Social innovation & social entrepreneurship: Novel solutions for societal challenges?

Dr. Anette Scoppetta
Look who’s talking …

❖ The European Centre for Social Welfare Policy and Research is a UN-affiliated research institution, based in Vienna, 20+ employees, 2 pillars: work & welfare and health & long-term care, Anette Scoppetta is Deputy Director and managing the pillar ‘work & welfare’

❖ Anette’s research interest: European and Austrian social and labour market policies as well as regional economic development (particularly local/regional partnerships, governance, social exclusion, innovative initiatives, social innovation, workplace innovation, multi-level co-operation)
Why social innovation?
Why social entrepreneurship?

AND

What is the link between the two?
EU Grand Societal Challenges

- Health, demographic change and wellbeing;
- Food security, sustainable agriculture and forestry, marine and maritime and inland water research, and the Bioeconomy;
- Secure, clean and efficient energy;
- Smart, green and integrated transport;
- Climate action, environment, resource efficiency and raw materials;
- Europe in a changing world - inclusive, innovative and reflective societies;
- Secure societies - protecting freedom and security of Europe and its citizens.

Social innovations are new practices for resolving societal challenges, which are adopted and utilized by the individuals, social groups and organizations concerned.«

Analytical definition by the Zentrum für Soziale Innovation, 2012

With reference to Schumpeter (‘Innovations are new combinations of production factors’)

→ »Social innovations are new combinations of practices«
<table>
<thead>
<tr>
<th>Areas relevant to social change</th>
<th>Examples of social innovations</th>
</tr>
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<tbody>
<tr>
<td></td>
<td><strong>Old / historic / previous</strong></td>
</tr>
<tr>
<td>Science, education and training</td>
<td>Universities; compulsory education; Kindergarten; pedagog. concepts e.g. Montessori ...</td>
</tr>
<tr>
<td>Work, employment and the economy</td>
<td>Trade unions; Chambers of commerce/labour; Taylorism; Fordism; self service</td>
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<tr>
<td>Technologies, machinery</td>
<td>Norms and standardisation; mechanisation of house keeping; traffic rules; drivers licence</td>
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<tr>
<td>Democracy, politics and justice</td>
<td>‘Attic democracy’: the state as a juristic person; general elections</td>
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<tr>
<td>Social and health care systems</td>
<td>Social security; retirement schemes, welfare state</td>
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Source: ZSI (2016), by Josef Hochgerner; adapted

EUROPEAN CENTRE FOR SOCIAL WELFARE POLICY AND RESEARCH
Social enterprises combine societal goals with entrepreneurial spirit.

These organisations focus on achieving wider social, environmental or community objectives.

The European Commission aims to create a favourable financial, administrative and legal environment for these enterprises so that they can operate on an equal footing with other types of enterprises in the same sector.

The Social Business Initiative launched in 2011 identified actions to make a real difference and improve the situation on the ground for social enterprises.

(Source: http://ec.europa.eu/growth/sectors/social-economy/enterprises_de)
Social economy & Social enterprises?

Social economy in the European Union:
- 10% of the European economy (GDP).
- More than 11 millions of workers, 4.5% of the active EU population.

Social Entrepreneurship in the European Union:
- 7.5% of the active population in Finland, 5.7% in the United Kingdom, 5.4% in Slovenia, 4.1% in Belgium, 3.3% in Italy, 3.1% in France, etc.
- 1 out of 4 new enterprise set-up every year in the European Union, and up to 1 out of 3 in Finland, France and Belgium.

(Source: European Commission, 2014, The Social Business Initiative of the European Commission)
“Social enterprises contribute to *smart growth* by responding with *social innovation* to needs that have not yet been met. For instance, many social enterprises take it for granted to encourage workers to learn and update their skills.”

(Source: European Commission, 2014, The Social Business Initiative of the European Commission)
Why partnership? And what is the link between social innovation & partnerships?

❖ Social innovations develop through the interaction of individuals in a creative learning environment.

❖ Social innovation thus must be understood as a cooperative and reflective process that is directed and guided by actors.

❖ Social innovations often grow in partnership between the private, the public and the civil society.

