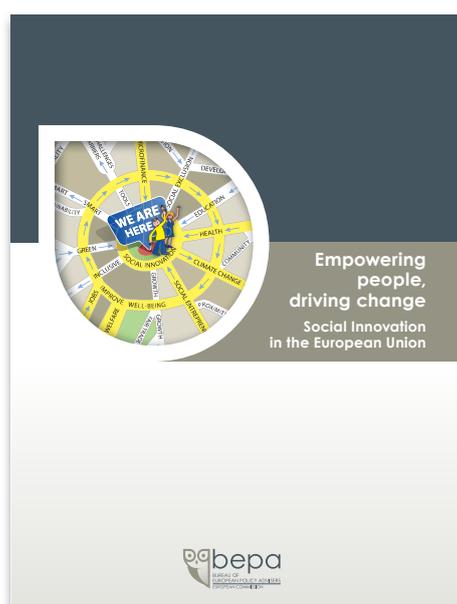


# THE FUTURE OF SOCIAL INNOVATION IN THE EU

## THE CASE FOR A EUROPEAN INSTITUTE FOR SOCIAL INNOVATION

The European Union (EU) has provided an essential leverage capacity for the emergence of Social Innovation. Drawing from the experience of the last decade on Social Innovation in EU policy making and from the institutional support given to innovative policy issues in other sectors, this article makes the case for the creation of a dedicated European institute for Social Innovation.

*Agnès Hubert*



Title of the BEPA Report: Empowering people, driving change. [2]

“Ensuring institutional continuity and political support” is one of the requirements which appears recurrently when Social Innovation is concerned [1, p. 19]. This was also a motto of Jean Monnet when arguing for a united Europe. But political support is highly solicited these days and the way Social Innovation shows signs of drifting – in parts – off the European agenda is a cause for concern.

In this article, the institutional setting in which Social Innovation has grown in European institutions is reviewed and the case for a European institute for Social Innovation as a way to consolidate progress, develop new modes of governance, and reach the transformative stage of Social Innovation is made.

## SOCIAL INNOVATION IS A EUROPEAN ISSUE

The revival of attention for Social Innovation at EU level is attached to the urge to respond to the social damages of the 2008 crisis, when public budget deficits and pressing social needs acted as accelerators for the development of initiatives to prevent social exclusion and maintain the provision of services. But Social Innovation is not as simple an idea as replacing public spending by the voluntary work of charities or business dynamism. A decade of experimentation and research has brought evidence that Social Innovation can be a transformative process towards a new paradigm of growth. It has the potential to provide answers to address social and ecological challenges as well as political disenchantment and lack of trust.

But while we see plenty of small successful initiatives to address urgent social demands directed towards vulnerable groups in society, the more systemic approach “to transform society in the direction of a more participative arena where empowerment and learning are sources and outcomes of well-being” [2] are slow to start and in need of continuous institutional support upheld by a political vision.

## THE SLOW CONSTRUCTION OF A SOCIAL INNOVATION POLICY

A stakeholder workshop with the President of the European Commission in 2009 was a starting point for the development of a wave of Social Innovation in European policies. Political attention was brought to the vitality of the sector, the problems encountered and to the transformative potential of Social Innovations. After this workshop, Social Innovation spread in all the relevant EU policies, responding to the

call of civil society for more EU action in this field: creative initiatives were burgeoning, out of a tradition of social economy organisations. They were looking for recognition, exchanges and new rules and resources to be deployed at European level.

The institutional mobilisation in the European Commission crystallised in 2010 around the new ten years growth strategy: “Europe 2020 for a smart, green and inclusive Europe”, with targets to be reached by 2020 for employment, research, energy and climate change, education, poverty reduction and social inclusion. Social Innovation found a fertile ground in this policy exercise and commitments to grant it programs and resources flourished.

Around 2010, ideas, interests and institutions opportunistically came together to push EU policies to integrate Social Innovation as a significant component. The work of a specific group in the services of the Commission helped to insert Social Innovation in the key initiatives and brought legitimacy and resources to actors inside and outside institutions.

In this period, the European Union deployed its resources in many fields, including in structural initiatives like the “partnership on active and healthy ageing”, to add two healthy and active years to the lives of people. Also in 2011, the social business initiative (SBI), strongly backed by three commissioners, took up the challenge of strengthening the social economy by taking action to improve the recognition of social enterprises, simplify the regulatory environment and the access to funding. It culminated in a large meeting of stakeholders who signed the Strasbourg declaration in January 2014.

## UNFINISHED BUSINESS

Addressing social demands by the contribution of dynamic and imaginative charities and social entrepreneurs, with the occasional contributions of generous donors, is not a sustainable way to address the societal challenges of our time. The commitments to Social Innovation made by the Commission as part of Europe 2020 and later its social investment strategy provided many of the elements of an agenda for change, ranging from supporting networking and funding for grass root Social Innovations and social entrepreneurs to experiments of social policy instruments, research in methodologies and changes in governance modes in order to recognise social policies as an investment in the future. These commitments were embedded in policy documents and their contribution to the reform of social policies and to behavioural and systemic changes were promising, going as far a revival of the debate on indicators of growth “beyond GDP” initiated by the Commission in 2007.

Unfortunately, by 2015, the failure to reach the mid-term targets set for the Europe 2020 strategy, justified strategic changes and President Juncker, who took office in 2015, decided on different policy priorities. While it can be argued that the two defining documents of the recent period, the Commission’s “White paper on the future of Europe” and the “European pillar of Social Rights”, stress the social nature of the challenges facing the European Union, the institutional construction and political attention which boosted developments on Social Innovation vanished.

