level | Seminar/meeting/workshop | National authorities (minist., dept. and similar) | 2014 |
| Social Policy Innovation at a regional level | Series of seminars to be organised at a regional level in cooperation with the Committee of Regions in particular to encourage creation of shared interest from stakeholders to engage actively in Europe 2020 and the European Semester, at national and EU level. | Seminar/meeting/workshop | Regional/local authorities, Regional/local authorities | 2014 |

⁶⁷ Other activities relevant for social innovation are listed under different headings.

| | | | | |
|------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|---------------------------|
| Cooperation with the Council of Europe for support to capacity building for local authorities for Roma inclusion | Support to capacity building for local authorities for Roma inclusion. This project will provide training, mentoring, and coaching to local authorities aiming to integrate Roma living on their territories. It shall strengthen the capacity of local and regional authorities (targeting both elected officials and senior civil servants) to develop and implement plans and policies for Roma inclusion. It shall ensure that local authorities are equipped with tools, knowledge, and skills enabling them to overcome the challenges and barriers they often face when it comes to taking into account the needs of the Roma (including structural barriers which prevent a proper implementation of the strategies and policies) and provide concrete outputs in terms of general local development in which the contribution of the Roma is properly recognised. | Support to organisations (SP, NGO, enterprises, national, regional, local authorities) | Regional/local authorities | September 2014-March 2016 |
| Analysis of the private capital market's interest in financing social investments. | An open call for tender will be launched in order to carry out a study on the role of private investments and capital to finance actions in the field of SIP | Study report | EU and MS Policy makers, Experts, International organisations, National authorities (minist., dept. and similar) | 2014 |
| Support services for social policy experimentation in the EU | Organisation of trainings, information sessions and the production of communication tools | Training | Social services | 2014-2015 |

Source: authors' elaboration from European Commission (2013i: 7-8)

Annex IV. List of interviewees

| Code | Institution/organisation | Date | Modality |
|-------------|---------------------------------|------------------|-----------------|
| Int.1 | Think tank | 29 October 2014 | Face to face |
| Int.2 | European Commission | 30 October 2014 | Face to face |
| Int.3 | European Commission | 06 November 2014 | Face to face |
| Int.4 | European Commission | 18 December 2014 | Face to face |
| Int.5 | EU NGO | 18 December 2014 | Face to face |
| Int.6 | Think tank | 09 January 2015 | Phone |

Abbreviations

| | |
|-----------------|---------------------------------------------------------------------|
| AGS | Annual Growth Survey |
| BEPA | Bureau of European Policy Advisers |
| CISCO | Cisco Systems Inc. |
| CLLD | Community-Led Local Development instrument |
| CSRs | Country-specific recommendations |
| DG | Directorate General (European Commission) |
| DG EAC | Directorate General for Education and Culture |
| DG EMPL | Directorate General Employment, Social Affairs and Inclusion |
| DG ENTR | Directorate General Enterprise and industry |
| DG MARKT | Directorate General Market and Services |
| DG REGIO | Directorate General Regional and Urban Policy |
| DG SANCO | Directorate General Health and Food Safety |
| EAFRD | European Agricultural Fund for Rural Development |
| EaSI | Programme for Employment and Social Innovation |
| EC | European Commission |
| EESC | European Economic and Social Committee |
| EMFF | European Maritime and Fisheries Fund |
| EPAP | European Platform against Poverty and Social Exclusion |
| EPSCO | Employment, Social Policy, Health and Consumer Affairs Council |
| ERDF | European Regional Development Fund |
| ESF | European Social Fund |
| ESIF | European Structural and Investment Funds |
| EU | European Union |
| EURES | European Job Mobility Portal |
| FP | Framework programmes for Research and Technological Developments |
| GECES | Expert Group on social entrepreneurship |
| HFE | Housing First Europe |
| ICT | Information and Communication Technologies |
| IGs | Integrated Guidelines |
| ImPRovE | Poverty Reduction in Europe: Social policy and innovation |
| JESSICA | Joint European Support for Sustainable Investment in City Areas |

| | |
|-------------------|------------------------------------------------------------------------|
| LEADER | Community initiative for rural development |
| MS | Member State of the European Union |
| NGO | Non-Governmental Organisation |
| NRPs | National Reform Programmes |
| OSE | European Social Observatory |
| PROGRESS | Community Action Programme for Employment and Social Solidarity |
| PSCI | Programme for Social Change and Innovation |
| RfEC | Regions for Economic Change initiative |
| SG | Secretary General (European Commission) |
| SIE | Social Innovation Europe |
| SIP | Social Investment Package |
| SIX | Social Innovation eXchange |
| Social OMC | Open Method of Coordination for Social Protection and Social Inclusion |
| SPC | Social Protection Committee |
| SPPM | Social Protection Performance Monitor |
| SSH | Socio-economic Sciences and Humanities programme (FP7) |
| URBAN | Community initiative concerning urban areas |

ImPRovE: Poverty Reduction in Europe. Social Policy and Innovation

Poverty Reduction in Europe: Social Policy and Innovation (ImPRovE) is an international research project that brings together ten outstanding research institutes and a broad network of researchers in a concerted effort to study poverty, social policy and social innovation in Europe. The ImPRovE project aims to improve the basis for evidence-based policy making in Europe, both in the short and in the long term. In the short term, this is done by carrying out research that is directly relevant for policymakers. At the same time however, ImPRovE invests in improving the long-term capacity for evidence-based policy making by upgrading the available research infrastructure, by combining both applied and fundamental research, and by optimising the information flow of research results to relevant policy makers and the civil society at large.

The two central questions driving the ImPRovE project are:

How can social cohesion be achieved in Europe?

How can social innovation complement, reinforce and modify macro-level policies and vice versa?

The project runs from March 2012 till February 2016 and receives EU research support to the amount of Euro 2.7 million under the 7th Framework Programme. The output of ImPRovE will include over 55 research papers, about 16 policy briefs and at least 3 scientific books. The ImPRovE Consortium will organise two international conferences (Spring 2014 and Winter 2015). In addition, ImPRovE will develop a new database of local projects of social innovation in Europe, cross-national comparable reference budgets for 6 countries (Belgium, Finland, Greece, Hungary, Italy and Spain) and will strongly expand the available policy scenarios in the European microsimulation model EUROMOD.

More detailed information is available on the website <http://improve-research.eu>.

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