(Source: Si-Drive project; Scoppetta, 2015)
**What kind of partnership?**

<table>
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<tr>
<th>Strategic Orientation</th>
<th>Operative Orientation</th>
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<tr>
<td><strong>Aims</strong></td>
<td>To share information and to discuss topics relevant to the employment services system.</td>
</tr>
<tr>
<td><strong>Forms of agreement</strong></td>
<td>Informal: Mutual agreements</td>
</tr>
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<td><strong>Examples</strong></td>
<td>Policy forums, strategic platforms, networks, consultations, etc.</td>
</tr>
<tr>
<td><strong>References</strong></td>
<td>Cooperation model (model 2) provided that policy coordination is practiced.</td>
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Evidence-based policy and practice: An example

**Austrian TEP model (Territorial Employment Pacts)**

<table>
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<tr>
<th>Innovations of the TEPs (Priority 3b)</th>
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<tbody>
<tr>
<td>Improved interface between labour market and social policy</td>
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<td>Methodical innovations</td>
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<td>e.g. New and interlinked measures, integration chains, mix of actions and target groups (holistic approaches)</td>
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<td>Process innovations</td>
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<tr>
<td>e.g. Modifications in communication (effective, transparent information flows between actors involved) as well as adaptations in project &amp; programme management to achieve efficient operations and services</td>
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<tr>
<td>Systemic innovations</td>
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<tr>
<td>e.g. Restructuring data and interface management for social welfare beneficiaries</td>
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<td>Structural innovations</td>
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<td>e.g. Pilots for One-Stop-Shops (one support point) for persons concerned (pioneering demand-oriented minimum wages)</td>
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9 region-wide TEPs plus sub-regional structures with the aim of coordinating measures by linking policies and develop implement innovative measures for the integration of marginalized groups (Since 2014: ESF funding reduced; some TEPs still active)
“The Great Transformation”

Karl Polanyi, 1944:
Economic processes separate from society, dominate social relations instead of being regulated to benefit societal needs

„Society becomes an annex to the economy and market forces.“

The utmost concern of social innovations in the 21st century:
To apply the vast economic potential of the „knowledge society“, as part of society, serving more distributive justice instead of accelerating social inequality.

Source: ZSI (2016), by Josef Hochgerner
Key Learnings
Obstacles to social innovations & partnerships

Obstacles to social innovations

❖ traditional risk-averse and cautious organisational cultures of administrations;

❖ closed systems which favour single-issue solutions developed within clusters of organisations lacking mutual awareness, communication, networking and trust;

❖ fragmented capacities (resources, infrastructures and intermediaries) and skills (training, design tools, monitoring, validation and evaluation)

(Source: European Communities 2011; 'BEPA-Study')

Partnership’s added value (at best):

❖ solution-oriented community cultures (administrative burdens are overcome ongoingly);

❖ open systems, which aim at jointly developed solutions, whereas mutual beneficial cooperation, transparent communication and trust is apparent;

❖ resources (know-how, infrastructure) are bundled to the benefit of all involved (partners, beneficiaries, society)
Some key learnings on partnerships ...

❖ **Building up trust needs time**: Setting up multi-stakeholder partnerships (cross-sector; interdisciplinary) is not an easy task and requires efforts and time to develop trust between the partners.

❖ **Hear the unheard voices**: Target group involvement (service users) ensures that initiatives meet “real” needs.

❖ **Come out of the silo**: Dialogue and constructive engagement between all key players (social partners, NGOs, academia, etc.) is necessary for creating an enabling environment for change.

❖ **Be creative and stay motivated**: Partnership work requires openness and passion for collaboration since many obstacles are to be passed on the way...

❖ **Dependency on funding: focus on sustainability**: Austrian TEPs and others from the EC initiatives, such as TEPs and EQUAL disappeared partly over time due to a lack of central funding.

❖ **Neutral coordination/Broker’s are a helping hand**: Competent and reliable partnership brokers/intermediaries can “cement” relationships, support partnerships as they develop and share lessons from them.

Source: Stott & Scoppetta, ESADE Conference 2013
Conclusions
Our societies are confronted with societal challenges such as climate change, demography, health, etc. that cannot be solved by single working institutions on their own. The lessons learnt on analysing social innovations tell us that in order to contribute to solving the societal challenges the following is required:

- Vivid interaction between different players such as the public, the private and the civil society (the creative industry has an important role to play in cooperation with the others!)
- Social Innovation-Ecosystem, SI-Infrastructure, SI-Funding
Both, social innovations and partnerships are practices (methods/approaches) to help solving societal challenges. The root causes of the societal challenges, however, are not at all targeted.

As root causes of the societal challenges we need to discuss the unequal distribution of wealth (globally as well as within Europe), the lack of future prospects in deprived regions, the growing divide between the rich and the poor, the have and the have-nots, the skilled and the low-skilled, the digitals and the non-digitals, ...

More and more pressure is put on the welfare systems (austerity policies, benchmarking the social dimension, harmonisation of the social systems).

Instead of focussing on structural reforms, fostering European solidarity should be in the focus.

We can and need to drive our economy as integral part of our society towards more distributive justice!

Towards a Social Europe!
Thank you!

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