## THE CASE FOR A SOCIAL INNOVATION INSTITUTE

The institutional construction for Social Innovation entailed **governance instruments** (a permanent inter service group, policy guidance by a group of commissioners, initiatives to power public sector innovations, European innovation partnerships, reform of public procurement), **financing capacities and facilities** (a specific programme, access to venture capital, a regulatory framework for social investment funds, Microfinance and crowdfunding, an impact investing scheme), **capacity building instruments** (prizes, mapping of social enterprises, a data base of labels and certifications, incubators and networks, a collective awareness platform initiative, digital innovation platforms, multi stakeholder platform for corporate social responsibility, skills development and exchange) and **research** (financing of research and pilot projects) [3]. Some were embedded to stay and others were left to vanish.

The need for a stable structure to pursue a “transformative agenda” was mentioned in the Strasbourg declaration. Also, drawing on lessons from the experience of other transformative policy objectives (e.g. gender equality) and given the political nature of internal instruments (group of



Title of the BEPA Report: Social Innovation. A Decade of changes. [3]

An institute would be the natural place to develop new modes of governance, to ensure appropriate financing is available, to engage with stakeholders and policy makers for capacity building, and to be a resource centre for data and research.

commissioners, inter service groups), the option for a sustainable European effort to develop Social Innovation, is the creation of an independent institution in the shape of a European Institute (or agency). This would have to be confirmed by a feasibility study [4], however given the political and administrative investments done so far and the reaffirmed need to find innovative solutions to the challenges faced by European economies and societies, an institute would be the natural place to develop new modes of governance, to ensure appropriate financing is available, to engage with stakeholders and policy makers for capacity building, and to be a resource centre for data and research.

### WHAT IS A EUROPEAN INSTITUTE (OR AGENCY)?

There are now over 40 EU agencies that are distinct from EU institutions, and have been set up to accomplish specific tasks, such as promoting environmental protection, transport safety, multilingualism or gender equality. They span over Europe and are providing services, information and know-how to the general public. Each agency has its own legal personality. Some answer the need to develop scientific or technical know-how in certain areas; others bring together different interest groups to facilitate dialogue at European and international level.

The largest wave of European agencies came at the turn of the century. The literature on European integration and governance highlights three types of reasons behind the creation of EU agencies in the early 2000: (1) to improve the legitimacy of decisions, (2) to ensure the continuity of policies against the changing preferences of successive political majorities and (3) to cope with the increased size of the EU which ends the time of consensual decision making process used so far.

In a functional perspective, the literature on the role of epistemic communities on policymaking and expertise in the European Union [5] raise three principles for policy making which confirm the appropriateness of an agency for a European Social Innovation policy:

- a policy development must be based on verifiable and reliable data, and grounded in **expertise**
- a policy must be able to garner support even beyond its immediate constituency: **participation and legitimacy**
- a policy needs to remain clearly circumscribed and identifiable: **specificity**.

### EXPERTISE

The development of EU wide knowledge on Social Innovation has so far been developed mainly by academics and practitioners within large and small research projects and occasional policy experiments within the boundary of administrative regulations. Evidence and theoretical insights produced have shed light on the need to monitor fast moving policy developments in their diversity, to empower networks to explore areas beyond the boundaries of traditional policy making and avail resources to experiment. No doubt that a small and reactive body as an institute would be fitter to fill in these tasks and act as a resource centre for data and knowledge than many different silos in administrations.

### POLITICAL PARTICIPATION AND LEGITIMACY

As EU policy-making has become more complex, due to the diverse situations amongst and within its member states, citizens are at an increasing loss and legitimacy is sinking, fuelling a need for change and to empower citizens. Social Innovation is both a space to “make people gain the feeling that they can influence their surrounding and the direction of events” (TRANSIT) and a way to produce legitimacy through its social aims.

### SPECIFICITY

In the early stage, the need to recognise Social Innovation with a single definition seemed a condition for its success but almost a decade later, research and practice have produced a complex picture of different types of Social Innovations, from the practical answer to a punctual issue (e.g. the creation of a social enterprise to serve the needs of a community) to culturally disruptive and transformative initiatives on a large scale (e.g. the circular economy). Battles of definitions will continue to surround Social Innovation, a “quasi concept” according to Jane Jenson [6], where being polysemous is a strength.

### HOW TO PROCEED?

Agencies are mostly funded by EU budget, and the ordinary legislative procedure applies to their establishment. Decentralised agencies were set up to respond to emerging individual policy needs. They are heterogeneous in nature,

size and goals, which, despite efforts to harmonise their regulations, do not comply with “one size fit all” rules. Their only bible is a “non-binding common approach to EU agencies” agreed on in 2012, after a long institutional controversy, leaving a decent amount of flexibility to fix ad hoc objectives, size, structure and scope for a European Social Innovation Institute.

## CONCLUSION

There has been steady progress in building up institutional support for Social Innovation in the last decade at European level. The EU has been able to act as a catalyst in developing initiatives, instruments, projects and research to support new ways to address societal challenges. Initially, Social Innovations were seen as participative instruments to respond to new needs which were not addressed by the state or the market. However, it has grown into a promise to “empower people and drive change”.

Digital developments are not the least reason to continue exploring the potential of Social Innovation as a transformative process. Inequalities, changes in family

structures and the labour market, the mitigation of climate change and populist attacks on democracy are interlinked challenges which are weakly addressed by traditional policy making and where Social Innovation works at its best.

Drawing from the experience of other transversal policy fields (gender equality), the creation of an autonomous institution in the form of a Social Innovation institute, is necessary for the continuity of the policy but also to preserve its specificity, mobilise its epistemic communities and assert its legitimacy. The idea is not to discharge institutions of their responsibility to develop innovative policies but on the contrary to support and advise them in their tasks by experimenting on policies co-designed with an active citizenry.

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