



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.

(Source: <http://ec.europa.eu/programmes/horizon2020/en/h2020-section/societal-challenges>)



WHY *SOCIAL* INNOVATION ?



>> *Cultural Evolution*

»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«



Areas relevant to social change	Examples of social innovations	
	Old / historic / previous	New / current / future
Science, education and training	✓ Universities; compulsory education; Kindergarden; pedagog. concepts e.g. Montessori ...	✓ Technology enhanced learning; 'micro-learning', Web 2.0; Wikipedia; 'science mode 2'
Work, employment and the economy	✓ Trade unions; Chambers of commerce/labour; Taylorism; Fordism; self service	✓ Flextime wage records; CSR; social entrepreneurship; diversity mgmt.; collaborative consumption
Technologies, machinery	✓ Norms and standardisation; mechanisation of house keeping; traffic rules; drivers licence	✓ Open source movement (communities); self constructed solar panels; decentralized energy prod.
Democracy, politics and justice	✓ 'Attic democracy'; the state as a juristic person; general elections	✓ Citizens participation; 3 rd sector; equal rights; gender mainstreaming
Social and health care systems	✓ Social security; retirement schemes, welfare state	✓ Reforms of financing and access to welfare (e.g. 'birth right portfolio')



Source: ZSI (2016), by Josef Hochgerner; adapted

Social innovation & Social enterprises?

- ❖ 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 innovation & Social enterprises?

“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?

			Forms of relationship		
			Cooperation	Coordination	Collaboration
			Loose relationship		Close relationship
			Characteristics: information is shared, informal or formal	Characteristics: some joint planning, intensified communication and closer working relationship	Characteristics: joint objectives and decision making, shared commitment, developed partnership
<div>Multi-stakeholder arrangements of PES</div> <div>↕</div> <div>Arrangements between two or three partners</div>	Strategic Orientation	Aims	To share information To discuss topics To network	To jointly develop policy areas To solve (cross-policy) problems To elaborate future partnerships	<ul style="list-style-type: none"> To improve strategic planning and policy delivery To contribute to systemic change by sharing responsibility
		Forms of agreement	Informal: Mutual agreements	Informal/formal: Memorandum of Understanding, codes of conduct, guidelines	Formal (legally binding): Partnership agreements, pacts, multi-lateral contracts
		Examples	Policy forums, strategic platforms, networks, consultations, etc.	Involvement in social dialogue, Councils, Committees, Boards, etc.	Strategic partnerships such as Structural Fund Partnerships in Sweden and the Territorial Employment Pacts in Austria
		References ¹⁴	-	Cooperation model (model 2) provided that policy coordination is practiced, Coordination model (model 4)	-
	Operative Orientation	Aims	<ul style="list-style-type: none"> To exchange information about particular services To update knowledge To integrate skills into PES 	<ul style="list-style-type: none"> To coordinate services To explore possibilities To balance options 	<ul style="list-style-type: none"> To jointly improve specific (employment) services To enhance employment options To boost social inclusion
		Forms of agreement	Informal/Formal: Mutual agreements, contracts in case of contracting out of services	Informal/formal: Agreements between parties	Formal (legally binding): Partnership agreements, pacts, multi-lateral contracts
		Examples	Meetings between parties, contracting out, outsourcing of the delivery of PES services, etc.	Coordination of skill supply and demand in a territory, etc.	Service partnerships such as the Local Employment Partnerships in the UK and Public-Private Partnerships of various kinds
		References ¹⁴	Capacity Building model (model 1), Cooperation model (model 2), Integration of skills (model 3).	Cooperation model (model 2) provided that policy coordination is practiced, Coordination model (model 4)	-

(Source: Scoppetta, A. (2013): Successful partnerships in delivering public employment services (Analytical Paper), DG Employment, Social Affairs and Inclusion (ed.), PES to PES Dialogue The European Commission Mutual Learning Programme for Public Employment Services)



Evidence-based policy and practice: An example

Austrian TEP model (Territorial Employment Pacts)



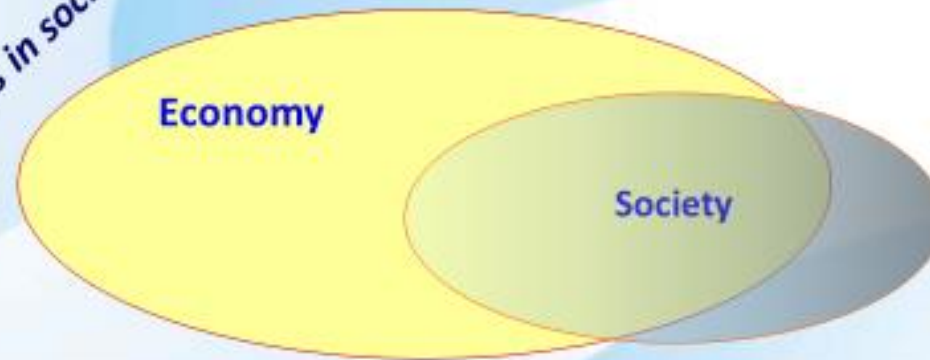
9 region-wide TEPs plus sub-regional structures with the aim of coordinating measures by linking policies and develop implement innovative measures for the integration of marginalized groups (Since 2014: ESF funding reduced; some TEPs still active)

“The Great Transformation”

Karl Polanyi, 1944:

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

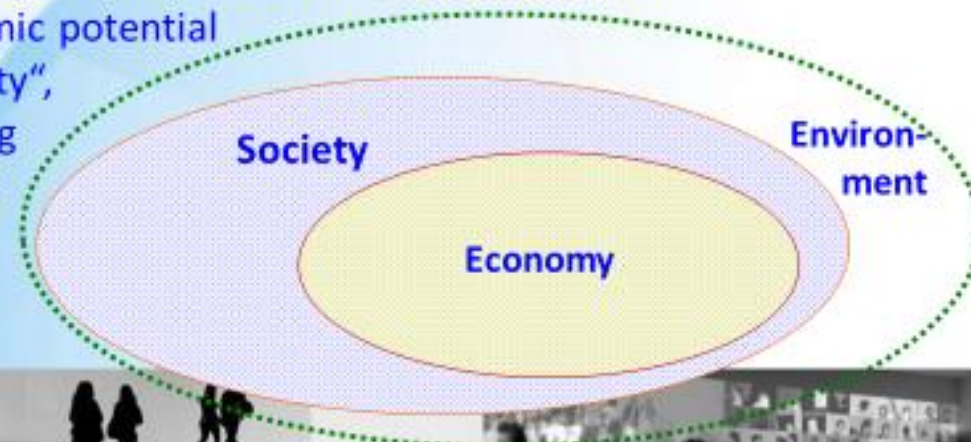
Stress in social systems



„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***

Social innovations
are not „good“ per se!

Transfer of the responsibility of the public
to the market/the civil society!

- ❖ 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 haves 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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